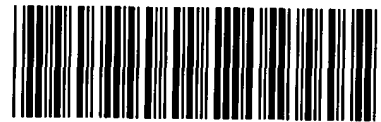


Energy 4 Impact
Reports and Financial Statements
31 March 2018

Company no: 05762919
Charity no: 1119168

TUESDAY



LD4 *L7I4GECH* #29
06/11/2018
COMPANIES HOUSE

Report of the Trustees

For the year ended 31 March 2018

Reference and Administrative details:

Status: The organisation is a charitable company limited by guarantee and not having a share capital and registered as a charity on 11 May 2007.

Company no: 05762919

Charity no: 1119168

Principal Office: Fifth Floor Totara Park House
34-36 Gray's Inn Road
WC1X 8HR
0207 242 8602

Registered Office: Bates Wells & Braithwates
2-6 Cannon Street
London
EC4M 6YH

Trustees: Matthew Mendis *(to June 2017)*
Carole Brookins *(to June 2017)*
Emily Unwin *(to August 2017)*
Anil Cabraal *(to June 2017)*
Matthew Whittell *(to June 2017)*
Carolyn Tobin *(to January 2018)*
Andrew Yager *(to July 2017)*
Linda Mabhena-Olagunju *(to June 2017)*
Anthony Marsh
Sheila Oparaocha
Dianne Rudo *(from April 2017)*
Richenda Van Leeuwen *(from April 2017)*
Emma Myall-Schofield *(from July 2018)*

Chief Executive Officer: Ben Good

Bankers: HSBC Bank Plc
60 Queen Victoria Street
London EC4N 4TR

Solicitors: Bates Wells & Braithwates
2-6 Cannon Street
London EC4M 6YH

Auditor: Crowe U.K. LLP
St Brides House
10 Salisbury Square
London EC4Y 8EH

Chartered Accountants: JS2 Limited
One Crown Square
Woking Surrey
GU21 6HR

Report of the Trustees

For the year ended 31 March 2018

The Trustees present their report and the audited financial statements for the year ended 31 March 2018.

The reference and administrative information set out on page 1 form part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (FRS 102).

History, structure, governance and management

History

Energy 4 Impact, formerly known as GVEP International (GVEP), was established as a UK charity in 2007 by the Global Village Energy Partnership, an energy initiative created at the 2002 Johannesburg Summit for Sustainable Development and supported by the World Bank, USAID and the UK and Dutch governments.

Structure

Energy 4 Impact's governing document is its Memorandum and Articles of Association which establish the objects and powers of the Charity.

The registered objects of Energy 4 Impact are, for the public benefit:

- To promote the relief of poverty;
- To promote sustainable development for the benefit of the public through the accelerated provision of energy services to those unserved and underserved. "Sustainable development" here means improving the quality of life of the target group whilst living within the carrying capacity of the supporting ecosystems and the natural environment; and
- To advance other charitable purposes beneficial to the community.

The Trustees have had due regard to the Charity Commission's guidance on public benefit when considering the Charity's activities and objectives. Further information on how Energy 4 Impact provides public benefit can be found in the 'Objectives and Activities' section of this report.

Energy 4 Impact seeks to raise funds to support its activities from a wide variety of sources including development agencies, governments, private organisations and charitable trusts and foundations.

Governance and management

The governing body of the Charity is the Board of Trustees, and which meets approximately six times per year. On 23 April 2017, Anthony Marsh succeeded Matthew Mendis as Chairman, by unanimous resolution of the Board. In the period December 2016 to June 2017, there were a number of changes to the Board due to the completion of the maximum terms of office of several of the original trustees of GVEP, (including Matthew Mendis). In addition, Andrew Yager very sadly died whilst in office in the course of the year. Andrew's extensive experience of the African energy sector is much missed, and the Board would like to record its appreciation for his contributions to the development of Energy 4 Impact. The Chief Executive Officer is Ben Good, who joined in March 2011.

The Board has one sub-committee, the Finance and Audit Committee, which is responsible, on behalf of the Board of Trustees, for ensuring that there is a framework for accountability, for examining and reviewing all systems and methods of financial control including risk analysis and risk management,

Energy 4 Impact

Report of the Trustees

For the year ended 31 March 2018

and for ensuring that the Charity is complying with relevant financial regulations and good practice. All other aspects of governance, risk and general management, including strategy, policy and remuneration, are determined by the Board of Trustees as a whole.

The membership of the Board of Trustees of Energy 4 Impact during the year was as follows:

- Matthew Mendis (Chair) *[to June 2017]*
- Carole Brookins *[to June 2017]*
- Emily Unwin *[to August 2017]*
- Anil Cabraal *[to June 2017]*
- Matthew Whittell *[to June 2017]*
- Carolyn Tobin *[to January 2018]*
- Linda Mabhena-Olagunju *[to June 2017]*
- Andrew Yager *[to July 2017]*
- Anthony Marsh *[Trustee for the full year, Chair from June 2017]*
- Sheila Oparaocha
- Dianne Rudo *(from April 2017)*
- Richenda Van Leeuwen *(from April 2017)*

New trustees meet with the CEO before starting their tenure in order to afford them the opportunity to understand the organisation and its values. Each trustee is presented with a Charity Trustees guide that explains their responsibilities and potential liabilities as a trustee of a UK charity. In addition, trustees are regularly provided with information on programme and project progress during Board meetings.

The Charity's Head Office is in London, while its Africa Regional Office is in Nairobi, Kenya. The CEO leads a Senior Management Team comprising four senior managers from the London and Nairobi offices. As at 31 March 2018, Energy 4 Impact had 107 employees across six countries: UK (8 staff), Kenya (34 staff), Tanzania (16 staff), Uganda (10 staff), Rwanda (13 staff) and Senegal (26 staff).

The Charity sets the pay of key management personnel by benchmarking the consideration against the sector in which it operates.

Related parties and connected organisations

During the year there were related party transactions. See note 18 in the financial statements.

Risk and internal control

The major risks to which Energy 4 Impact is exposed have been identified and systems have been put in place to mitigate these risks. This is documented in a formal risk matrix, and prioritised and monitored by management and the Trustees during the year. These include:

- New programme/grant funding not secured due to reduced donor funding and changing market conditions. If insufficient funding for new projects is secured then Energy 4 Impact's range of projects, programmes and overhead, and the corresponding beneficial impacts, cannot be supported at current levels without diminishing unrestricted reserves. To manage this risk, at each Board meeting the current pipeline of business development prospects is considered, with each one assigned a probability of success, and an assessment of its timing and financial contribution. This includes a review of unrestricted reserves, both current and projected levels for different

Report of the Trustees

For the year ended 31 March 2018

scenarios of success in business development. Contingency plans are put in place for each country for the reduction in headcount and activities in the event of insufficient new business.

- Managing expenditure. If costs are incurred which are out of scope of existing programme funding agreements, then such costs have to be funded out of unrestricted reserves. To manage this risk, at each Board meeting the financial position of projects in the management accounts is considered, and project managers are made accountable for managing expenditure and procurements in line with the underlying funding agreement.
- Results and impacts not achieved. If projects and programmes do not deliver results in line with expectations, then, at a high level, Energy 4 Impact will not achieve its mission and may suffer reputational damage, and at project level, the underlying funding agreements may be terminated early or not renewed or extended. To manage this risk, recognising that some of our projects are innovative or experimental in nature, the Monitoring & Evaluation team keep careful track of progress of projects, the Board are presented with a comprehensive review of the project portfolio every two months, and project managers maintain strong lines of informal communication with funders.
- Threats to staff safety arising from security incidents. Staff are at personal risk if exposed to criminal, political or terrorism-related violence, which is a possibility in any of our places of operation, despite the fact that we do not generally operate in high-conflict regions. A set of policies and procedures are in place to enable Energy 4 Impact to minimise the risk to staff, and to respond to events or changing security risks in real time as they arise, and staff are trained about this risk and these policies and procedures.
- Fraud/misappropriation of resources. If funds are stolen by one or more members of staff, this diverts resources away from achieving our impacts, it could damage our reputation with donors, as well as demoralise staff, and, if there is a resulting loss which is funded by unrestricted reserves, damages our financial position. To manage this risk, a range of financial controls are in place and subject to regular internal and external audit, most expenditure is controlled directly by finance teams in Nairobi and London with appropriate separation of roles, external procurements are conducted in line with international standards, and the control regimes in potential partners/sub-grantees are carefully reviewed.
- Foreign exchange. Where a project is funded in one currency, often US dollars, British pounds, Euros or some other donor country currency, but its costs are mainly in a different currency, (typically that of the country where the project is being implemented), then there is a risk that an adverse exchange rate movement will result in its costs not being fully funded. To manage this risk, project managers are tasked with managing the project to budget in the donor currency, and where appropriate for sub-grant agreements to be in the donor currency.
- Safeguarding. If an employee of Energy 4 Impact (or of a subcontractor or partner) engages in exploitative behaviour targeting more a vulnerable person, (perhaps a more junior member of staff or a beneficiary), then this poses an unacceptable risk to the target of that behaviour and a severe reputational risk to Energy 4 Impact. To manage this risk, and in response to recent initiatives by DfID, Energy 4 Impact has recently reviewed and enhanced its applicable policies and procedures and increased relevant staff education and training.

Energy 4 Impact

Report of the Trustees

For the year ended 31 March 2018

Vision and mission

Energy 4 Impact's vision is a better quality of life for everyone through access to clean energy. To achieve this, our mission is:

- To provide energy sector participants with technical, financial and operational advice to accelerate the growth of businesses that deliver access to clean energy;
- To help businesses and entrepreneurs to access capital, technology, expertise and networks which enable them to become profitable and sustainable; and
- To contribute to the development of the sector by sharing the lessons we learn.

By the year 2020, our goal is for 20 million people to have benefited from better energy access as a result of the growth of the businesses we have worked with.

Our vision therefore supports very well one of the priorities of the international development community, as reflected in Sustainable Development Goal (SDG) number 7: ensure access to affordable, reliable, sustainable and modern energy for all. We also recognise that energy access is not an end in itself; it is about the benefits it can deliver, for example in relation to health, education, livelihoods, etc. Indeed, many of the other SDGs cannot be delivered without energy. That is why we decided to include "Impact" in our new name when we rebranded in 2016.

In some programmes, the Charity provides grants to other organisations to help it achieve its mission and objective. The policy under which such funds are granted are determined by the funding agreements that the Charity enters with donors.

Activities

We measure our activities primarily in terms of the numbers of businesses that we have worked with, how well they have performed and grown, and the impacts of that growth.

In the course of the year, we supported 1,198 enterprises, of which 65% were led by women. Their growth resulted in the creation of 342 new jobs, and meant that 1.1 million people were provided with improved access to energy.

Our approach is based on our belief in a private sector approach to development. We help small- and medium-sized clean energy businesses in the developing world to succeed and grow. These businesses in turn make a huge contribution to expanding access to energy. Increasingly, we are also helping the development of businesses that have recently received a new power supply for the first time, helping them to make better use of the new power supply and at the same time improve the economic impact of energy access. We believe that working with business and markets in this way should result in solutions that are more sustainable and better value for money than traditional aid-led approaches.

A common theme of our programmes is our focus on supporting the growth of micro-, small- and medium-sized businesses by providing training, mentoring and advice on technical, supply chain and general business matters, as well as helping them to secure access to capital. We apply this common theme, not in a standard project design, but across a range of innovative contexts, in which we try to

Report of the Trustees

For the year ended 31 March 2018

“push the boundary” of the market-based approach to tackle newly identified challenges in our sector. Examples of these challenges include:

- Improving energy access in refugee camps
- Scaling up crowdfunding as a source of capital for energy access companies
- Addressing food security by building the smallholder market for small scale solar irrigation
- Helping small energy consuming businesses access capital and grow, so that they can become larger customers of energy businesses
- Addressing women’s economic empowerment by building up their role in energy access value chains
- Increasing access to quality solar home systems for the very poorest, who are currently being “left behind” by the growth in the market
- Improving rural schools’ and health clinics’ access to energy in regions where markets might not otherwise reach

This is an approach which works. We estimate that to date over 16.5 million people have benefitted from better energy access as a result of the expansion of businesses we have supported, with 9,700 jobs created and 12.7 million tonnes of CO₂ emissions avoided.

Although our projects are quite varied, they have in common the goals of helping more people to access clean energy, creating jobs and reducing CO₂ emissions. That means our overall achievements can be measured against these broader themes, rather than by each specific project area. For a full list of our current projects and funders see pages 12-13.

Micro-enterprise support

During the year, we have worked with 736 of these small operations which typically employ between 1 and 4 people. All of these enterprises are African-led. Examples of the types of business we support are makers of efficient cook stoves or fuel briquettes and providers of small solar-powered services.

We assign each micro-business a mentor, one of our African staff with a university degree, good connections in the locality and relevant experience.

Each mentor gives one-to-one bespoke support, travelling to meet each business every few weeks with phone support in the interim. Every business is different but typical activities include helping people to understand their true costs to support their pricing strategy, helping them to access loans, (often from local microfinance institutions), and linking small businesses together to establish reliable supply chains.

Lilian Wangeci is a Kenyan entrepreneur whose business initially focused on selling solar lanterns. Faced with the double challenge of low buyers’ confidence in solar products (mainly as a result of the proliferation of counterfeit lanterns), and lack of access to capital to buy stocks of good quality products, she approached Energy 4 Impact for help.

We introduced her to a range of reputable suppliers of pay-as-you-go (PAYG) products that do not require upfront payment and provided marketing advice to help her build consumers’ interest and confidence in solar products.

“Energy 4 Impact has boosted my credibility with suppliers and empowered me to approach potential buyers with confidence and knowledge,” says Lilian.

Report of the Trustees

For the year ended 31 March 2018

Following our advice and support received, her sales more than tripled in four months and she has diversified her product range.

Small and medium enterprise support

These are companies which employ between 10 and 200 staff and have the potential to scale up their business significantly. During the year, we have worked with 464 of these companies. The types of businesses we support include solar system suppliers, solar mini-grids and small hydro power project developers. We advise on capital raising (preparing the investment case, identifying and introducing investors, banks, etc. and subsequent transaction support), and on other business issues (e.g. distribution strategy, expansion to new markets, partnering, competitor analysis, pricing and regulation).

"Energy 4 Impact has provided valuable research and insights... We benefited from their productive use study....We consider them a great partner." Michael Kuntz, COO & President, Simusolar

Key activities in this area include the project development advice we have provided to mini-grid developers, through three different programmes, funded by African Development Bank (AfDB), USAID, and the World Bank, as well as initiatives funded by the Rockefeller and Mott Foundations. This encompasses advice on technical design, demand forecasting, financial modelling and capital raising and regulatory issues, and includes, for AfDB, the implementation of an online help desk for mini-grid developers. In addition, we have provided a broad range of strategic, operational and financial advice to other SMEs under our World Bank-funded technical assistance facility.

Job Creation

In order for our work to be self-sustaining and provide wider benefits to local communities we also aim to create new local employment. This employment can occur directly as new jobs are created within the businesses we support, and also indirectly as a result of the increased access to energy, leading to greater economic activity in communities. Access to electricity can create significant economic opportunities as opening hours are extended and productivity increased, and both new and existing businesses can increase output and diversify their services or products. Having said that, we only measure direct job creation, so the 342 new jobs that we helped to create last year is an underestimate of the employment impact of our work.

Access to Finance

For many of the enterprises we support, lack of access to capital can be a real barrier to growth. We have over the last year worked with a variety of models to help with this:

- In east Africa, our Loan Guarantee Fund, funded by Sida and other donors, has provided credit support to local financial institutions lending to micro-enterprises that we work with;
- In Kenya, we are experimenting with direct lending to informal community-based groups, to enable them to sell energy products on credit to their members;
- In Senegal, we are underwriting the credit risk for energy product suppliers to sell on credit to micro-enterprises we work with;
- In Rwanda, as part of our work to develop the market for small scale solar irrigation equipment, we are designing working capital facilities to fund suppliers' inventory cycles and to help smallholders to buy the systems on credit
- We are providing an array of investment readiness, investor introduction, and transaction support services to help SME clients across east Africa, and mini-grid clients throughout Africa, raise capital;
- We are working with DfID on the use of crowdfunding platforms to accelerate the flow of capital into energy access businesses worldwide. Our CrowdPower programme has worked with

Energy 4 Impact

Report of the Trustees

For the year ended 31 March 2018

multiple platforms, to support over 250 campaigns which collectively raised £3.4 million, resulting in turn in over 300,000 people with improved energy access.

- In addition, we oversaw, on behalf of DfID, the establishment of Energise Africa, a specialist platform enabling the UK “crowd” to participate in the opportunity to invest in the working capital needs of the so-called Pay As You Go solar home system suppliers. These suppliers sell systems to households on credit; who then pay for the systems over time using mobile money, and credit control is facilitated by the systems switching themselves off if the household falls behind in payments. This combination of credit, enabling affordability for customers and technology, and reducing credit risk for suppliers, is having a powerful effect on the growth of the market for the systems, which in turn is driving a significant demand by these companies for working capital.

Productive Use of Energy

When a community is supplied for the first time with reliable electricity as a result of a mini-grid or small power project development, there is an opportunity to grow the small businesses in that community, with their increases in activity powered by the new electricity supply. This so-called productive use of energy is therefore key to achieving the project’s full potential economic benefit to the community, as well as to improving the project’s economics by expanding the small business demand for their power.

However, achieving this potential will often require further intervention. We therefore work within the community to identify small businesses with the potential to expand as a result of new power supply, and then help them to realise this opportunity with an appropriate range of enterprise development advice and support.

For example, in our World Bank-funded Energy Business for Development project, we have worked with 140 small, local enterprises supplied by ten mini-grids, to help the enterprises grow their businesses and hence increase revenues for the mini-grids. For AfDB, several of our >60 mini-grid technical assistance engagements include a productive use dimension, as do most of the small renewable projects we are currently supporting as part of our Scaling Off-Grid Energy in Rwanda programme. Another part of our AfDB assignment includes a review of agricultural value chains across multiple countries to identify priority productive use opportunities for the mini-grid sector. More of this work, and the documentation of associated tools and techniques is part of our contribution to USAID’s Power Africa programme.

“E4I has been an essential partner as we have sought to drive consumer energy demand and productive energy use at our Sidonge pilot and beyond.” Robert Cunningham, Director of Operations, RVE.Sol.

“E4I played a key role in identifying and creating business cases for productive use opportunities around the island’s needs and economic activities, and ensuring the new entrepreneurs learned business skills for purposes of sustainability and profit” Robert Wang’oe Head of Sales & Marketing, JUMEME

Finally, in a potentially significant development of this work, we have been retained by Tanzania’s Rural Energy Agency, with support from the Norwegian government, to promote productive uses in 70 villages which have recently been connected to the main grid. Our expertise is thereby being used to enhance the beneficial impact of grid-based rural electrification, even though we are primarily an off-grid markets specialist. We see this as very much in line with the “impact” focus of our name, and fitting well with our overall mission.

Report of the Trustees

For the year ended 31 March 2018

Encouraging the Role of Women in Enterprise

Currently, it remains difficult for women to set up and run their own business. In general, they have a lack of skills and training as most have only a limited education. Cultural barriers also make it hard for women to access finance to invest in business. Furthermore, there is a lack of awareness of energy as a service and a business opportunity in rural areas. Finally, women often lack authority within the family and community, which is exacerbated by prejudice from male suppliers and distributors.

Nevertheless, energy value chains do represent an opportunity for increasing women's economic empowerment, and historically, we have set ourselves a goal that 40% of the enterprises we support should be led by women. This year we substantially exceeded this goal with 65% of the 1200 businesses supported) being led by women.

This is largely because we have had in the course of the year three programmes which have focused exclusively on developing opportunities for women-led micro-enterprises, either as participants in the small scale solar and clean cooking sectors, or as "productive use" businesses, (using power to expand their small service/manufacturing/processing businesses). In Kenya and Tanzania, we started work last year on a programme funded by the US Department of State. Also in Tanzania, we started on a new programme funded by UN Women. And in Senegal, we continued to develop our Women's Economic Empowerment project, initially funded by Energia with support from the Swedish government, and the World Bank, and now also with support from the Swedish Postcode Lottery Foundation.

Humanitarian Sector:

With UNHCR reporting over 65 million displaced people worldwide, energy in the humanitarian sector is a key issue.

The Moving Energy Initiative, is a programme led by Energy 4 Impact and funded by DfID, which is looking to change the way energy services and energy access provision are managed in the humanitarian sector. Our research, first published in 2015, confirmed that there are significant opportunities to improve current approaches to satisfying the energy needs of displaced persons, with potential development gains for host communities as well. A particular theme is to look for ways to increase the role of the private sector in humanitarian energy.

The programme comprises two sets of activities: advocacy, to highlight to policymakers and practitioners the opportunity to improve energy management in the humanitarian sector, and implementation, i.e. specific projects on the ground intended to test new ideas and demonstrate the opportunity. In the course of the year, we have made significant progress with both. On advocacy, we have participated in several global scale events, and have contributed significantly to a new Global Plan being developed to tackle energy in humanitarian settings. On implementation, we have supported the development of solar-powered entrepreneur activities in refugee camps in Kenya and Burkina Faso, improvements in energy efficient building design in Jordan, solar power for a health clinic in a Kenya refugee camp and a hospital in Jordan. We have also helped a PAYG solar company to set up operations in the Kenya camp. We have also prepared reports on the development of different public-private partnership models for managing energy infrastructure in camps, on the economics of a mini-grid in one particular camp, and on the potential role of financial innovation in funding humanitarian energy projects.

Report of the Trustees

For the year ended 31 March 2018

Progress Against Objectives Set:

Last year we set ourselves five objectives:

1. **Operations:** across all our programmes, to achieve the following outputs during the year:
 - a. An additional 1m people with improved access to energy
 - b. Growth support for 800 micro-entrepreneurs and 200 SMEs. Of these, we aim for at least 40% of businesses to be led by women.
 - c. 500 extra jobs resulting from the growth of these businesses.
 - d. 1m tonnes CO₂ avoided

Progress: Substantially achieved

We exceeded the overall target number of enterprises supported (1,200, compared to the 1,000 overall target); this was achieved by a significant overachievement of SMEs (464, compared to 200 target) more than offsetting a slight underachievement on microenterprises (736, compared to 800 target). In addition, we very substantially exceeded our target for the proportion being women-led (65%, compared to 40% target). This support resulted in us beating our target for number of people with improved energy access, (1.1m, compared to 1m target). However, these favourable results did not feed into us reaching our targets for numbers of jobs created or tonnes of CO₂ abated, for which our results were 342 jobs compared to a target of 500, and 429 kT compared to a target of 1000 kT. This reflects mainly a weaker than expected correlation between sales growth and job creation impact and CO₂ abatement in our women's economic empowerment programmes...

2. **Business development:** by 31 March 2018, to have submitted to interested donors or funding agencies detailed proposals with a reasonable prospect of success, whose combined impact is enough to support the "20 million people by 2020" ambition, and whose combined financial value is sufficient to maintain and grow the organisation.

Progress: Not achieved

Business development continues to be challenging due to market changes and reductions in donor funding in certain areas. We have a broad pipeline over the next two years totaling £11m, though with smaller average project values. A number of large projects have come to an end and as a result we have scaled back our teams in Uganda and Senegal. We are evaluating investment in our business development process and resources to respond to these changes in the market and will be relooking at our longer term target of "20m people by 2020"

3. **Communications:** by 31 March 2018, to have at least maintained our current level of public exposure and to have undertaken at least one significant initiative to raise awareness of Energy 4 Impact amongst key stakeholders

Progress: Achieved

We continue with significant levels of communications activity to ensure a high level of awareness amongst stakeholders. We spoke at over 18 international conferences. We recorded at least 2,870 mentions on our social media channels, especially Twitter and Facebook. An estimated 9.3 million people were directly and indirectly exposed to these messages. Our PR activity resulted in 627 stories appearing in different media platforms, with a potential reach of 166 million readers. Our online audience

Report of the Trustees

For the year ended 31 March 2018

statistics reflects the global appeal of what we do, with visitors to our website, www.energy4impact.org, (245,714 visits in the year), and the readership of our newsletter (sent to about 14,000 people four times/year), spread evenly across five continents. In the course of the year, we also launched a second website, <https://greenminigrid.se4all-africa.org>, as part of our work supporting the development of the mini-grid market for the AfDB; we anticipate around 10,000 visits to this site in the current year. In addition, the Moving Energy Initiative website, highlighting the humanitarian energy work of the consortium we lead has received approximately 15,000 visits.

4. **Organisational development:** by 31 March 2018, to have continued to upgrade our capacity in people management and improving staff competences to achieve our strategic objectives; to progress towards an improved monitoring, evaluation and learning culture, and to complete the “embedding” of Energy 4 Impact’s learning organisation implementation plan.

Progress: Substantially achieved

This is work in progress: we have completed a review of our monitoring and evaluation (M&E) strategy and have invested in our capacity in this area, both by strengthening the M&E team and with new tablets and data management software. We have undertaken more end-of-project learning reviews, including at the end of the first phases of our projects on minigrid support for AfDB, on electrification of rural schools and clinics, and on crowdfunding, and have run cross-organisation workshops to share learning on specific issues such as productive uses. We are also improving the integration of our country teams in the development of plans and concepts for new projects to ensure they better reflect what we have learned on the ground. Against that, we have concluded that our performance management framework requires streamlining in order for it to be applied consistently across the entire organization, and plan to implement these improvements in the course of 2018/19.

5. **Financial:** Unrestricted reserves to be at least £0.43 million at 31 March 2018.

Progress: Achieved

As at 31 March 2018 unrestricted reserves stood at £514,832. This is discussed further in the reserves and going concern section on page 14 of this document.

Energy 4 Impact

Report of the Trustees

For the year ended 31 March 2018

List of Main Programmes during the year

(This is in addition to contributions from foundations including The Adventure Project and the Mott Foundation)

Energy Business for Development (EBD) Funder: Russian Ministry of Finance via the World Bank Duration: 2015-2017	EBD is a project designed to support the growth of small- and medium-sized energy businesses in 4 Sub Saharan African countries: Kenya, Tanzania, Senegal and Uganda. It is a follow-on from the previous "Energy SME (ESME)" programme funded from the same source, but also picks up some activities from CARE2, as well as funding additional activity in Senegal.
Moving Energy Initiative (MEI) Funder: DfID Duration: 2015-2017	MEI aims to meet the energy needs of displaced persons in a manner that reduces costs, and is safe, healthy and respectful.
Energy Opportunities for Women in Senegal Funder: ENERGIA and plus other smaller funders. Duration: 2014-2017	This project aims to improve livelihoods, incomes and employment in Senegal via support for 250 women-led enterprises that will expand both energy access and productive uses of energy. It includes an Advocacy and Communication Programme to raise awareness of women's activities within the energy sector and to influence gender mainstreaming in energy policies in Senegal.
Energise Africa Programme Funder: DfID Duration: 2016- 2019	Energise Africa programme is a crowdfunding initiative, designed for to provide an opportunity for the crowd to finance the working capital requirements of pay-as-you-go solar home systems providers. The ambition is to build a self-sustaining partnership between a platform and solar businesses in Africa.
Ideas 2 Impact Funder: DfID Duration: 2014-2019	We are part of a consortium, implementing a 5-year programme supporting innovation in the development sector. The programme will launch and run 5 prize challenges designed to incentivise innovative problem-solving around key challenges in energy access, water and sanitation, and climate adaptation.
CrowdPower Funder: DfID Duration: 2015-2018	Exploring how crowdfunding platforms can contribute to the flow of capital into energy-access businesses and how DfID can leverage the impact of its own funds by participating in crowdfunding campaigns. This now includes a follow-on project to develop a peer-to-peer platform to facilitate lending by retail lenders to support the working capital needs of solar products companies in Africa
Women in Renewable Energy (WIRE) Funder: US Department of State Duration: 2016 - 2018	This project aims to improve livelihoods, incomes and employment in Kenya and Tanzania via support for 400 women-led enterprises that will expand energy access.

Energy 4 Impact

Report of the Trustees

For the year ended 31 March 2018

Green Minigrid Funder: AfDB Duration: 2016-2017	Technical assistance to mini-grid project developers across sub-Saharan Africa
Technical Assistance Facility Funder: International Finance Corporation Duration: 2016-2017	Technical assistance to mini-grid project developers in Tanzania
Scaling up off-grid Energy in Rwanda (SOGER) Funder: Sida (Embassy of Sweden in Kigali, Rwanda) Duration: 2016 – 2019	SOGER aims to grow sustainable off-grid renewable energy markets by supporting private sector companies to deliver energy access in Rwanda to an estimated 77,000 people in poor rural areas.
Productive & Empowered Women Enterprises in Rural Senegal (PEWERS) Funder: Swedish Postcode Lottery Foundation Duration: 2018 - 2019	Micro-enterprise development targeting women-led productive use businesses in rural Senegal
Solar Irrigation Rwanda Funder: Opec Fund for International Development Duration: 2018 – 2020	Developing the market for small scale solar irrigation systems for smallholder farmers
Project Jua Funder: Ovo Foundation Duration: 2017 – 2019	Electrification of rural health clinics and schools in two underserved counties of Kenya
Minigrid Support Prototype Implementation Funder: Rockefeller Foundation Duration: 2017 – 2019	Trialling improvements to minigrid business models via appliance financing and tariff subsidies

Financial Review

Full results for the year at 31 March 2018 are set out in the financial statements on pages 22-24. The financial statements have been prepared in accordance with applicable accounting standards and the statements of recommended practice.

Total income for the year was £7,257,831 (March 2017: £4,027,502) comprising unrestricted income of £978,289 and restricted income of £6,279,542. This represents an increase of £3,230,329 or 80% from last year's figure. The increase in income reflects new business secured and an increased level of project funding that is passed on to partners and sub-grantees. Total expenditure was £6,339,184 for the year (March 2017: £4,739,559) comprising £897,192 of unrestricted, and £5,441,992 of restricted expenditure. This represents an increase of £1,599,625 or 34% from last year's figure, mainly due to investment in our staff and payments to consultants and partners working on our programmes to aid programme delivery, and other direct costs. The overall surplus for the year is £918,648.

Energy 4 Impact

Report of the Trustees

For the year ended 31 March 2018

The Charity's balance sheet shows total funds of £1,519,770 compared to £601,123 as at 31 March 2018. Restricted funds were £1,004,938 (March 2017: £160,818) and unrestricted funds were £514,832 (March 2017: £440,305).

Reserves and Going Concern

The unrestricted reserves of £514,832 represent an increase of £74,528 or 17% on last year's figure, largely driven by increased overhead contributions from unrestricted project income, and increased levels of utilisation of core staff on projects. The Trustees have determined that Energy 4 Impact's reserves policy is to retain sufficient reserves to cover 6 months of essential costs, in order to ensure continuity of our activities. To this end, we will seek to maintain unrestricted reserves at a level of at least £500,000, subject to the board's discretion, particularly in relation to maintaining a sound balance between growing reserves and investing to achieve our strategic goals. The board have noted that the unrestricted reserves level at the year end was a little above £500,000 and continue to monitor the situation on a monthly basis as described below.

Restricted reserves stood at £1,004,938 at 31 March 2018; (see note 17 in the financial statements for breakdown of restricted funds).

These accounts have been prepared on a going concern basis following due enquiries made by the Trustees. These have taken into account the degree to which Energy 4 Impact's projected positive cash balances are underpinned by existing funding agreements and contracts with donors, in particular our current major institutional donors/funders such as the World Bank, the UK's DfID, Sweden's Sida and AfDB, but also a growing number of smaller foundation donors. In some cases these contracts extend substantially beyond 12 months after the date of approval of these accounts; in others the existing agreement ends earlier, but there is a firm basis to expect an extension or subsequent phase of the project. Trustees have considered the capacity of the organisation to absorb delays in payments or cancellations of contract renewals, by relying on cash reserves and/or by reducing costs. In addition, Trustees have carefully considered the strength of Energy 4 Impact's new business pipeline on a project by project basis, which incorporates the financial value, timing and capture probabilities for multiple prospects, and the potential for new funding agreements with new donor partners, together with alternative strategic options for maintaining the sustainability of the organisation. Based on these considerations, Trustees continue to judge that it is appropriate to prepare Energy 4 Impact's financial statements on a going concern basis.

Investments

Surplus unrestricted cash is held on short-term deposit in an interest-bearing savings account.

Principal funding sources

Our principal funding sources are grants from donor agencies and development partners; please refer to note 3 in the financial statements for a full list.

We had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Report of the Trustees

For the year ended 31 March 2018

Plans for the Future

Strategy

Energy 4 Impact will continue to focus its activity on Africa, providing support to energy-focused small, - medium- and micro-sized enterprises, as a route to improving access to clean energy. We will do this in the context of our ambition to significantly increase the extent of our impact on the energy-poor. By the year 2020, our goal is for 20 million people to have benefitted from better energy access as a result of the growth of the businesses we have worked with. We expect to do this:

- Across sub-Saharan Africa, which means expanding further our activities in West Africa,
- By staying at the forefront of off-grid energy innovation, in terms of financing and business models, and
- By exploring new contexts, applications and approaches to the practice of "enterprise-centred development" (such as the humanitarian sector and innovation prizes).

Our operational targets are largely a summation of the targets of our composite programmes; as well as having targets which are specific to each one, these programmes all have targets in common that relate to Energy 4 Impact's core mission: population served, jobs and carbon savings. We therefore carry forward these targets from year to year.

But in addition to delivering programme outputs for their own sake, we must also build the foundations for Energy 4 Impact's long term future. That means focusing on the way we do things, throughout the organisation, across these four dimensions:

- Operations: as well as delivering programme outputs, we need to demonstrate strong project management. That means demonstrably good financial control of projects, good resource planning and mobilisation, good monitoring and evaluation and good risk-management practices. We also need to build demonstrable capacity in key practice areas such as capital access, mini-grids, the energy-agri-water "nexus", humanitarian energy, micro-enterprise development, and productive uses.
- Business development: to build (as a learning organisation) on our growing field experience to design and propose extensions to and developments of our existing portfolio of activities, and to engage with both new and traditional funders.
- Communications: to increase our focus on identifying key stakeholders, and promoting the critical importance of action on energy access, the achievements of Energy 4 Impact in tackling this challenge, and the important role we can continue to play. In addition, to help improve internal communications across the organisation, to reinforce our sense of common purpose and to help us to learn from each other
- Organisational development: build an organisational structure and work culture which reflects our values in order to be more effective in delivering our mission. That means, for example, implementing plans to become a learning organisation, investing in the personal and career development of middle managers and all staff, and creating a working environment which motivates, empowers and incentivises people to perform well in the short, medium and long term.

In the course of 2018/19, we shall be also be undertaking a strategic review to ensure the mix of our activities, underpinned by progress on each of these four dimensions of operations, business

Report of the Trustees

For the year ended 31 March 2018

development, communications and organisational development, combine to deliver long term financial sustainability for the organization.

Objectives

This strategy results in five broad objectives for 2018/19:

1. Operations: across all our programmes, to achieve the following outputs during the year:
 - a. An additional 0.5m people with improved access to energy
 - b. Growth support for 800 micro-entrepreneurs and 400 SMEs. Of these, we aim for at least 50% of businesses to be led by women.
 - c. 500 extra jobs resulting from the growth of these businesses.
 - d. 0.5m tonnes CO2 avoided
2. Business development: by 31 March 2019, to have submitted to interested donors or funding agencies detailed proposals with a reasonable prospect of success, whose combined impact is enough to support the "20 million people by 2020" ambition, and whose combined financial value is sufficient to maintain and grow the organisation.
3. Communications: by 31 March 2019, to have at least maintained our current level of public exposure and to have undertaken at least one significant initiative to raise awareness of Energy 4 Impact amongst key stakeholders.
4. Organisational development: by 31 March 2019, to have continued to upgrade our capacity in people management and improving staff competences to achieve our strategic objectives; to progress towards an improved monitoring, evaluation and learning culture, and to complete the "embedding" of Energy 4 Impact's learning organisation implementation plan.
5. Financial: Unrestricted reserves to be maintained at the level of £0.5 million at 31 March 2019.

Energy 4 Impact

Report of the Trustees

For the year ended 31 March 2018

Statement of Responsibilities of the Trustees

The Trustees (who are also directors of Energy 4 Impact for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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 (Statement of Recommended Practice);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the Charity will continue in business.

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

Statement as to Disclosure of Information to Auditors


Each of the members of the Board who were in office on the date of approval of these financial statements have confirmed, as far as they are each aware, that there is no relevant audit information of which the auditors are unaware. Each of the members of Board have confirmed that they have each taken all steps that they ought to have taken as members of Board in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditors

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

The Trustees' report has been prepared taking advantage of the exemptions available to small companies under the Companies Act 2006.

Approved by the Trustees on 30-8-18 and signed on their behalf by


Anthony Marsh
Trustee

Independent Auditor's Report

To the members of Energy 4 Impact

Opinion

We have audited the financial statements of Energy 4 Impact for the year ended 31 March 2018 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

Independent Auditor's Report

To the members of Energy 4 Impact

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its 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 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 exemption in preparing the trustees' report.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

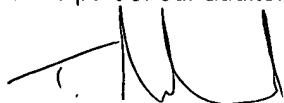
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the

Independent Auditor's Report

To the members of Energy 4 Impact

Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



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

Date: 21 SEPTEMBER 2018

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2018

	Note	2018 Unrestricted £	2018 Restricted £	2018 Total £	2017 Total £
Income from:					
Donations and legacies	2	16,018	-	16,018	635
Charitable activities - grants	3	13,172	6,279,542	6,292,714	3,473,508
Charitable activities - consultancy	4	944,800	-	944,800	541,994
Investments	5	217	-	217	3,995
Other income	6	4,082	-	4,082	7,370
Total income		978,289	6,279,542	7,257,831	4,027,502
Expenditure on:					
Raising funds	7	101,882	-	101,882	150,583
Charitable activities	8	795,310	5,441,992	6,237,302	4,588,976
Total expenditure		897,192	5,441,992	6,339,184	4,739,559
Net income / (expenditure)		81,097	837,550	918,647	(712,057)
Transfers between funds	17	(6,570)	6,570	-	-
Net movement in funds		74,527	844,120	918,647	(712,057)
Reconciliation of funds:					
Total funds balances brought forward	17	440,305	160,818	601,123	1,313,180
Total fund balances carried forward	17	514,832	1,004,938	1,519,770	601,123

The results for this period are derived from continuing operations.

The charity has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

Energy 4 Impact
Company number 05762919

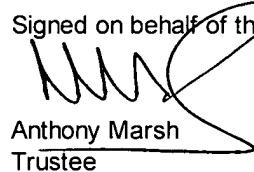
Balance sheet

As at 31 March 2018

	Note	£	2018 £	£	2017 £
Fixed assets	13		8,119		18,255
Current assets					
Debtors	14	743,053		804,658	
Cash at bank and in hand		1,296,633		278,427	
		2,039,686		1,083,085	
Liabilities					
Creditors: amounts due within 1 year	15	528,035		500,217	
Net current assets			1,511,651		582,868
Total net assets	16,17		1,519,770		601,123
The funds of the charity:					
Restricted funds			1,004,938		160,818
Unrestricted funds					
General funds			514,832		440,305
Total charity Funds	16,17		1,519,770		601,123

These accounts were approved and authorised for issue by the Board of Trustees on: 30.8.18

Signed on behalf of the Board of Trustees by:


Anthony Marsh
Trustee

Statement of Cashflows

For the year ended 31 March 2018

	£	2018 £	£	2017 £
Cash flow from operating activities				
Net income / (expenditure)	918,647		(712,057)	
Adjustments for:				
Depreciation	10,136		10,588	
(Increase) in debtors	61,605		(194,459)	
(Decrease) in creditors	<u>27,818</u>		<u>67,697</u>	
Net cash provided by / (used in) operating activities		1,018,206		(828,231)
Cash flow from investing activities				
Purchase of tangible fixed assets	<u>-</u>		<u>(14,267)</u>	
Net cash (used in) investing activities		<u>-</u>		<u>(14,267)</u>
Change in cash and cash equivalents in the year		1,018,206		(842,498)
Cash and cash equivalents at the beginning of the year		<u>278,427</u>		<u>1,120,925</u>
Cash and cash equivalents at the end of the year		<u>1,296,633</u>		<u>278,427</u>

1. Accounting policies

- a) The charity is a private limited company (registered number 05762919), which is incorporated in the UK. The address of the principal office is Fifth Floor, Totara Park House, 34-36 Grays Inn Road, WC1X 8HR. Energy 4 Impact is a Public Benefit Entity.

The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006 and and UK Generally Accepted Practice as it applies from 1 January 2015.

These accounts have been prepared on a going concern basis following due enquiries made by the Trustees. As stated on page 14 of the Trustees report, these have taken into account current levels of cash, cash flow forecasts and budgets, the current project portfolio and pipeline, and alternative options for maintaining the sustainability of the organisation under different new business scenarios. Based on these considerations, Trustees continue to judge that it is appropriate to prepare Energy 4 Impact's financial statements on a going concern basis.

- b) Donations are included in full in the Statement of Financial Activities when receivable.
- c) Grants receivable are recognised in the Statement of Financial Activities in the year in which they are receivable unless they are subject to a specific performance condition or time restriction in which case they are deferred until the conditions or restrictions are satisfied. Consultancy income is recognised to the extent that the Charity has earned entitlement through completion of the underlying service.
- d) Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted fund. Where a fixed asset is donated to the Charity for its own use, it is treated in a similar way to a restricted grant.
- e) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned based on staff estimates of time spent on each activity. Governance costs include costs associated with compliance with constitutional and statutory requirements.

- f) Support costs are reallocated within total resources on the basis of the time allocation exercise described above.
- g) The costs of generating funds relate to the costs incurred by the charitable company in raising funds for the charitable work.

1. Accounting policies (continued)

- h) Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Computer Equipment	3 years
Motor Vehicles	3 years

Items of equipment are capitalised where the purchase price exceeds £1,000. 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.

- i) Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the Charity.
- j) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund together with a fair allocation of management and support costs.
- k) Foreign Currencies - Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Foreign currency balances have been translated at the rates of exchange ruling at the balance sheet date.
- l) Grants payable - Grant payments to partner organisations are recognised as expenditure in the financial statements once the Charity is satisfied that a partner organisation has met all the conditions that need to be satisfied to release the payment.
- m) Debtors - Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.
- n) Creditors - Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.
- o) Cash at bank and cash in hand includes cash and short-term deposits with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.
- p) Financial Instruments - The Charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash at bank and in hand, short-term cash deposits together with trade and other debtors excluding prepayments. Financial liabilities held at amortised cost comprise the short and long term trade and other creditors excluding deferred income and taxation payable. No discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial.
- q) Estimates and judgements - In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Energy 4 Impact

Notes to the financial statements

For the year ended 31 March 2018

2. Income from donations and legacies

Current Year

	Unrestricted Funds £	Restricted Funds £	2018 Total £
General donations	16,018	-	16,018

Prior Year

	Unrestricted Funds £	Restricted Funds £	2017 Total £
General donations	635	-	635

3. Income from charitable activities - grants

Current Year

	Unrestricted Funds £	Restricted Funds £	2018 Total £
DFID		3,063,571	3,063,571
World Bank (Russian Funding)		1,497,258	1,497,258
ETC Foundation		173,626	173,626
The Ministry for Foreign Affairs of Finland		23,924	23,924
SIDA		552,120	552,120
US Department of State		226,835	226,835
Loughborough University		10,119	10,119
OVO Charitable Foundation		121,862	121,862
Rockefeller Foundation		261,356	261,356
Swedish Postcode Lottery Foundation		171,403	171,403
OFID		141,100	141,100
The Adventure Fund		36,369	36,369
Other	13,172		13,172
Total	13,172	6,279,542	6,292,714

Prior Year

	Unrestricted Funds £	Restricted Funds £	2017 Total £
DFID		1,043,098	1,043,098
World Bank (Russian Funding)		1,323,709	1,323,709
ETC Foundation		119,776	119,776
The Ministry for Foreign Affairs of Finland		63,963	63,963
SIDA		519,925	519,925
The Mott Foundation		159,396	159,396
The Virgin Foundation		80,000	80,000
US Department of State		116,469	116,469
Other		47,172	47,172
Total	-	3,473,508	3,473,508

Energy 4 Impact

Notes to the financial statements

For the year ended 31 March 2018

4. Income from charitable activities - consultancy

Current Year

	Unrestricted Funds £	Restricted Funds £	2018 Total £
Consultancy income	<u>944,800</u>	<u>-</u>	<u>944,800</u>

Prior Year

	Unrestricted Funds £	Restricted Funds £	2017 Total £
Consultancy income	<u>541,994</u>	<u>-</u>	<u>541,994</u>

5. Income from investments

Current Year

	Unrestricted Funds £	Restricted Funds £	2018 Total £
Investment income	<u>217</u>	<u>-</u>	<u>217</u>

Prior Year

	Unrestricted Funds £	Restricted Funds £	2017 Total £
Investment income	<u>3,754</u>	<u>241</u>	<u>3,995</u>

6. Other income

Current Year

	Unrestricted Funds £	Restricted Funds £	2018 Total £
Desk rental	<u>4,082</u>	<u>-</u>	<u>4,082</u>

Prior Year

	Unrestricted Funds £	Restricted Funds £	2017 Total £
Desk rental	<u>7,370</u>	<u>-</u>	<u>7,370</u>

Energy 4 Impact

Notes to the financial statements

For the year ended 31 March 2018

7. Expenditure on raising funds

Current Year	Unrestricted Funds £	Restricted Funds £	2018 Total £
Staff costs	81,991	-	81,991
Other costs	717	-	717
Reallocation of support costs	19,174	-	19,174
	<u>101,882</u>	<u>-</u>	<u>101,882</u>
Prior Year	Unrestricted Funds £	Restricted Funds £	2017 Total £
Staff costs	117,797	-	117,797
Other costs	1,153	-	1,153
Reallocation of support costs	31,633	-	31,633
	<u>150,583</u>	<u>-</u>	<u>150,583</u>

8. Expenditure on charitable activities

Current Year	2018 Total £
Staff costs	2,154,902
Travel	320,444
Consultants	468,133
Grants to Partners	2,474,925
Other direct	78,455
Web development and hosting	6,810
Office and overheads	211,627
Legal and professional	5,902
Accountancy	2
Project Audit	6,018
Depreciation	-
Bank charges	1,670
Reallocation of support costs	499,038
Bad debt	9,376
	<u>6,237,302</u>

Material grants made to partners during the year were: Practical Action £290,222, IMC £101,771, Chatham House £306,079, Kube £100,000, HELP £100,000, Jordan Green £102,870, Millennium £42,500, Energise Africa £1,266,000

Prior Year	2017 Total £
Staff costs	2,035,849
Travel	283,439
Consultants	563,420
Grants to Partners	730,167
Other direct	95,257
Office and overheads	292,383
Legal and professional	36,069
Project Audit	5,955
Depreciation	1,827
Bank charges	3,606
Reallocation of support costs	541,004
	<u>4,588,976</u>

Energy 4 Impact

Notes to the financial statements

For the year ended 31 March 2018

9. Support costs

Current Year	Raising Funds £	Charitable Activities £	2018 Total £
<u>Governance costs</u>			
Staff costs	1,437	37,388	38,824
Audit	996	25,921	26,917
Other costs	176	4,575	4,750
<u>Other support costs</u>			
Staff Costs	5,209	135,564	140,773
Travel	496	12,928	13,424
Grants to Partners	(641)	(16,684)	(17,324)
Miscellaneous other	-	-	-
Web development and hosting	76	1,989	2,065
Office and overheads	8,813	229,352	238,165
Legal and Professional	282	7,348	7,630
Accountancy	1,319	34,331	35,650
Depreciation	375	9,761	10,136
Bank charges	636	16,565	17,201
	<u>19,174</u>	<u>499,038</u>	<u>518,212</u>
 Prior Year	 Raising Funds £	 Charitable Activities £	 2017 Total £
<u>Governance costs</u>			
Staff costs	3,761	64,326	68,087
Audit	1,071	18,315	19,386
Other costs	345	5,896	6,241
<u>Other support costs</u>			
Staff Costs	11,099	189,828	200,927
Travel	805	13,762	14,567
Grants to Partners	2,558	43,745	46,303
Miscellaneous other	574	9,823	10,397
Web development and hosting	149	2,555	2,704
Office and overheads	7,149	122,264	129,413
Legal and Professional	336	5,746	6,082
Accountancy	2,553	43,663	46,216
Depreciation	484	8,277	8,761
Bank charges	749	12,804	13,553
	<u>31,633</u>	<u>541,004</u>	<u>572,637</u>

10. Taxation

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

Energy 4 Impact

Notes to the financial statements

For the year ended 31 March 2018

11. Staff costs and numbers

Staff costs were as follows:

	2018 £	2017 £
Salaries and wages	624,356	591,803
Social security costs	60,416	63,744
Pension costs	23,419	21,577
	<u>708,191</u>	<u>677,124</u>
Overseas staff	1,671,515	1,702,550
Training & recruitment	36,783	42,987
	<u>2,416,490</u>	<u>2,422,661</u>

Three employees earned £60,000-£70,000 during the year (2017: two)

No employee earned £70,000-£80,000 during the year (2017: one)

One employee earned £80,000-£90,000 during the year (2017: two)

No employee earned £90,000-£100,000 during the year (2017: nil)

One employee earned £100,000-£110,000 during the year (2017: two)

The average weekly number of employees during the year was:

	2018 No.	2017 No.
Raising Funds	2.0	2.8
Information dissemination and capacity building	<u>106.6</u>	<u>95.1</u>
	<u>108.6</u>	<u>97.9</u>

The key management personnel of the charity comprise the CEO and all members of the senior management team.

The total employee benefits of the key management personnel of the charity were £298,310 (2017: £373,556)

During the year charity accrued redundancy payment of £Nil (2017: £46,978). The nature of the prior year amount was to terminate employment contract for an employee based in our regional office in Kenya. The charity's policy on redundancy payments are in line with local employment law requirements.

12. Net income for the year

This is stated after charging:

	2018 £	2017 £
Depreciation	10,136	10,588
External auditor's remuneration - statutory audit fees	14,000	13,810
Other auditors - expenditure verification and grant audit work	18,935	11,531

During the year, one trustee received expenses of £801. The expenses received were for travel and accommodation (2017: two trustees received £2,912). No trustee received any remuneration.

Energy 4 Impact

Notes to the financial statements

For the year ended 31 March 2018

13. Tangible Fixed Assets

	Motor Vehicles £	Office Equipment £	Total £
Cost			
At the start of the year	40,200	5,649	45,849
Additions in year	-	-	-
At the end of the year	<u>40,200</u>	<u>5,649</u>	<u>45,849</u>
Depreciation			
At the start of the year	22,746	4,848	27,594
Charge for the year	9,736	400	10,136
At the end of the year	<u>32,482</u>	<u>5,248</u>	<u>37,730</u>
Net book value			
At the end of the year	<u>7,718</u>	<u>401</u>	<u>8,119</u>
At the start of the year	<u>17,454</u>	<u>801</u>	<u>18,255</u>

14. Debtors

	2018 £	2017 £
Trade debtors	67,549	258,438
Accrued Income	561,209	402,345
Prepayments	26,544	26,812
Other debtors	<u>87,751</u>	<u>117,063</u>
	<u>743,053</u>	<u>804,658</u>

15. Creditors: amounts due within 1 year

	2018 £	2017 £
Trade creditors	154,402	133,149
Accruals	218,139	229,046
Deferred income	46,334	-
Taxation and social security	39,204	53,620
Other creditors	<u>69,956</u>	<u>84,402</u>
	<u>528,035</u>	<u>500,217</u>

Income received in advance of the charity having entitlement to the use of monies received is deferred. £46,334 income received during the year was deferred (2017: £Nil) and £Nil was released (2017: £122,326).

16. Analysis of net assets between funds

Current Year	Unrestricted Funds £	Restricted Funds £	2018 Total £
Fixed assets	8,119	-	8,119
Net current assets	<u>506,713</u>	<u>1,004,938</u>	<u>1,511,651</u>
Total Net Assets	<u>514,832</u>	<u>1,004,938</u>	<u>1,519,770</u>
Prior Year	Unrestricted Funds £	Restricted Funds £	2017 Total £
Fixed assets	18,255	-	18,255
Net current assets	<u>422,050</u>	<u>160,818</u>	<u>582,868</u>
Total Net Assets	<u>440,305</u>	<u>160,818</u>	<u>601,123</u>

Energy 4 Impact

Notes to the financial statements

For the year ended 31 March 2018

17. Movements in funds

Current Year	At the start of the period £	Transfers £	Income £	Expenditure £	At the end of the period £
Restricted funds:					
Energy Environment Programme	-		23,924	(21,633)	2,291
Energia	45,715	3,087	173,626	(222,428)	-
Moving Energy Initiative	-	-	1,522,588	(1,186,545)	336,043
Crowd-Funding	13,996	-	235,367	(249,363)	-
The Adventure - Stoves Kenya	-	-	36,369	(31,235)	5,134
Energy Business Development	-	-	1,497,258	(1,487,195)	10,063
SOGER	11,962	-	552,120	(449,627)	114,455
Mott Foundation	59,027	-	-	(16,618)	42,409
Peer-to-Peer Solar Programme	30,118	-	1,305,616	(1,342,695)	(6,961)
LCEDN	-	3,483	10,119	(13,602)	-
WIRE	-	-	226,835	(225,735)	1,100
OVO	-	-	121,862	(113,451)	8,411
Rockefeller	-	-	261,356	(58,890)	202,466
SPF	-	-	171,403	(11,652)	159,751
OFID-SIR	-	-	141,100	(11,323)	129,777
					-
Total restricted funds	160,818	6,570	6,279,542	(5,441,992)	1,004,938
Unrestricted funds:					
General funds	440,305	(6,570)	978,289	(897,192)	514,832
Total unrestricted funds	440,305	(6,570)	978,289	(897,192)	514,832
Total funds	601,123	-	7,257,831	(6,339,184)	1,519,770

Transfers from unrestricted funds are to cover overspends in restricted project work.

Prior Year	At the start of the period £	Transfers £	Income £	Expenditure £	At the end of the period £
Restricted funds:					
CARE 2	124,292	292,573	(52,423)	(364,442)	-
SEED Fund Project	4,084	(4,084)	-	-	-
Indigo Solar Lighting	1	-	-	(1)	-
Energy Environment Programme	-	-	41,948	(41,948)	-
Energia	-	228,964	119,776	(303,025)	45,715
Moving Energy Initiative	80,303	-	553,086	(633,389)	-
EEP Redavia	-	-	22,014	(22,014)	-
Crowd-Funding	183,598	-	239,837	(409,439)	13,996
The Adventure - Stoves Kenya	2,010	-	42,757	(44,767)	-
Energy Business Development	-	-	1,323,714	(1,323,714)	-
SOGER	-	-	572,585	(560,623)	11,962
Mott Foundation	-	-	159,396	(100,369)	59,027
HUB-LCEDN	-	-	4,415	(4,415)	-
Peer-to-Peer Solar Programme	-	-	250,175	(220,057)	30,118
Virgin	-	-	80,000	(80,000)	-
WIRE	-	-	116,469	(116,469)	-
	394,288	517,454	3,473,749	(4,224,672)	160,819
Unrestricted funds:					
General funds	918,892	(517,453)	1,436,201	(1,397,335)	440,305
Total unrestricted funds	918,892	(517,453)	1,436,201	(1,397,335)	440,305
Total funds	1,313,180	-	4,027,502	(4,739,559)	601,123

Energy 4 Impact

Notes to the financial statements

For the year ended 31 March 2018

18. Related Party Transactions

During the year, £173,626 (2017: £119,776) was recognised as income from Energia, Sheila Oparaocha is a trustee of the charity and a programme director at Energia. During the year, £46,738 (2017: nil) was recognised as income from Multiconsult, Andrew Yager was a trustee of the charity and a director of Multiconsult prior to his death during the year.

19. Operating Lease Commitments

At 31 March 2018, Energy 4 Impact had future minimum operating lease commitments under non-cancellable operating leases for each of the following periods:

	2018	2017
	£	£
Within one year	35,175	35,175
One to five years	35,175	70,350

Lease payments recognised as an expense in the year were £35,175 (2017: £35,175).

20. Grant commitments

	2018	2017
	£	£
At 31 March 2018, Energy 4 Impact had the following grant commitments to grantees which are linked to head grant agreement with funders	1,324,009	643,335