

Company registration number: 04627098

Registered charity number: 1098392



Opportunity Microfinance Investments Limited

A company limited by guarantee

Report and financial statements

For the year ended 31 December 2021

Opportunity Microfinance Investments Limited

Report and financial statements 2021

Contents

	Page
Trustees' report	1
Independent auditor's report	6
Statement of financial activities	11
Balance sheet	13
Notes to the financial statements	14 - 21

Opportunity Microfinance Investments Limited

Trustees' report

Year ended 31 December 2021

The trustees of Opportunity Microfinance Investments Limited (hereafter OMIL, registered company number 04627098 and registered charity number 1098392), who are also the directors for the purposes of company law, present their report and financial statements for the year ended 31 December 2021.

Reference and administration

Principal and registered office

Opportunity Microfinance Investments Limited
Angel Court
81 St Clements
Oxford OX4 1AW

Auditor

Mazars LLP
Chartered Accountants and Registered Auditor
The Pinnacle
160 Midsummer Boulevard
Milton Keynes MK9 1FF

Trustees

The trustees of OMIL who served throughout the year and to the date of approval of this report, except where indicated, were as follows:

John Ford (Chairman)
Cliff Hampton
Roger Witcomb
Hywel Rees-Jones

Governing document

OMIL is a charitable company wholly owned by Opportunity International United Kingdom (hereafter Opportunity International) and is governed by its Memorandum and Articles of Association dated 13 December 2002.

Organisational structure

OMIL is a 100% owned subsidiary of Opportunity International, the governance and day to day operations are managed by the Chief Executive and staff of Opportunity International.

The Board of Trustees administer OMIL. The Board have been meeting regularly in 2021. All of the current board members are also trustees of Opportunity International.

Opportunity Microfinance Investments Limited

Trustees' report

Year ended 31 December 2021

OMIL's parent company, Opportunity International, has taken out trustees' indemnity insurance on behalf of the trustees.

Appointment of trustees

The trustees have control of OMIL and its property and funds. The trustees, when complete, consist of at least three and not more than 15 individuals, all of whom are the directors of OMIL.

One third (or the number nearest to 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.

The current Board members appoint new trustees. They review the skills and experiences the Board already possesses and actively try to appoint new trustees with additional skills and experience.

Induction and training of trustees

Potential new trustees are reviewed by the Opportunity International 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 agree, 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 of OMIL.

Relationship with other organisations

OMIL's parent charitable company, 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) we work with 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

Opportunity Microfinance Investments Limited

Trustees' report

Year ended 31 December 2021

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.

Risk management

The trustees of OMIL's parent, Opportunity International, have a risk management strategy which includes an annual review of the risks that OMIL may face, the establishment of systems and procedures to mitigate those risks and the implementation of procedures designed to minimise any potential impact on OMIL should those risks materialise.

Objectives and activities

OMIL is the investment vehicle of Opportunity International. OMIL was established to achieve the general objective of Opportunity International which is to relieve poverty abroad, in particular by assisting poor persons in the establishment of small businesses and by providing temporary support to small businesses owned by and primarily employing poor persons where there is otherwise insufficient alternative employment to relieve their poverty.

Specific objective

OMIL's specific objective is to invest in the Implementing Members that impact the most lives, these are mostly in Africa. During 2020, OMIL's convertible loan in Opportunity International Savings and Loans Limited (OISL) in Ghana was converted to shares increasing the shareholding to 27%. During 2021 to 2021 OMIL has been gifted shares of 4% by Opportunity International United States (Support Member) in the Opportunity Bank Uganda Limited (OBUL) a further £70,000 equity transfer from OMIL, in 2021, increased this shareholding to 5%.

OMIL invested in convertible loans to Sinapi Aba Savings and Loans Limited (SASL) and Opportunity International Savings and Loans Limited (OISL), in Ghana and VFDRC (VisionFund DRC), all loans are denominated in local currency, these were revalued at the balance sheet date, resulting in an exchange loss of £38,156. Following the completion of the UKAM V Ghana and DRC project, the FCDO allowed the asset transfer hence the convertible loans to SASL and VFDRC were converted to grant, in 2021.

All the above are microfinance organisations and all investments are held primarily for charitable activities, as programme investments.

OMIL's aims and public benefit

The trustees confirm that they have referred 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.

Opportunity Microfinance Investments Limited

Trustees' report

Year ended 31 December 2021

OMIL has a general aim to achieve its objectives and provide public benefit through investing in local member microfinance organisations in low and middle income countries.

Significant activities

During the year Opportunity International UK made a grant of £455,919 (2020: £317,299) to OMIL. This was invested in the following Implementing Members:

- Sinapi Aba Savings and Loans Limited (SASL) £137,657;
- Opportunity International Savings and Loans Limited (OISL) £185,004.
- Opportunity Bank Uganda Limited (OBUL) £70,000.
- VisionFund DRC, S.A. (VFDRC) £63,258

The convertible loans are all denominated in local currency.

Reserves policy

The restricted reserves were £2.6m and unrestricted reserves were £0.5m. OMIL is administratively supported by its parent charitable company Opportunity International the unrestricted reserves will be utilised to cover the costs of this support. As well as to provide support to Implementing Members, that OMIL invests in.

Investment policy

The investment policy follows the overall objectives of OMIL as set out above. Investments in convertible loans/debt and shares is made in OIN Implementing Members in order to achieve OMIL's charitable objects rather than with the aim of generating income or the best investment return, as such, investments are classed as programme investments.

Prospective activities

Our 2021-25 strategy aims to provide 1.5 million poor people with access to financial services, loans, saving, insurance and training. OMIL will be supporting the broader strategy of the group to raise £15 million to deliver our core programmes of enterprise, agriculture and education to reach people currently excluded from financial services. We believe that addressing financial inclusion and giving people choice through access to secure savings and fair loans, provides sustainable routes out of poverty. Our determination is to give a hand up through access to finance and skills, not a hand out; working with microfinance institutions and banks, we are leveraging private and public resources for some of the poorest people in the world to improve incomes and create wealth. Our market-based approach develops solutions for those who have not yet been able to benefit from economic growth. Hence our focus on youth employment and business creation, on people living with a disability and on refugees. Women and girls are prioritised because they are invariably the most marginalised. We will remain targeted on sub-Saharan Africa as the region of greatest need and on rural areas where poverty is entrenched.

Trustees' report

Year ended 31 December 2021

Auditor

Mazars LLP have signified their willingness to continue in office and a resolution to reappoint them as auditors will be proposed at the forthcoming 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 OMIL'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 OMIL's auditors are aware of that information and that they have made such enquiries of fellow trustees and of OMIL's auditors for that purpose and taken such other steps (if any) for that purpose, as were required by their duty as trustees of OMIL to exercise due care, skill and diligence.

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 416A of the Companies Act 2006.

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


John Ford (Jul 6, 2022 14:44 GMT+1)

John Ford (Chairman)
22 June 2022

Independent auditor's report to the members of Opportunity Microfinance Investments Limited

Year ended 31 December 2021

Opinion

We have audited the financial statements of Opportunity Microfinance Investments Limited (the 'charity') for the year ended 31 December 2021, which comprise Statement of Financial Activities, the Balance Sheet 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Independent auditor's report to the members of Opportunity Microfinance Investments Limited

Year ended 31 December 2021

Other information

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees 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 Report of the Trustees has 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Report of the Trustees.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent auditor's report to the members of Opportunity Microfinance Investments Limited

Year ended 31 December 2021

- 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 Report of the Trustees and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 5 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 charity'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 charity 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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, the Charities Statement of Recommended Practice UK, health and safety regulation, anti-bribery, corruption and fraud, money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

Independent auditor's report to the members of Opportunity Microfinance Investments Limited

Year ended 31 December 2021

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted funds, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report to the members of Opportunity Microfinance Investments Limited

Year ended 31 December 2021

Use of the audit report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.


Vincent Marke (Jul 6, 2022 18:27 GMT+1)

Vincent Marke (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

The Pinnacle

160 Midsummer Boulevard

Milton Keynes

MK9 1FF

Date: **Jul 6, 2022**

Opportunity Microfinance Investments Limited
Statement of Financial Activities
(including income and expenditure account)
Year ended 31 December 2021

	Note	Unrestricted funds	Restricted funds	Total funds year ended 31st December 2021	Total funds year ended 31st December 2020
		£	£	£	£
Income from:					
Income from parent undertaking	2	-	455,919	455,919	317,299
Other income	2	-	-	-	312,844
Total Income		-	455,919	455,919	630,143
Expenditure on:					
Charitable activities	3, 5	(4,760)	-	(4,760)	(890)
Total expenditure		(4,760)	-	(4,760)	(890)
Net (expenditure)/income		(4,760)	455,919	451,159	629,253
Exchange loss on convertible loans	6	-	(38,156)	(38,156)	(93,403)
Net movement in funds	5	(4,760)	417,763	413,003	535,850
Balances brought forward		542,476	2,197,587	2,740,063	2,204,213
Balances carried forward	9	537,716	2,615,350	3,153,066	2,740,063

The notes on pages 14 to 21 form part of these financial statements. The Statement of Financial Activities has been prepared on the basis that all activities are continuing operations.

Opportunity Microfinance Investments Limited
Statement of Financial Activities
(including income and expenditure account)
Year ended 31 December 2021

Comparative Statement of Financial Activities
(Including income and expenditure account)
Year ended 31 December 2020

	Note	Unrestricted funds	Restricted funds	Total funds year ended 31st December 2020	Total funds year ended 31st December 2019
		£	£	£	£
Income from:					
Income from parent undertaking	2	-	317,299	317,299	100,000
Other income	2	312,844	-	312,844	-
Total Income		312,844	317,299	630,143	100,000
Expenditure on:					
Charitable activities	3, 5	(890)	-	(890)	(1,230)
Total expenditure		(890)	-	(890)	(1,230)
Net incoming funds		311,954	317,299	629,253	98,770
Exchange loss on convertible loans	6	-	(93,403)	(93,403)	(377,733)
Net movement in funds	5	311,954	223,896	535,850	(278,963)
Balances brought forward		230,522	1,973,691	2,204,213	2,483,176
Balances carried forward	9	542,476	2,197,587	2,740,063	2,204,213

Opportunity Microfinance Investments Limited
Balance sheet
As at 31 December 2021
Company registration number: 04627098

	Note	As at 31st December 2021 £	As at 31st December 2020 £
Fixed Assets			
Programme Investments	6	2,615,350	2,197,587
Current Assets			
Amounts falling due in less than one year	7	542,516	543,476
Liabilities			
Amounts falling due within one year	8	(4,800)	(1,000)
Net Current Assets		537,716	542,476
Net Assets		3,153,066	2,740,063
Funds			
Unrestricted funds	9	537,716	542,476
Restricted funds	14	2,615,350	2,197,587
	9	3,153,066	2,740,063

The notes on pages 14 to 21 form part of these financial statements. The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within part 15 of the Companies Act 2006.

These financial statements were approved by the Board of Trustees on 22 June 2022.

Signed and authorised for issue on behalf of the Board of Trustees


 John Ford (Jul 6, 2022 14:44 GMT+1)

John Ford
 Chairman of the board of trustees

Notes to the financial statement Year ended 31 December 2021

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 2020), Charities SORP (FRS102) and the Companies Act 2006.

FRS102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including the notification of and no objection to, the use of exemptions by the Trustees' in preparing the financial statements, the charity has taken advantage of the following exemptions:

- from disclosing key management personnel as required by paragraph 7 of section 33 Related Party Disclosures; and
- from presenting a statement of cash flows, as required by section 7 Statement of Cash Flows; and from presenting a Net Debt Analysis.

On the basis that equivalent disclosures are given in the consolidated financial statements the charity has also taken advantage of the exemptions not to provide:

- certain disclosure requirements of section 11 Basic Financial Instruments.

Basis of accounting

The financial statements are prepared under the historical cost convention.

OMIL has not produced a profit and loss account as required under the Companies Act 2006 as the trustees consider the Statement of Financial Activities as required under the Charities Act 2011 gives a truer and fairer view of OMIL's activities.

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. The Trustees are satisfied that the Charity has sufficient reserves to meet liabilities as they fall due and that there are no material uncertainties, in relation to going concern.

Charitable activities

Charitable activities consist of grants made from or to Opportunity International and funds sent directly to OIN's Implementing Members for use in the provision of microfinance services.

Notes to the financial statement Year ended 31 December 2021

1. Accounting policies (continued)

Governance costs

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

Foreign currencies

Assets, liabilities, income and expenditure 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 Statement of Financial Activities.

Taxation

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

Liabilities

These are the obligations of OMIL 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.

Programme related investments

All investments are stated at cost less any provision for impairment. Investments are made in the OIN Implementing Members in order to achieve OMIL'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.

An investment is considered to be impaired if its ability to assist in the delivery of OMIL's charitable objects is diminished. Given the countries in which Opportunity International operates and the nature of its charitable purposes, valuation of assets is subject to significant variation.

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

Notes to the financial statement Year ended 31 December 2021

1. Accounting policies (continued)

Unrestricted funds

All income, which does not have a restricted use as set out by the donor, and income from the sale of programme investments are accounted for as unrestricted funds.

Restricted funds

All income, which has a restricted use as set out by the donor, is separately accounted for as restricted funds.

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.

Accounting 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

Impairment testing is carried out for all investments at the year-end date where there is an indication that impairment exists. For the purposes of impairment testing, the carrying amounts of the assets are reviewed and an impairment loss is recognised where the carrying amounts exceed the asset's recoverable amount.

2. Income from parent undertaking and other income

Grant income is received from OMIL's parent undertaking (Opportunity International) in order for OMIL to make convertible loans to, and invest in the shares of the OIN Implementing Members. Other income, £312,844 received in 2020, from OIUS, is the sale proceeds from the programme investments that OMIL held up to 2016 to 2020 and investments that OIUS held in which OMIL contributed grant funding.

Opportunity Microfinance Investments Limited

Notes to the financial statements Year ended 31 December 2021

3. Charitable activities

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Audit fee and registry cost of OBUL shares	(4,760)	(890)

4. Trustees' remuneration

No trustee or any connected person received any remuneration or reimbursement of expenses from the charity during the year (2020: £nil).

5. Net movement in funds

Net movement in funds are stated after charging:

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Auditor's remuneration-auditing service	(4,760)	(879)
Registry cost of OBUL shareholding	-	(11)
	<u>(4,760)</u>	<u>(890)</u>

6. Programme Investments

	Investments – equity shares £	Investments – convertible loans £	Total £
As at 1 January 2021	748,245	1,449,342	2,197,587
Additions	70,000	385,919	455,919
Exchange difference	-	(38,156)	(38,156)
	<u>818,245</u>	<u>1,797,105</u>	<u>2,615,350</u>
As at 31 December 2021	818,245	1,797,105	2,615,350

Notes to the financial statement Year ended 31 December 2021

6. Programme Investments (continued)

Convertible loan made to OISL was converted to equity in 2020, however as the trustees do not control or influence the running of OISL, it is recognised as a programme investment.

The trustees have reviewed for impairment during the year to ensure that the valuation of investments at 31 December 2021 is in line with the expected proceeds from the eventual sale of investments.

During 2021 OMIL has been gifted shares of 4% by Opportunity International United States (Support Member) in the Opportunity Bank Uganda Limited (OBUL). OMIL also made a further equity transfer of £70,000, which took the total shareholding to 5%.

	Share holding	Class of shares held	Net assets	Surplus/ (deficit) for the year
Opportunity International Savings and Loans Limited (OISL) (Ghana)	27%	Ordinary shares of no par value	£7,814,590	£2,099,548
Opportunity Bank Uganda Limited (OBUL)	5%	Ordinary shares of Shs 200 par value	£6,574,342	(£1,338,917)

Programme investments represent those investments purchased as part of the fulfilment of the charitable objectives, not with the aim of generating income. They are usually purchased using restricted donations, which require that an investment is made. The activity provided by OISL is microfinance services.

Notes to the financial statement
Year ended 31 December 2021

7. Debtors	As at 31 December 2021 £	As at 31 December 2020 £
Amounts falling due within one year:		
Amounts due from parent undertaking	542,516	543,476

Amounts due are interest free, unsecured and repayable on demand.

8. Liabilities

Amounts falling due within one year:	As at 31 December 2021 £	As at 31 December 2020 £
Accruals and other creditors	4,800	1,000

9. Analysis of net assets between funds

Year ended 31 December 2021	Unrestricted £	Restricted £	Total £
Fixed Asset Investments	-	2,615,350	2,615,350
Net Current Assets	537,716	-	537,716
	537,716	2,615,350	3,153,066

Year ended 31 December 2020	Unrestricted £	Restricted £	Total £
Fixed Asset Investments	-	2,197,587	2,197,587
Net Current Assets	542,476	-	542,476
	542,476	2,197,587	2,740,063

Notes to the financial statements

Year ended 31 December 2021

10. Staff costs

The parent charitable company covers all staff costs for the group. OMIL had no employees during 2021 (2020: nil)

11. Parent company and ultimate control

OMIL is a wholly owned subsidiary of Opportunity International United Kingdom (OIUK); a charity registered in England and Wales, number 1107713 and in Scotland (SC039692) and a company limited by guarantee, registered in England and Wales, number 05322719. The principal activity of OIUK is raising funds from various sources and delivering our work through creating partnerships on the ground, with socially driven microfinance organisations, NGOs and other relevant organisations.

Opportunity International United Kingdom is considered by the trustees to be the ultimate parent entity, and is the parent entity of the largest and smallest group of undertakings of which OMIL is a part and for which group accounts are drawn up. These accounts can be obtained from Angel Court, 81 St Clements, Oxford, OX4 1AW.

12. 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.

13. Post balance sheet events

The convertible loans to VFDRC and SASL (totalling £930,768) have been converted to grant, in February 2022, this is when the FCDO allowed the transfer of asset hence it has not been booked in 2021.

Notes to the financial statement
Year ended 31 December 2021

14. Analysis of restricted funds

Restricted funds represent funds received from Opportunity International, to invest in programme related investments.

	As at 1 January 2021	Income	Currency loss on convertible loans	As at 31 December 2021
	£	£	£	£
OISL	1,288,391	185,004	(20,936)	1,452,459
SASL	677,804	137,657	(19,618)	795,843
VFDRC	231,392	63,258	2,398	297,048
OBUL		70,000		70,000
	2,197,587	455,919	(38,156)	2,615,350

	As at 1 January 2020	Income	Currency loss on convertible loans	As at 31 December 2020
	£	£	£	£
OISL	1,160,104	167,299	(39,012)	1,288,391
SASL	572,848	150,000	(45,044)	677,804
VFDRC	240,739	-	(9,347)	231,392
	1,973,691	317,299	(93,403)	2,197,587

Abbreviations used:

Opportunity International Savings and Loans Limited (OISL)

Sinapi Aba Savings and Loans Limited (SASL)

VisionFund DRC, S.A. (VFDRC)

Opportunity Bank Uganda Limited (OBUL)

OISL- the above is a combination of equity shares and convertible loans made over the years to OISL. The latest additions are from the FCDO UKAM project loan portfolio funding.

SASL- This includes £178k of convertible loan carried forward from 2014. Subsequent funds are from the FCDO UKAM project loan portfolio funding.

VFDRC- this is entirely the loan portfolio convertible loan from the current FCDO UKAM project.