

ANNUAL REPORT & FINANCIAL STATEMENT

1 April 2019 - 31 March 2020



WEDNESDAY



A9XJLM62

A09

03/02/2021

#144

COMPANIES HOUSE

Who are we?

600 million people in sub-Saharan Africa are having their day cut short. If they don't rely on dangerous sources of light, they will not be able to work, study or socialise once the sun has set.

We are working to change this. We believe light changes everything and our mission is to End the Darkness.

Solar lights are safe, clean and affordable. It is a small, but smart innovation which gives off hours of light in the evening so families can earn, learn and feel safe after dark. Just one lamp can transform the future for an entire family and is the first step out of poverty.

Over the past 14 years, SolarAid have distributed over 2 million solar lights across Africa, reaching 10.5 million people with clean, renewable light.

No one should be left in the dark.

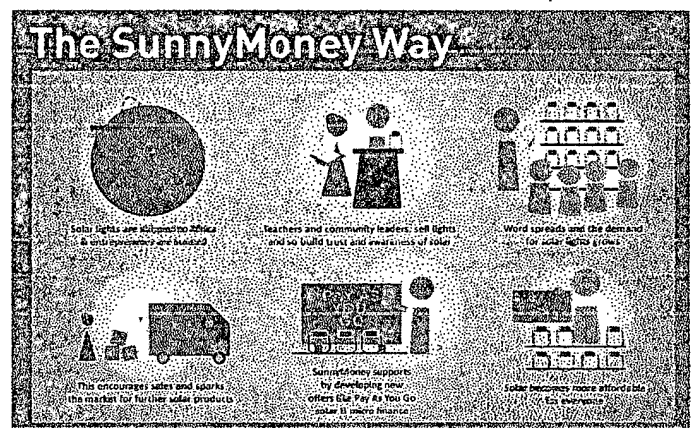
SunnyMoney: Our Social Enterprise

We believe that **universal access to renewable energy** is the best way to **alleviate poverty**. The best way to ensure universal access to energy is by building local, **sustainable businesses**.

SolarAid does **charity** differently. We have adopted a model where we create a local **market** which allows our solar lights to reach those places and the **people** that the traditional market does not reach. It gives our beneficiaries **ownership** over their lights. We believe in **Trade not Aid**.

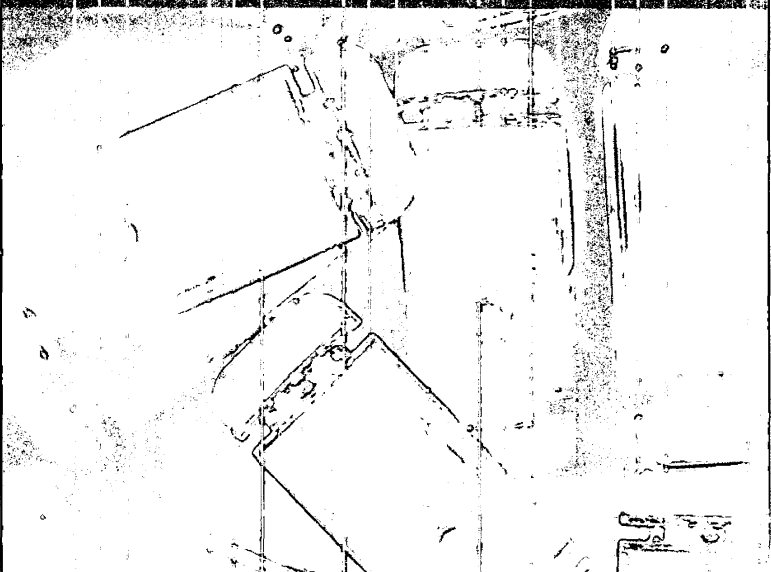
Our Social Enterprise SunnyMoney was set up in 2008 and is one of the main sellers of solar lights in Africa. SunnyMoney Agents travel to remote rural communities to make clean light available where there were previously only unhealthy and expensive alternatives, like kerosene lamps and candles.

Learn more about the SunnyMoney Way [here](#).



CONTENT

Who are we	1
Welcome from our Chief Executive	3-4
Our teams and where we work	5
Powering Healthcare	6
School Campaigns	7
Entrepreneurs	8
Solar Aid's impact in 2020	9
2019-2020 Highlights	10-11
The COVID-19 response	12
Lacking Solar waste	13
The SDGs: 10 years left	14
2020-2021 Plans	15
Thanks	16
Key Policies and Processes	17-20
Structure, Governance and Management	21-22
Trustees' responsibilities	23
Auditors	24
Trustees, the advice of, committee & professional advisors	25
Independent auditor's report	26-28
Consolidated statement of financial activities	29
Consolidated balance sheet	30
Statement of cash flows	31
Notes to the consolidated accounts	32-42



Welcome from our Chief Executive

Looking back at the past financial year means looking back at a world pre-COVID. We were busy innovating, developing and implementing projects all with the same goal: To help create a world in which no home, no school and no clinic is left in the dark, without access to clean, safe, renewable, light and power.

As the financial year drew to a close, the Covid-19 pandemic started to spread across the globe. A stark reminder of how vulnerable life is, particularly for people living without access to modern levels of healthcare.

The majority of rural health clinics across Malawi and Zambia were operating in the dark as the pandemic spread. We and our supporters acted quickly, launching our Moment of Sunshine emergency response, as we sought to bring light and power to health workers and facilities. At the time of writing, this pandemic is still spreading and it is clear that many countries are having to face this emergency with limited resources. Access to electricity has a fundamental role to play in helping societies get through these difficult times.

Access to light and electricity is not vital only during emergency responses, however. It is an essential, everyday, minimum requirement as we fight poverty in homes, schools and clinics.

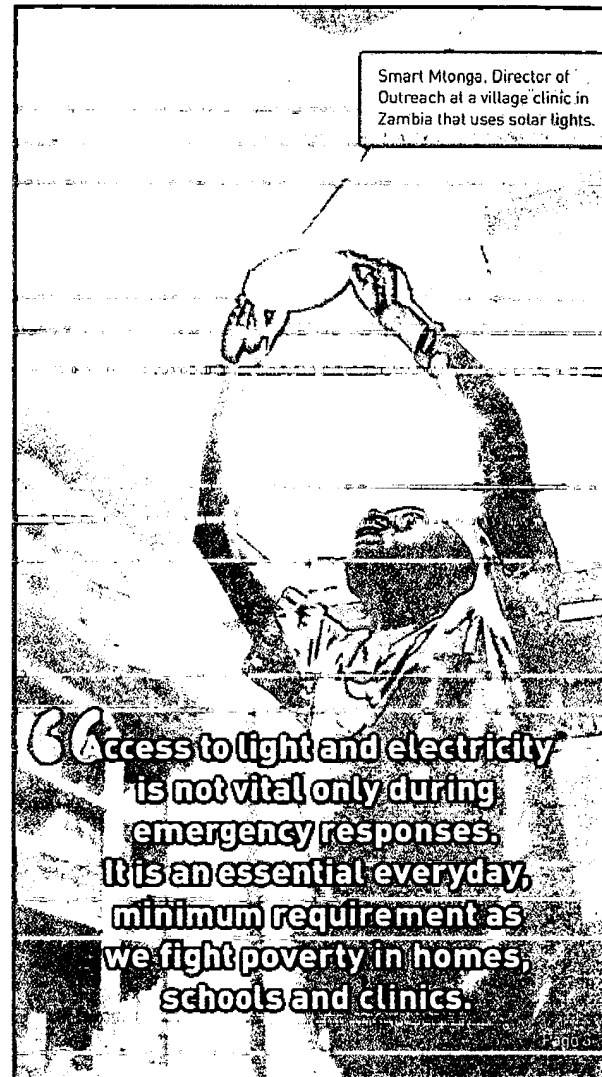
Without urgent action, communities across sub-Saharan Africa, will remain trapped in poverty and those who contributed least to climate change, will continue to be hit the hardest.

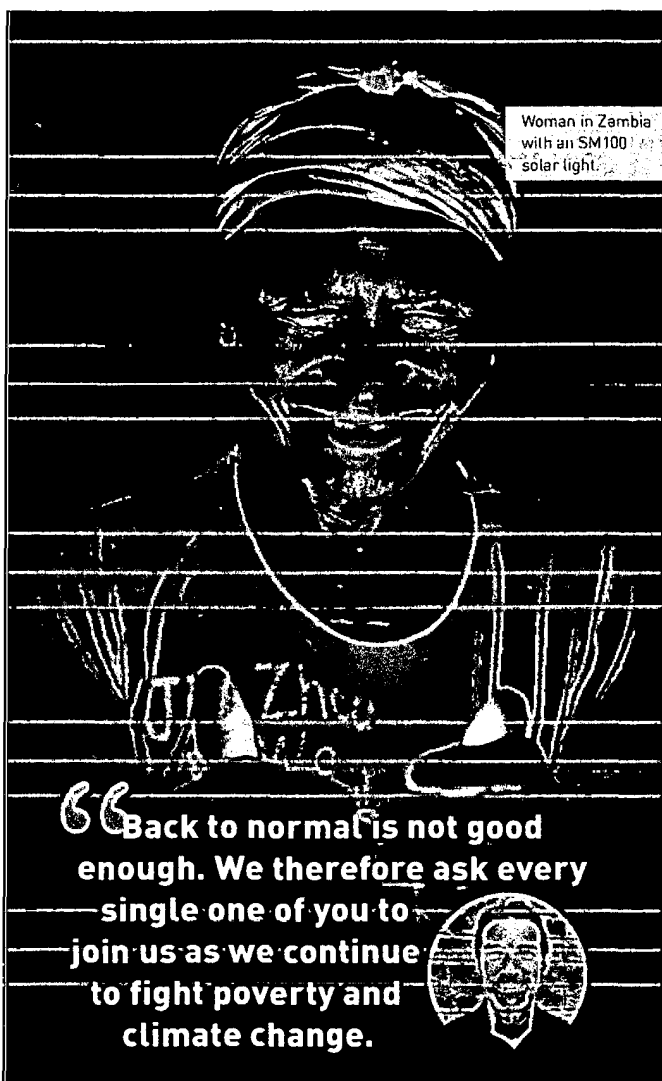
Without urgent action, the UN's Sustainable Development Goals are heading for failure. A quick look at the SDGs will quickly show how essential electricity is for achieving the majority of them. SolarAid's work alone, which focuses on increasing access to light and electricity, contributes to 12 of the UN's 17 SDGs.

The bottom line is that access to electricity is a cornerstone of modern economy and society. We firmly believe that without access to reliable light and power, we will not be able to achieve universal access to modern healthcare, education and eradication of poverty.

With the clock ticking, we have 10 years to bring the following statistics down to zero:

- 600 million people are forecast to be living without access to electricity in Africa in 2030.
- 3 out of every 4 health facilities across sub-Saharan Africa are without reliable access to electricity.
- Millions of students across the continent frequent schools without access to light and electricity to help power their education.





Now is the time for urgent and definitive action. That's why, at SolarAid, we've committed to End the Darkness. By the end of this decade: No one in Africa will be left in the dark. That means: No home. No school. No clinic.

This report details all the work we have been doing over the past year. Looking back, we are proud of how far we have come already. It's humbling to hear the stories of lives that have changed thanks to access to light. Like Derrick, who is now renting a solar light through his school light library and has become the best student in his school, or Sister Yvonne, who no longer has to deliver babies by candle light.

These are the people who inspire us to keep scaling up our projects in the years to come. This includes:

- Scaling up our plans for light libraries in rural schools. No child should be forced to turn to dangerous candles or kerosene to study after dark.
- Developing our new powering healthcare programmes. Through plug and play solar systems and the latest energy efficient medical appliances, we can bring access to modern healthcare services to rural healthcare facilities for the first time.
- Continuing to introduce new innovations and products. These support solar entrepreneur networks, helping bring light and power to rural communities who are otherwise being left behind.
- Implementing our repair project in Zambia. By helping increase product lifespan and reduce e-waste, we can develop best practice as an example for others to follow.

While focusing on these innovative projects to bring light to those left in the dark, we are keeping a close eye on the spread of the pandemic throughout Africa. Our first and foremost priority is to make sure our teams and the people we work with are safe.

Many people understandably ask the question: When will the pandemic pass so that things can go back to normal? We, like you, hope that the answer is, soon. However, we also know that, for vast populations living in poverty, without access to electricity. Back to normal is not good enough. We therefore ask every single one of you to join us as we continue to fight poverty and climate change and for a world where not just some people have access to clean, renewable, energy, but a world where everyone does.

Together, we can End the Darkness.

John Keane
John Keane,
CEO SolarAid

Our teams and where we work



Zambia

273,491

solar lights distributed

1,641,766

people reached with solar

1,230,158,963

extra child study hours

113,530.8

CO₂ emissions averted

£10,966,680

saved for families

166

agents*

16

staff members



Malawi

277,852

solar lights distributed

1,450,387

people reached with solar

587,572,791

extra child study hours

145,257.5

CO₂ emissions averted

£7,867,630

saved for families

174

agents

26

staff members



Current Projects
Past Projects
Partner Projects
Page 4

Powering Healthcare

Without access to electricity, health facilities are unable to provide access to modern healthcare. Yet, an estimated 3 out of every 4 health facilities across sub-Saharan Africa lack access to reliable electricity, and 1 in 4 are without any electricity at all. Millions of people, in particular children, women and the elderly, are left vulnerable. This is yet another face of poverty limiting lives and potential.

As we continue our fight against poverty, SolarAid has committed to ensuring that no clinic in Africa is left in the dark, without access to light and power. We believe that solar power has a vital role to play in helping solve this problem.

We recognise, however, that many well-meaning solar projects which have sought to address this problem in the past have failed to find long lasting solutions. This is largely due to systems failing over time, with limited access to the technicians, finance and spare parts necessary to ensure they remain operational. Technological developments in recent years now offer the opportunity to overcome such challenges and change the narrative once and for all.

Newly developed plug and play solar systems, which do not require solar technicians to install them, offer the prospect of providing a rapid and low cost solution to the challenges facing many rural health facilities. These systems are more efficient than traditional solar systems. They use long-lasting batteries which make use of the latest technologies, and can be used to power the increasing range of energy efficient medical devices, such as: medical grade lighting, fetal dopplers, neonatal thermometers and pulse oximeters.

Working together with local health partners, we are developing programmes which aim to demonstrate that plug and play solar systems and handheld medical appliances, can be used to develop a sustainable, replicable and scalable model through which rural health facilities have improved access to a wider range and higher quality of healthcare services.

Solar lights are being used during night time at Luke's Hospital in Zambia.

1 in 4 health facilities in Africa are without light and power. We can change this.

School Campaigns

In 2010, in Tanzania, SolarAid and SunnyMoney really 'cracked the code' of how to most efficiently and effectively provide access to solar lights for rural communities.

The team started to promote solar lights through schools. As trusted members of their community, we noticed that head teachers were perfectly placed to introduce solar lights. Teachers tell the children, children tell their parents.

Since 2010 we have continued working with school campaigns. Through our partnership with the Ministries of Education in Zambia and Malawi, we gather head teachers from across rural regions where there is little or no knowledge of solar lighting. At these meetings, we demonstrate the benefits that solar lights could have for the community. Each head teacher then takes a solar light back to present to the community. The desire to give their children a good education sparks a community's interest.

By working with us for just a few hours a week head teachers' incomes increase while enabling their students to do better in school.

Onide Cagajou, Field Coordinator in Zambia, says, "I started noticing that more parents were buying lights for their children to use for school, and a few children had saved money themselves to buy a solar light. Seeing this change happen with more parents and children - realising the positive impact a solar light can have on their lives has really given me hope for the future of people living in the rural areas we go to."

Nykaningi Primary School in Zambia has a solar light library.



At home I used to use candles and batteries to study, but it's dangerous. During the holiday my dad bought a solar light. I now study every evening, and even in the morning! I want to be a journalist and go all over the world.



Chris, student,
Makataka Community School, Malawi

Entrepreneurs

At SolarAid, we believe in 'trade-not-aid'. We believe the best way to make long-lasting change is through creating a local market. We do this by training and supporting entrepreneurs, known as Agents, to sell solar lights. Not only does it create sustainable income and business opportunities for the Agent, it creates customers rather than beneficiaries.

Although the Agent structure differs between countries, what they have in common are SunnyMoney teams working tirelessly to support the Agents with their business as well as educating and training new Agents.

The Agent model creates possibilities for us to reach those at the very last mile. To help with this, innovative solutions are constantly being developed and tested. In Malawi, we have just set up a microfinance cooperative for Agents, run by Agents so they have access to finance at half the national interest rate.

This 'trade-not-aid' model has been instrumental in developing sustainable income for SunnyMoney Agents whilst simultaneously developing markets for solar products in Africa.



This light is better than the one I had before.
I don't have to buy expensive batteries anymore.
Now, sometimes I don't go home,
I can stay here and work.

- Doris Phiri,
Luangwa Night Market, Zambia

SolarAid's Impact 19/20

63,354



solar lights distributed

£2,545,551



saved by families

29,542.7



tonnes of CO₂
emissions averted



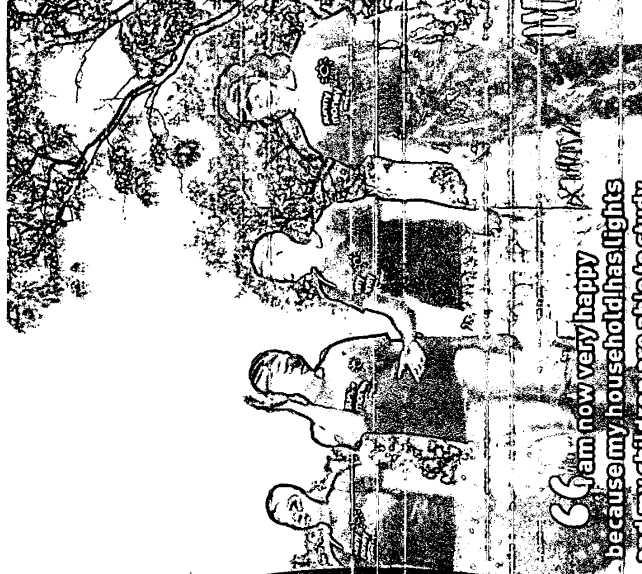
213,173,624

extra study hours

356,728



people reached with solar light



**"I am now very happy
because my household has lights
and my children are able to study."**

**- Bayo Bureleko,
Customer in Zambia**

The Shikolundu
Ladies are solar light
Agents in Zambia.

Bayo

2019-2020 Highlights

Reducing Solar e-waste

SolarAid is committed to extending the life of solar products, enabling repair and reducing levels of e-waste. Recognising these commitments, SolarAid was awarded the Global LEAP E-waste challenge award to pilot a take-back scheme, work with local repair shops and launch a mobile app to support repair diagnostics. This pilot is being delivered in partnership with the University of Edinburgh. Initial results will be shared in late 2020.

COVID-19 Response

The outbreak of coronavirus caused an immediate pivot in our work to ensure our staff were protected and we were doing everything we could to support the efforts in Malawi and Zambia.

We partnered with the respective Ministries of Health to donate thousands of solar products to health workers and facilities across both countries. Your support enabled us to launch our Moment of Sunshine campaign quickly and make a difference. Thank you.

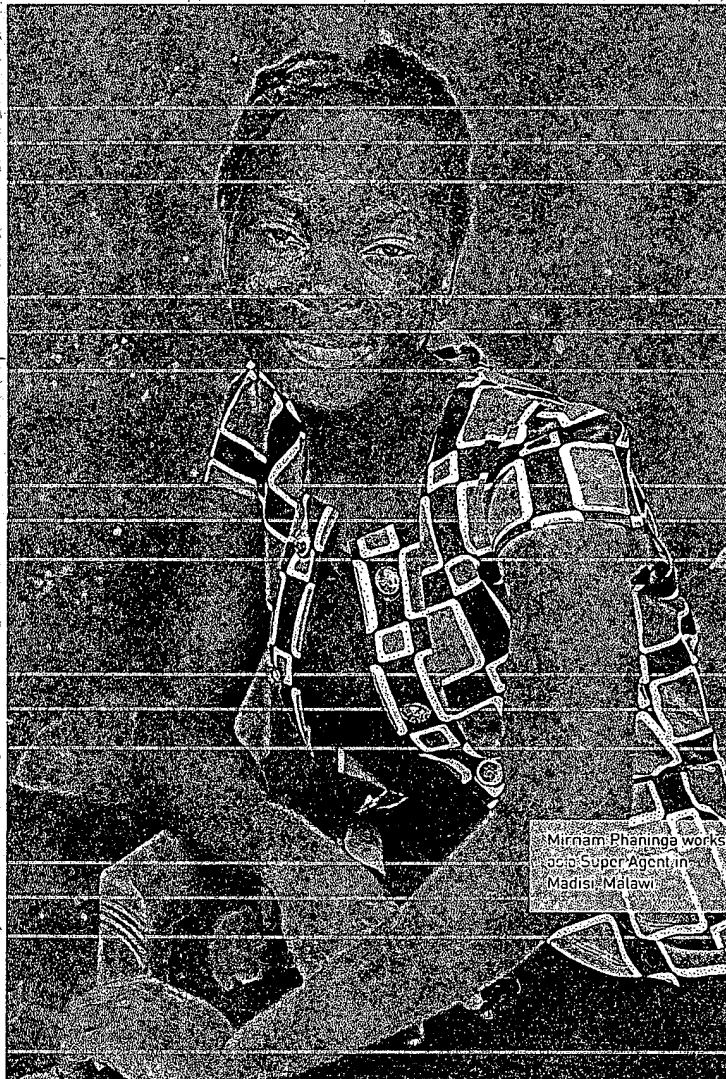
Project Switch

The pilot of this new innovation was launched in rural Mandevu village, Malawi. It is a community based energy-hub where we have been testing ways to reach as many people in the community as possible as we seek to wipe out candle use once and for all. The hub is up and running, candle use is declining and we'll be sharing more results in late 2020.

Light Libraries Malawi

With a renewed focus on reaching those who struggle to afford a solar light, we have launched new Light Libraries in Malawi. These libraries enable students to access lights through their local schools. They are designed to remove financial barriers for the poorest community members so that everyone can benefit from solar lighting.





FEBCO & Microfinance

Limited access to finance means that many entrepreneurs struggle to scale their fledgling solar businesses. As a response, we have set up the first energy co-operative in Malawi - called FEBCO (Financing Energy Business Co-operative). This enables entrepreneurs to access the capital they need to buy more solar stock and serve more people.

This innovation is now being supported by the Global Distributors Collective and Lendwithcare and we will be sharing the model, so others can replicate it.

Super Agents

We now have 17 energy businesses owned by Super Agents in Malawi. Super Agents are entrepreneurs who are choosing to invest their money to own an energy business.

These businesses are essential to delivering our energy access plans in Malawi. 46 energy businesses is the goal to cover 100% of Malawi.

Elle Solaire

We continued our support for Elle Solaire in Senegal, as they support energy access in rural Senegal through their network of female entrepreneurs.

Energy Globe Award, Malawi

SolarAid won the Energy Globe Award for the third year running for having the best energy project in Malawi.

60 Decibels

We partnered with the impact measurement company on three research projects to better understand our customers and agents. It is essential for us to hear the voice of the customer. 60 Decibels presents actionable insights to improve our service to them.

We were mentioned as a 'Super Hero in Action' in their first sector wide report due to our high impact when benchmarked against their whole portfolio.

The COVID-19 Response

Since COVID-19 pandemic started to spread across the world, Solaraid together with our supporters acted quickly. After taking other measures to make sure that our teams were safe, we spoke with national health authorities and WHO together with COVID-19 rapid response team.

With all health facilities across Malawi and Zambia operating without access to electricity, such that they are plunged into darkness each night, and with health workers tasked with keeping health and community centres open as far as possible, we were looking for a way to help.

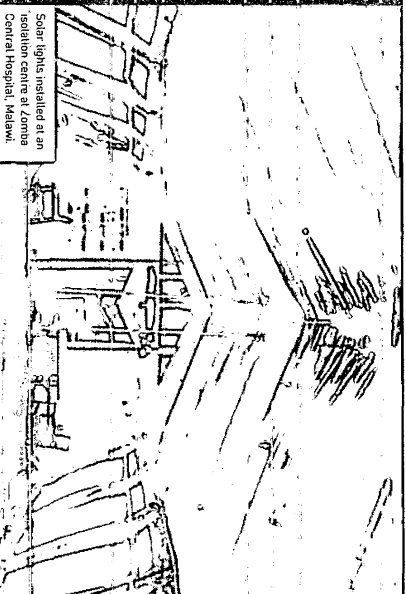
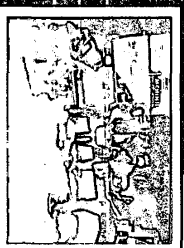
Brought light and power to rural health facilities and newly set up isolation sites across Malawi and Zambia.

Equipped rural health workers with solar powered lights and phone chargers, to help them communicate with communities and each other.

Disseminated important information about the virus to rural villages, using our call centres and database to contact thousands of rural households and community members.

In total, we distributed over 7,350 solar lights, chargers and tablets and contacted over 11,000 people on our database.

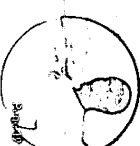
This work is not over and we still have a long way to go. Light and electricity are essential for doctors and nurses on the frontline, and will be crucial both in lighting the outbreak of the coronavirus in Malawi and Zambia, and also in bringing much needed improvements to healthcare provision across the continent.



Solar light installed at an isolation centre at Lumma Central Hospital, Malawi.

We took this as our challenge to really step up and be proactive in thinking of solutions. Especially in the rural communities where the problems are extreme. This is enforcing the reason why we exist.

- Bruce Mhone,
General Manager, Malawi



Tackling Solar e-waste

What happens to our solar lights once they stop working? How can we keep them from contributing to Africa's growing e-waste problem? These are questions that SolarAid is working on through its new e-waste project in Zambia which seeks to extend the life of small solar products through repair, refurbishment and recycling.


There's light to repair: movement lights to give consumers the opportunities to repair their products. We have found the repair of solar products is becoming increasingly difficult with the advent of more customised parts and limited repair information. Our customers say they don't have the necessary knowledge to fix their lights, and repair technicians tell us they need more information and access to spare parts. Good quality replacement components for solar lanterns are nearly impossible to source, and technicians routinely turn customers away, leaving few repair options.

We believe everyone deserves the opportunity to repair, especially life-changing solar lanterns. That's why we're trying to change things.

We collected old solar lights from rural Zambia, diagnosed their problems and tried to fix them. Armed with this knowledge we then developed a repair manual and a mobile app to allow others to diagnose problems and repair solar lights themselves, while some customers said they didn't have the technical confidence to do it. www.africallights.com that old local repair agents undergoing additional training will provide a backbone of official 'SunnyMoney repair' technicians.

This project sets the groundwork in building local confidence for solar product repair, but more needs to be done. We need repair centres, design and sector-reliable access to good quality spare parts and continued technical training as new repair methods are discovered.

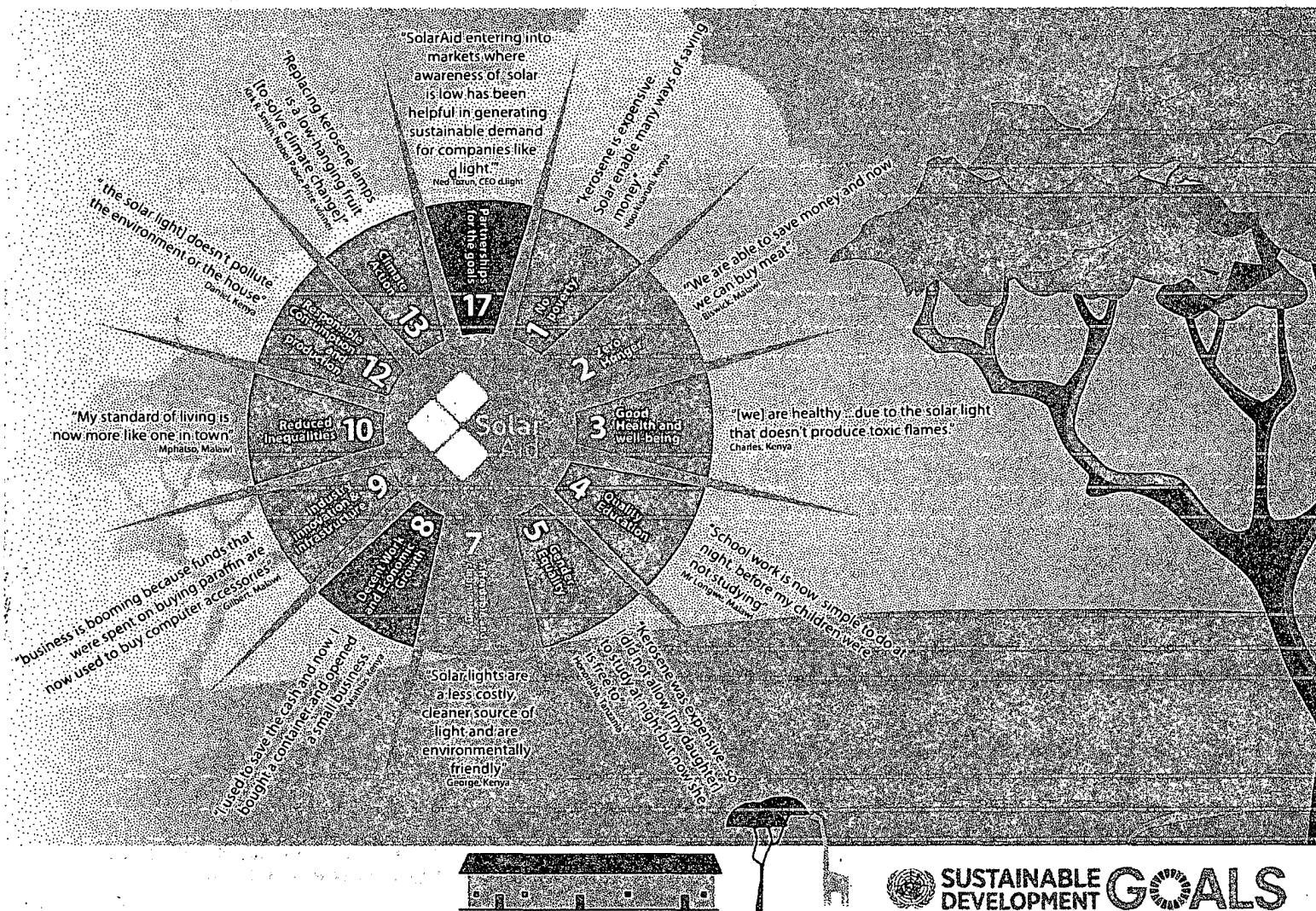
Ensuring our lights work for longer means fewer people choosing harmful lighting options and making sure we don't contribute to Africa's growing problem of e-waste. We're ready for a repair revolution.



Beenzu Chitenge, SunnyMoney Zambia, together with Mr. Paradzai Maambo, Mr. Paradzai was able to use SunnyMoney's voucher system to buy a new solar light when his old one broke.

Many of the people were reluctant to give up their non-working lights, even when offered incentivising vouchers. People value their lights and hope that at some point in the future, they can be repaired.

Beenzu Chitenge, Recycling Project Coordinator, SunnyMoney Zambia



2020-2021 Plans

SolarAid is calling on the world to End the Darkness. By the end of this decade, no one in Africa, should be left in the dark.

That means no more kerosene and no more candles. It means no more struggling to see at night. It means that everyone will have access to clean, safe, power. We, together with you, can lead the way on our own planet, bringing clean, renewable, light to where it is needed most.

COVID-19 Emergency Response

Working together with the Ministries of Health in Malawi and Zambia, we plan to equip health workers, facilities and isolation sites with solar powered lighting and chargers as each country prepares to combat the spreading coronavirus. Alongside this work, we are sharing best practice with rural communities, to help people stay safe.

Powering Healthcare

Working together with local health partners, we are developing programmes which aim to demonstrate that plug and play solar systems and handheld medical appliances, can be used to power rural health facilities, thereby transforming access to modern healthcare. A key objective is the development of a cost effective and scalable model.

Scaling up Light Libraries

We have created a new Light Library programme in Malawi where many families are able to access a solar light through their school, save money and ultimately be in a position to buy their own.

Project Switch - next steps

We have learned invaluable lessons from our Project Switch pilot in Malawi, which sought to bring energy access to everyone in a village. Our teams are now planning to scale an iteration of this model, teaming up with entrepreneurs, community leaders and using pay as you go systems to light whole villages.

End-user subsidies

Subsidising solar lights is a much talked about concept to reach the lowest income families. While the outbreak of COVID-19 has delayed this project, we will be testing this theory by piloting and scaling up a subsidy model in Zambia.

Spotlight on Repair

SolarAid has been implementing a pioneering project in Zambia which is increasing local capacity and access to spare parts that enable solar products to be repaired, thereby extending product life and reducing levels of e-waste. This includes the development of a new, innovative, app that will help customers and technicians troubleshoot and repair aging products. We will be continuing this work and expanding our repair capabilities in Malawi.

Super Agents

We will continue to build our Super Agent network in Malawi as we work towards 100% coverage for the country. Super Agents own their own businesses and we are working in partnership with them to help transform energy access in Malawi and continue their growth such that they can survive long after SolarAid's presence.

Pay-As-You-Go

The agents' businesses in Malawi are built upon a Pay-As-You-Go model. This allows customers to pay for their solar lights in instalments. We will be looking to continue to build this technology for more affordable products, as well as larger systems to react to customers' needs.

Entrepreneur Financing

Working together with Super Agents in Malawi, we have developed our own microfinance model that will allow them to access stock and capital to improve their own businesses. This work is ongoing. The interest rates of these loans will be half of the 40% APR national average rate and will be paid into a co-operative which will continue to benefit the Agent.

Partnerships

We are always looking for new opportunities and partnerships as we seek to expand the impact of our work across new geographies.

Expanding our Impact

We are actively working with partners to scale our models and the impact of our work across multiple geographies. Watch this space grow!

Thanks

We wish to thank all of our supporters in 2019/2020, including our individual supporters, as well as the following:



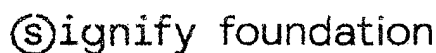
Solarcentury

Founding partners who set up SolarAid as soon as the company became profitable, continue to support our work through staff fundraising and donating 5% of profits annually. This year Solarcentury made their biggest ever donation to SolarAid.



Carbon Intelligence

Carbon Intelligence support us with their employees taking part in a plethora of fundraising activities, including cycling events and marathons. Carbon Intelligence donate their time and skills to our cause and have been instrumental in connecting us with organisations that have a real shared purpose.



Signify

Supporting SolarAid in developing the Sales Agent Network in Zambia, working together to catalyse a sustainable solar market.



Global Distributors Collective

Supporting SolarAid to launch FEBCO, Malawi's first energy cooperative. An effective and fair credit facility run by local solar entrepreneurs for local solar entrepreneurs.



CLASP

Partnering with SolarAid through the Global LEAP Awards to reduce solar e-waste and support local repair.

VR Capital Group

HPE

ICG

Goldman Sachs

Earthworm

Oxford University Press

Zimmermann PV-Stahlbau

Piget

Honnold Foundation

Impact Fund

Covington and Burling

University of Edinburgh

Namene

Allan & Nesta Ferguson Charitable Trust

Key policies and processes

Our people

Remuneration, equal opportunities and staff engagement

SolarAid aims to pay staff at a level close to the relevant market median. For each role we have pay grades based on market salary surveys. We monitor staff progress each year through our appraisal and objective setting processes and staff move up the pay grades as appropriate. The Chief Executive's salary is set by the 'Board of Trustees' based on the market median salaries of similar charities.

Our remuneration policy is based on an ambition to recruit and retain skilled staff who are remunerated fairly but are primarily motivated to work with us because of our mission.

We aim for equitable remuneration for all employees regardless of age, disability, gender identity or gender expression, race, ethnicity, religion or belief, sex, sexual orientation or any other equality characteristic.

We have an Equal Opportunities Policy in place and the organisation is committed to promoting equality of opportunity for all staff and job applicants.

Volunteer help and gifts in kind

The Trustees are very grateful to the volunteers who have helped SolarAid over this financial year. SolarAid's volunteer network is highly skilled and has been able to assist SolarAid in a number of areas. International volunteers have been placed in our overseas African programmes, working to develop finance systems, deliver programmes and assist in an advisory and strategic capacity. In the UK, volunteers have helped develop marketing and branding and assist with UK and overseas programme work.

SolarAid's legal partner, Covington & Burling LLP, have provided SolarAid with extensive and invaluable pro-bono legal advice during the financial year, for which SolarAid is deeply indebted.

SolarAid's volunteers make an essential contribution to SolarAid, giving time to and providing support for the whole organisation. SolarAid works to ensure its strategy reflects the needs and views of volunteers and acknowledges their experience and skills as fully as possible. SolarAid continues to actively recruit volunteer support and strives to ensure that each volunteer is supported as fully as possible during the time they give freely to SolarAid.

Managing risk

Managing principal risks and uncertainties

The Board of Trustees are responsible for ensuring that major risks facing SolarAid are appropriately managed. The major risks identified are regularly reviewed and their potential impact assessed. Strategies and controls to manage each risk appropriately are in place, with some subject to continuing improvement. In those areas of our work where a degree of risk is inevitable, appropriate steps have been taken to mitigate that risk where possible. Updates to the register of key risks are reported to the Board and circulated to Trustees for their review.

The top 3 major risks reported to the Board are:

Inability to generate sufficient income from fundraising

To mitigate this risk we ensure that fundraising plans aim to pursue diverse funding streams. Our funding is split across income from Individuals, Corporate partners, Trusts and Foundations and Governments and other statutory bodies. We consider our funding to be without undue reliance on one particular funder or income stream. Fundraising plans are also multi-year focused to ensure our sustainability. Targets and forecasts are monitored on a monthly basis.

Adverse Inflation and reduced spending power in country

As currency fluctuations increase in Zambia and Malawi, imported goods and essential items are being sold at a premium and there is a reduced spending power amongst our customers. Operational costs increase as a result of inflation which, in turn leads to higher prices. We are looking at ways to subsidise products for the poorest communities and those in need.

Long term effects of COVID-19

The long term effects of COVID on the world economy is unknown and we will continue to remain flexible in our operational model and continually review our outputs to ensure our focus remains on providing power to where it is needed most. SolarAid UK will continue to support in-country programmes through raising funds to maintain operational activity.

Financial Management

During the financial year the Group's income was £2,546,516 [2019: £2,258,437] and its resources expended were £1,931,848 [2019: £1,493,454].

Grants & Donations Received

A list of the income from grants and donations is included within notes 2 and 3. SolarAid would like to extend its gratitude to all funders for the support they have shown during this financial year.

The Funds of the Group and of the Charity

The Group ended the financial year with net incoming resources of £614,668 [2019: £764,983], resulting in total funds retained of £2,009,114 [2019: £1,306,083]. These funds fall into two categories: restricted and unrestricted. Unrestricted funds increased during the year by £812,459 to close at £1,985,128 [2019: increased by £695,426 to close at £1,172,669]. Included in the closing unrestricted funds was a donation from SolarCentury of £921,514 which was accrued for at the year end.

Restricted funds, which are earmarked for particular programmes on which expenditure will be incurred in future financial years, stand at £23,986 as at 31 March 2020 [2019: £133,414]. At 31 March 2020 no restricted funds were in deficit.

Reserves Policy

Reserves enable the charity to make long-term commitments to projects by protecting its work against financial fluctuations, although this must be balanced against a wish not to hold more reserves than are needed for these purposes, in order to maximise the amount currently available to support SolarAid's charitable objectives.

The Trustees would normally expect the charity to hold unrestricted resources sufficient to meet at least three months unrestricted group expenditure, estimated at £320,000 based on current levels of expenditure. The group has free reserves of £1,569,291 [2019: £1,010,781]. Included in this figure is an unrestricted donation of £921,514 that was pledged during the year but received after the year end. This has had the effect of inflating free reserves at the year end. Free reserves are stated net of fixed assets and investments and inter-company loan balances. The Trustees are confident that the level of free reserves is sufficient to sustain any uncertainties in relation to COVID-19.

Restricted funds are not included in the Trustees' view of reserve needs, because these restricted funds are held by the charity for only as long as is necessary to deliver the relevant programmes.

Investment policy

To date, monies have been held on deposit rather than in investments, reflecting the need for liquidity given the relative uncertainty around level and timing of income and expenditure. SolarAid's future investment policy will include ethical principles within which investments will be managed.

Financial performance of subsidiaries

In addition to the impact performance provided on page 5 of this report, the summary financial performance of active subsidiaries were as follows:

	SolarAid (Malawi)	SolarAid (Zambia)	SunnyMoney Global (UK based)
Total Income	£470,544	£558,154	£48,086
Total Expenditure	£413,930	£791,839	£27,714
Net surplus or deficit for the year	£56,614	(£233,685)	£20,372
Aggregate Assets	£282,100	£268,316	£49,916
Aggregate Liabilities	(£339,998)	(£385,268)	(£648)
Closing reserves position	(£57,898)	(£116,952)	£49,268

SolarAid and its subsidiaries set detailed annual budgets in advance each year. Overall the performance from subsidiaries in 2019/2020 were broadly in line with budget.

SolarAid Malawi currently has a closing reserves deficit of £57,898. These losses have been supported as necessary by SolarAid via working capital loans. Despite the net deficit SolarAid Malawi is considered a going concern due to SolarAid's pledge to continue to support and fund its work.

SolarAid Zambia has a closing reserves deficit of £116,952 which has arisen due to a claim in taxes and duties on the reclassification of solar products by the Zambia Government from the 2017/18 financial year as well as currency fluctuations. Despite the net deficit SolarAid Zambia is considered a going concern due to SolarAid's pledge to continue to support and fund its work.

Fundraising and Working Capital

SolarAid secures funding for its activities from a wide range of sources including government and inter-governmental bodies, companies, foundations, a number of generous individuals and the general public. The Trustees are extremely grateful for the generous support received from individuals and foundations – especially those who have contributed towards our core costs by making unrestricted grants and donations. Details of grants and donations received during the year can be found in notes 2 and 3 of the accounts.

SolarAid adheres to the guidelines of the fundraising regulator and the Trustees confirm there have been no failures in complying with the fundraising standards, nor have they received any complaints with regard to the Charity's fundraising activity.

It is Trustees' responsibility to ensure that SunnyMoney Global and the in-country operations have access to sufficient working capital to deliver the Group's overall mission objectives. A major working capital requirement relates to the purchase and stock-holding of solar lanterns which are imported from China.

During the course of the year SolarAid raised £1,205,208 (2019: £992,049) of programme related funding specifically to support market development through SunnyMoney.

At the end of March 2020 SolarAid had invested £58,805 of share capital (2019: £58,805) and £171,273 in inter-company loans (2019: £177,986) in SunnyMoney. All loans were made from unrestricted funding and were used to support activities in line with the charity's objectives.

Structure governance and management

Governing document

SolarAid is a charity registered with the Charity Commission under registration number 1115960 and a company limited by guarantee (registration number 3867741), incorporated on 28 October 1999. Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantors at 31 March 2020 was three.

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

The company's name was changed from Solar Century Global Community Trust to SolarAid on 8 May 2006 by decision of the Board. SolarAid was registered as a charity on 30 August 2006.

Charitable objects

The charity's objects are:

To relieve poverty through facilitating the provision of solar energy to those in need. To advance the education of the public in matters relating to solar energy, climate change and the protection of the environment and to carry out and disseminate the results of research into all aspects of energy generation, distribution, supply and use.

Trustees and organisational structure

The business of the charity is governed by a Board of Trustees, which seeks to ensure that all activities are compliant with UK law and fall within the charity's objects. The Board's work includes the setting of the strategic direction of the organisation and providing support to management. Day to day management of the charity is delegated to its executive officers and the Board acts on advice and information from regular meetings with the Chief Executive and Officers. Trustees are able, where appropriate, to take independent professional advice at no personal expense so that they are able to fulfil their role.

The Board will continue to evolve to ensure that it remains appropriate as the charity grows in size and complexity.

There is no fixed term of office for Trustees. During the year there were no changes in the Board however Mirjana Skrba replaced Jeremy Leggett as Chair in June 2020. Jeremy will continue as a Trustee for the charity whilst new Trustees are recruited.

In addition to the Board of Trustees, SolarAid have an advisory board made up of four advisors covering the areas of fundraising, marketing, climate change action and African development. The Advisory Board support the Board of Trustees and senior management with their advice, experience and networks on a voluntary basis.

SolarAid has a wholly owned trading subsidiary, SunnyMoney Global, which in turn owns and controls a number of African based trading entities. All trading activity is maintained at the SunnyMoney Global level and fully consolidated accounts have been prepared for the year ending 31st March 2020.

Method of appointment of Trustees

Election or re-election of Trustees is in accordance with procedures set out in the charity's Memorandum and Articles of Association, which is the organisation's governing document. The Board is entitled to appoint new Trustees.

Trustees' induction and training

New Trustees undergo an orientation to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business and strategic plans, development projects and recent financial performance of the charity. During this induction they meet key employees and the other Trustees.

Details of significant restrictions in the way the charity operates

There are no significant restrictions in the way the charity operates other than those imposed by law.

Chief Executive

John Keane, the Chief Executive, and other Officers are responsible for the day to day operations of the charity, its programmes and fundraising activity within delegated authority from the Trustees.

Public benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit and that the activities carried out by the charity during the year were all undertaken in order to further the charity's aims for the benefit of the charity's beneficiaries. A detailed explanation is shown under *Objects and Activities*.

Statement of Trustees' responsibility

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

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

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

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

Disclosure of Information to Auditors

Insofar as each of the trustees of the group at the date of approval of this report is aware there is no relevant audit information (information needed by the charitable group's auditor in connection with preparing the audit report) of which the charitable group's auditor is unaware. Each trustee has taken all of the steps that he/she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

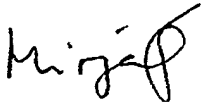
Auditors

A resolution will be proposed at the Annual General Meeting that our current auditors Crowe U.K. LLP be re-appointed as auditors of the organisation for the ensuing year.

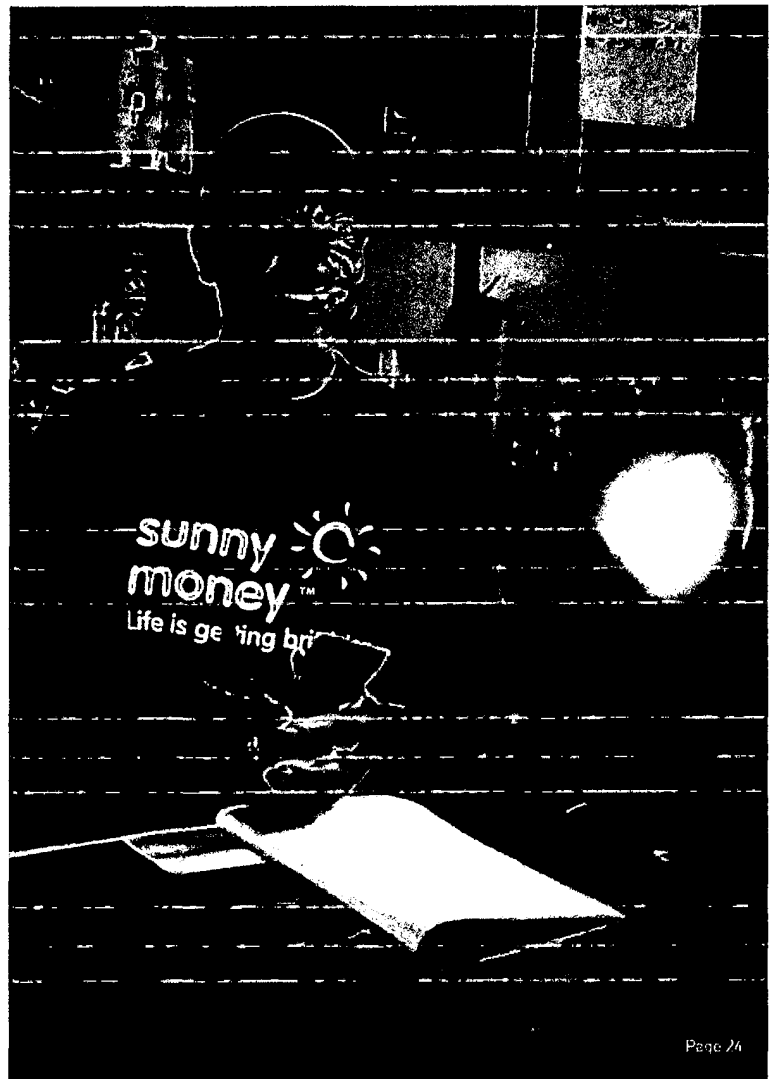
The Trustees are pleased to present the Trustees' Report and Accounts for the Charity for the year ended 31 March 2020, which have been prepared in accordance with the Charity Statement of Recommended Practice – SORP 2015 and the Companies Act 2006.

This report has been prepared taking advantage of the exemptions available for small companies.

Approved by the Trustees and signed on its behalf by:



Mirjana Skrba
Chair
29 January 2021



Trustees, the Advisory Committee and Professional Advisor

As at 29 January 2021

Directors / Trustees who served during the year and to the date of signing

Mirjana Skrba - Chair
Jeremy Leggett
John Faulks

SolarAid Advisory Board

Charlotte Grimshaw
Aki Maruyama-Leggett
Jeunesse Park
Glenda Vergeer

Key Staff

John Keane – Chief Executive Officer
Lorraine Hammond – Finance Director
Claire Marshall - Interim Finance Director
Jamie McCloskey – Development Director
Sofia Ollvid – Communications and Marketing Manager
Brave Mhonie – Malawi General Manager
Karla Kanyanga – Zambia Operations Director

Company Number 3867741

Charity Number 1115960

Registered Office

Unit 1 Gnome House
7 Blackhorse Lane
London E17 6DS

Auditors

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW

Bankers

The Co-operative Bank PLC
P.O. Box 101
1 Balloon Street
Manchester M60 4EP

Solicitors

Covington & Burling LLP
265 Strand
London WC2R 1BH

Independent Auditor's Report to the Members

Opinion

We have audited the financial statements of SolarAid for the year ended 31st March 2020 which comprise consolidated statement of financial activities, consolidated and charity only balance sheets, consolidated 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 group's and the charitable company's affairs as at 31st March 2020 and of the group's 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 and the Charities Act 2011.

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 group 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 group's or 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 annual 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 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees Annual Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 21, 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 group's or 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

We have been appointed as auditor under section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder. 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Tim Redwood
Senior Statutory Auditor 29 January 2021
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Consolidated statement of financial activities

As at 31 March 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Income from					
Donations	2	613,691	-	613,691	646,018
Investments		281	-	281	42
Charitable activities:					
Programme related grants and donations	3	921,514	283,694	1,205,208	992,049
Income from distributing solar lights in Africa		706,329	-	706,329	606,274
Other income		21,007	-	21,007	14,054
Total income		2,262,822	283,694	2,546,516	2,258,437
Expenditure on					
Raising funds	4	237,210	-	237,210	174,051
Charitable activities	4	1,301,516	393,122	1,694,638	1,319,403
Total Expenditure	4	1,538,726	393,122	1,931,848	1,493,454
Net income/(expenditure)		724,096	(109,428)	614,668	764,983
Other recognised gains and losses - forex gains		88,363	-	88,363	-
Net movement in funds		812,459	(109,428)	703,031	764,983
<i>Reconciliation of funds</i>					
Total funds brought forward	14	1,172,669	133,414	1,306,083	541,100
Total funds carried forward		1,985,128	23,986	2,009,114	1,306,083

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

Continuing operations

None of the group's activities were acquired or discontinued during the above financial periods.

Total recognised gains and losses

The group has no recognised gains or losses other than the above movement in funds for the above financial periods.

Consolidated balance sheet

As at 31 March 2020

	<u>Notes</u>	2020	Group 2019	2020	Charity 2019
		£	£	£	£
FIXED ASSETS					
Intangible assets	7	280	280	280	280
Tangible assets	8	64,535	12,149	9,632	419
Investments	9	-	-	58,805	58,805
		64,815	12,429	68,717	59,504
CURRENT ASSETS					
Stock		306,159	218,546	-	-
Debtors	10	1,109,402	691,427	1,129,962	898,573
Cash at bank and in hand		780,376	575,399	709,929	543,614
		2,195,937	1,485,372	1,839,891	1,442,181
CREDITORS: amounts falling due within one year	11	251,638	191,718	75,341	120,006
NET CURRENT ASSETS		1,944,299	1,293,654	1,764,550	1,322,181
NET ASSETS		2,009,114	1,308,083	1,833,267	1,381,685
FUNDS OF THE CHARITY					
Unrestricted funds:-					
General funds	14	1,985,128	1,172,669	1,809,281	1,248,271
Restricted funds	14	23,986	133,414	23,986	133,414
		2,009,114	1,306,083	1,833,267	1,381,685

Company Number 3867741
Charity Number 1115960

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.

These accounts were approved and authorised for issue by the Board of Trustees on 29 January 2021 and were signed on its behalf by:


Mirjana Skrba- Chair


Trustee

Statement of cash flows and consolidated statement of cash flows

For the year ended 31 March 2020

	<u>Notes</u>	Group
	2020	2019
	£	£
Cash provided by operating activities	15 268,115	205,708
Cash flows from investing activities		
Interest income	281	42
Purchase of tangible fixed assets	(70,534)	(2,184)
Proceeds from the sale of fixed assets	7,116	(82)
Cash provided by (used in) investing activities	(63,138)	(2,224)
Cash flows from financing activities		
Repayment of borrowing	-	-
Cash used in financing activities	-	-
Increase (decrease) in cash and cash equivalents in the year	204,978	203,484
Cash and equivalents at the beginning of the year	575,399	371,915
Cash and equivalents at the end of the year	780,376	575,399

Notes to the consolidated accounts

For the year ended 31 March 2020

SolarAid is an incorporated Charity (Charity registration number: 1115960) registered in England and Wales. The address of the registered office is Unit 1, Gnome House, 7 Blackhorse Lane, London, E17 6DS.

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation of accounts

The financial statements have been prepared in accordance with the Companies Act 2006 and follow the recommendations of the Accounting and Reporting by Charities: Statement of Recommended Practice 2015 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

SolarAid 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).

To comply with overseas local legislation, SolarAid has established a number of overseas legal entities in the countries in which it operates. These entities are fully controlled by SolarAid and their accounts are consolidated within the accounts of SolarAid.

Going Concern

We have set out in the Trustees' report a review of financial performance and the charity's reserves position. We have adequate financial resources and are well placed to manage the normal business risks as well as those created by the COVID pandemic which we have highlighted in other areas of our report.

We have a reasonable expectation that we have adequate resources to continue to operate for the foreseeable future. We believe that there are no material uncertainties that call into doubt the charity's ability to continue. The financial statements have therefore been prepared on the basis that the charity is a going concern.

1.2 Income

Donations, gifts, legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income received from charitable activities includes sales income, income received under contract and grant funding subject to specific performance conditions relating to charitable activities. Grant and contract income is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income from sales of goods is recognised when the sale occurs.

Income is deferred when income from performance related grants or contracts are received in advance of the performances or event to which they relate.

Grants received as a contribution towards the purchase of capital equipment are recognised in the Statement of Financial Activities (SOFA) in the period in which they are received.

Donated goods and services are recognised in the financial statements, as both income and expenditure, at a reasonable estimate of their value in the period in which they are donated.

1.3 Volunteers and donated services and facilities

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the Trustees' Annual Report.

Where services are provided to the charity as a donation that would normally be purchased from suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity.

For the year ended 31 March 2020

1.4 Interest receivable and investment income

Interest and investment income is credited to the SOFA when it is receivable.

1.5 Expenditure

Expenditure is recognised in the period incurred on an accrual basis. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

- Costs of raising funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- Charitable activities include expenditure associated with the main objectives of the charity and include both the direct costs and support costs relating to these activities.

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

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

1.6 Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.7 Taxation

The Charity

The Charity is a registered charity in England and Wales and, therefore, is not liable for Income Tax or Corporation Tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Tax recovered from voluntary income received under gift aid is recognised when the related income is receivable and is allocated to the income category to which the income relates.

The Subsidiary Entities

The subsidiary entities are fully liable to relevant corporate, income and capital taxes in their respective territories on profits derived from trading activities:

Subsidiary	Place of residence for tax purposes
SunnyMoney Kenya Ltd	Kenya
SolarAid Kenya	Kenya
SolarAid Malawi Ltd	Malawi
SolarAid Malawi	Malawi
SolarAid Tanzania Ltd	Tanzania
SunnyMoney Tanzania Ltd*	Tanzania
SolarAid Uganda Ltd	Uganda
SunnyMoney Global Ltd	UK
SolarAid Zambia Ltd	Zambia

*Previously known as D Light Design East Africa Ltd

1.8 Tangible fixed assets and depreciation

Tangible and Intangible fixed assets are stated at historic cost less accumulated depreciation or amortisation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation and amortisation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The amortisation and depreciation rates and bases are as follows:

Goodwill (arising on consolidation)	10%	Straight Line
Furniture, Fixtures & Fittings	12.5%	Reducing Balance
Computer Equipment	30% / 37.5%	Reducing Balance
Motor Vehicles	25% / 37.5%	Reducing Balance
Website development	25%	Straight Line

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

1.9 Fixed assets investments

Fixed assets investments representing investments in subsidiaries are stated at historic cost.

For the year ended 31 March 2020

1.10 Stock

Stock is shown at the lower of cost and net realisable value. Provision is made for obsolete, slow moving or defective stock where appropriate.

1.11 Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees and in furtherance of the general objectives of the charity.
Restricted funds must be used for specified purposes as laid down by the donor.

1.12 Foreign currencies

Transactions in foreign currencies are recognised at the prevailing rate at the beginning of the month in which the transaction arose. Monetary assets and liabilities are translated into sterling at the exchange rate on the balance sheet date. All exchange differences are recognised through the SOFA.

1.13 Financial instruments

The Charity has taken advantage of the exemptions in FRS102 from the requirement to present certain disclosures about the charity's financial instruments.

The Group has financial assets and financial liabilities of a kind that qualify as basic. These are initially recognised at transaction value and subsequently measured at their settlement value.

Financial assets that are debt instruments measured at amortised cost include trade debtors and other debtors. Financial liabilities measured at amortised cost include trade creditors, other creditors and current loans.

The charity is indebted to Covington & Burling LLP for providing legal advice as pro bono services. The value placed on these contributions by the donor is £31,747 (2019: £21,211). The income equivalent is recognised within incoming resources as a donation, and a corresponding expense is included within legal costs.

3. INCOME FROM CHARITABLE ACTIVITIES

Grants receivable and other charitable income is shown for the year ending 31 March 2020:

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
SolarCentury	921,514	-	921,514	528,527
DFID	-	-	-	232,467
Mitsubishi	-	-	-	38,620
Individual Major Donors	-	45,508	45,508	75,163
Honnold Foundation	-	-	-	30,711
Allan & Nesta Ferguson Charitable Trust	-	20,000	20,000	-
CLASP - Global LEAP	-	72,442	72,442	-
Signify Foundation	-	95,943	95,943	31,591
Other Country Specific	-	49,802	49,802	54,970
	921,514	283,694	1,205,208	992,049

2. DONATIONS

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
Donations	581,944	-	581,944	624,807
Pro bono legal advice	31,747	-	31,747	21,211
	613,691	-	613,691	646,018

For the year ended 31 March 2020

4. Resources expended

		Solar light			
	Basis of	distribution		2020	2019
	allocation	programmes	Fundraising	£	£
<i>Costs directly allocated to activities:</i>					
Staff costs	Direct	453,388	166,576	619,964	501,447
Travel & subsistence	Direct	22,628	-	22,628	15,350
Communications	Direct	20,647	20,647	41,294	32,383
Other direct project costs	Direct	831,825	4,282	836,108	667,758
Consultants	Direct	51,240	15,122	66,362	65,057
Insurance	Direct	2,022	-	2,022	1,798
Loan interest	Direct	1,474	-	1,474	2,516
Bank charges and foreign exchange differences	Direct	168,310	-	168,310	42,594
Depreciation and the loss sale of fixed assets	Direct	8,627	2,406	11,033	10,014
Impairment and amortisation of goodwill	Direct	-	-	-	37,281
<i>Governance support costs allocated to activities:</i>					
Audit	Direct	25,312	-	25,312	20,995
Legal & professional costs	Direct	19,997	-	19,997	22,488
<i>Support costs allocated to activities:</i>					
Staff training	Transactions	16,783	-	16,783	7,754
Premises	Staff Time	19,411	13,037	32,448	40,151
General office expenses	Staff time	3,797	2,550	6,347	5,977
Legal & professional costs	Direct	20,000	-	20,000	-
Recruitment	Transactions	-	9,055	9,055	1,396
Travel & subsistence	Transactions	23,914	-	23,914	12,321
Communications	Staff time	60	40	100	95
I.T. support & maintenance	Staff time	3,138	2,108	5,246	5,910
Office equipment	Staff time	2,064	1,386	3,450	169
		1,694,638	237,210	1,931,847	1,493,454

For the year ended 31 March 2020

5. STAFF COSTS AND NUMBERS

The average headcount total is:

	2020	2019
Management and International Programmes staff	40	38
Fundraising staff	3	3
	43	41

Staff costs for the charity and group were as follows

	2020	2019
	£	£
Salaries	551,136	453,653
National Insurance	39,965	28,791
Pension	28,862	19,002
	619,964	501,447

The number of employees whose emoluments exceeded £60,000 in the year was as follows:

	2020	2019
£100,000 - £110,000	1	-
£80,000 - £90,000	-	1

The key management personnel of the group are the members of the Senior Management Team (SMT). The total employee benefits for the SMT was £248,135 (2019: £204,591) inclusive of employer's pension and national insurance costs.

6. TAXATION

SolarAid is a registered charity and is exempt from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

The subsidiary entities are fully liable to relevant corporate, income and capital taxes in their respective territories on profits derived from trading activities. No corporate taxes were incurred in the year to 31 March 2020.

7. INTANGIBLE ASSETS

The Group	Crypto-currency	2020 Total	2019 Total
		£	£
Intangible Asset - Value			
At 1st April 2019	3,791	3,791	93,641
Additions in the Year	-	-	-
Write off in the Year	-	-	(89,850)
At 31st March 2020	3,791	3,791	3,791
Amortisation			
At 1st April 2019	3,511	3,511	56,080
Charge in the Year	-	-	1,341
Write off in the Year	-	-	(53,910)
At 31st March 2020	3,511	3,511	3,511
Net Book Value at 31st March 2020	280	280	280

The goodwill arises on consolidation. It relates to the purchase of 100% of the share capital of SunnyMoney Tanzania Ltd in the year ending 31 March 2012. We took the decision to fully write off goodwill last year (2019) as SunnyMoney Tanzania remains dormant.

In January 2018 Solarcoins, a cryptocurrency that are issued for free to those who generated 1 MWh of solar electricity, were donated to SolarAid. Values for conversion into GBP are obtained from CoinGecko.

For the year ended 31 March 2020

8. TANGIBLE ASSETS

The Group	Furniture,				2020
	Website Dev.	Fixtures & Fittings	Computer Equipment	Motor Vehicles	Total
Cost	£	£	£	£	£
At 1st April 2019	-	5,792	5,495	29,160	40,447
Additions in the Year	-	3,229	16,488	50,817	70,534
Disposals in the Year	-	-	-	(6,718)	(6,718)
At 31st March 2020	-	9,021	21,983	73,259	104,263
Depreciation					
At 1st April 2019	-	3,684	4,061	20,553	28,298
Charge in the Year	-	437	3,986	6,717	11,140
Disposals in the Year	-	-	923	(632)	291
At 31st March 2020	-	4,121	8,970	26,638	39,729
Net Book Value at 31st March 2020	-	4,900	13,013	46,621	64,535

The fixed assets represent the value of assets incorporated into these accounts from SolarAid Tanzania, SolarAid Kenya, SunnyMoney Kenya, SolarAid Malawi, SolarAid Uganda, SolarAid Zambia and SolarAid (the Charity).

The Charity (Included above)	Furniture,				2020
	Website Dev.	Fixtures & Fittings	Computer Equipment	Motor Vehicles	Total
Cost	£	£	£	£	£
At 1st April 2019	-	344	223	-	567
Additions in the Year	-	-	11,618	-	11,618
Disposals in the Year	-	-	-	-	-
At 31st March 2020	-	344	11,841	-	12,185
Depreciation					
At 1st April 2019	-	148	-	-	148
Charge in the Year	-	25	2,381	-	2,406
Disposals in the Year	-	-	-	-	-
At 31st March 2020	-	173	2,381	-	2,554
Net Book Value at 31st March 2020	-	171	9,460	-	9,632

9. INVESTMENTS

The Charity has unlisted investments with a historical cost as follows:

Cost	Charity	
	2020	2019
	Total	Total
£	£	£
SunnyMoney Global Ltd - 100% investment	58,795	58,795
SunnyMoney Kenya Ltd - 1% investment	8	8
SolarAid Uganda Ltd - 1% investment	2	2
	58,805	58,805

A capitalisation of SunnyMoney Global Ltd took place during 2012/2013 resulting in an addition of 58,793 C1 shares to the initial holding of C2.

SunnyMoney Global Ltd has been consolidated into these accounts. SunnyMoney Kenya Ltd and SolarAid Uganda Ltd have also been consolidated into these accounts on the basis that the remaining 99% of the shares of each are held by the aforementioned SunnyMoney Global Ltd.

For the year ended 31 March 2020

10. Debtors	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Prepayments and accrued income	968,781	654,521	958,690	642,850
Amounts due from Subsidiaries	-	-	171,272	255,723
Loans to partners	-	15,729	-	-
Trade debtors	140,621	21,177	-	-
	<u>1,109,402</u>	<u>691,427</u>	<u>1,129,962</u>	<u>898,573</u>

11. CREDITORS: amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Creditors and accruals	173,760	208,532	63,909	33,595
Loans	14,832	50,000	-	-
Amounts owed to Subsidiaries	-	-	-	77,737
UK taxation & social security costs	11,433	8,674	11,433	8,674
Overseas taxation & social security costs	51,614	(75,488)	-	-
	<u>251,638</u>	<u>191,718</u>	<u>75,341</u>	<u>120,006</u>

The loans are unsecured and repayable within 12 months of the year end.

12. COMPANY LIMITED BY GUARANTEE

The UK Charitable company is limited by guarantee and does not have share capital.

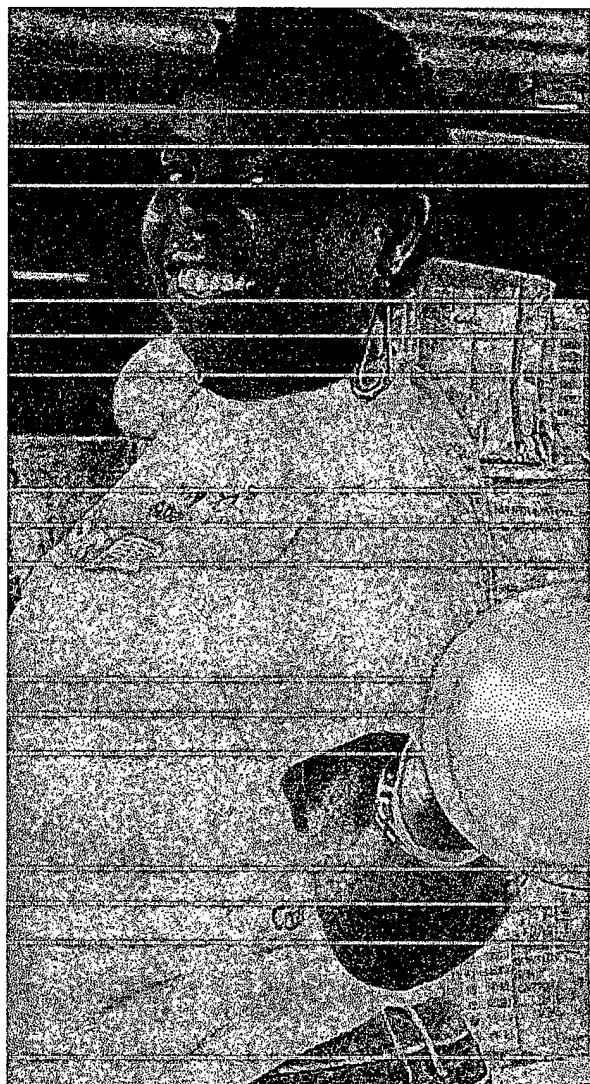
13. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

For the year ending 31 March 2020

	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£
Intangible assets	280	-	280
Tangible assets	64,535	-	64,535
Current assets	2,171,951	23,986	2,195,937
Current liabilities	(251,638)	-	(251,638)
Long-term liabilities	-	-	-
	<u>1,985,128</u>	<u>23,986</u>	<u>2,009,114</u>

For the year ending 31 March 2019

	Unrestricted Funds	Restricted Funds	Total 2019
	£	£	£
Intangible assets	280	-	280
Tangible assets	12,149	-	12,149
Current assets	1,351,958	133,414	1,485,372
Current liabilities	(191,718)	-	(191,718)
Long-term liabilities	-	-	-
	<u>1,172,669</u>	<u>133,414</u>	<u>1,306,083</u>



For the year ended 31 March 2020

14. MOVEMENT IN FUNDS

	Balance at 01.04.19	Income	Expenditure	Balance at 31.03.20
	£	£	£	£
Restricted funds:				
DFID - multi-country Programme Work	33,396	-	33,396	-
Malawi Programme Work	40,962	66,765	107,727	-
Multi-country Programme Development Work	30,711	46,648	77,359	-
Tanzania Programme Work	-	-	-	-
Zambia Programme Work	28,345	170,281	174,640	23,986
	133,414	283,694	393,122	23,986
Unrestricted funds:				
General Funds	1,172,669	2,262,822	1,450,363	1,985,128
Total funds	1,306,083	2,546,516	1,931,848	2,009,114

For the year ending 31 March 2019

	Balance at 01.04.18	Income	Expenditure	Balance at 31.03.2019
	£	£	£	£
Restricted funds:				
DFID - multi-country Programme Work	863	172,005	139,472	33,396
Malawi Programme Work	2,392	152,856	114,286	40,962
Multi-country Programme Development Work	-	105,874	75,163	30,711
Tanzania Programme Work	-	240	240	-
Zambia Programme Work	60,602	32,547	64,804	28,345
	63,857	463,522	393,965	133,414
Unrestricted funds:				
General Funds	477,243	1,794,915	1,099,489	1,172,669
Total funds	541,100	2,258,437	1,493,454	1,306,083

For the year ended 31 March 2020

15. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020	Group 2019
	£	£
Net movement in funds	703,031	764,983
Add back depreciation charge	11,033	10,014
Add back amortisation charge	-	37,281
Deduct interest income shown in investing activities	(281)	(42)
Decrease / (increase) in stock	(87,613)	(44,150)
Decrease / (increase) in debtors	(417,975)	(584,886)
Increase / (decrease) in creditors	59,920	22,508
Net cash provided by operating activities	268,115	205,708

16. Financial commitments

As at 31st March 2020, the charity did not have any annual commitments under non-cancellable leases or other financial commitments (2019: £0).



For the year ended 31 March 2020

17. Related party transactions and trustee expenses

For the whole of the year, the charity was under the control of the Trustees, who are also the Directors of the company for the purposes of Company Law, as shown on page 2. During the year £0 (2019: £0) was spent to cover various expenses relating to Trustees. The Trustees are not remunerated for the positions they hold.

Intercompany Balances with SolarAid

	Opening balance at 1 April 2019 (net of provisions)	Grants made by SolarAid	Working capital support made by SolarAid	Income received in SolarAid on behalf of sub.	Expenses incurred on behalf of SolarAid	Current Year Provision	Closing balance at 31 March 2020 (net of provisions)
	£	£	£	£	£	£	£
SunnyMoney Global	(45,584)	-	59,12	(33,121)	(213)	-	(19,789)
SolarAid Malawi	137,653	(155,986)	240,950	(537)	1630	(98,876)	124,874
SolarAid Zambia	118,070	(196,642)	407,661	(12,790)	2,953	(220,911)	98,340
SolarAid Tanzania	(32,153)	-	-	-	-	-	(32,153)
	177,986	(352,588)	707,740	(46,448)	4,370	(319,786)	171,274

18. Overseas group entities

To comply with local overseas legislation, SolarAid has established a number of legal entities that are fully controlled by SolarAid and their accounts are therefore consolidated within the accounts of SolarAid. These organisations are listed in Note 19 below and a summary of the financial performance and position is included on Page 18 of the Annual Report.

19. Consolidation

The Charity's subsidiary companies listed below have been consolidated into the SolarAid accounts in accordance with the Charities' SORP 2015.

The active subsidiaries are:

SunnyMoney Global UK Ltd (Registered in England and Wales, CRN 7788918) - 100% owned by SolarAid

SolarAid Zambia Ltd (Company Limited by Guarantee, registered in Zambia, CRN 75087) - ownership through 100% control by SolarAid

SolarAid Malawi (Unincorporated NGO, registered in Malawi, NGO C391/2008) - ownership through 100% control by SolarAid

The dormant subsidiaries are:

SolarAid Malawi Ltd (Company registered in Malawi, CRN 9144) - 100% owned by SolarAid Malawi

SunnyMoney Kenya Ltd (Company registered in Kenya, CPR/2012/70931) - 99% owned by SunnyMoney Global UK Ltd & 1% owned by SolarAid

SunnyMoney Tanzania Ltd (Company registered in Tanzania, CRN 67879) - 100% owned by SunnyMoney Global UK Ltd

SolarAid Tanzania Ltd (Company Limited by Guarantee, CRN 67958) - ownership through control

SolarAid Kenya (Unincorporated NGO) - ownership through control

For the year ended 31 March 2020

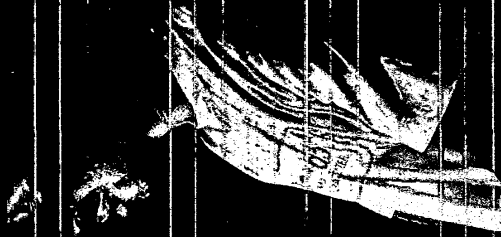
20. PRIOR YEAR CHARITY STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total 2019
	£	£	£
Income from			
Donations	646,018	-	646,018
Investments	42	-	42
Charitable activities:			
Programme related grants and donations	528,527	463,522	992,049
Income from distributing solar lights in Africa	606,274	-	606,274
Other income	14,054	-	14,054
Total Income	1,794,915	463,522	2,258,437
Expenditure on			
Raising funds	174,051	-	174,051
Charitable activities	925,438	393,965	1,319,403
Total Expenditure	1,099,489	393,965	1,493,454
Net income/(expenditure)	695,426	69,557	764,983
Transfers between funds	-	-	-
Net movement in funds	695,426	69,557	764,983
<i>Reconciliation of funds</i>			
Total funds brought forward	477,243	63,857	541,100
Total funds carried forward	1,172,669	133,414	1,306,083





Solar
Aid



www.SolarAid.org
info@solar-aid.org
+44(0) 20 7278 0400
© SolarAid 2020

Photo: SolarAid/Sonia Olvira & Landwithcare/Peter Calton

Registered Charity
Number: 1115940