

Company registration number: 05322719

Registered as a Charity in England and Wales  
(1107713) and in Scotland (SC039692)



**OPPORTUNITY**  
International

Opportunity  
International United  
Kingdom

A company limited by  
guarantee

Non statutory report and  
financial statements

For the year ended 31 December 2015

# Opportunity International United Kingdom

## Report and financial statements 2015

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# Opportunity International United Kingdom

## Trustees' report

Year ended 31 December 2015

The trustees of Opportunity International United Kingdom (hereafter "Opportunity International" or the "Charity", registered company number 05322719, registered charity number 1107713 and SC039692), who are also the directors and members for the purposes of company law, present their report and financial statements for the year ended 31 December 2015.

## Reference and administration

### Principal and registered office

Opportunity International United Kingdom  
Angel Court  
81 St Clements  
Oxford OX4 1AW

### Bankers

Barclays Bank Plc  
Oxford Corporate Banking  
Wytham Court  
11 West Way, Botley  
Oxford OX2 0JB

### Auditor

Mazars LLP  
The Pinnacle  
160 Midsummer Boulevard  
Milton Keynes  
MK9 1FF

### Trustees

The trustees of the Charity who served from 1 January 2015 to the date of this report were as follows:

Terrence Watson (Chairman)  
John Ford (appointed 30 June 2015)  
Robert Goldspink  
Clifford Hampton (Treasurer)  
Kristine Braden  
Ireti Samuel Ogbu  
Edward Fox (appointed 8 January 2015)  
Adrian Williams (resigned 25 February 2016)  
Nicholas Lea (resigned 5 October 2015)

### Senior staff and consultants

Edward Fox, Chief Executive Officer  
Deborah Foy, International Programmes Director  
Gareth Simpson, Philanthropy and Strategic Partnerships Director  
Shabnam Zamurd, Finance Director  
Robert Anderson, Director of Scottish Office

# Opportunity International United Kingdom

## Trustees' report

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### Financial highlights – summary results and financial position of the Charity

Opportunity International is a member of the Opportunity International Network (OIN); furthermore it is the largest international development charity in the United Kingdom specialising in microfinance. Opportunity International works with poor people to develop their small businesses, strengthen their communities and transform their lives by supporting other members of the Opportunity International Network which provide sustainable financial and development services.

	2015 £'000	2014 £'000
<b>Income</b>		
Private unrestricted donations	1,447	1,424
Private restricted donations	2,117	2,003
Grants from government sources	1,537	2,127
Grants from non-governmental sources	391	476
Legacy income	24	482
Income from bank deposits	12	16
	<u>5,528</u>	<u>6,528</u>
<b>Expenditure</b>		
Cost of generating funds	548	442
Charitable activities	4,909	5,443
	<u>5,457</u>	<u>5,885</u>
Net movement in funds	<u>71</u>	<u>643</u>
<b>Balance sheet</b>		
Tangible fixed assets	6	6
Debtors	644	773
Cash at bank	2,617	2,524
Creditors less than one year	(322)	(429)
	<u>2,945</u>	<u>2,874</u>
Reserves – Unrestricted	2,334	2,158
– Designated	269	269
– Restricted	342	447
Total reserves	<u>2,945</u>	<u>2,874</u>

# Opportunity International United Kingdom

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### Objectives and activities

The objectives of the Charity is to relieve poverty abroad and in particular (without prejudice to that generality):

- to provide assistance to poor persons in the establishment of small businesses;
- to provide temporary support for appropriate small businesses; and
- to provide training and retraining in the skills required for employment and self-employment.

'Appropriate' in this context means small businesses owned by, and primarily employing poor persons where there is otherwise insufficient alternative employment to relieve their poverty and where any such business is in danger of failure without such temporary support, but in circumstances where with such support the small business concerned shall have good prospects of recovery and viability. The objectives are achieved by providing the resources needed to make loans, offer savings opportunities and insurance and provide financial education and training to poor entrepreneurs.

### Aims and public benefit of the Charity

The trustees confirm that they have referred to and given due consideration to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities for the year. The Charity's primary aim is to facilitate the provision of microfinance services to the world's poor people thereby helping them to transform their lives and work their way out of poverty.

### Grant beneficiaries

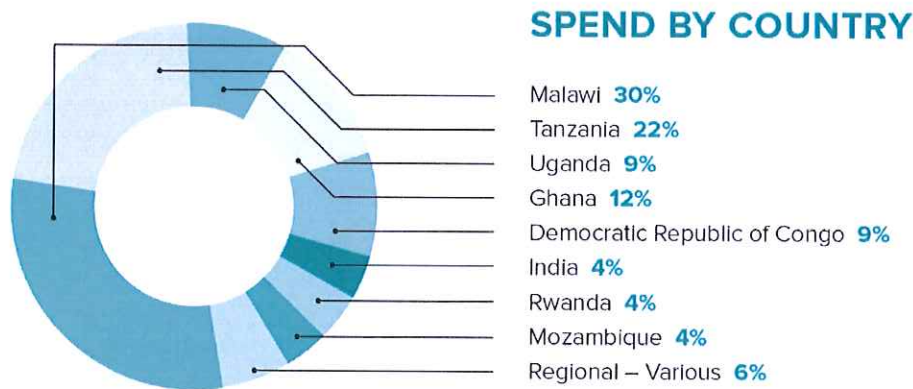
The ultimate beneficiaries of the grants, given by the Charity, are the clients of Opportunity International's Implementing Members.

### Specific objectives of the Charity

Opportunity International's primary objective is to focus on our existing operations in sub-Saharan Africa as we embrace a "deeper not broader" approach to expansion. We aimed to achieve quality and depth in our activities rather than geographical spread, therefore we intended to focus our efforts on a small number of key partners based in Malawi, DRC, Ghana, Uganda and Mozambique; this has been achieved and is depicted in the chart below (the following three charts depict the Charity only results):

Opportunity International United Kingdom

Trustees' report  
Year ended 31 December 2015



The trustees believe the public benefit requirement has been met by achieving this aim, and by focusing the Charity's activities more narrowly, a greater impact has been achieved and resources have been deployed effectively and with greater governance, monitoring and control.

Opportunity International's ongoing strategy of securing a healthy mix of income sources across the UK to avoid dependency on any one income stream was also achieved as depicted in the chart below. This has ensured that our overseas members have sufficient funds to alleviate poverty and thereby provide benefit to the poor:

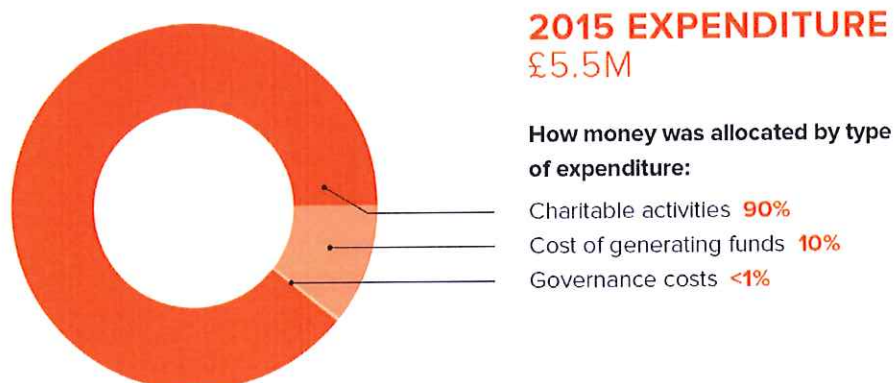


Yet again we exceeded our on-going target of directing at least 80% of income to charitable expenditure (these funds are spent on alleviating poverty in line with our charitable purpose). 90% of income, spent in the year, was directed to charitable activities and 10% was spent on fundraising and governance costs as shown in the final chart overleaf:

# Opportunity International United Kingdom

## Trustees' report

Year ended 31 December 2015



### Significant activities of OIUK (Charity):

#### *1. DFID UKAID Match - Creating Wealth in the Democratic Republic of Congo*

Under the UKAID Match grant programme, DFID provided funding of £2,262,412 for OIUK to open three new community branches in Kinshasa in order to provide group loans, savings services and financial literacy training as well as community outreach to new loan clients and savers. The three-year project began in February 2014 and targets micro-entrepreneurs in Kinshasa, many of whom have small businesses. The project aims to reach 7,470 loan clients and 11,010 savers by February 2017. There is a specific focus on serving women clients (65% target), with indicators tracking changes in women's decision-making within the household.

At the end of December 2015 OIUK was serving 4,074 loan clients and had opened 9,303 savings accounts, with an average balance of \$27. One of the three new DFID funded branches is now open. Bandal Community Branch currently serves 547 loan clients, PAR >30 days is 5.6%, which is lower than the rate at the main branches. In addition 829 clients have a savings account.

At the onset of the project, OIUK experienced significant challenges in opening the community branches, and has also suffered from capacity challenges to effectively manage operations in a challenging, highly government-controlled macro environment. Earlier this year, a decision was made to explore the possibility of partnering with another organisation in order to contribute to building OIUK's capacity to increase reach, reduce costs and minimise risk. In 2016, VisionFund International, a mission-aligned INGO, will take over operations in the DRC, with Opportunity International retaining a minimal shareholding but overall management of the DFID grant. An operational expansion and capacity building plan is now being implemented in the DRC with 3 additional branches to open in 2016.



# Opportunity International United Kingdom

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### *2. DFID UKAID Match - Improving agricultural production and incomes for smallholder farmers in Ghana and Mozambique*

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In 2014 Opportunity UK was successful in obtaining a fourth DFID UKAID Match grant supporting Opportunity's agricultural programmes in Ghana and Mozambique. Including the match element the total budget is £3,406,568. The project which runs from June 2015 to May 2018 aims to improve the livelihoods of 10,000 smallholder farmers in Brong Ahafo and the three Savannah regions in Ghana and the provinces of Zambezi and Manica in Mozambique. Access to micro-credit and training will enable the farmers to improve yields and increase incomes; access to safe savings facilities will enable them to build assets, reduce vulnerability and maintain consumption of food during lean periods. Over 40,000 people will indirectly benefit from better nutrition, health and education.

By the close of 2015 1,206 loans had been disbursed to smallholder farmers (806 in Ghana and 400 in Mozambique), achieving 69% of the Year 1 target in the first six months. End of March 2016 figures show that the both the Implementing Member in Ghana and Mozambique have exceeded their targets.

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### *3. DFID Girls Education Challenge Fund, Uganda*

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Opportunity UK was awarded a grant from DFID's Girl's Education Challenge (GEC) Fund in 2013. After a lengthy inception period the project started in 2014 with the aim of improving girls' education in Uganda by providing: i) loans to school proprietors; ii) school fee loans; iii) financial education of girls in schools run by Private Education Development Network (PEDN); iv) Child Savings Accounts for girls; and v) encouraging parents to take up EduSave insurance to cover education for girls. In 2015 DFID approved an extension of the grant, enabling expansion of the intervention and allowing more time for proving impact. The extension will continue the project through to March 2017 and includes an additional £352,000 in grant funding bringing the total programme budget to £1,775,615.

The project has now benefited approximately 27,401 children and we continue to see progress towards the milestones:

- The project is well ahead of its targets for School Improvement Loans having lent to 67 schools as of November 2015.
- School Fee Loans are ahead of target having released 2,062 loans during the project.
- PEDN have been working hard at delivering financial education sessions to girls in schools and we are seeing really positive results indicating a dramatic increase in confidence, application in class and participation in community improvement



## Opportunity International United Kingdom

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#### Year ended 31 December 2015

activities. To date, 9,133 girls have been trained and formed into girls clubs. Parent sensitisation sessions held by PEDN and OBUL have been successful in recruiting a number of child savers. So far 3,944 accounts have been opened for girls and boys. The average balance of these accounts is £12.24.

- Our insurance savings account, Edusave, released its first claim in 2015. This has gone a long way to boost confidence in the product. A new marketing campaign is being formulated which along with new product features should boost uptake.

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#### *4. DFID GPAF - Improving crop productivity, farm income and rural livelihoods for smallholder farmers in Rwanda*

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The DFID-funded GPAF project started in April 2015 and aims to support 12,000 (new) farmers, in the districts of Kirehe, Ngoma, Gatsibo and Gakenke, to improve their crop productivity (in rice and maize, beans and Irish potatoes). By the end of March 2018 the project aims to reach 60,000 indirect beneficiaries, made up of family members and casual farm workers linked to farmers. With a total project budget of £1,276,681 (of which DFID is providing 65%), activities focus on the provision of loans and savings for agricultural production and Good Agricultural Practice training for farmers, all within a framework of technical support to enhance the agricultural value chain within the local areas. The main outcomes of the project are to create and sustain jobs (with a target of 18,000), support farmers to maximise yields and increase agricultural productivity to increase their income and improve the overall financial resilience of farming communities.

Following a baseline survey in August 2015 and the establishment of a project management system, the project has already seen significant success. As of December 2015, 6,263 farmers had received loans against a Year 1 target of 4,000. Loan repayments are being tracked and are currently at 100%.

There has been less rapid progress in terms of the opening of savings accounts (standing at just 28% of target to date) although with planned savings mobilisation activities planned for Q1 of 2016, this should progress as planned.

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#### *5. Scottish Government - Stimulating wealth creation, increasing employment and fostering local entrepreneurship in Malawi.*

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This project which runs from April 2015 through to March 2018 supports the Government of Malawi's efforts to tackle poverty and achieve wealth creation through sustainable economic growth. It will address key constraints currently faced by micro-business owners (enterprises with 1-4 employees) in Malawi, namely lack of access to financial services and entrepreneurship training. The project aims to create wealth

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and sustainable livelihoods by providing 1,000 micro-business owners (40% women) with access to financial products, financial literacy training and business development services to strengthen their enterprises, generate income and create employment opportunities. An additional 6,500 people (including family members and employees) will benefit indirectly from the project. There will be a particular focus on encouraging female entrepreneurs to transition from operating small-scale micro-enterprises in the informal sector to managing larger sustainable businesses, through gender-focussed product development, targeted training sessions and a mentoring scheme. The total project budget is £1,802,826, of which £598,301 is from the Scottish Government grant, the remaining match is to be raised from UK and Scottish private donors.

Partnership discussions in Malawi delayed delivery of the project in 2015. Despite this the Project Steering Committee is in place, MicroSave has been recruited to undertake a market assessment, a partnership with UN Women's Group has been established for the delivery of gender focussed product development and training and three senior staff from OBM took part in an exchange visit to Opportunity Uganda to learn about SME lending. Considerable effort will be made to bring the project back on track in 2016 to meet its deliverables.

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#### *6. Scottish Government - Empowering communities for WASH and clean energy*

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This WASH project funded by the Scottish Governments aims to build healthier communities by training 550 women in one of India's largest and poorest states in health, hygiene and nutrition so that they can become Community Health Facilitators. The original budget was for £509,116 of which £391,604 was provided by the Scottish Government. After receiving 6 months of training from Healing Fields Foundation each woman will go on to educate up to 200 other women in her local community, providing them with the knowledge and financial tools to access health-related products like safe water, sanitation and clean energy loans. Over 3 years it is expected that 110,000 families will benefit from health and hygiene training, 6,104 households will access loans to install new toilets, 6,104 households will access loans to install water systems and 2,550 households will access loans to install biogas stoves. The project began in April 2013 and is due to end in March 2016.

With 6 months to go the project had already met most of its outreach targets. At the end of October 2015 878 women had been trained as Community Health Facilitators. In turn they have each trained 250 households teaching around 1,097,500 people the importance of health and hygiene. 8,248 households had installed toilets, 10,481 households had installed safe water connections and 7,240 households were using renewable energy products such as biogas stoves. Opportunity was invited by the

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Scottish Government to apply for a one year extension worth an additional £100,000. We are waiting to hear if the application for extension funding has been successful.

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#### *7. Jersey Overseas Aid - Creating Wealth in Zambezia, Mozambique*

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In 2014, the Jersey Overseas Aid Commission provided a three year grant of £248,406 to support Opportunity International's work helping people living in poverty in Zambezia, Mozambique. This was initially to match the DFID GPAF grant which ended in December 2014. The project targets farmers in Gurue and offers them access to finance and financial literacy training in order to help them become self-sufficient and use more effective farming practices to generate income, build assets and improve livelihoods.

Over the three year period the project aims to provide loans to 2,685 smallholder farmers, open 1,035 savings accounts, provide financial literacy training to 1,035 people, employ 1,342 farm workers, and impact 13,425 family members. At the end of the first year 570 loans had been made, 946 savings accounts opened, 1,380 people trained in financial literacy and at least 285 indirect beneficiaries employed.

With funding provided by Jersey Overseas Aid Commission, Gurue branch and mobile bank continues to pioneer agricultural financing in Zambezia, offering farmers access to finance to improve their yields and incomes for the first time. They also give others a helping hand through casual labour, through funds being recycled back into the community, and through loans being recycled back and lent-on reaching more poor people. The project is teaching beneficiaries the benefits of budgeting, business planning and saving; helping them increase incomes and build assets.

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#### *8. Private Donors - Education Finance, Ghana*

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In 2014 £230,000 was raised from private UK donors to support the expansion of SASL's Edufinance programme in Ghana. The aim was to enable 200 low-cost community schools that had not previously received funding to develop their facilities, capacity and quality of education by providing proprietor training and school improvement loans. Between January 2014 and September 2015 SASL had disbursed 383 school improvement loans, 199 of these were to schools that had not previously been supported. The loans were used for such things as purchasing land for expansion, constructing new classrooms, building a school canteen, WASH facilities and an IT block. The average loan size was £4,720 and PAR>30 days was 9.3%. Since the injection of private donor support 385 school proprietors have attended training, benefitting from sessions on financial management, HR, strategies for attracting new students and forming and engaging parent/teacher associations. In the

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same time frame 457 school fee loans were disbursed with an average loan size of £249 and 1,485 Child Savings Accounts were opened, holding an average balance of £21.

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#### *9. Private Donors - The Spirit of Opportunity Women's Fund*

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The objective of the Spirit of Opportunity Women's Fund is to partner with private donors to use Opportunity's tried and tested innovative outreach mechanisms to benefit more women entrepreneurs, farmers and school girls in Sub Saharan Africa. In 2014 over £400,000 was raised from private donors for this purpose. Over the lifetime of this three year project (2015-2017), we plan to provide micro-credit and training to an estimated 6,000 women micro entrepreneurs; offer loans, training and insurance to 1,500 women smallholder farmers to enable them to better feed their families and increase their income; impact the educational futures of 15,000 girls in 100 schools; deliver financial literacy training and awareness campaigns to 50,000 women every year; and, open savings accounts for a further 250,000 women across six African countries by 2017.

At the project's mid-point we are on track to meet most of these targets and have already exceeded them in some areas. As of October 2015 2,090 women entrepreneurs in the DRC had received loans to enhance their businesses, 2,146 smallholder women farmers in Rwanda had received loans and training, 26,550 girls in Ghana received ongoing education through our support of 177 schools, 4,407 women in the DRC had received financial education and 205,756 savings accounts were opened by women in six African nations.

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#### *10. Vitol Foundation - Rural Development in Nicaragua*

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In 2015 the Vitol Foundation provided a grant of \$300,000 to Opportunity UK towards a rural development project in Nicaragua working with smallholder farmers who grow cassava. Once harvested cassava has an incredibly short 'shelf life' (24 hours), for this reason it is typically grown by poor people as a subsistence crop. However, when processed, cassava has significant commercial value as it is used as a 'bind' in many products including make-up and cardboard.

In 2008 Opportunity Nicaragua established a cassava processing plant in Granada and has been providing farmers with training, finance and access to markets. Before this project commenced the plant was processing cassava from approximately 400 farmers. Over a three year period (2015-2017) the aim is to expand to an additional 1,200 farmers, achieve a 30% increase in yields and a 20% increase in net income. In the first year of the project 1,140 farmers have benefitted from training and access to

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the processing plant. As a result yields have increased by 15% and income by 20%. In addition Opportunity is working with local people to identify and deliver community development projects, including providing safe water, delivering women's health training and church repairs.

### Fundraising activities

Our Oxford and Edinburgh teams continue to focus on developing and servicing fundraising partnerships in line with our programme strategy. Our passion is to build relationships with philanthropists, corporations, foundations and institutions to meet our respective goals.

With a very modest fundraising budget we focus on a series of events to deepen our relationships with supporters and prospective supporters. Our objective is to increase their understanding of, and commitment to, our growth plans. In addition to providing our supporters with an opportunity to help alleviate poverty, the educational activities also provide a public benefit in the United Kingdom.

### Significant activities of OMIL

During the year Opportunity International UK made grants of £1,574,335 (2014: £795,150) to its wholly owned social investment vehicle, Opportunity Microfinance Investments Limited (hereafter OMIL). This was invested in the OIN Implementing Members as follows:

- £1,139,260 in Opportunity International Bank of Malawi Limited (OBM);
- £302,200 in Opportunity International Savings and Loans Limited (OI-SL); and
- £132,875 in Banco Oportunidade de Mocambique, SA (BOM).

During the year the £786,244 loan to OI-DRC was converted to grant, in line with the wishes of the donor. The convertible loans that are provided to OBM and OI-SL are denominated in local currency, hence these were revalued at the balance sheet date, resulting in an exchange loss of £26,732. The trustees reached an agreement with the buyers of OFSA (sold in 2014) to secure the repayment in one lump sum rather than the previously agreed 36 months, at a discount, this resulted in a discount of £31,630 (which includes the loss on exchange) and reduction in the accrued income to £63,372 receivable in one year (this has been fully paid as at 31<sup>st</sup> March 2016). Significant impairments have been made to programme related investments and convertible loans in the year to ensure that investments are valued in line with the expected proceeds from the sale of investments to MyBucks. On 19 November 2015 Opportunity Inc. and effectively OIUK, entered into a share purchase agreement to sell six of its investments serving sub Saharan Africa, which includes OBM, OI-SL, BOM and OTL, to the MyBucks Group, a Luxembourg-based financial technology (fintech) company. The transaction is subject to, and awaiting, central bank approval in each country.

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### Charity results for the year

The trustees are very pleased with the excellent results in 2015 as the Charity has exceeded its ideal financial model targets, despite the reduction in income, and exceeded all budgetary targets. With a team of 14 staff (12 full time equivalent), low running costs were maintained, thereby sustaining charitable expenditure at over 90% (2014: 90%) of total expenditure. Three funds were in deficit at the end of the year, due to timing of receipts; our unrestricted funds are used to cover such delays.

### Volunteers and donations in kind

We sincerely thank the following individuals who kindly donated their time and expertise during 2015: Lynn Whitehead; Hannah Matthews; Milly Howard; Kerstin Felton; Tiffany Ching and the Women's Opportunity Network (WON). We estimate that these contributions have saved the Charity at least £20,000 in staff costs.

### Investments

All investments held by Opportunity International have been acquired in accordance with the powers available to the trustees. Cash surplus to immediate requirements is deposited in high interest accounts operated by the Charities Aid Foundation, The Co-Operative Bank and CCLA Investment Management Limited.

Shares are purchased in OIN Implementing Members in order to achieve charitable objects rather than with the aim of generating income or the best investment return. As such, investments are classed as programme investments. As it has been agreed that the investments will be sold to MyBucks, the investments have been impaired down to the proceeds expected to be received from the sale.

Implementing Members are faced with difficult economic and political conditions, and it is challenging to appoint and retain senior management in these organisations, hence the Charity is unable to guarantee the economic value of such investments. No dividends are payable on these investments and, if this changed in the future, the proceeds would be reinvested into the institution in service of the poor clients.

### Governing document

Opportunity International is a charitable company limited by guarantee and is governed by its Memorandum and Articles of Association dated 4 January 2005.

### Organisational structure

The Board of Trustees, currently consisting of seven members, administers the Charity. The Board of Trustees meets at least quarterly. Additionally, the trustees have formed a finance committee, an audit committee and a board development committee.

The finance and audit committee reviews detailed budgets, the risk register, staff remuneration, and it reviews matters pertaining to external and internal audits. The

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board development committee reviews the performance and composition of the board.

A Chief Executive is appointed by the trustees to manage the day to day operations of the Charity. During 2015 he was added to the Board of Trustees following Charity Commission approval. The pay for all staff is compared to the market for similar charities in size and location, as well as individual performance. The senior management team remuneration is set and annually reviewed by the Finance Committee.

#### Appointment of Trustees

As set out in the Articles of Association the Chairman and Treasurer are nominated by the trustees.

The Board of Trustees consists of at least five and no more than 15 individuals, all of whom are the members of Opportunity International and directors for purposes of company law.

One third (or the number nearest one third) of the trustees retire at each AGM, those longest in office retiring first and the choice between any of equal service being made by drawing lots. However, a retiring trustee who remains qualified may be reappointed for a maximum of two consecutive terms of office.

#### Trustees' remuneration

No trustees' receive remuneration, except, from 2015, the trustee that is also the CEO. The CEO's remuneration is set by the board of trustees and annually reviewed by the Finance Committee, the remuneration is reviewed for inflation in March each year at the same time as the remuneration for all staff.

#### Trustees' indemnity provision

The Charity has taken out indemnity insurance on behalf of the trustees.

#### Appointment, induction and training of trustees

Potential new trustees are reviewed by the board development committee and may then subsequently be asked to attend a Board of Trustees' meeting where they meet trustees and key staff of Opportunity International. At the following trustees' meeting the potential new trustee is nominated and seconded, and providing that all trustees are in agreement, the individual becomes a new trustee.

The new trustee's induction is made by the Chairman and Chief Executive of Opportunity International at a further meeting where the new trustee is introduced to his or her legal obligations, the content of the Memorandum and Articles of Association, the committee and decision making process, the strategy and the recent financial performance.



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### Relationship with other organisations

Opportunity International is a member of the Opportunity International Network (OIN), a global association of Christian organisations dedicated to providing opportunities for people in poverty to allow them to transform their lives.

Opportunity International is one of five Support Members (others are in Australia, Canada, Germany and the United States of America) raising funds on behalf of Implementing Members in 24 low and middle income countries around the world. In 2014 Support Members together raised £32 million. This was invested in Implementing Members and programmes located in Africa, Asia, Eastern Europe and Latin America.

The Implementing Members share a common purpose and work in cooperation with each other to provide sustainable financial services, training and advice for poor people who wish to develop small businesses, so earning their own livelihood and securing their future.

The OIN envisions a world in which poor people are able to access the financial services they need to lift themselves out of poverty. It works with people to develop their small businesses, strengthen their communities and transform their lives by supporting member organisations that provide sustainable financial and developmental services in a way that fosters economic, social and spiritual growth.

We are motivated by our Christian faith and we work with people to transform their lives through microfinance, regardless of their race, gender or religious affiliation. Six core values guide the way we do our work: commitment to the poor; humility; respect; integrity; stewardship; and transformation.

The results of OIN for the year ended 31 December 2015 are as follows:

	Year ended 31 December 2015	Year ended 31 December 2014
Number of active loan clients	4,057,324	3,448,029
Number of loans made	5,066,404	4,528,923
Percentage of loans to women	95%	94%
Portfolio in arrears (over 30 days)	2%	3%
Number of depositors	5,926,972	3,072,919

### Donations

During the year the Charity made no political donations (2014: £nil).

### Reserves policy

The level of unrestricted reserves is assessed on the basis of need for the foreseeable future. This includes contingencies, such as:

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- A downturn in some of Opportunity International's various sources of income;
- Cash flow funding to accommodate donations that are made in arrears, and an inability to reduce expenditure in the immediate short term;
- Anticipating that our overseas partners are likely to face financial difficulties; in which case having reserves to hand means we will be able to support them as soon as the need arises.

In addition the requirement to manage OIN personnel and related costs is also taken into consideration. Opportunity International's policy is to maintain at least six months of core operating expenditure in reserves, and take into account the above. Current reserves are more than 12 months budgeted costs, due to the above and because three of our restricted projects are shown as being in deficit. This is due to timing, as we have pre funded our Implementing Members (from unrestricted reserves) whilst we await payment from the donor.

### Prospective activities

Our determination is to give a hand up to some of the poorest people in the world, not a hand out. We're in the business of helping people to make a living, to generate wealth at grass roots, to reduce vulnerability and ultimately to live a dignified and fulfilling life. Sometimes we do that on our own but often we partner with others to give people every opportunity to feed their families, send their children to school and have access to adequate housing and healthcare. We will continue to focus our fundraising and programmes on a limited number of countries, as we embrace a "deeper not broader" approach to expansion. We believe that by concentrating on geographic priorities, which are reviewed and agreed annually by the Board of Trustees, we will avoid spreading our energies too thinly and offer the best value for money to our donors. Poor clients will benefit too as economies of scale make it progressively easier to offer quality and value to them locally.

In addition we will optimise the synergies, within our global network, and raise income for other parts of the world when accountability and reporting can be provided by one of our colleagues in Australia, Canada, Germany or the USA.

We are also confident from our work to date that the future of financial services will be digitally based. Mobile Money is already a force to be recognised in many developing countries and over 70% of Opportunity Bank of Malawi's transactions use a digital channel, as opposed to being done in a traditional bank branch. Our programme strategy will be developed so that we can aid and abet the process and that the poorest people can be the primary beneficiaries.

Our strategy and fundraising will also place a growing emphasis on how best to build on robust Microfinance platforms to directly tackle social problems such as food insecurity, poor nutrition, housing, health and education. The challenge is to bring

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market-based solutions to long standing challenges and Opportunity International will be a catalyst in this endeavour. This will involve working with others in an ever more creative way and we look forward to learning from them as well as sharing our own expertise.

It is clear that some people and businesses have a natural affinity with our work and we will invest time and energy to ensure that we are brought to their attention. Financial support will be requested on a deeper basis, as we encourage donors to make multiyear commitments to our long term growth plans. In the UK and Europe we will concentrate on our partnerships with existing supporters; both private and institutional. We will explain the need for well-trained local partners, operating within a robust framework of good governance and a well-capitalised operation, as we leverage and maximise the scale and quality of our impact.

Opportunity UK will continue to be guided by its ideal financial model, targeting to direct at least 80% of income to charitable expenditure whilst recognising the need to invest in securing future income.

### Risk management

The trustees have a risk management strategy which comprises an annual review of the risks the Charity may face, the establishment of systems and procedures to mitigate those risks, and the implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise. The key identified risks are detailed below:

Identified risk	Risk mitigation measures
Potential fraud in an Implementing Member or an Implementing Member is dissolved.	The Charity has a: risk team; regional team; and carries out regular monitoring and evaluation.
Over commitment of funds and inability to raise a match requirement.	The Charity holds sufficient unrestricted reserves to mitigate this risk.
Heavy reliance on one donor.	The Charity ensures no more than 40% income is received from one donor.
Loss of key personnel.	Mitigated by clear procedures, filing structure and effective use of the donor database.
Unpredictable funding or insufficient resources to complete projects.	The Charity also mitigates this risk by carrying sufficient unrestricted reserves.

# Opportunity International United Kingdom

## Trustees' report

Year ended 31 December 2015

### Auditor

Mazars LLP have signified their willingness to continue in office and a resolution to reappoint them as auditor will be proposed at the 2016 Annual General Meeting.

### Statement of trustees' responsibilities

United Kingdom Company Law applicable to incorporated charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charitable company's activities during the year, of the surplus or deficit of the charitable company for that year and of its financial position at the year end. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare financial statements on a going concern basis unless it is inappropriate to assume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy the financial position of the charitable company and which 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. So far as the trustees are aware:

- there is no relevant audit information of which Opportunity International's auditors are unaware; and
- they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that Opportunity International's auditors are aware of that information and that they have made such enquiries of fellow trustees and of Opportunity International's auditors for that purpose and taken such other steps (if any) for that purpose, as were required by their duty as trustees of Opportunity International to exercise due care, skill and diligence.

Approved by the Board of Trustees and signed on behalf of the Board



Terrence Watson (Chairman of the Trustees)  
13 June 2016

# Non statutory auditor's report to the members' of Opportunity International United Kingdom

Year ended 31 December 2015

We have examined the non-statutory report and financial statement for the year ended 31 December 2015 which comprise of the Charity Statement of Financial Activities, Balance Sheet and related notes.

## Respective responsibilities of the trustees and the auditor

The trustees are responsible for preparing the non-statutory report and financial statement in accordance with applicable United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the non-statutory report and financial statements with the full annual consolidated group financial statements and the trustees' report, and its compliance with the relevant requirements of section 427 of the Companies Act 2006 and the regulations made thereunder. This report, including our opinion, has been prepared for and only for the charitable company's members as a body. Our 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 this 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 work, for this report, or for the opinions we have formed.

## Basis of opinion

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our report on the company's full annual consolidated group financial statements describes the basis of our opinion on those financial statements and on the trustees' report.

## Opinion

In our opinion the summary non statutory financial statement is consistent with the full annual consolidated group financial statements and the Trustees' Report of Opportunity International United Kingdom for the year ended 31 December 2015 and complies with the applicable requirements of section 427 of the Companies Act 2006, and the regulations made thereunder.

*Mazars LLP*

Mazars LLP  
Chartered Accountants (Statutory auditor)  
The Pinnacle  
160 Midsummer Boulevard  
Milton Keynes MK9 1FF

Date *20 June 2016*

Mazars LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# Opportunity International United Kingdom

## Charity Statement of Financial Activities (including income and expenditure account)

Year ended 31 December 2015

	Note	Unrestricted and Designated funds £	Restricted funds £	Total funds year ended 31 December 2015 £	Total funds year ended 31 December 2014 £
Income from:					
Voluntary income	2	1,471,479	4,045,171	5,516,650	6,511,953
Investment income	3	11,793	-	11,793	16,453
Total incoming resources		<u>1,483,272</u>	<u>4,045,171</u>	<u>5,528,443</u>	<u>6,528,406</u>
Expenditure on:					
Cost of generating funds	4	(547,795)	-	(547,795)	(442,278)
Charitable activities	4, 5	(758,948)	(4,150,696)	(4,909,644)	(5,443,100)
Total resources expended		<u>(1,306,743)</u>	<u>(4,150,696)</u>	<u>(5,457,439)</u>	<u>(5,885,378)</u>
Net movement in funds		<u>176,529</u>	<u>(105,525)</u>	<u>71,004</u>	<u>643,028</u>
Funds brought forward		2,426,721	447,144	2,873,865	2,230,837
Funds carried forward	16	<u><u>2,603,250</u></u>	<u><u>341,619</u></u>	<u><u>2,944,869</u></u>	<u><u>2,873,865</u></u>

The notes on pages 25 to 39 form part of these financial statements. All results are derived from continuing operations.

There are no recognised gains or losses other than those passing through the statement of financial activities.



# Opportunity International United Kingdom

## Charity Balance Sheet

As at 31 December 2015

Company number 05322719

	Note	As at 31 December 2015 £	As at 31 December 2014 £
Fixed assets			
Tangible fixed assets	9	5,931	6,074
Current assets			
Debtors- amounts falling due in less than one year	11	243,744	772,971
Debtors- amounts falling due in more than one year	11	400,000	-
Cash at bank		2,616,720	2,523,952
		3,260,464	3,296,923
Liabilities: amounts falling due within one year	12	(321,526)	(429,132)
Net current assets		2,938,938	2,867,791
Net assets	13	2,944,869	2,873,865
Funds			
Unrestricted funds	16	2,333,850	2,157,321
Designated funds	16	269,400	269,400
Restricted funds – funds in surplus	19	1,481,798	509,359
– funds in deficit	19	(1,140,179)	(62,215)
		2,944,869	2,873,865

The notes on pages 25 to 39 form part of these financial statements. These financial statements were approved and authorised for issue by the Board of Trustees on 13 June 2016.

Signed on behalf of the Board of Trustees



Terrence Watson

Chairman of the Trustees



Opportunity International United Kingdom  
Statement of cash flows  
As at 31 December 2015  
Company number 05322719

Year ended 31 December 2015

	OIUK Unrestricted	OMIL Unrestricted	Restricted Funds	Total funds year ended 31 December 2015
	£	£	£	£
<b>Cash flows from operating activities:</b>				
Net incoming/(outgoing) resources	164,736	(36,070)	(105,525)	23,141
Adjustments for: Depreciation charge	4,194	-	-	4,194
Transfer between funds for restricted funds in deficit	(1,139,933)	-	1,139,933	-
(Increase)/decrease in debtors	129,228	110,628	-	239,856
Increase/(decrease) in creditors	(182,405)	240	-	(182,165)
<b>Cash flows generated from operating activities</b>	<b>(1,024,180)</b>	<b>74,798</b>	<b>1,034,408</b>	<b>85,026</b>
Purchase of computer equipment	(4,051)	-	-	(4,051)
Interest received	11,793	-	-	11,793
<b>Net increase/(decrease) in cash</b>	<b>(1,016,438)</b>	<b>74,798</b>	<b>1,034,408</b>	<b>92,768</b>

Opportunity International United Kingdom  
Statement of cash flows  
As at 31 December 2015  
Company number 05322719

Year ended 31 December 2014

	OIUK Unrestricted	OMIL Unrestricted	Restricted Funds	Total funds year ended 31 December 2014
	£	£	£	£
Cash flows from operating activities:				
Net incoming/(outgoing) resources	698,409	169,560	(71,833)	796,136
Adjustments for: Depreciation charge	8,468	-	-	8,468
(Increase)/decrease in debtors	(350,537)	(174,000)	-	(524,537)
Increase/(decrease) in creditors	147,505	-	-	147,505
Cash flows generated from operating activities	503,845	(4,440)	(71,833)	427,572
Purchase of computer equipment	(2,067)	-	-	(2,067)
Interest received	16,453	-	-	16,453
Net increase/(decrease) in cash	518,231	(4,440)	(71,833)	441,958

# Opportunity International United Kingdom

## Notes to the financial statements Year ended 31 December 2015

### 1. Accounting policies

#### Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015)- (Charities SORP FRS102) and the Companies Act 2006.

The financial statements are prepared under the historical cost convention.

The financial statements for the year ended 31 December 2015 are the charity's first financial statements that have been prepared under FRS102; the date of transition to FRS102 is 1 January 2014. See Transition to FRS102 paragraph in accounting policies which describes the impact of movement in funds and equity upon transition to FRS102.

The accounts are prepared in GBP sterling.

#### Going concern

The financial statements have been prepared on the going concern basis which assumes that the charity will continue in existence for the foreseeable future.

#### Income and expenditure statements

Income and expenditure statements are not presented because the Charity Statement of Financial Activities is considered to represent the activity of the Charity.

#### Foreign currency translation

Assets, liabilities, revenues and costs expressed in foreign currencies are translated into sterling at rates of exchange ruling on the dates when the transactions occur, except for:

- (i) monetary assets and liabilities which are translated at the rate ruling at the balance sheet date other than those in (ii) below; and
- (ii) transactions to be settled at a contracted rate and trading transactions covered by a related or matching forward contract which are translated at those contracted rates.

Differences arising on the translation of such items are dealt with in the Charity Statements of Financial Activities.

# Opportunity International United Kingdom

## Notes to the financial statements Year ended 31 December 2015

### 1. Accounting policies (continued)

#### Incoming resources

Voluntary income including grants, legacies and donations are recognised where there is entitlement, certainty of receipt and the amount is measurable. Such income is only deferred when:

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

Investment income is recognised on a receivable basis.

#### Resources expended

Expenditure shown in the accounts includes accruals for goods and services rendered up to the financial year end.

Costs of generating funds mainly comprises the cost of promotional material, leaflets and inserts together with the appropriate employee costs of the staff involved in fundraising. It also includes public relations, advertising, website development, events and travel for fundraising purposes.

Charitable activities of the Charity consist of grants made to OMIL for the purpose of investing in, and making convertible loans to, the Opportunity International Network's (OIN) Implementing Members and funds sent directly to OIN's Implementing Members for use in the provision of microfinance services.

Governance costs include those costs incurred for the purpose of the governance of the Charity and its assets, and are primarily associated with constitutional and statutory requirements.

Support costs include central functions and have been allocated to cost categories based on the use of these resources such as staff numbers and time spent.

#### Operating leases

Rentals payable under an operating lease are charged against income on a straight-line basis over the period of the lease.

#### Pension cost

Contributions are paid into the personal pension schemes of employees and are charged to the income statement as incurred. The type of pension scheme is defined contribution stakeholder personal pensions.

# Opportunity International United Kingdom

## Notes to the financial statements Year ended 31 December 2015

### 1. Accounting policies (continued)

#### Taxation

Opportunity International is a charitable organisation with exemption from UK taxation on its charitable activity under section 505 of the Income and Corporation Taxes Act 1988.

#### Donated services

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

#### Programme investments

All investments are stated at cost less provision for impairment. Investments are made in the OIN Implementing Members in order to achieve Opportunity International's charitable objects rather than with the aim of generating income or the best investment return. OIN Implementing Members are locally established organisations, providing loans, insurance and savings products for poor entrepreneurs, and undertaking all expansion projects funded by Opportunity International.

Significant impairments have been made to programme related investments and convertible loans in the year to ensure that programme investments are now valued in line with the expected proceeds from the sale of investments to MyBucks. The programme investments continue to fulfil the charitable objects of the charity.

#### Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation, with depreciation calculated on a straight-line basis over the lives described below.

Asset	Estimated useful economic life
Computer equipment	Three years
Furniture & fittings	Three years
Equipment	Three years

Assets costing less than £100 are not capitalised. Assets purchased using grant funding are fully written off in the year of purchase.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less at acquisition.

# Opportunity International United Kingdom

## Notes to the financial statements Year ended 31 December 2015

### 1. Accounting policies (continued)

#### Liabilities

These are the obligations of the Charity arising from past transactions or events, the settlement of which may result in the transfer or use of assets, provision of services or other yielding of economic benefits in the future.

#### Unrestricted funds

All incoming resources which do not have a restricted use as set out by the donor and income from investments are accounted for as unrestricted funds.

#### Designated funds

Unrestricted funds are expendable at the discretion of the trustees in furtherance of the Charity's objects. Funds earmarked for a particular project are designated as a separate fund, but the designation is for administrative purposes only, and does not legally restrict the trustees' discretion to apply the fund.

#### Restricted funds

All incoming resources which have a restricted use as set out by the donor are separately accounted for as restricted funds.

#### Transition to FRS102

The policies adopted under the entity's previous accounting framework are not materially different to FRS102 and have not impacted on equity or movement in funds. As a result of the transition, commitments in note 14 have been restated.

#### Accounting estimates and judgements

In applying the accounting policies, the Trustees have made critical accounting judgements, estimates and assumptions about the carrying amount of the assets and liabilities. These estimates and assumptions are based on historical experience and are reviewed on a continual basis.

The critical accounting judgements, estimates and assumptions that have a material effect on the amounts recognised in the financial statements for both the current and next financial years are discussed below.

#### *Judgements*

All debtors are reviewed to determine if a bad debt provision is required for each balance.

#### *Estimates*

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in Statement of Financial Activities.

# Opportunity International United Kingdom

## Notes to the financial statements Year ended 31 December 2015

### 2. Voluntary income

The sources of the grants and donations received during the year were as follows:

	Unrestricted funds	Restricted funds	Total funds year ended 31 December 2015	Total funds year ended 31 December 2014
	£	£	£	£
UK DFID GPAF creating wealth in Zambezia, Mozambique.	-	61,705	61,705	227,551
UK DFID Aid I sustainable livelihoods in Southern Malawi.	-	-	-	35,266
UK DFID Aid II banking on Africa.	-	218,374	218,374	855,122
UK DFID GPAF Improving rural livelihoods for smallholder farmers in Rwanda	-	152,827	152,827	-
UK DFID GEC Innovating in Uganda to support educational continuation by marginalised girls in primary & secondary education.	-	315,233	315,233	258,064
UK DFID Aid III creating wealth in Democratic Republic of Congo	-	370,526	370,526	524,060
UK DFID Aid IV improving agricultural production & incomes for smallholder farmers in Ghana & Mozambique	-	103,027	103,027	-
Scottish Government Malawi project	-	69,783	69,783	-
Scottish Government India Dia Vikas	-	179,207	179,207	81,430
Grants from other government sources.	-	66,580	66,580	145,342
Grants from trusts, foundations and non-governmental sources.	-	391,073	391,073	476,195
Donations.	1,447,489	2,116,836	3,564,325	3,426,806
Legacies.	23,990	-	23,990	482,117
<b>Charity total voluntary income</b>	<b>1,471,479</b>	<b>4,045,171</b>	<b>5,516,650</b>	<b>6,511,953</b>

A more detailed breakdown of restricted funds is shown in note 19.



# Opportunity International United Kingdom

## Notes to the financial statements Year ended 31 December 2015

### 3. Investment income

Investment income consists solely of interest from bank and deposit accounts.

### 4. Analysis of resources expended

	Cost of generating funds (unrestricted)	Charitable activities (refer to note 5)	Governance costs (unrestricted)	Total funds year ended 31 December 2015	Total funds year ended 31 December 2014
	£	£	£	£	£
Trustees' costs (note 15) (unrestricted)	-	-	1,884	1,884	3,798
Audit fees (unrestricted)	-	-	11,640	11,640	11,040
Support costs	75,264	254,188	-	329,452	298,419
Total support costs	75,264	254,188	13,524	342,976	313,257
Costs of generating future income (unrestricted)	472,531	-	-	472,531	372,075
Direct charitable activities	-	4,641,932	-	4,641,932	5,200,046
Charity total expenditure	<u>547,795</u>	<u>4,896,120</u>	<u>13,524</u>	<u>5,457,439</u>	<u>5,885,378</u>

# Opportunity International United Kingdom

## Notes to the financial statements Year ended 31 December 2015

### 5. Charitable activities

	Charity Unrestricted and Designated funds £	Charity Restricted funds £	Charity total year ended 31 December 2015 £	Charity total year ended 31 December 2014 £
Africa				
Malawi – OBM	227,684	1,258,288	1,485,972	233,212
Democratic Republic of Congo – OIDRC	68,305	356,614	424,919	635,648
Mozambique – BOM	30,358	161,759	192,117	1,227,563
Tanzania – Vision Fund (World Vision)/OTL	166,969	922,437	1,089,406	1,046,103
Ghana – OISL	68,305	363,441	431,746	185,822
Ghana – SASL	22,768	113,477	136,245	548,850
Uganda - OBUL	68,305	365,830	434,135	444,478
Rwanda	30,358	167,637	197,995	342,356
Regional Africa	45,538	257,082	302,620	603,380
Total for Africa	728,590	3,966,565	4,695,155	5,267,412
Asia				
India – Dia Vikas/GOF	30,358	184,131	214,489	175,688
Total for Asia	30,358	184,131	214,489	175,688
Total	758,948	4,150,696	4,909,644	5,443,100

# Opportunity International United Kingdom

## Notes to the financial statements Year ended 31 December 2015

6. Net incoming funds of the Charity	Charity for the Year ended 31 December 2015 £	Charity for the Year ended 31 December 2014 £
The net incoming funds are stated after charging:		
Depreciation of tangible fixed assets	4,194	8,468
Auditor remuneration	12,060	11,640
Operating lease rentals		
- Land and Buildings	24,983	24,983
- Other equipment	1,800	1,800
	<hr/>	<hr/>

## 7. Taxation

Any excess of income over expenditure for Opportunity International is exempt from taxation.

## 8. Staff costs

	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Salaries	489,799	459,833
Social security costs	52,295	51,148
Pension contributions	119,996	63,515
	<hr/>	<hr/>
Charity staff costs	662,090	574,496
	<hr/>	<hr/>

Pension costs are contributions to personal pensions. All staff are accruing retirement benefits under stakeholder personal pension schemes. The total costs of the senior management team, including employers national insurance contributions was £360,824.

# Opportunity International United Kingdom

## Notes to the financial statements Year ended 31 December 2015

### 8. Staff costs (continued)

The number of employees whose total emoluments were in excess of £60,000 are as follows:

	Year ended 31 December 2015 Number	Year ended 31 December 2014 Number
£60,000 to £70,000	1	1
£80,000 to £90,000	-	-
£90,000 to £100,000	1	1
	<u>          </u>	<u>          </u>

#### Average number of employees

	Year ended 31 December 2015 Number	Year ended 31 December 2014 Number
Senior management team	4	4
Finance and administration	1	1
Fundraising staff	3	3
Programme/project staff	6	5
	<u>          </u>	<u>          </u>
Charity staff costs	14	13
	<u>          </u>	<u>          </u>

# Opportunity International United Kingdom

## Notes to the financial statements Year ended 31 December 2015

### 9. Fixed assets of the Charity

	Computer equipment £	Furniture & fittings £	Equipment £	Total £
Cost				
As at 1 January 2015	19,730	18,166	29,326	67,222
Additions	3,721	-	330	4,051
Disposals	(1,907)	(126)	(19,132)	(21,165)
As at 31 December 2015	<u>21,544</u>	<u>18,040</u>	<u>10,524</u>	<u>50,108</u>
Accumulated depreciation				
As at 1 January 2015	15,293	16,992	28,863	61,148
Charge for the year	2,725	1,010	459	4,194
Depreciation charge on disposals	(1,907)	(126)	(19,132)	(21,165)
As at 31 December 2015	<u>16,111</u>	<u>17,876</u>	<u>10,190</u>	<u>44,177</u>
Net book value				
As at 31 December 2015	<u>5,433</u>	<u>164</u>	<u>334</u>	<u>5,931</u>
As at 31 December 2014	<u>4,437</u>	<u>1,174</u>	<u>463</u>	<u>6,074</u>

# Opportunity International United Kingdom

## Notes to the financial statements Year ended 31 December 2015

### 10. Investments held by Opportunity International

	Holding	Class of shares	Country of registration	Activity	Net Assets £	Surplus/ (deficit) for the year £
OMIL - Opportunity Microfinance Investments Limited	100%	-	England and Wales	Microfinance	1,154,917	(9,329,305)
<i>Investments held by OMIL: Associate</i>						
OBM – Opportunity International Bank of Malawi Limited	25.80%	Ordinary shares	Malawi	Microfinance	4,463,127	(2,918,765)
<i>Programme Investments</i>						
OMRO - S.C. Opportunity Microcredit Romania S.R.L.	6.24%	Ordinary shares	Romania	Microfinance	629,687	(116,140)
OISL - Opportunity International Savings & Loans Limited (Ghana)	5.63%	Ordinary shares of no par value	Ghana	Microfinance	5,214,175	331,172
BOM - Banco Oportunidade de Mocambique, SA	17.58%	Ordinary shares	Mozambique	Microfinance	1,744,707	(224,305)
OTL* - Opportunity Tanzania Limited	32.50%	Ordinary shares	Tanzania	Microfinance	1,972,594	85,159

# Opportunity International United Kingdom

## Notes to the financial statements Year ended 31 December 2015

### 11. Debtors of the Charity

	As at 31 December 2015 £	As at 31 December 2014 £
Amounts falling due in less than one year:		
Income tax recoverable	16,996	2,624
Prepayments	10,467	14,064
Loan to OIUS	-	500,000
Other debtors	216,281	256,283
	<u>243,744</u>	<u>772,971</u>
Amounts falling due in more than one year:		
Loan to OIUS	400,000	-

The loan to OIUS was extended during the year and is now shown in debtors falling due in more than one year. Interest on the loan will accrue at 5% until repayment. Other debtors include £209,548 (2014: £252,081) owed by Opportunity International US (OIUS), an affiliated Support Member of the Opportunity International Network (OIN).

### 12. Liabilities of the Charity: amounts falling due within one year

	Charity as at 31 December 2015 £	Charity as at 31 December 2014 £
Taxation and social security	13,642	14,641
Accruals & deferred income	50,000	206,000
Other creditors	41,894	67,299
Amounts due to subsidiary	215,990	141,192
	<u>321,526</u>	<u>429,132</u>

Other creditors include £3,736 (2014: £171) owed to Opportunity International US, an affiliated Support Member of the OIN.



# Opportunity International United Kingdom

## Notes to the financial statements Year ended 31 December 2015

### 13. Analysis of net assets of the Charity's funds

Fund balances as at 31 December 2015 are represented by:

	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	5,931	-	-	5,931
Net current assets	2,327,919	269,400	341,619	2,938,938
	<u>2,333,850</u>	<u>269,400</u>	<u>341,619</u>	<u>2,944,869</u>

Funds are received from a number of donors with each donation generally relating to a specific project. Donations received are distributed by Opportunity International to members of the OIN referred to as Implementing Members. These organisations are responsible for the project. Consequently no analysis of movements on the individual underlying funds has been provided.

### 14. Commitments

At 31 December 2015 the Charity had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings		Other	
	2015	2014 Restated	2015	2014 Restated
	£	£	£	£
Within 1 year	33,451	33,030	900	1,800
Within 1 – 5 years	49,966	74,949	-	900
Greater than 5 years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 15. Trustees' expenses and remuneration

One trustee received total remuneration, including pension, of £140,406 (2014: £nil). The trustee only received remuneration for the service provided undertaking the role of Chief Executive, and not in respect of the service provided as a trustee. No other trustee or any connected person received any remuneration from the Charity, during the year ended 2015, other than the expense reimbursements, in relation to board meeting costs for all trustees. Flight and trip costs of £10,342, to attend Implementing Member board meetings, were reimbursed to two trustees.

Finally one trustee made a £24,000 restricted donation (2014: £983).

# Opportunity International United Kingdom

## Notes to the financial statements Year ended 31 December 2015

### 16. Unrestricted funds for the Charity

	Brought forward as at 1 January 2015 £	Income in the year £	Expenditure in the year £	Carried forward as at 31 December 2015 £
Unrestricted funds	2,157,321	1,483,272	(1,306,743)	2,333,850
Designated funds	269,400	-	-	269,400
Charity reserves	<u>2,426,721</u>	<u>1,483,272</u>	<u>(1,306,743)</u>	<u>2,603,250</u>

Funds are designated by the trustees to provide support to the poor in Africa, where other funding is unavailable; this has been retained as contingency and as no specific projects were identified during the year.

### 17. Related party transactions

The Charity has availed itself of the exemption provided in section 33 FRS102, for wholly owned subsidiaries, from the requirement to give details of transactions with entities which are part of the Group. The Implementing Members of the Opportunity International Network are considered to be autonomous. Opportunity International US is an affiliated OIN Support Member that is not considered a related party as defined in FRS102.

### 18. Ultimate control

The trustees are considered to be the ultimate controlling party of the Charity.

### 19. Analysis of restricted funds of the Charity

Restricted funds are funds subject to use for a specific purpose, which may be declared by the donor(s) or with their authority (e.g. in a public appeal) or created through a legal process, but still within the wider objectives of the Charity. The resources of these funds are appropriate for the intended purpose of each fund. The costs of the subsidiary and associate are restricted except for the governance costs of OMIL.

# Opportunity International United Kingdom

## Notes to the financial statements Year ended 31 December 2015

### 19. Analysis of restricted funds of the Charity (continued)

	Brought forward as at 1 January 2015 £	Income for the year £	Expenditure in the year £	Carried forward as at 31 December 2015 £
Citi Foundation Financial Education	4,240	-	(4,240)	-
Scottish Government - Malawi "go south" challenge fund.	-	210,990	(1,002,130)	*(791,140)
Scottish Government – India-Dia Vikas Empowering communities for WASH and Clean Energy.	27,666	179,207	(178,093)	28,780
DFID UK Aid I City AM appeal 2012- "sustainable livelihoods in Southern Malawi".	95,236	-	(95,236)	-
DFID creating wealth in Zambezia- Mozambique includes match funding.	(13,909)	62,429	(48,766)	*(246)
DFID promoting financial inclusion in Uganda.	21,048	-	(7)	21,041
DFID GPAF improving rural livelihoods for smallholder farmers in Rwanda	-	152,827	(147,785)	5,042
DFID GEC girls education Uganda Including private match funds.	84,693	501,471	(326,060)	260,104
DFID UK Aid II – Banking on Africa – Ghana, Malawi, Mozambique and Rwanda.	20,734	218,374	(155,963)	83,145
DFID UK Aid III- creating wealth in the DRC	11,224	470,526	(353,086)	128,664
DFID UK Aid IV- helping smallholder farmers in Ghana & Mozambique	-	103,027	(451,820)	*(348,793)
Private restricted donations – See above	86,312	2,079,740	(1,231,804)	934,248
Jersey Overseas Aid- creating wealth in Zambezia, Mozambique.	(48,306)	66,580	-	18,274
Other funds-representing less than 5% of total balance	158,206	-	(155,706)	2,500
<b>Total for the Charity</b>	<b>447,144</b>	<b>4,045,171</b>	<b>(4,150,696)</b>	<b>341,619</b>

\* Three projects were showing a deficit at the year end, due to the timing of receipts. It is not expected that they will remain in deficit at the end of the projects.

