

NESsT UK LIMITED

Company Limited by Guarantee
Charity Registration Number: 1128823
Company Registration Number: 06816824

Annual Report and Financial Statements

For The Year Ended 31 December 2020

Simply Churches
Chartered Accountants
17 Heathville Road
London N19 3AL

NESsT UK LIMITED

Annual Report and Financial Statements For the year ended 31 December 2020 Contents

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NESsT UK LIMITED

Legal and Administrative Information For the year ended 31 December 2020

Charity Name	NESsT UK Limited.																
Charity Registration No.	1128823. The Charity was registered with the Charity Commission on 26 March 2009.																
Company Registration No	06816824. The Charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association. The Charity was incorporated on 11 February 2009.																
Registered Office	NESsT UK Limited, 24 Northbourne Road London SW4 7DJ																
Governing Document	Memorandum and Articles of Association dated 22 January 2009.																
Objects	<p>(a) to promote the efficient and effective application of charitable resources by charities and for charitable purposes by providing such charities and charitable projects with grants and training to assist them with increasing their organisational capacity and sustainability so that they can improve the quality of their services and reach more local communities; and</p> <p>(b) to advance any other purposes which may be charitable according to the law of England and Wales and the doing of all things as are incidental to the attainment of the said objects.</p>																
Directors	<p>The Directors who served during the year and who were serving at the date of this report were:</p> <table><tbody><tr><td>Julian Garel-Jones</td><td>Treasurer; Resigned 31 December 2020</td></tr><tr><td>Isabel Kelly</td><td>Resigned 20 January 2020</td></tr><tr><td>Loic Comolli</td><td></td></tr><tr><td>Nicolas Duleroy</td><td>Resigned 22 March 2021</td></tr><tr><td>Claire Wilkinson</td><td></td></tr><tr><td>Olga Pascault</td><td></td></tr><tr><td>Joe Palombo</td><td>Appointed 28 August 2020</td></tr><tr><td>Lord Mervyn Davies</td><td>Appointed 22 April 2021</td></tr></tbody></table>	Julian Garel-Jones	Treasurer; Resigned 31 December 2020	Isabel Kelly	Resigned 20 January 2020	Loic Comolli		Nicolas Duleroy	Resigned 22 March 2021	Claire Wilkinson		Olga Pascault		Joe Palombo	Appointed 28 August 2020	Lord Mervyn Davies	Appointed 22 April 2021
Julian Garel-Jones	Treasurer; Resigned 31 December 2020																
Isabel Kelly	Resigned 20 January 2020																
Loic Comolli																	
Nicolas Duleroy	Resigned 22 March 2021																
Claire Wilkinson																	
Olga Pascault																	
Joe Palombo	Appointed 28 August 2020																
Lord Mervyn Davies	Appointed 22 April 2021																
Key Management Personnel	Those in charge of directing and controlling the Charity on a day to day basis are the Directors. The person in charge of running and operating the Charity on a day to day basis is Loic Comolli, Co-CEO of NESsT Inc., in accordance with a working protocol between the two organisations.																
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ																
Independent Examiner	John Helm ACA Simply Churches Limited 17 Heathville Road London N19 3AL																

Annual Report of the Directors For the year ended 31 December 2020

The Directors of NESsT UK Limited ("the Charity") submit their annual report and the financial statements of the Charity for the year ended 31 December 2020. The financial statements have been prepared in the format prescribed by the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP2015 (FRS102)) and the Financial Reporting Standard 102. The legal and administrative information set out earlier in this document forms part of this report.

I. Structure, Governance & Management

I.1 Directors

The Board of Directors, who meet two to four times per year, are responsible for the strategic direction and policy of the Charity. At present the Board is made up of 6 Directors from a variety of professional backgrounds relevant to the work of the Charity.

New Directors are appointed by resolution during regular or special board meetings. In selecting individuals for appointment, the existing Directors must have regard to the skills, knowledge and experience needed for the effective administration of the Charity. New Directors are provided with copies of the governing document together with a copy of the Charity's latest financial statements and minutes of the two most recent board meetings. When instructing new Directors, the Board makes good use of the Charity Commission publications concerning the role and duties of charity Directors.

None of the Directors has any beneficial interest in the company. All of the Directors are members of the company and guarantee to contribute no more than £100 in the event of a winding up.

The Charity is affiliated to NESsT Inc. (a non-profit organisation incorporated in 1997 in Maryland USA), which invests in social enterprises that provide dignified jobs for people most in need. NESsT Inc. pursues its mission in emerging economies such as Latin America and Central Europe. An agreement is in place with NESsT Inc. to provide a simple protocol for the working together of the two organisations. Two Directors of the Charity are also members of the Board of NESsT Inc.

I.2 Risk Management

The Directors acknowledge that they have a responsibility for the identification and proper management of risks faced by the Charity in achieving its primary aims. The Directors have therefore assessed the major risks to which the Charity is exposed, in particular those relating to the specific operational areas of the Charity and its finances. The Directors believe that, by monitoring reserve levels, by ensuring that controls exist over key financial systems, and by examining the operational risks faced by the Charity, they have established effective systems and procedures to mitigate those risks.

2. Activities & Objectives

The Charity's vision is to empower social entrepreneurs to generate dignified employment for low-income individuals in emerging economies. The Charity carries out its vision by supporting NESsT Inc.'s vision and charitable aims through a UK-based program of awareness, fundraising and grant-making.

Specifically, the Charity's approach consists of:

- *Connection:* with a variety of stakeholders in the UK including partners, donors and experts to advance social entrepreneurship
- *Integration:* with the NESsT Inc. network to bring its expertise to UK audiences
- *Transparency:* diligent in the operations of the charity and in maintaining high standards of compliance, with stakeholders both internally and externally, and transparent in the way money is raised, managed, deployed, and reported

The Directors remain committed to provide funding to those NESsT Inc. projects in parts of the world that meet the Charity's objectives and criteria and are considered charitable under English Law.

The Directors 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 and in the setting of the grant-making policy. In order to carry out these objectives the Charity has established a framework through which efficient fundraising opportunities could be pursued to fund future grants.

**Annual Report of the Directors
For the year ended 31 December 2020**

3. Achievements and Performance

The Covid-19 pandemic severely impacted the activities of the charity. With a primary mission of awareness-raising, carried out through a variety of event formats, the pandemic did not allow for the charity's normal course of activities.

In April 2020, the Trustees made the decision to cancel the Charity's annual gala. In previous years, the gala had represented the Charity's main awareness-raising event in the U.K., drawing audiences from the financial services and philanthropic sectors interested in impact investing in emerging economies. The cancellation of the event reduced the Charity's income and its grant-making activities for the year.

The Trustees took advantage of the reduction in event planning and grantmaking to revise the Charity's internal policies and controls. The Trustees adopted four policies on Anti-Money Laundering, Anti-Bribery and Corruption (ABC), Grantmaking, and Financial Controls. These revised policies have placed the Charity on solid footing to resume its ongoing activities when the pandemic has receded.

In 2020 the Charity raised its funds from a variety of U.K. based sources that included corporations with corporate citizenship programs in emerging market economies, and individuals. Charity Directors engaged in selective fundraising activities in an effort to raise funds to benefit social enterprises around the world.

4. Going Concern Review

Prior to the signing of these accounts, the UK and many of the countries where NESsT works continue to be affected by the Covid-19 pandemic. No overseas travel and no conferences have taken place since the beginning of the pandemic in March 2020, and none are planned for the foreseeable future.

Each year it is the trustees' responsibility to state whether or not the annual accounts have been drawn up on a going concern basis (see the accounting policy note on page 10). Going concern is the assumption that an entity, in this case the charity, has the resources (financial or otherwise) needed to continue operating for the foreseeable future and, in particular, for at least 12 months from the date of approval by the trustees of these annual accounts. If the going concern principle did not apply then the accounts would be drawn up on an insolvent basis.

The trustees have had to consider the impact of the Covid-19 pandemic on NESsT's operations. Although income is likely to reduce because of the economic impact of the pandemic, expenditure will also reduce because conferences are not able to be held. Reserves and ongoing income are sufficient to maintain the reduced activities of NESsT.

5. Financial Review

5.1 Financial Activity and Financial Position

The Statement of Financial Activities and Balance Sheet can be found on pages 7 and 8 respectively. The Charity's reserves increased by £16,498 during the year (2019: decreased by £22,321). The balance sheet shows total net assets of £25,716 (2019: £9,218).

5.2 Reserves Policy

The Directors have examined the requirements for free reserves. The Directors consider that free reserves should be equivalent to approximately 12 months' general fund expenditure plus committed future expenditure on other projects, where funds permit. This amounts to about £2,000. The Directors are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in incoming resources and will allow the Charity to cope and respond to unforeseen emergencies whilst specific action plans are implemented. At 31 December 2020 the Charity had net free reserves of £16,903 (2019: £8,643) as follows:

NESsT UK LIMITED

Annual Report of the Directors For the year ended 31 December 2020

	2020 £	2019 £
Total reserves	25,716	9,218
Less: restricted funds	(8,813)	(575)
Free reserves	16,903	8,643
Free reserves requirement:		
12 month's budgeted routine expenditure	2,000	2,000

The directors are aware that free reserves are in excess of the free reserves requirement. The level of free reserves is dictated by the timing of donations received and charitable grants made. The expectation is that, in 2021, charitable grants will be made to reduce free reserves.

6. Plans for Future Periods

In 2021 the Charity plans to maintain its strategy of empowering social entrepreneurs in emerging economies by carrying out awareness raising events in the United Kingdom. These are likely to be hosted online, rather than in person, depending on how the pandemic progresses. If it is safe to do so, the Charity will evaluate hosting its annual reception to continue growing its network of supporters in the U.K., and to educate business professionals on how impact investing can shape development at the grassroots level.

7. Responsibilities of Directors for the Financial Statements

The Directors are responsible for preparing the report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Charity law in England and Wales requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period.

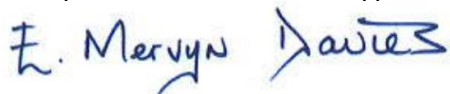
In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities SORP;
- 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 the financial statements on the going concern basis unless it is inappropriate to presume that the activities of the Charity will continue.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enables them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the governing document. The Directors are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the Charity and financial information included in the Charity's website.

8. Approval

The report of the Directors was approved by the Directors on 8 September 2021 and signed on their behalf by:



Lord Mervyn Davies, Director

NESsT UK LIMITED

Report of the Independent Examiner to the Directors of NESsT UK LIMITED

I report on the accounts of the NESsT UK Limited for the year ended 31 December 2020, set out on pages 7 to 12.

Respective responsibilities of Directors and Examiner

The Directors are responsible for the preparation of the accounts. The Directors consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 ("the 2011 Act") and that an independent examination is needed. The Charity is required by company law to prepare accrued accounts and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the Charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2019 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2019 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from Directors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



John Helm ACA

8 September 2021

NESsT UK LIMITED

Statement of Financial Activities (incorporating the Income and Expenditure account) For the year ended 31 December 2020

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £
Income from:	2						
Donations and legacies		15,855	8,238	24,093	37,319	6,100	43,419
Other trading activities		2,600	-	2,600	-	-	-
Investments		32	-	32	88	-	88
Total Income		18,487	8,238	26,725	37,407	6,100	43,507
Expenditure on:							
Raising funds	3	9,932	-	9,932	119	-	119
Charitable activities	4	295	-	295	60,184	5,525	65,709
Total Expenditure		10,227	0	10,227	60,303	5,525	65,828
Net income/(expenditure) before tax		8,260	8,238	16,498	(22,896)	575	(22,321)
Tax payable	5	-	-	-	-	-	-
Net income/(expenditure) after tax		8,260	8,238	16,498	(22,896)	575	(22,321)
Net movement in funds		8,260	8,238	16,498	(22,896)	575	(22,321)
Total funds brought forward		8,643	575	9,218	31,539	0	31,539
Total funds carried forward		16,903	8,813	25,716	8,643	575	9,218

NESsT UK LIMITED

Balance Sheet

For the year ended 31 December 2020

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Total 2019 £
Current Assets					
Debtors	6	3,935	1,648	5,583	4,659
Cash At Bank And In Hand		54,733	7,165	61,898	85,075
		58,668	8,813	67,481	89,734
Creditors - Amounts Falling Due Within One Year	7	41,765	-	41,765	80,516
Net Current Assets		16,903	8,813	25,716	9,218
Represented By:					
Restricted Funds	8	-	8,813	8,813	575
Unrestricted Income Funds		16,903	-	16,903	8,643
Total Funds		16,903	8,813	25,716	9,218

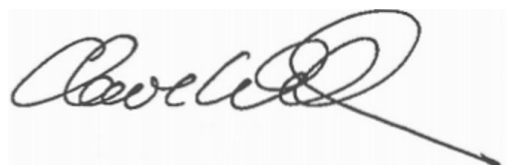
These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31 December 2020 and no notice requiring an audit has been deposited under section 476.

The Directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with section 386 of the Companies Act 2006
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial period and of its profit or loss for the financial period in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as is applicable to the company.

The financial statements were approved by the Directors on 8 September 2021 and signed on their behalf by:



Claire Wilkinson, Director

Company registration 06816824

NESsT UK LIMITED

Notes to the Financial Statements For the year ended 31 December 2020

I. Accounting Policies

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

Basis of accounting

The financial statements have been prepared under the Charities Act 2011, the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements are drawn up on the historical cost basis of accounting.

The Charity meets the definition of a public benefit entity under FRS 102.

Going Concern

There are no material uncertainties about the charity's ability to continue and accordingly the accounts have been drawn up on a going concern basis.

Income recognition

Voluntary income and donations (including legacies) are accounted for once the Charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Income from the recovery of tax on gift aided donations is accounted for in the period to which the relevant donation is received. Grant income is recognised on a receivable basis.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure recognition

Expenditure is accrued as soon as a liability is considered probable, and the amount of obligation can be measured reliably. The Charity is not registered for VAT and accordingly expenditure includes VAT where appropriate.

Charitable expenditure includes those costs in fulfilling the Charity's principal objects, as outlined in the Report of the Directors. These include grants payable and governance costs.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory independent examination and legal fees.

Debtors

Debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

NESsT UK LIMITED

Notes to the Financial Statements For the year ended 31 December 2020

1. Accounting Policies (continued)

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Fund accounting

The funds held by the charity are either:

- Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the Directors.
- Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

2. Income

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Total 2019 £
Donations & legacies				
Donations	15,560	6,590	22,150	39,669
Gift Aid	295	1,648	1,943	3,750
	<hr/>	<hr/>	<hr/>	<hr/>
	15,855	8,238	24,093	43,419
Other trading activities				
Events	2,600	-	2,600	-
Investments				
Bank Interest	32	-	32	88
	<hr/>	<hr/>	<hr/>	<hr/>
	18,487	8,238	26,725	43,507
	<hr/>	<hr/>	<hr/>	<hr/>

3. Expenditure on Raising Funds

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Total 2019 £
Event Costs	9,834	-	9,834	119
Collecting agent charges	98	-	98	-
	<hr/>	<hr/>	<hr/>	<hr/>
	9,932	0	9,932	119
	<hr/>	<hr/>	<hr/>	<hr/>

NESsT UK LIMITED

Notes to the Financial Statements For the year ended 31 December 2020

4. Expenditure on Charitable Activities

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Total 2019 £
Grants to institutions	(1,280)	-	(1,280)	64,108
Office costs (insurance, bank fees)	495	-	495	521
Independent examination	1,080	-	1,080	1,080
	<u>295</u>	<u>0</u>	<u>295</u>	<u>65,709</u>

There were no employees during the year (2019: none).

5. Taxation

As a charity, NESsT is exempt from tax on income and gains falling within the provisions of the Corporation Taxes Act 2010 or the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen on the Charity.

6. Debtors

	2020 £	2019 £
Prepayments	186	174
Gift Aid receivable	5,398	3,750
Other debtors	-	735
	<u>5,584</u>	<u>4,659</u>

7. Creditors - Amounts Falling Due Within One Year

	2020 £	2019 £
Grants payable	39,055	79,436
Other creditors	550	-
Accruals	2,160	1,080
	<u>41,765</u>	<u>80,516</u>

Grants payable are in respect to various grants approved by NESsT UK to support the charitable aims of NESsT Inc. around the world.

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Notes to the Financial Statements For the year ended 31 December 2020

8. Restricted Funds

8a Current Year	At 1 January 2020 £	Income £	Expenditure £	Transfers £	At 31 December 2020 £
NESsTER Intern Programme	575	8,238	-	-	8,813

8b Prior Year	At 1 January 2019 £	Income £	Expenditure £	Transfers £	At 31 December 2019 £
NESsTER Intern Programme	0	6,100	(5,525)	-	575

NESsTER Intern Programme - support for an internship at NESsT Inc's global headquarters in California. The internship is designed in collaboration with a NESsT UK donor to recruit from minority students at the University of California in order to expose them to social entrepreneurship and international development.

9. Related Party Transactions

None of the Directors (or any persons connected with them) received any remuneration during the year, nor claimed any expenses.

Nicolas Duleroy and Loic Comolli, both Directors during 2020, were also directors of NESsT Inc. in 2020. NESsT Inc. provides administrative services to the Charity without charge.

The aggregate unrestricted donations made by Directors was £nil (2019: £15,000).

10. Members Funds

The Charity is a private company limited by guarantee with no share capital. The liability of the members is limited to £100 in the event of a winding up.