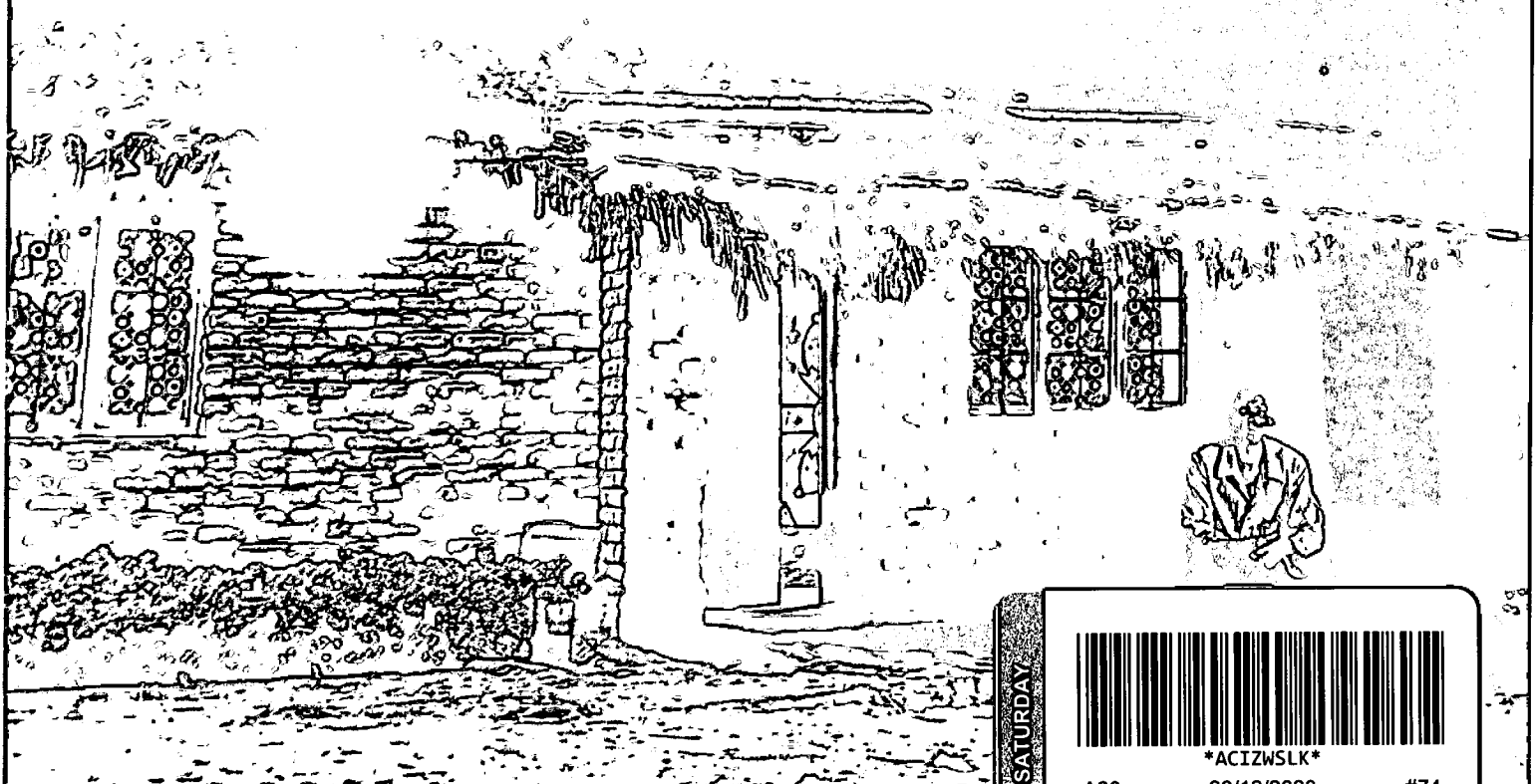



ANNUAL REPORT 2022-2023



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OUR STORY SO FAR

WHY WE EXIST

Nearly 600 million people in sub-Saharan Africa are denied access to clean energy. For communities in economically or geographically hard-to-reach places, the working day ends when the sun sets, leaving people with no option but to use battery powered torches, kerosene lamps or paraffin candles to see - alternatives that are expensive, dangerous and can emit toxic fumes into homes and the atmosphere.

SolarAid is an international charity founded in 2006 to combat poverty and climate change. Our pioneering 'trade not aid' approach uses sustainable enterprise to catalyse markets for safe, clean energy access. To date, we have distributed over 2.3 million solar lights across rural sub-Saharan Africa reaching places too challenging for the mainstream market.

We know that every time someone switches on a solar powered light, it's an instant win for people and the planet. That's why it's our mission to light up every home, school and clinic in Africa by 2030, making real sustainable change with clean, safe solar power.

INNOVATING TO LEAVE NO ONE BEHIND

We already punch above our weight. We gained our extensive knowledge from working on the ground, building a sustainable market for solar lights in sub-Saharan Africa. Through our social enterprise, SunnyMoney, we learned that building local, sustainable businesses and involving communities is the best way to ensure universal access to energy and make lasting change happen faster.

Our business-based approach helps bridge the gap between emerging enterprises and people living in poverty. This means we can invest in bold ideas that carry risk and model the market, creating pilots that are scalable for both businesses and governments.

However, we see an urgent need for fast-tracking universal energy access, delivering pilots with the potential to be replicated or scaled. Therefore, our focus is moving from building our own sales operation to product and process innovation.

Now the challenge is to reach the toughest market segments, overcoming barriers of poverty and deprivation to deliver clean, affordable, sustainable energy into communities considered low margin, high risk and beyond reach.

Every SolarAid programme is open-sourced to encourage replication and scale through collaborative partnerships to achieve our aim: to ensure that no home, no school and no clinic in Africa is left without light by 2030.

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MESSAGE FROM THE CHAIR

MIRJANA ŠKRBA

I would like to start this annual report with a reflection on the concept of keystone species in the natural world. Creatures like beavers, wolves, and sea otters, though numerically modest, wield significant influence within ecosystems, aiding adaptation to environmental shifts. It prompts us to ponder whether energy access, much like these keystone species, acts as a pivotal utility, enhancing societal resilience in the face of change.

In a world fraught with disruptions and uncertainties, we find ourselves grappling with challenges on various fronts. In the UK, inflation and rising costs are straining society, while globally, trade conflicts, social unrest, and geopolitical tensions loom large. Governments grapple with complex trade-offs concerning food security, biodiversity loss, and climate change.

In this context, SolarAid is committed to implementing short-term initiatives that serve as stabilisers, fostering long-term, multi-domain resilience. We offer solutions that address immediate needs while mitigating future risks. Health and education stand as cornerstones of addressing both present requirements and future human capital and economic development, reinforcing societal resilience against a multitude of shocks, including climate change. Strengthening resilience in these critical domains proves advantageous across all future scenarios, enhancing preparedness for diverse risks, whether known or unforeseen, immediate or long-term.

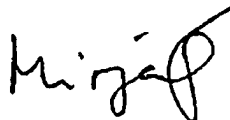
In the fiscal year 2022-23, SolarAid persisted in its efforts, advancing projects to establish sustainable access to renewable energy for the most remote communities. Concurrently, SunnyMoney teams tirelessly distributed lights to the last mile.

I extend my heartfelt gratitude to all our fundraisers, volunteers, and partners for their remarkable support, making a profound impact on individuals and entire communities. You have bolstered the resilience of countless women, men, and children, offering them brighter prospects amid a backdrop of uncertainty and change.

SolarAid envisions a world where clean, renewable energy is accessible to all. Yet, today, more than half a million people in sub-Saharan Africa remain without electricity, compelling them to curtail their activities by 6pm. Many resort to costly, hazardous lighting sources such as candles and kerosene lamps, perpetuating poverty. Children's education suffers in the darkness, and kerosene's fumes harm health. Absence of light and power impedes livelihoods and harms the environment.

Most alarmingly, safety is compromised, as too many rely on candles and rudimentary kerosene lamps, risking their lives nightly to illuminate their homes.

Our mission is clear: by 2030, we aim to illuminate every home, school, and clinic in Africa with safe, clean solar power. Together, we aspire to transform lives, breaking free from the shackles of darkness and insecurity, towards a brighter and more sustainable future. Thank you for joining us on this remarkable journey.



Mirjana Škrba, Chair of Trustees

WELCOME FROM OUR CEO

From the moment we were established in 2006, SolarAid has been a ground-breaking organisation, pioneering new ways to enable people living in extreme poverty across rural Africa to access solar powered electricity and light.

Just one example is how we spear-headed the first generation of Pico solar solutions. We recognised their incredible potential to fast track access to electricity for millions of people who were living beyond the reach of on-grid energy markets. And we delivered.

We've always taken a 'trade not aid' approach. By working in partnership with rural communities, governments and enterprise, we explore new ways to catalyse solar markets and crack last mile distribution in the toughest terrains.

Over the past decade, we've distributed an incredible 2.3 million solar lights inspiring others to follow - work that has helped improve people's lives across the continent, and replacing dirty fuels like kerosene and candles. Advances in technology has provided the opportunity to help power rural livelihoods and agriculture, helping vulnerable communities increase their resilience to the threats of climate change.

It's a good news story with phenomenal results. But business as usual is not enough. We need to do more to enable the poorest households and communities to join the solar revolution - to ensure that no one is left behind.

Without urgent, game-changing action, innovation and collaboration, the world will not be on track to achieve our global collective Big Hairy Audacious Goal (BHAG), SDG7 as laid out by the United Nations' SDG7: to ensure universal access to electricity by 2030.

This is why SolarAid has been developing and stress-testing ground-breaking innovative programmes - models designed to reach the toughest market segments, overcoming barriers to access, while also facilitating replication and scale across new geographies.

Our rigorous process means we measure success not just by the number of solar lights and products being distributed, but also in terms of what we call Leave No One Behind (LNOB).

These LNOB metrics focus on the percentage of rural households and institutions within communities who we reach through inclusive innovative business models and interventions.

The results of this shift in our focus are already extremely encouraging - in fact, up to 99% of households in some project areas now benefit from access to solar electricity.

In the years ahead, we will build on this. We will continue to innovate as we also seek to bring solar electricity to schools, health facilities and to power rural livelihoods. We will also continue to share our learnings and engage with the wider development community to find ways to scale successful interventions which have the potential to fast-track progress towards universal electricity access by 2030.

It's all within our reach. But now we have just over six years left to reach 600 million people living in even harder-to-reach places - and the clock is ticking.

So we are stepping up again.



John Keane, CEO, SolarAid



THE IMPACT WE MAKE

DIRECT IMPACT

SolarAid sold 105,960 solar products this year in Malawi (73,921) and Zambia (34,053). 564,000 more people have access to clean and affordable energy because of our SunnyMoney distribution networks.

In Zambia, this has been achieved by our network of over 220 agents. In Malawi, this is due to the efforts of the 36 locally owned Energy Businesses we have seeded and the 160 Mayi Welas groups of women entrepreneurs, who help extend those businesses into deep rural areas.

89% of customers live in rural communities and 98% of them have reported an improvement in their quality of life. From throwing out their candles and battery-powered torches, their energy spend is now reduced to \$3.20 per week - an incredible 95% saving.

86% of these households now feel safer after dark as they no longer have to burn open flames inside and because many can also use their product as a security light.

For the children, 98,000 are now studying safely after dark.

PILOT PROJECTS

SolarAid has also seen some significant impacts from our pilot projects designed to test innovations for the continent. There are two to highlight in particular:

Light a Village

This energy-as-a-service project, designed to remove the risks and cost burdens of owning a Solar Home System (SHS) for the poorest households, is now reaching 2,500 households.

A study from the first pilot of 500 households has shown that 97% of the community lives in extreme poverty with zero grid access. The goal is to reach 100% of households. This will be achieved when the pilot is completed, but we already see 99% penetration in one village.

Customer feedback is very positive, with 97% of customers very satisfied or satisfied with the service provided. 97% say they will still be using the service in five years' time.

Daily usage (based on daily payments) is at 89%. This enables families to make a 12% saving on their energy spend. Considering this is switching from predominantly kerosene candles and battery-powered torches to a powerful solar system, this is a real success.

Mobile phone usage has drastically increased due to the phone charging capabilities of the systems, and the community also rallied together to provide the area's ten schools with the service.

These results are effectively feeding into a viable business model we are designing to be publicly financed across sub-Saharan Africa.

Repair and restore

Our decentralised repair project is also showing some great impactful results, which will serve the wider off-grid energy sector to address the growing e-waste problem.

Our project showed that just 11% of customers discard their non-functioning products due to people's hope for repair and sentimental attachment. This is compounded by the fact that when we had the opportunity, we could repair 91% of these products. Extrapolating this further out means there could be 110 million solar products in Africa that could be repaired today.

Of the 1,094 products we repaired this year, the most common fault was the battery (69%). Replacing the battery, or addressing the other simple faults, means an e-waste reduction and extends the lifespan of each product.

Customers reacted to this, and the number who would consider local repair services doubled from 43% to 85%, and the number of customers who would try to repair their solar products reduced from 25% to 2%.

These figures present an opportunity to address this serious issue, which we are continuing into next year by testing the viability of these models for commercial adoption.

22/23 IN NUMBERS



107,974

**SOLAR LIGHTS
DISTRIBUTED**

292

SOLAR ENTREPRENEURS

 **30%**
FEMALE SOLAR ENTREPRENEURS*

36

LIGHT LIBRARIES

2150

**MAYI WALA WOMEN
SOLAR ENTREPRENEURS****

2873

**SOLAR LIGHTS
REPAIRED**

925

**KM TO FURTHEST
LOCATED ENTREPRENEUR*****

*88 out of 292, excluding 2150 Mayi Wala women solar entrepreneurs

** In Malawi

*** In Zambia

WHY WE EXIST

Global uncertainties paired with the effects of the pandemic has slowed down the acceleration pace of energy access in sub-Saharan Africa with the poorest and most remote regions being left behind.

To break down barriers of accessibility and affordability with must keep innovating to find new routes to universal energy access by 2030.

WHAT'S HAPPENING GLOBALLY?

Between the years 2010 and 2021, 51 countries achieved universal energy access and global access rose from 84% to 91%. This positive and upward trend was seen across the globe.

However, population growth, the continued impacts of COVID-19 and the war in Ukraine, together with related energy crises has significantly slowed down the acceleration pace over the past years – and the poorest, most remote communities in sub-Saharan Africa are being left behind. This impacts poverty reduction, education levels, gender equality and in large, remains a barrier to socioeconomic development.

Looking towards the future, access to energy in 2030 is now predicted to be 92% – leaving about 660 million people still without access, of these people, 85% are predicted to be in sub-Saharan Africa.

THE CHALLENGES AHEAD

While the rest of the global South are still on a positive trajectory towards reaching universal access rates, with more than 98% currently having access, sub-Saharan Africa remains stagnant, with a large gap between rural and urban areas. In fact, in 2021, 80% of people living without access to electricity were in rural communities.

However, patterns of energy access across the continent differ, and each country comes with its own challenges. But the two biggest challenges remain consistent everywhere: affordability and accessibility. For example, Malawi is rated the fourth lowest in energy access in the world. With only 5% of people in rural areas having access, and poverty rates in the country reaching 71%, it's one of the most impoverished countries in the world, making affordability a challenge.

Whereas in Zambia, a vast and sparsely populated country, availability of solar lights in inaccessible areas poses a great challenge, as costs related to bringing products to rural areas is a barrier.

With Africa warming at a faster pace than the rest of the world, climate change is posing a new set of challenges to these populations and communities – from prolonged droughts, to increased and more severe natural disasters, destroying ecosystems, societies and economies, further cutting off remote communities, increasing food insecurity and affecting human health.

Therefore, to reach universal access by 2030, off-grid renewable energy solutions will continue to play a key role, but we must keep innovating to break down barriers of accessibility and affordability to fast track universal energy access by 2030.

OUR WORK IN ACTION

The market for selling and distributing solar solutions to reach millions of households across the continent is growing. But it is also widely recognised that business as usual approaches are struggling to reach the poorest people. However, the reality is that with many commercial actors struggling to survive, they cannot be expected to prioritise customers living in poverty if this jeopardises their own business model.

That's why SolarAid is directly responding to this need. We are working in partnership with rural communities and key stakeholders to develop and test innovative, game-changing models designed to overcome the barriers which prevent the poorest households and communities from accessing high quality and sustainable solar light and electricity. Also, to find ways for successful interventions to be adopted and scaled across the continent.

FROM INNOVATION TO SCALE

SolarAid is focused on achieving impact at scale. Rather than trying to achieve this through scaling our own operations, however, we are focusing on innovation, learning, knowledge sharing and partnerships in order to maximise impact.

The main aim of our projects is to find ways to understand, address and overcome 'market gaps' or 'points of market failure'. Examples of this work include projects which:

- Demonstrate what it takes to reach 100% of a rural population, providing concrete examples of how to achieve universal electricity access in rural communities characterised by high levels of extreme poverty
- Help extend the lifespan of solar products and reduce e-waste by supporting the development of repair infrastructure and capacity within rural marketplaces.

The flow chart below outlines the five steps we follow when seeking to overcome a market failure.



FROM STRATEGY TO REALITY

Our Light a Village project in Malawi is a perfect example of this strategy in practice. Starting as a small proof of concept pilot serving 500 homes, it is now undergoing 'stress testing' with a plan to scale across a whole traditional authority area.

By operating the model at 'a minimum required scale', we can analyse results, collect evidence and provide a real life practical example of how to achieve universal energy access at scale. Then our learnings will be ready to share with the wider development community, helping to influence agendas and explore the potential to scale across the continent.



ACHIEVING UNIVERSAL ACCESS

GAME CHANGING MODELS

For remote communities in sub-Saharan Africa, universal access to electricity is rare. But there is an urgent need to ensure people living in extreme poverty off-grid are not left behind in the energy transition.

To address this, our Light a Village project aims to test new models for distributing and maintaining solar lighting in these remote areas by engaging with the local community, making electricity available to every home through an 'energy as a service' model.

The project began in Kasakula TA, Ntchisi District in Malawi where 97% of customers live in extreme poverty with 0% grid access. After ensuring through the government these areas weren't earmarked for grid expansion in the near future, we collaborated with community leaders, agreeing to trial a pilot project to service 500 rural homes, installing solar home systems for free. This means people receive instant access while paying a fair and affordable price for the energy. In fact, the cost for a family to access electricity in their home is similar to that of buying a single candle to provide light at night.

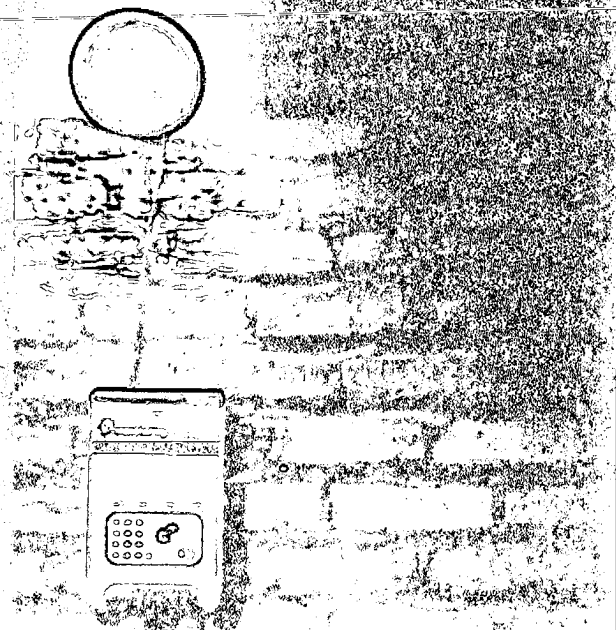
As a result, our approach overcomes two barriers that keep the poorest communities from gaining energy access: affordability and risk management, as customers aren't being asked to invest in a solar home system which may not be up to the job.

We also train local Customer Service Representatives (CSRs) to install and repair the solar home systems creating long-term, sustainable income.

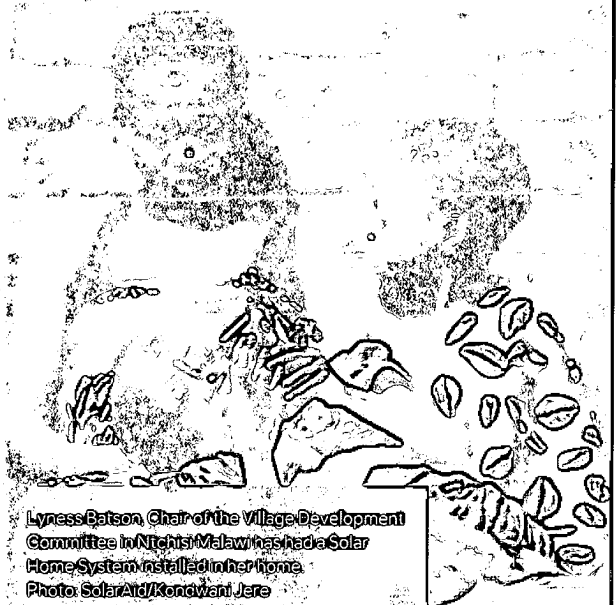
Initially, the first 500 installations led to high usage and payment rates, and the communities asked us to expand the project to include 10 schools. The concept continued to prove highly successful and led to scaling to a further 2000 homes. In the years ahead, we plan to expand across the whole Traditional Authority area and also introduce solar irrigation systems to help power local agricultural livelihoods.

We are actively measuring the percentage of households we are reaching within the project area as key Leave No One Behind (LNOB) metrics. In fact, in some clusters, we are already achieving as high as 99% - having started from 0%.

So, what's next? Now we are sharing the model with the wider development community, building new partnerships to help us analyse results and engaging with global stakeholders to discuss the potential to scale this approach to help reach LNOB populations across new geographies. Watch this space.



After we received solar power, my daughter and her friends were able to study in the evening. As a result, they were able to excel in school and all four of them were selected to attend secondary school.



Lyness Ratson, Chair of the Village Development Committee in Ntchisi Malawi has had a Solar Home System installed in her home.
Photo: SolarAid/Konstantin Jere

ACHIEVING UNIVERSAL ACCESS

OVERCOMING FINANCIAL BARRIERS

Affordability is a critical barrier to accessing solar light and power, with low income households struggling to afford solar home systems - in many cases, even small, entry-level solar lights.

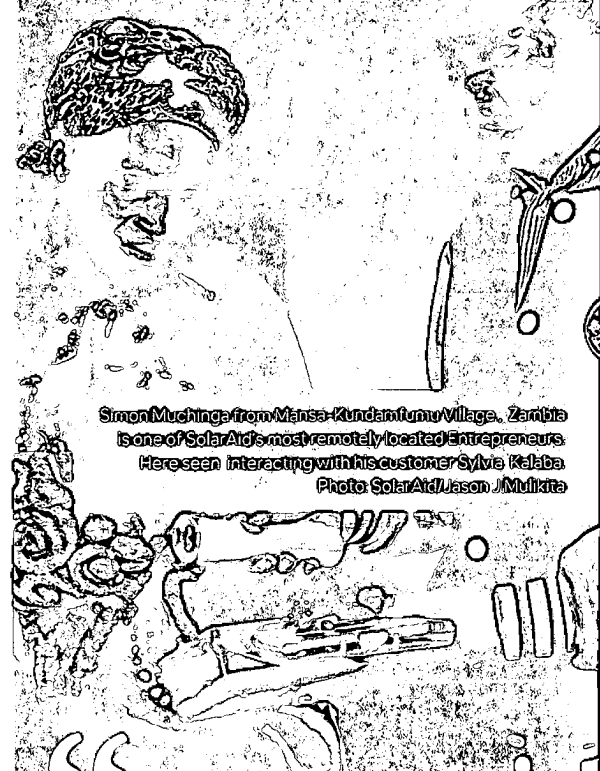
SolarAid's innovative Light a Village project directly addresses this affordability barrier by offering access to solar energy through a low-cost fee for service. Some customers may prefer to own a solar light or home system, but being able to afford them is a struggle. However, we know that subsidising the purchase price of products helps overcome the financial barriers many people face.

Therefore, we have been supporting and continuing to engage with key stakeholders to back initiatives which provide subsidy while being careful not to distort the market.

Another way we are addressing affordability barriers alongside this work is through our Light Libraries. Light Libraries make solar lights available through rural schools and are one tool we use to help enable low income students to access solar lighting. Over the past year, together with our partners in Malawi, we helped establish 36 Light Libraries where students can rent solar lights for less than a penny, or choose rent-to-own options which are also available. In Madagascar, we have actively supported the implementation and trials of a similar light library concept through a consortium of actors.

We have also been supporting rural solar energy businesses and female solar entrepreneurs known as Mayi Walas (Shining Mothers in Chitwewa, Malawi's national language) to increase access to solar lights and solar home systems within rural communities by offering customers access to flexible low-interest financing, enabling people to purchase systems over extended repayment periods. Over the past year, 1,443 solar lights and solar home systems have been sold through this approach to customers, 500 of these through Mayi Walas in Nkhata Bay - to customers who would otherwise struggle to afford these products.

So how do we measure success? When ensuring no one is left behind, it isn't about the number of solar lights or products that are distributed, but the percentage of a population that has access. This is why we have developed Leave No One Behind metrics which we are starting to use to assess and compare the effectiveness of any intervention in effectively increasing access to electric light and power.



Simon Muchinga from Mansa-Kundamfumu Village, Zambia is one of SolarAid's most remotely located Entrepreneurs. Here seen interacting with his customer Sylvia Kalaba.
Photo: SolarAid/Jason J. Mulikita

What motivates me is the change I have seen in my area because of lights from SunnyMoney. It's the improvement in my living standards. I am now able to fully support my family with daily needs.



Mirnam Chikoya, Solar Entrepreneur, Kabwe-Kalebwe village in Zambia interacting with her customers. Photo: SolarAid/Jason J Mulikita

SCALING UP ENTERPRISE

FINANCING ENERGY BUSINESS

Last-mile distributors of solar products often struggle to access the finance they need to purchase more solar lights and systems, expand their solar businesses and reach more customers. As a response, SolarAid has partnered with Lendwithcare, a financial initiative of poverty fighting charity Care International UK, to test different mechanisms to help overcome these challenges.

In Malawi, we created and continue to support the Financing Energy Business Cooperative. FEBCO is operating as the first ever energy cooperative designed to enable solar distributors and agents to access low-interest working capital so energy businesses can expand their product portfolio and reach more customers.


To date, there are now 4,104 FEBCO members, enabling 36 energy businesses to access loans totalling over 12 million Malawian kwacha over the

past 12 months (2022/23 period), with an average loan size of 124,000 Malawian Kwacha.

In terms of actual products, the cooperative has provided the working capital behind the sale and distribution of 68,005 solar products.

Similarly, over the same period in Zambia, we extended our new credit facility to 62 solar agents serving rural communities across the country. Here, FEBCO has provided loans ranging from 700 Zambian Kwacha up to 21,750 Zambian Kwacha – that's the equivalent of loans ranging from £27 to £850. Whatever the amount, together these loans have made a huge impact, increasing solar light and system sales in Zambia by an estimated 400%.

This work clearly demonstrates the ongoing need for low-interest working capital to be made available locally, in local currency, to help local enterprises to expand. It all adds up to increasing access to solar light and power for even more rural customers.



Solar lights being installed by the SunnyMoney team in Kenedy Buleya's house in Tambalasiwa Village, Malawi. Photo: SolarAid/Kondwani Jere

POWERING COMMUNITIES

Since 2006, SolarAid have been installing solar systems on rural schools, community centres and health facilities. Once each system is installed, rural institutions start to benefit immediately. However, now the real challenge is finding ways to ensure that systems remain operational in the long term.

Together with the University of Mzuzu in Malawi, SolarAid conducted research which revealed that a high proportion of solar systems installed on public institutions fall into disrepair. The key reasons for a system's premature failure includes a lack of access to trained technicians and the prohibitive cost of specialist system components, as well as limited access to these parts.

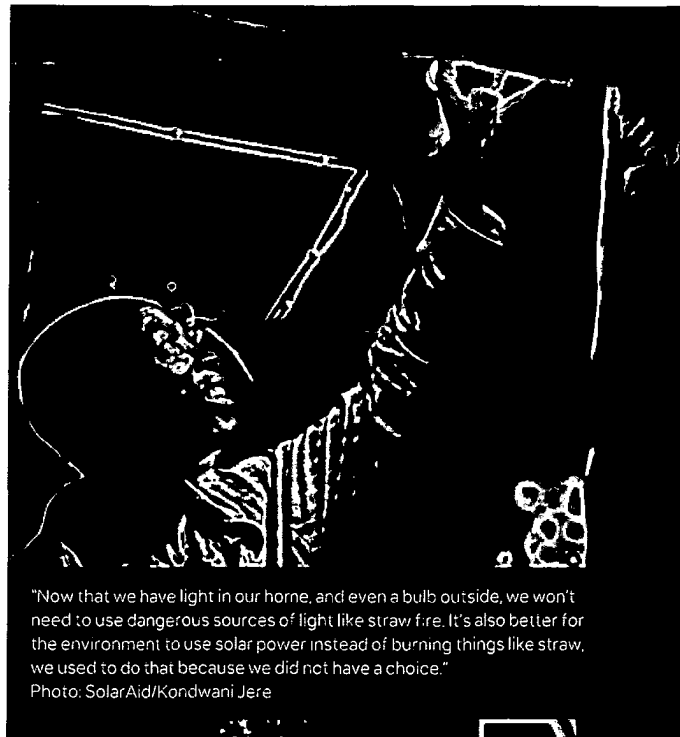
Now, with costs falling and the availability of 'plug and play' solar systems which need limited maintenance, SolarAid has been continuing to help light up rural schools and health facilities in Malawi and Zambia.

By using smart metering technology, we are able to monitor the performance of these systems and provide remote support when a system fails.

We have also been testing a new Energy-as-a-service based model over the past year. This is enabling local energy businesses to bring light and power to rural schools, lighting classrooms and staff buildings, as well as receiving monthly payments to ensure systems remain fully operational.

Next, we plan to expand this model to include rural health facilities, while also working with governments, commercial actors and development partners to explore ways through which this approach, which overcomes traditional causes of premature system failure, can be scaled across the entire continent.

Every institution will help us get closer to reaching our goal: to light up every home, school and clinic in sub-Saharan Africa by 2030.



LIGHT A VILLAGE

KENEDY AND HILIDA'S LIFE WITH LIGHT

"Now that we have light in our home, and even a bulb outside, we won't need to use dangerous sources of light like straw fire. It's also better for the environment to use solar power instead of burning things like straw, we used to do that because we did not have a choice."

Photo: SolarAid/Kondwani Jere

When day breaks in Tambalasajiwa Village in Malawi, 35-year old Kenedy Buleya's children start sweeping and cleaning, while Kenedy and his wife Hilida go to the fields to farm.

Taking advantage of daybreak has always been important in Kenedy's village. Due to the lack of electricity, nights were long and dark. Kenedy and his family used paraffin candles or straw fire for light, which were dangerous, toxic and sometimes hard to come by.

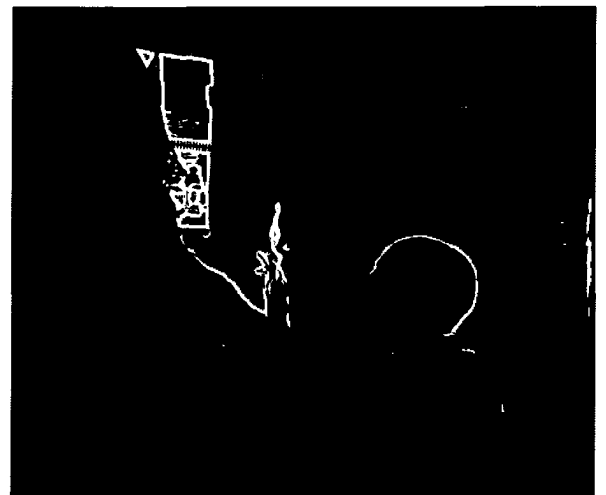
"When it is dark here, I am in big danger because at night there are a lot of things moving around. We fear, because it is dark. Maybe we may meet fierce animals such as snakes and hyenas too. We feel terrified."

Alongside his family's safety, Kenedy also worried about his children's education. As a child he himself had to drop out of school. Seeing his children face the same destiny pained him: "Inside my heart I feel so disappointed, because a child needs to study. However, because of poverty, that is why the children struggle in their heart, even myself I struggle inside, to say that how can I find light so that the children can perform well in school?"

But recently, this all changed. With SolarAid's programme Light a Village, Solar Home Systems have been installed in all the houses in the area creating a tapestry of light across the village.

Kenedy recalls the first night he flicked the switch, "It was like magic. We were all so happy and excited to finally have light in our home. It was a beautiful moment for all of us. I felt so happy and proud to have this opportunity at last."

Kenedy found himself immediately getting to work the first night with light, "I'll be able to work on my farming projects even after the sun goes down. This is really going to make a big difference in our lives (...) my hope is that this will help to bring more development to our village. With light in our homes, we will be able to do more things at night and be more productive. This will help us to improve our lives and our community as a whole."



"I think solar power is really good for the environment. It doesn't contribute to climate change like other sources of energy do. I think it's a really great technology, and I'm happy that it's being brought to our village."





CIRCULAR ECONOMY

Solar lights being repaired at the Repair Days in Kapiri Mposhi, Zambia. Photo: SolarAid/Jamiel Banda

SolarAid has long recognised the importance of ensuring off-grid solar products can be repaired, reused and recycled. This maximises product lifespans and customer value for money, while also minimising the growing e-waste problem.

This is why, alongside rural communities, solar entrepreneurs and technicians, we developed projects to identify and overcome barriers which limit the availability and repair of solar light systems for people living in off-grid areas.

Over the last year, our Solar Saver project in Zambia helped identify these issues:

1. Customers have limited access to trusted repair technicians
2. Technicians lack access to repair manuals, spare parts and tools
3. Not all solar products are designed to be repair-friendly
4. The recycling infrastructure for reducing e-waste is limited

We also learnt that most customers keep damaged or non-functioning solar products, hoping that they can be repaired in the future.

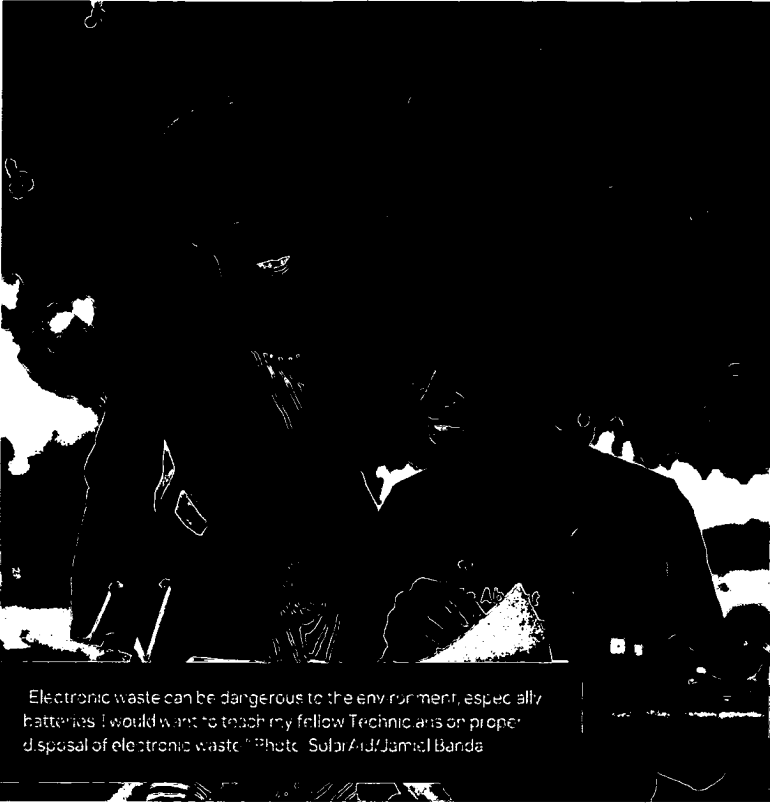
During this project, local technicians successfully repaired over 90% of the solar lights and systems (including finding a way to repair a product that had been designed to ensure it cannot be opened, which had made it unrepairable in the traditional sense).

To help increase access to technical knowledge, as well as develop best practice guidance, we have developed an open source repair App. This tool is designed to help technicians across the continent to troubleshoot and repair leading solar products on the market.

SolarAid is also calling on the sector to prioritise repair, to help build last mile repair capacity and support improved enabling environments to facilitate widespread affordable access to quality spare parts.

Alongside these calls to action, SolarAid will continue to test the economic viability of a range of business models focused on localised solar light and system repair, offering pathways to de-risk the off-grid solar sector's engagement with repair activities.

A SECOND LIFE TO LIGHT



Electronic waste can be dangerous to the environment, especially batteries. I would want to teach my fellow Technicians on proper disposal of electronic waste." Photo: SolarAid/Jamuel Banda

With 2.3 million solar lights distributed across sub-Saharan Africa, SolarAid is exploring how repair can help reduce electronic waste and upskilling local Technicians can contribute to circular economy.

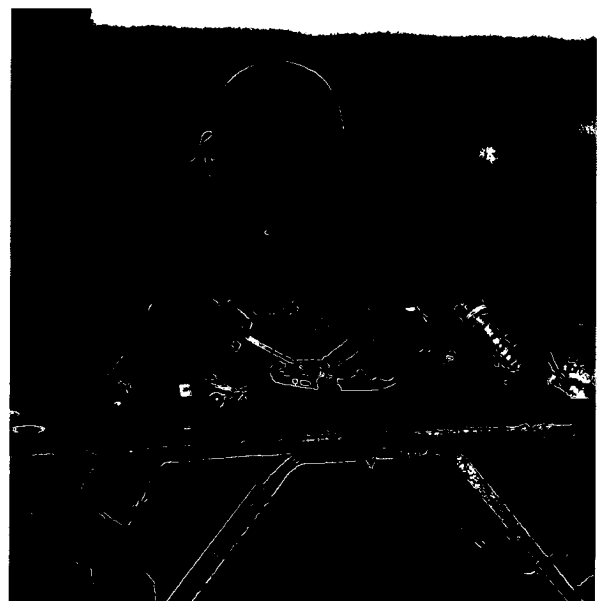
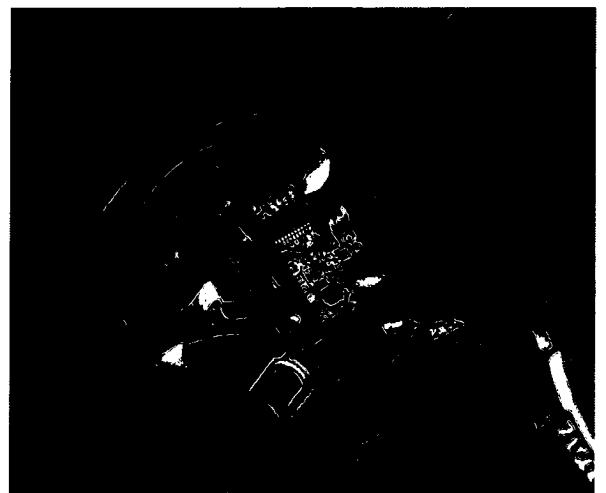
Rodgers Mwamba is one of the Repair Technicians in rural Zambia who has been trained by SunnyMoney to repair solar lights. "I heard about the opportunity from SunnyMoney staff who approached me at my shop here in Kapiri Mposhi, asking if I would be interested in being a Repair Technician. I love and enjoy what I do. The job of a Technician is not seasonal as appliances can get damaged or may need repair at any time."

Rodgers bought his first solar light at a repair workshop where he learned the most common issues and how to prevent them. "Solar is actually a good renewable source of energy, the issue comes in when people become careless, like leaving the solar panels or the entire light in the rain. Such would damage the panel and the light with some ports becoming faulty."

Rodgers's customer, Peggy Hamalambo, is a teacher who has been using solar lights at home for three years: "The light just stopped working and I felt bad, so I kept it safe until now that you have come to do some repairs."

Rodgers is motivated by his happy customers when their light has been repaired saying, "What I love about this job is seeing things that weren't working come back to life, it brings me joy and satisfaction."

Rodgers sees a bright future ahead: "In terms of my business, I hope to grow, especially with SolarAid. My hope is for SolarAid to continue offering the technical support we have been receiving so as to continue servicing the many customers in these areas. With continued support, we will do and achieve more."



OUR WORK IN THE UK

Our UK team work hard to raise awareness and funds. Here are a few moments that shone particularly bright in 2022.

CELEBRATING KNOWLEDGE SUPPORTERS

Without our brilliant supporters, we simply couldn't do what we do. So we took on a wonderful project, including interviewing some supporters, to understand their motivations and needs.

RELAUNCHING THE SOLARAID SHOP

Thanks to amazing volunteers, we relaunched our SolarAid shop with a shiny new storefront. The shop is an important part of work as every solar light bought, helps get lights into the hands of people who need them most.

MEETING PEOPLE AND FAMILIES

We want supporters to know the people on the other end of their donation. That's why we meet families who are now living with clean, safe and affordable energy to hear their stories.

In Zambia, we met some of our most remotely located solar entrepreneurs like Penny, Simon and Rhoda. It took us days to get there - yet it takes our entrepreneurs even longer to deliver solar lights by bike or foot. We also returned to Ntchisi in Malawi to meet Kesilina, John and Goodwell. They had all experienced fire related accidents in their homes, so it was truly joyful to visit again a year after they had solar lighting.

A SERIES OF LEARNERS' TALKING

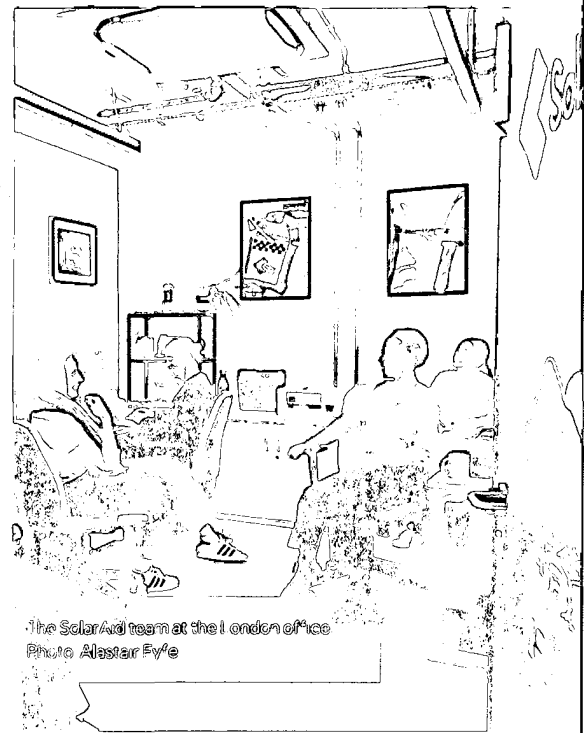
We launched a series of webinars for supporters who want to dig deeper into the technical intricacies of our work. It's been valuable to discuss learnings and connect with brilliant minds.

NOMAD AND LIGHT IN A BOX

This year, some of the fantastic companies and organisations who support us went beyond monetary donations. Thanks to Nomad Exhibitions, we have been very proud to take our beautiful interactive exhibition stand on the road. Also, a special thank you to Bird Sunglasses who helped deliver the full experience of solar light in the post with 'A light in a box', taking supporters on a journey as they unbox one of our lifesaving solar lights.

CELEBRATING OUR SOLAR LIGHTS

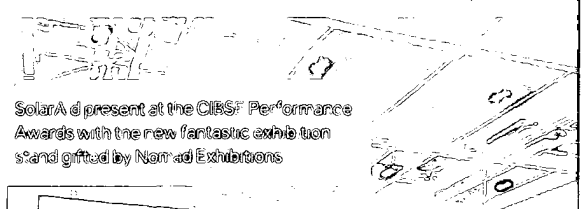
On International Day of Light, we shone an extra bright spotlight on our small solar lights and their huge impact. We also launched our Light Library appeal, sharing stories from children like Fabriola, Dalitso and Rhoda who live in Malawi, combining photography and illustration to show how a solar light can accelerate a child's dreams for the future.



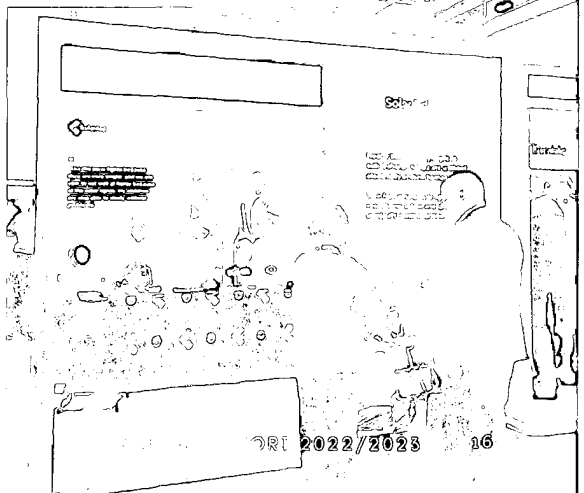
The SolarAid team at the London office
Photo: Alastair Fyfe



The SolarAid team learning more about our work on the ground on a Programmes day in London



SolarAid present at the CIBS Performance Awards with the new fantastic exhibition stand gifted by Nomad Exhibitions



POWERED BY PEOPLE

REMEMBERING AN INSPIRATIONAL SUPPORTER

At the start of 2023, the first donations started coming for long-standing SolarAid supporter, Keith Neal's latest fundraiser initiative. Keith had committed to raise £3,000 for his local church, Friends of the Earth and SolarAid by litter picking three miles every day in return for donations - encouraging others to join him!

Sadly, Keith passed away in April 2023. But people continued to donate in Keith's memory, passing his fundraising target within weeks.

From the moment he heard about SolarAid 10 years ago in 2013 when he listened to our very first BBC Radio appeal, Keith became a solar advocate. Since then, he's been doing talks on our behalf, even getting SolarAid involved in a peace initiative in Kenya and helping tackle Ebola in Sierra Leone through our solar lights.

Keith was a brilliant fundraiser and directly raised £19,901 to SolarAid over the years, selling solar lights and attracting many new supporters. Keith went out of his way to support our work and was a very special person to SolarAid.

Now as we approach 2024, it seems fitting that SolarAid will have another BBC radio appeal. We know Keith will be listening in.

GRANTS THAT SEED INNOVATION

Grants from trusts and foundations are critical to the early stages of many of our initiatives, as well as donations. The Turner-Kirk Trust supported the first phase of our Light A Village initiative (see page 10) and committed to match fund donations to the second phase. Despite this being an innovative approach that had a risk of failing they were willing to back SolarAid.

FUNDRAISERS THAT SURPRISE US

Fundraisers this year have been just about anything - from a sponsored tattoo by Richard Lowes, a virtual marathon by Steve Phillips and an ultramarathon through the desert by Jon Cross, to an afternoon garden tea party in the Sun by members of Scroptimists International and a walk in the dark by the staff of Astro Lighting. All very different, but one theme encompasses them all - they surprise and delight us every time!

THE YEAR IN NUMBERS

- Number of individuals donating to SolarAid each year 1,645 - if you are one of them, thank you!
- Income from donations, fundraising and grants: £1,775,414
- Number of grants received: 55
- Average grant awarded: £7,771.

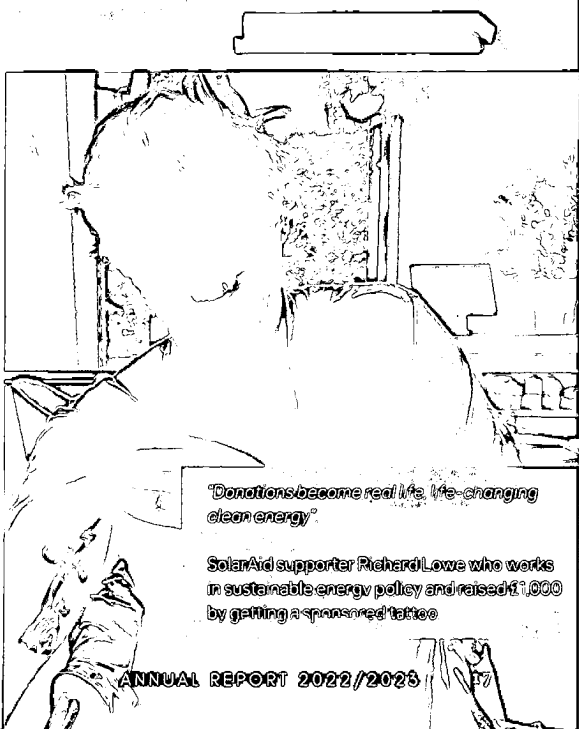


Keith Neal, litter picking three miles every day in return of donations to his local church, Friends of the Earth, and SolarAid.



"The role of the funder is to be more than a chequebook. They should guide charities to do something creative and new and offer guidance and support where they can - but ultimately trust in the charity's expertise."

Dr Ewan Kirk, Founder of Turner Kirk Trust discussing the next phase of Light A Village with SolarAid's Brave Mhonie.
Photo: James Bird



"Donations become real life, life-changing clean energy"

SolarAid supporter Richard Lowes who works in sustainable energy policy and raised £1,000 by getting a sponsored tattoo



“Solar power is a simple and cost-effective solution for those who have no choice but to rely on expensive and toxic kerosene or dangerous candles. We are delighted to be working with a charity with such a critical mission.

Christian Rynning-Tønnesen, CEO, Statkraft

ACCELERATING WITH STATKRAFT

In 2022, Statkraft (Europe's largest supplier of renewable energy) provided a £500,000 donation to SolarAid as part of its multi-year commitment. This has given us both funds and the backing to accelerate our new strategy.

Statkraft also actively advocates for SolarAid to the renewable energy sector. In fact, their introduction led to a commitment to us from EDF Energy for the Light a Village initiative resulting in £40,000 being raised for the project, and the possibility of future funding.

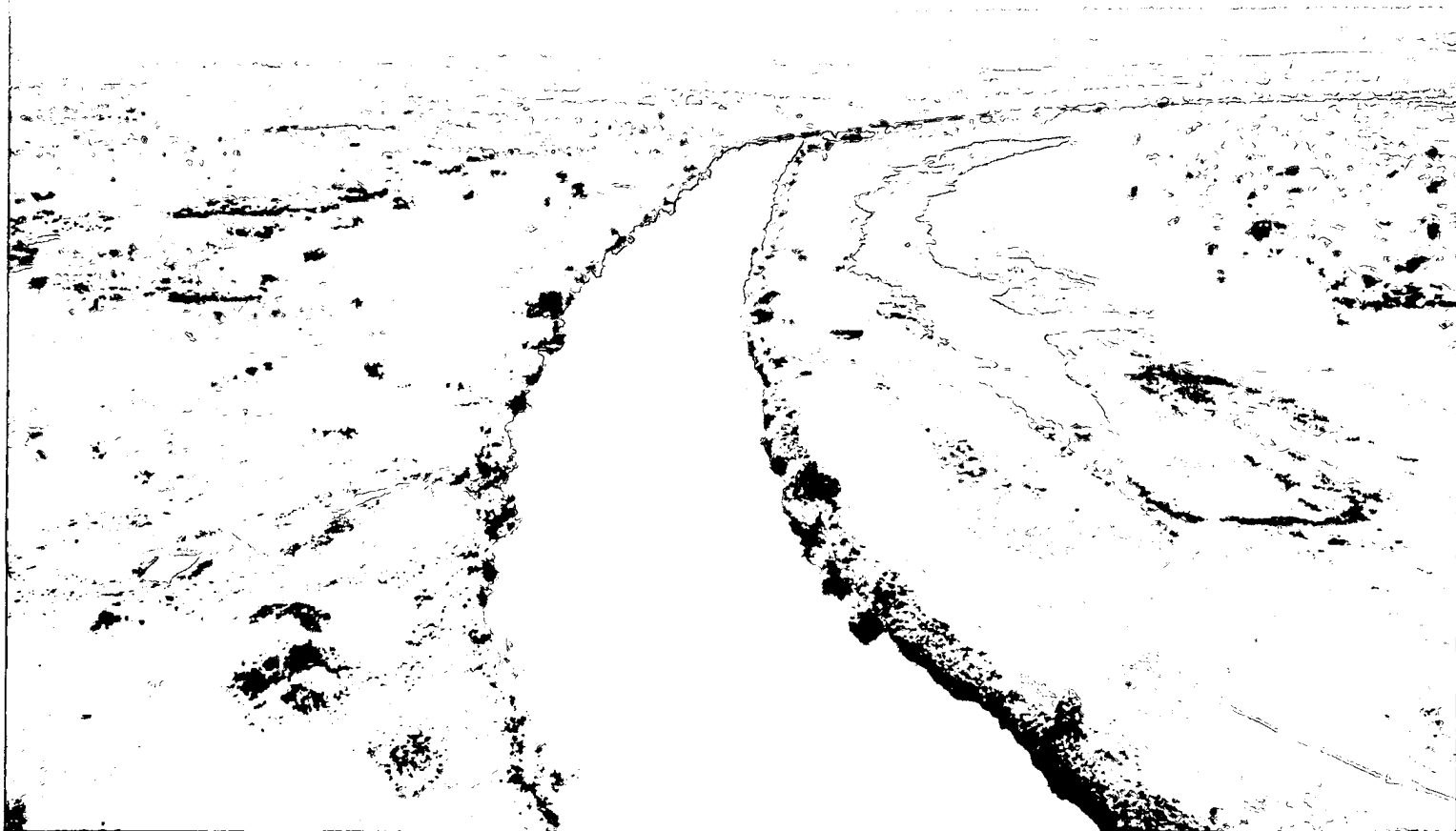
As well as financial support, Statkraft are promoting SolarAid at community engagement events in the UK, and their social media teams across Europe continue to help amplify the SolarAid message.

In November 2022, Statkraft welcomed Brave Mhonie to Oslo. Brave is our Country Manager for Malawi and he was invited to address and inspire staff from the European Division as part of a week long conference.



Brave was indeed sensational, and their talk was one of the highest scoring of the week. Afterwards, Brave went on to speak to staff in London.

“This extraordinary donation is helping us fast track access to solar energy in remote communities vulnerable to the climate crisis across Africa. We are on the cusp of making history together, and we are proud to have Statkraft as our strategic partner by our side,” says SolarAid CEO John Keane.



THE YEAR AHEAD

Although 150 million solar products have been distributed over the past decade, there are virtually no examples of universal access being achieved with rural off-grid communities where people are living in extreme poverty. SolarAid will step up to this and many other challenges in the year ahead.

For schools and homes in rural Malawian communities with high levels of poverty, we will provide smart solar home systems enabling access to electricity through an Energy-as-a-Service model. As we stress-test and develop the systems needed to operate this model at greater scale, our goals are to achieve universal access to electricity in focused project areas, providing the much-needed examples for the wider off-grid energy sector.

We will continue to:

- Support last mile energy businesses serving rural communities, and projects testing the use of innovative solar powered battery rental models, helping people living in poverty to access power
- Develop subsidy trials designed to overcome financial barriers to access and help reach 100% of rural households
- Engage with communities and run trials to increase our understanding of how electricity can be used to support rural agricultural livelihoods
- Work with rural healthcare providers to test and offer access to solar power through Energy-as-a-Service models

To track and assess the effectiveness of interventions so we can demonstrate achieving 100% access, we will implement projects designed to fast-track progress towards universal energy access using our new Leave No One Behind metrics.

We will also build on our work to support the development of repair best practice and the release of our free Repair App, which is being used by Technicians across the continent to help repair leading solar lighting products. To support this, we will publish a Repair White Paper to highlight challenges and outline the key steps that need to be taken to grow a vibrant repair economy serving solar customers across the continent.

Recent years have also seen us develop and test models designed to reach populations underserved by ongoing market activity. As we continue this work, the year ahead will see us actively sharing results, know-how and lessons learned to facilitate wider adoption of approaches and metrics to help fast-track progress towards universal energy access across the continent.

In short, this will be another year of getting even closer to reaching our goal of lighting up every home, school and clinic in sub-Saharan Africa by 2030.



The Mayi Wala group 'Kuwala' in Mponela, Malawi welcoming the SunnyMoney team with singing and dancing.
Photo: SolarAid/Haley Withers

THANK YOU

WE WISH TO THANK ALL OF OUR SUPPORTERS IN 2022/2023, INCLUDING OUR INDIVIDUAL SUPPORTERS, AS WELL AS THE FOLLOWING:

AEONIAN FOUNDATION

ASTRO LIGHTING

BIRD AND BIRD LLP

BIRD SUNGLASSES

EDF ENERGY

ELENEO

ERM FOUNDATION

GIZ

GOOD-LOOP

HCD MEMORIAL FUND

HELEN + MICHAEL BROWN CHARITABLE TRUST

ICG

LOTTOLOVE

MEAVO LTD

NEXTENERGY FOUNDATION

NOMAD EXHIBITIONS

THE CALUMET TRUST

THE COLES-MEDLOCK FOUNDATION

THE EQ FOUNDATION

THE HICKEY FAMILY FOUNDATION

THE MARGARET HAYMAN CHARITABLE TRUST

THE STEP-UP FUND

THE Q CHARITABLE TRUST

TURNER KIRK 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 staff pay band we have four pay levels based on a market salary benchmarking exercise that takes place every two to three years. We monitor staff progress each year through our appraisal and objective setting processes and staff move up the pay levels as appropriate. The Chief Executive's salary is set by the Board of Trustees based on the market median salaries of similar charities. The Senior Management Team salaries are set according to their position within the Senior Manager pay band. Since the year end we have also introduced an enhanced benefits package for staff.

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. 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.

Gifts in kind (donated services, facilities and goods for use by SolarAid) are included in the accounts on the basis of the value of the gift to SolarAid. This is the value that the charity would pay in the open market for an alternative item that would provide an equivalent benefit. The value determined is included as income and charitable expenditure. 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.

MANAGING PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees is 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 5 MAJOR RISKS REPORTED TO THE BOARD ARE:

Cash management

The SolarAid group is dependent on fundraised income which, by its nature, is uncertain. The organisation is working on a number of innovative projects in Malawi and Zambia, and these require cash, both in ongoing operational expenditure, and in funding stock. We maintain detailed cash forecasts, which are regularly updated, and we work with our local managers to ensure that we can delay or cancel expenditure if we have not raised sufficient funds for planned activities.

Inability to generate sufficient income

To mitigate this risk we ensure that fundraising plans aim to pursue diverse funding streams. SolarAid secures funding for its activities from a wide range of sources including Corporate partners, Trusts and Foundations, Governmental bodies and individuals. We consider our funding to be without undue reliance on one particular funder or income stream. To ensure stability we prioritise funding commitments over time - such as corporate partners, multi-year or repeat grants and regular gifts. To achieve this we take time to report back to funders on the impact of their support, and strive to provide a high standard of appreciating individuals and organisations that support us. Targets and forecasts are monitored on a monthly basis so that we can adjust our expenditure plans accordingly.

Loss of key staff, including members of SMT, and trustees

This is a perennial risk in a small organisation. In April 2023 SolarAid introduced a new benefits package for staff, which includes an increase in annual leave and pension contributions, as well as death in service benefit, to better reflect industry norms. We listen to staff and are working on a new staff survey to gauge staff satisfaction. At board level, we are engaging in a trustee skills audit, and will be looking to strengthen the board with new trustees in 2024.

IT security and cyber-attack threats

These are emerging and developing risks. At SolarAid we have taken steps to improve our security, including the introduction of multifactor authentication, and continue to work on improved security around corporate email addresses, and file storage. We work with an IT company who are able to support us across all of these issues.

Financial and operational pressures resulting from political or social instability

Political or social instability (including the COVID pandemic, Brexit and the war in Ukraine) directly impact on our ability to deliver projects, our income levels and our costs. Political instability can drive inflation and adverse currency fluctuations as discussed below. We will continue to be flexible in our operational model and review our outputs to ensure our focus remains on providing solar power to where it is needed most.

FINANCIAL REVIEW

During the financial year the Group's income was £2,797,089 (2022: £2,800,133) and its resources expended were £3,334,846 (2022: £2,438,054).

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 outgoing resources of £537,757 (2022: net incoming resources of £362,079). After exchange rate gains or losses on consolidation this resulted in total funds retained of £2,050,279 (2022: £2,429,345). These funds fall into two categories: restricted and unrestricted.

Unrestricted funds reduced during the year by £365,534 to close at £1,892,908 (2022: increased during the year by £520,684 to close at £2,258,451). Restricted funds, which are earmarked for particular programmes on which expenditure will be incurred in future financial years, stand at £157,371 as at 31 March 2023 (2022: £170,894). At 31 March 2023 no restricted funds were in deficit.

RESERVES POLICY

Reserves are held by the charity for the following purposes:

Working capital

Reserves support with the effective running of the organisation, in particular helping us to manage the seasonality of some income streams and allowing us to import solar stock on the most cost effective basis - in two to three shipments a year per country - as well as allowing us to hold sufficient stock.

Protect against volatile currencies and inflation risk

Reserves protect our programming in the short term when we suffer fluctuations in the currencies or economic conditions of the countries in which we operate - which can be very volatile.

Invest in our long-term mission

Our reserves enable us to invest in funding and innovation opportunities as they arise and maintain the momentum as they develop while funding is secured, and allows us to develop our operations on a sustainable basis.

The Trustees set a reserves target after considering the resources needed and risks faced by the organisation. Our methodology for calculating specifically takes into account the following aspects:

Working Capital (liquidity risk) - 15% of current unrestricted annual spend is used to calculate our working capital need for bulk solar light stock purchases and grants paid in arrears.

Business Continuity (security risk) - 10% of current unrestricted annual spend is used to cover the financial risk areas associated with our work. Namely currency and inflation risk and gaps in funding.

Investment reserve - 10% of annual unrestricted fundraising is used as an estimate of the level of reserves needed to allow us to respond to opportunities as they arise.

RESERVES POLICY - CONTINUED

Our minimum reserve levels are currently calculated at £0.7m. The charity has free reserves of £0.9m (2022: £1.5m). Free reserves are stated net of fixed assets and investments and inter-company loan balances. The Trustees consider our reserves level to be appropriate and reflect the fact that SolarAid is at the outset of a new strategy – with a significant ambition to light up every home, school and clinic in sub-Saharan Africa by 2030. This has implications on the cost base of our current programmes and support functions. We have successfully secured a 3 year unrestricted commitment of £2 million from Statkraft - £1 million was received in the latter half of 2022 financial year and £500k was received in FY2023. The current level of reserves over and above our business as usual levels means we have been able to start adapting our structure and approach to deliver on our mission, including starting a programme of investment in fundraising to secure sustainable sources of income to further our mission. The calculation of reserves is reviewed annually by the Trustees.

INVESTMENT POLICY

To date, monies have been held on deposit rather than in investments, reflecting the need for liquidity given the spending and investment plans.

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 2023 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 the CEO and the Senior Management Team and the Board acts on advice and information from regular meetings with the CEO and the Senior Management Team. 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.

SolarAid has a wholly owned trading subsidiary, SunnyMoney Global, and controls two African based trading entities. All trading activity is maintained by the subsidiaries and fully consolidated accounts have been prepared for the year ending 31st March 2023.

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 the Senior Management Team 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 given under Charitable Objects above.

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 judgements 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 2023, which have been prepared in accordance with the Charity Statement of Recommended Practice – Charities SORP (FRS 102) 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:

A handwritten signature in black ink, appearing to read 'Mirjana Škrba', written in a cursive style.

Mirjana Škrba, Chair of Trustees, 20 December 2023

TRUSTEES, SENIOR MANAGEMENT AND PROFESSIONAL ADVISORS

As at 8 December 2023

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

Mirjana Škrba - Chair

John Faulks

Ujunwa Ojemeni

Simon Usher

Jamal Gore

Senior Management Team

John Keane - Chief Executive Officer

Brave Mhonie - Malawi General Manager

Karla Kanyanga - Zambia Operations Manager

Lorraine Hammond - Finance Director (until October 2022)

Stuart Ryland - Director of Finance and Resources (appointed October 2022)

Jamie McCloskey - Development Director

Sofia Ollvid - Director of Communications

Richard Turner - Director of Fundraising

Company Number

3867741

Charity Number

1115960

Registered Office

Creative Works, First Floor, 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

22 Bishopsgate, London, EC2N 4BQ

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOLARAID

OPINION

We have audited the financial statements of SolarAid ('the charitable company') and its subsidiaries ('the group') for the year ended 31st March 2023 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 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 2023 and of the group's 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 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:

- adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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' exemptions in preparing the trustees' directors' report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF THE TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 27, 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

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members and significant component audit teams. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the group and charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the group's and the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the group and charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, taxation legislation and employment legislation. We also considered compliance with local legislation for the group's overseas operating segments.


Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, the timing of recognition of cost of sales and stock related to distribution of solar lights, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board of Trustees about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, detailed substantive testing of income, cost of sales and stock, reviewing the work of component auditors, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Dipesh Chhatralia
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
London

21 December 2023

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

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Income from					
Donations	2	816,118	265,603	1,081,721	769,981
Investments		6,732	-	6,732	37
Charitable activities:					
Programme related grants and donations	3	500,000	193,693	693,693	1,272,852
Income from distributing solar lights in Africa		1,014,643	-	1,014,643	606,950
Other income - exchange rate gain		300	-	300	150,313
Total Income		2,337,793	459,296	2,797,089	2,800,133
Expenditure on					
Raising funds	4	669,647	-	669,647	477,784
Charitable activities	4	2,244,002	421,197	2,665,199	1,960,270
Total Expenditure	4	2,913,649	421,197	3,334,846	2,438,054
Net income/(expenditure)		(575,856)	38,099	(537,757)	362,079
Transfers between funds	14	51,622	(51,622)	-	-
Exchange rate gains & (losses)	14	158,691	-	158,691	(52,001)
Net movement in funds		(365,543)	(13,523)	(379,066)	310,078
<i>Reconciliation of funds</i>					
Total funds brought forward	14	2,258,451	170,894	2,429,345	2,119,267
Total funds carried forward		1,892,908	157,371	2,050,279	2,429,345

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

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Fixed Assets					
Intangible assets	7	28,590	26,664	28,590	26,664
Tangible assets	8	74,415	81,828	12,696	12,834
Investments	9	-	-	58,803	58,803
		103,005	108,492	100,089	98,301
Current Assets					
Stock		800,303	600,331	-	-
Debtors	10	345,333	258,954	1,131,980	701,668
Cash at bank and in hand		1,228,861	1,881,504	1,020,087	1,725,205
		2,374,497	2,740,789	2,152,067	2,426,873
Creditors: amounts falling due within one year	11	427,223	419,936	134,234	127,203
Net Current Assets		1,947,274	2,320,853	2,017,833	2,299,670
Net Assets		2,050,279	2,429,345	2,117,921	2,397,970
Funds					
Unrestricted funds - general	14	1,892,908	2,258,451	1,960,550	2,227,076
Restricted funds	14	157,371	170,894	157,371	170,894
		2,050,279	2,429,345	2,117,921	2,397,970

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 20 December 2023 and were signed on its behalf by:


..... Mirjana Škrba - Chair

..... John Faulks

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Group 2023 £	Group 2022 £
Cash provided by operating activities	15	(621,648)	189,199
Cash flows from investing activities			
Interest income		6,732	37
Purchase of tangible fixed assets		(28,170)	(58,623)
Purchase of intangible fixed assets		(9,557)	(26,664)
Proceeds from the sale of fixed assets		-	-
Cash provided by (used in) investing activities		(30,995)	(85,250)
Increase in cash and cash equivalents in the year		(652,643)	103,949
Cash and cash equivalents at the beginning of the year		1,881,504	1,777,555
Cash and cash equivalents at the end of the year		1,228,861	1,881,504

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

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 current external environment 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 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of SolarAid's accounting policies Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. We estimate the recoverability of inter-company loans based on a year end valuation of the cash and stock held in the subsidiaries. All other significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policies below.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period to which they relate.

NOTES TO THE CONSOLIDATED ACCOUNTS

1.3 INCOME

All incoming resources are included in the Statement of Financial Activities when SolarAid is legally entitled to the income and the amount can be quantified with reasonable accuracy and there is probability of receipt. Incoming resources received that do not meet the criteria for recognition in the Statement of Financial Activities are accounted for as deferred income and included as liabilities at the balance sheet date.

Grants are recognised where there is an entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income from performance related grants is continually monitored to ensure the amount recognised aligns with our performance against the conditions of the grant. Provisions for repayment are made where performance criteria are not met or are unlikely to be met.

Gifts in kind (donated services, facilities and goods for use by SolarAid) are included as income at their approximate fair value at the date of receipt. Fair value is deemed to be the market value the charity is willing to pay for the service. An amount equal to the value of receipts at the point received is included as charitable expenditure.

Legacies are recognised on the settlement of the estate or receipt of payment, whichever is earlier.

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 the direct costs, support costs and governance 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. They have been allocated to activity cost categories on a basis consistent with the use of the resources.

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.

NOTES TO THE CONSOLIDATED ACCOUNTS

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
SunnyMoney Global Ltd	UK
SolarAid Zambia Ltd	Zambia

*Previously known as D Light Design East Africa Ltd

**Dormant

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:

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.

NOTES TO THE CONSOLIDATED ACCOUNTS

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.

2. DONATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Donations	804,240	265,603	1,069,843	753,097
Pro bono legal advice	11,878	-	11,878	16,884
	816,118	265,603	1,081,721	769,981

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 £19,132 (2022: £31,949). This has been written down to the amount SolarAid would pay in the open market for equivalent services. The income equivalent is recognised within incoming resources as a donation, and a corresponding expense is included within legal costs.

NOTES TO THE CONSOLIDATED ACCOUNTS

3. INCOME FROM CHARITABLE ACTIVITIES

Grants receivable and other charitable income is shown for the year ending 31 March 2023:

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Statkraft	500,000	-	500,000	1,000,000
Hickey Family Foundation	-	43,359	43,359	-
DFID	-	-	-	42,792
Individual Major Donors	-	14,000	14,000	89,437
CAF Canada	-	19,106	19,106	-
Next Energy Foundation	-	15,000	15,000	-
Signify Foundation	-	-	-	9,373
GIZ	-	49,674	49,674	44,047
Book Aid International	-	-	-	3,896
Other Country Specific	-	52,554	52,554	83,307
	500,000	193,693	693,693	1,272,852

FINANCIAL PERFORMANCE OF SUBSIDIARIES

SolarAid secures funding for its activities from a wide range of sources including governmental bodies, companies, foundations, a number of generous individuals and the public. The Trustees are extremely grateful for the generous support received – 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 the 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. The trustees have assessed SolarAid's ability to continue as a going concern, considering several factors when forming their conclusion including a review of updated forecasts for a period of 12 months from the date of signing the accounts, and a consideration of key risks that could negatively affect the charity. After considering these factors, the trustees have concluded that the Charity has a reasonable expectation that adequate resources are in place to continue in operational existence for the foreseeable future and have continued to prepare the financial statements on the going concern basis.

During the course of the year SolarAid raised £693,693 (2022: £1,272,852) of programme related funding specifically to support market development through SunnyMoney. At the end of March 2023 SolarAid had invested £58,803 of share capital (2022: £58,803) and £949,075 in inter-company loans (2022: £612,027) in SunnyMoney. All loans were made from unrestricted funding and were used to support activities in line with the charity's objectives.

NOTES TO THE CONSOLIDATED ACCOUNTS

FINANCIAL PERFORMANCE OF SUBSIDIARIES

The summary financial performance of active subsidiaries were as follows:

In GBP	SolarAid (Malawi)	SolarAid (Zambia)	SunnyMoney Global (UK)
Total income	966,891	384,837	29,939
Total expenditure	(1,176,181)	(633,240)	(25,028)
Net surplus or deficit for the year	(209,290)	(248,403)	4,911
Aggregate assets	789,846	313,066	90,997
Aggregate liabilities	(1,226,073)	(703,526)	(39,168)
Closing reserves position	(436,227)	(390,460)	51,829

SolarAid and its subsidiaries set detailed annual budgets in advance each year. Overall the performance from subsidiaries in 2022/2023 were broadly in line with budget. SolarAid Malawi currently has a closing reserves deficit of £436,227 (2022: £226,937). 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 £390,460 (2022: £142,058). Again, these losses have been supported as necessary by SolarAid via working capital loans. Despite the net deficit SolarAid Zambia is again considered a going concern due to SolarAid's pledge to continue to support and fund its work.

NOTES TO THE CONSOLIDATED ACCOUNTS

4. RESOURCES EXPENDED

	Direct Costs £	Support Costs £	Governance Costs £	Total 2023 £	Total 2022 £
<i>Raising Funds:</i>					
Fundraising costs	471,762	30,760	1982	504,504	392,421
Supporter services & online shop	145,023	19,327	793	165,143	85,363
	616,785	50,087	2,775	669,647	477,784
<i>Charitable Activities:</i>					
Solar Market Development & Innovation	2,109,222	404,758	36,468	2,550,448	1,794,826
Supporting Solar Initiatives Through Partners	110,151	4,204	396	114,751	165,444
	2,219,373	408,962	36,864	2,665,199	1,960,270
	2,836,158	459,049	39,639	3,334,846	2,438,054

Support costs and Governance costs allocated are UK costs only. They have been apportioned proportionally to activity. Overseas support costs have been directly attributed to the costs of delivering charitable activities in the country.

Net expenditure/income for the year is stated after charging auditor fees of £29,207 (2022: £26,904), depreciation and loss on disposal of fixed assets of £27,309 (2022: £20,412) and foreign exchange losses of £334,706 (2022: gains of £150,276).

Included in the auditor fees above are non audit services provided in the year totalling £3,240 (2022: £2,250).

NOTES TO THE CONSOLIDATED ACCOUNTS

5. STAFF COSTS AND NUMBERS

The average headcount total is:

	Total 2023	Total 2022
Management & International Programmes Staff	79	70
Fundraising Staff	10	6
	89	76

Staff costs for the charity and group were as follows:

	Total 2023 £	Total 2022 £
Salaries	1,137,637	835,173
National Insurance	69,458	47,013
UK Pension	27,513	17,063
	1,234,608	899,249

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

	Total 2023	Total 2022
£90,000 - £100,000	1	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 £477,211 (2022: £370,074) inclusive of employer's pension and national insurance costs.

No Director of the Charity or the subsidiary entities received any remuneration in the year for services to those companies.

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 2023.

NOTES TO THE CONSOLIDATED ACCOUNTS

7. INTANGIBLE ASSETS

	Website Development Costs - In Use £	Website Development Costs - Under Construction £	Total 2023 £
Intangible Asset - Value			
At 1st April 2022	-	26,664	26,664
Additions in the Year	-	9,557	9,557
Transfer in the Year	36,221	(36,221)	-
At 31 March 2023	36,221	-	36,221
Amortisation			
At 1st April 2022	-	-	-
Charge in the Year	7,631	-	7,631
At 31 March 2023	7,631	-	7,631
Net Book Value at 31st March 2023	28,590	-	28,590

8. TANGIBLE ASSETS

	Furniture, Fixtures & Fittings £	Computer Equipment £	Motor Vehicles £	Total 2023 £
The Group				
Cost				
At 1st April 2022	18,046	43,953	84,714	146,713
Additions in the Year	4,116	24,054	-	28,170
Disposals in the Year	-	(9,920)	-	(9,920)
Exchange adjustments	(2,165)	(2,743)	(9,874)	(14,782)
At 31 March 2023	19,997	55,344	74,840	150,181
Depreciation				
At 1st April 2022	5,715	19,543	39,628	64,886
Charge in the Year	2,626	8,389	12,908	23,923
Disposals in the Year	-	(6,534)	-	(6,534)
Exchange adjustments	(1,115)	2,154	(7,548)	(6,509)
At 31 March 2023	7,226	23,552	44,988	75,766
Net Book Value at 31st March 2023	12,771	31,792	29,852	74,415

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

NOTES TO THE CONSOLIDATED ACCOUNTS

8. TANGIBLE ASSETS (CONTINUED)

	Furniture, Fixtures & Fittings £	Computer Equipment £	Motor Vehicles £	Total 2023 £
The Charity - included in table above				
Cost				
At 1st April 2022	344	22,945	-	23,289
Additions in the Year	-	5,748	-	5,748
At 31 March 2023	344	28,693	-	29,037
Depreciation				
At 1st April 2022	213	10,242	-	10,455
Charge in the Year	16	5,870	-	5,886
At 31 March 2023	229	16,112	-	16,341
Net Book Value at 31st March 2023	115	12,581	-	12,696

9. INVESTMENTS

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

	Charity Total 2023 £	Charity Total 2022 £
Cost		
SunnyMoney Global Ltd - 100% investment	58,795	58,795
SunnyMoney Kenya Ltd - 1% investment	8	8
	58,803	58,803

A capitalisation of SunnyMoney Global Ltd took place during 2012/2013 resulting in an addition of 58,793 £1 shares to the initial holding of £2.

SunnyMoney Global Ltd has been consolidated into these accounts. SunnyMoney Kenya Ltd has 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.

NOTES TO THE CONSOLIDATED ACCOUNTS

10. DEBTORS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Prepayments and accrued income	206,192	113,567	182,905	89,641
Amounts due from Subsidiaries	-	-	949,075	612,027
Loans to supported organisations	25,000	25,000	-	-
Overseas taxation rebates	39,908	41,985	-	-
Trade debtors	74,233	78,402	-	-
	345,333	258,954	1,131,980	701,668

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Creditors and accruals	371,725	333,175	115,675	104,008
Loans	32,935	55,985	-	-
UK taxation & social security costs	10,564	15,200	10,564	15,200
Overseas taxation & social security costs	11,999	15,576	7,995	7,995
	427,223	419,936	134,234	127,203

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.

NOTES TO THE CONSOLIDATED ACCOUNTS

13. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

For the year ending 31 March 2023

	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Intangible assets	28,590	-	28,590
Tangible assets	74,415	-	74,415
Current assets	2,217,126	157,371	2,374,497
Current liabilities	(427,223)	-	(427,223)
Long-term liabilities	-	-	-
	1,892,908	157,371	2,050,279

For the year ending 31 March 2022

	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Intangible assets	26,664	-	26,664
Tangible assets	81,828	-	81,828
Current assets	2,569,895	170,894	2,740,789
Current liabilities	(419,936)	-	(419,936)
Long-term liabilities	-	-	-
	2,258,451	170,894	2,429,345

NOTES TO THE CONSOLIDATED ACCOUNTS

14. MOVEMENT IN GROUP FUNDS

For the year ending 31 March 2023

	Balance at 31 March 2022	Income £	Expenditure £	Forex Movement £	Transfer of Funds £	Balance at 31 March 2023
Restricted Funds:						
Agent Programme Malawi	-	95,816	95,816	-	-	-
Agent Programme Zambia	-	36,204	36,204	-	-	-
Agent Programmes	-	1,086	1,086	-	-	-
E-waste programme Zambia	-	49,674	49,674	-	-	-
Light A Village programme Malawi	8,551	158,000	44,265	-	-	122,286
Light Library programme Malawi	50,421	34,060	57,874	-	-	26,607
Powering Health programme	51,622	-	-	-	(51,622)	-
Powering Health programme Malawi	5,265	-	5,265	-	-	-
Powering Health programme Zambia	2,750	-	2,750	-	-	-
Monitoring & Evaluation	52,285	-	52,285	-	-	-
Innovation	-	50,000	50,000	-	-	-
Madagascar	-	30,490	22,012	-	-	8,478
Cyclone Freddy appeal	-	3,966	3,966	-	-	-
	170,894	459,296	421,197	-	(51,622)	157,371
Unrestricted Funds:						
General Funds	2,258,451	2,337,793	2,913,649	158,691	51,622	1,892,908
Total Funds	2,429,345	2,797,089	3,334,846	158,691	-	2,050,279

During the year £51,622 of restricted funds were transferred to unrestricted funds following a review of the funds.

For the year ending 31 March 2022

	Balance at 31 March 2021	Income £	Expenditure £	Forex Movement £	Balance at 31 March 2022
Restricted Funds:					
Agent Programme Malawi	40,001	79,371	119,372	-	-
Agent Programme Zambia	62,152	-	62,152	-	-
Agent Programmes	47,449	1,186	48,635	-	-
Covid-19 response - Powering Health	1	-	1	-	-
E-waste programme Zambia	-	44,047	44,047	-	-
Light A Village programme Malawi	75,000	-	66,449	-	8,551
Light Library programme Malawi	-	50,421	-	-	50,421
Powering Health programme	58,027	150	6,555	-	51,622
Powering Health programme Malawi	98,870	-	93,605	-	5,265
Powering Health programme Zambia	-	45,542	42,792	-	2,750
Monitoring & Evaluation	-	52,285	-	-	52,285
	381,500	273,002	483,608	-	170,894
Unrestricted Funds:					
General Funds	1,737,767	2,527,131	1,954,446	(52,001)	2,258,451
Total Funds	2,119,267	2,800,133	2,438,054	(52,001)	2,429,345

NOTES TO THE CONSOLIDATED ACCOUNTS

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

	Group Total 2023 £	Group Total 2022 £
Net movement in funds	(379,066)	310,078
Add back depreciation charge	23,923	20,412
Add back loss on the sale of Fixed Assets	11,661	-
Add back amortisation charge	7,631	-
Deduct interest income shown in investing activities	(6,732)	(37)
Decrease / (increase) in stock	(199,972)	(219,457)
Decrease / (increase) in debtors	(86,379)	(56,315)
Increase / (decrease) in creditors	7,286	134,518
Net cash provided by operating activities	(621,648)	189,199

16. 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 29. During the year £0 (2022: £0) was spent to cover various expenses relating to Trustees. The Trustees are not remunerated for the positions they hold.

	Opening balance at 1 April 2022 (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 provisions £	Closing balance at 31 March 2023 (net of provisions) £
SunnyMoney Global	17,946	-	18,859	-	-	-	36,805
SolarAid Malawi	365,959	(270,736)	805,467	(54,396)	(27,372)	(127,968)	690,954
SolarAid Zambia	260,275	(39,530)	276,985	(13,642)	(4,821)	(225,797)	253,470
SolarAid Tanzania	(32,153)	-	-	-	-	-	(32,153)
	612,027	(310,266)	1,101,311	(68,038)	(32,193)	(353,765)	949,076

NOTES TO THE CONSOLIDATED ACCOUNTS

17. 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 18 below and a summary of the financial performance and position is included on Page 43 of the Annual Report.

18. 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

19. CONTINGENT ASSETS - LEGACIES

The estimated value of legacies notified but neither received nor included in income, is £50,000 (2022 £Nil).

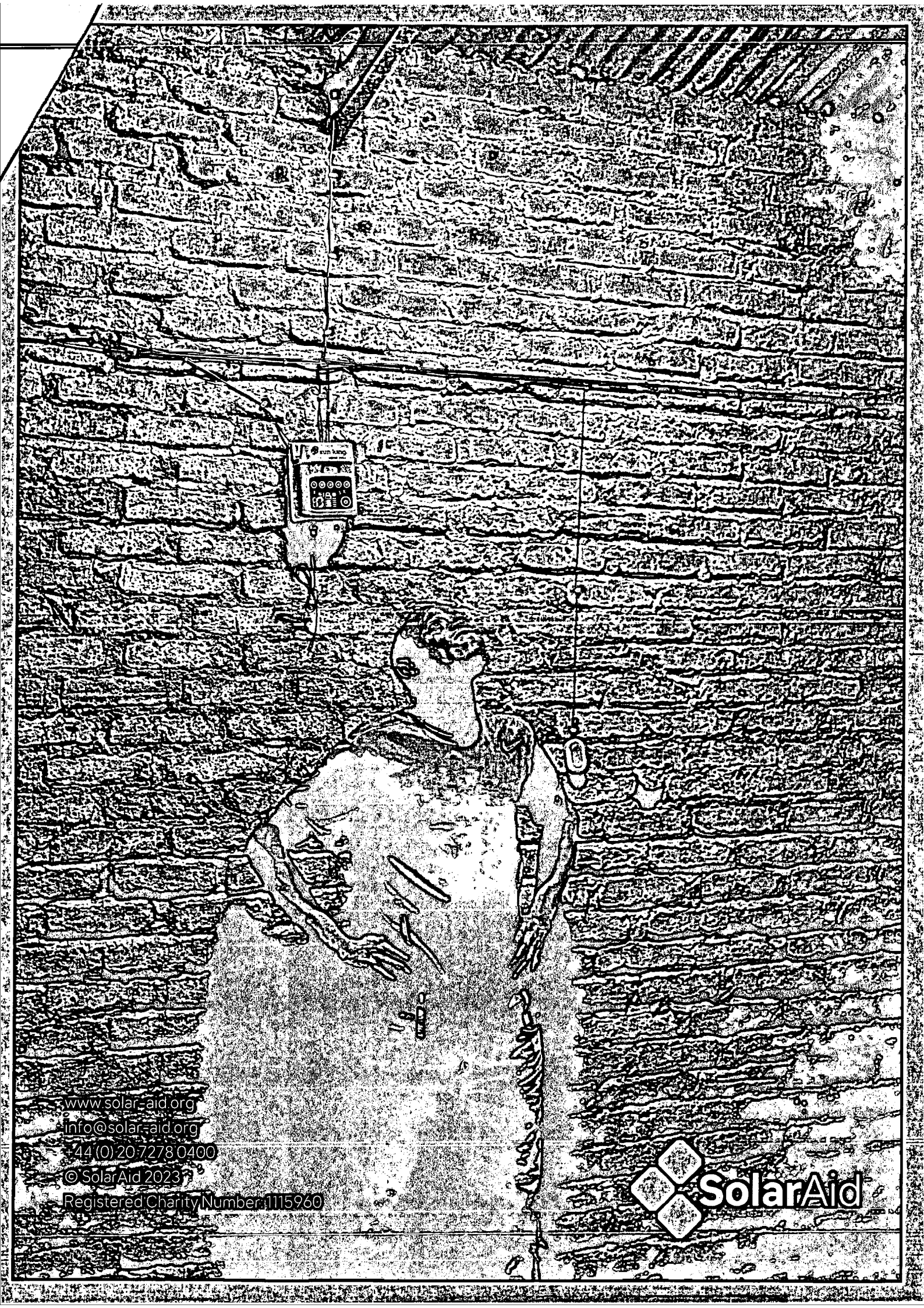
20. CONTINGENT LIABILITIES

The Zambian Revenue Authority have levied a tax demand totalling 772,000 Zambian Kwacha (at 13 November 2023 this represents £27,700). This amount consists of fines. Our local tax professionals are appealing these costs and believe that it is probable that the fines will be cancelled following appeal.

NOTES TO THE CONSOLIDATED ACCOUNTS

21. PRIOR YEAR CHARITY STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Income from			
Donations	769,831	150	769,981
Investments	37	-	37
Charitable activities:			
Programme related grants and donations	1,000,000	272,852	1,272,852
Income from distributing solar lights in Africa	606,950	-	606,950
Other income - exchange rate gain	150,313	-	150,313
Total Income	2,527,131	273,002	2,800,133
Expenditure on			
Raising funds	477,784	-	477,784
Charitable activities	1,476,662	483,608	1,960,270
Total Expenditure	1,954,446	483,608	2,438,054
Net income/(expenditure)	572,685	(210,606)	362,079
Exchange rate gains & losses	(52,001)	-	(52,001)
Net movement in funds	520,684	(210,606)	310,078
<i>Reconciliation of funds</i>			
Total funds brought forward	1,737,767	381,500	2,119,267
Total funds carried forward	2,258,451	170,894	2,429,345



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Registered Charity Number: 1115960

