

# **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 2021**

Tandem Accounting  
Chartered Accountants  
17 Heathville Road  
London N19 3AL

# **NESsT UK LIMITED**

## **Annual Report and Financial Statements For the year ended 31 December 2021 Contents**

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# NESsT UK LIMITED

## Legal and Administrative Information For the year ended 31 December 2021

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<b>Charity Name</b>	NESsT UK Limited.												
<b>Charity Registration No.</b>	1128823. The Charity was registered with the Charity Commission on 26 March 2009.												
<b>Company Registration No</b>	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.												
<b>Registered Office</b>	NESsT UK Limited, 24 Northbourne Road London SW4 7DJ												
<b>Governing Document</b>	Memorandum and Articles of Association dated 22 January 2009.												
<b>Objects</b>	<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>												
<b>Directors</b>	<p>The Directors who served during the year and who were serving at the date of this report were:</p> <table><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 Pascualt</td><td></td></tr><tr><td>Joe Palombo</td><td></td></tr><tr><td>Lord Mervyn Davies</td><td>Appointed 22 April 2021</td></tr></table>	Loic Comolli		Nicolas Duleroy	Resigned 22 March 2021	Claire Wilkinson		Olga Pascualt		Joe Palombo		Lord Mervyn Davies	Appointed 22 April 2021
Loic Comolli													
Nicolas Duleroy	Resigned 22 March 2021												
Claire Wilkinson													
Olga Pascualt													
Joe Palombo													
Lord Mervyn Davies	Appointed 22 April 2021												
<b>Key Management Personnel</b>	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.												
<b>Bankers</b>	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ												
<b>Independent Examiner</b>	John Helm ACA Tandem Accounting Limited 17 Heathville Road London N19 3AL												

## Annual Report of the Directors For the year ended 31 December 2021

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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 2021. The financial statements have been prepared in the format prescribed by the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP2019 (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 5 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 2021

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### 3. Achievements and Performance

In 2021, the Covid-19 pandemic continued to impact the activities of the charity. In the UK, the Charity did not hold its annual gala because the pandemic made large social gatherings inadvisable. In emerging economies, social enterprises recovered from lockdowns and business disruptions experienced the prior year. In reviewing grant-making opportunities in the NESsT Inc. social enterprise network, the Charity evaluated that social enterprises needed predominantly technical assistance to navigate new business opportunities and challenges presented by the pandemic. Therefore, the Charity made the decision to put grant-making activities on hold until it could be further established that social enterprises could use new grants to the maximum of their ability.

The Trustees took advantage of the reduction in event planning and grant-making to engage in communications activities. The Charity hosted an online event featuring Dalba, a grantee of the Charity and award-winning Polish craft beer brewery giving employment to people with disabilities who might otherwise be excluded from the job market. The event exposed the Charity's network of supporters in the UK to the social entrepreneurs the Charity impacts around the world.

The Charity promoted its mission and raised awareness of social enterprises through the publication of the NESsTing Upon the Thames blog. Started in 2020, the blog series highlights walks by one of the Trustees along the river Thames to examine London and its history, entrepreneurial businesses, and thoughts about how to cope when things go wrong.

The Charity took several steps to strengthen its organizational capacity. Trustees elected Lord Mervyn Davies as Board Chair to increase the visibility and networks of the Charity. Furthermore, the Trustees undertook a strategic review of the Charity's financial and administrative processes to improve efficiency.

In 2021 the Charity raised its funds from U.K. based individual donors. Charity Directors engaged in selective fundraising activities in an effort to raise funds to benefit social enterprises around the world.

### 4. Going Concern Review

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 consider that the Charity has sufficient reserves and ongoing income to maintain its activities for the foreseeable future.

### 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 £105,442 during the year (2020: Increased by £16,498). The balance sheet shows total net assets of £131,158 (2020: £25,716).

#### 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 2021 the Charity had net free reserves of £90,985 (2020: £16,903) as follows:

# NESsT UK LIMITED

## Annual Report of the Directors For the year ended 31 December 2021

	2021 £	2020 £
<b>Total reserves</b>	<b>131,158</b>	<b>25,716</b>
Less: restricted funds	(40,173)	(8,813)
<b>Free reserves</b>	<b>90,985</b>	<b>16,903</b>
<b>Free reserves requirement:</b>		
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 2022, charitable grants will be made to reduce free reserves.

### 6. Plans for Future Periods

In 2022 the Charity plans to maintain its strategy of empowering social entrepreneurs in emerging economies. A renewed effort will be made to resume grant making activities to social enterprises in Latin America and Central Europe. 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 20 September 2022 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

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I report on the accounts of the NESsT UK Limited for the year ended 31 December 2021, 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 2020 Act);
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2020 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**

**20 September 2022**

## NESsT UK LIMITED

### Statement of Financial Activities (incorporating the Income and Expenditure account) For the year ended 31 December 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £
<b>Income from:</b>	2						
Donations and legacies		76,196	31,360	107,556	15,855	8,238	24,093
Other trading activities		-	-	-	2,600	-	2,600
Investments		7	-	7	32	-	32
<b>Total Income</b>		<b>76,203</b>	<b>31,360</b>	<b>107,563</b>	<b>18,487</b>	<b>8,238</b>	<b>26,725</b>
<b>Expenditure on:</b>							
Raising funds	3	544	-	544	9,932	-	9,932
Charitable activities	4	1,577	-	1,577	295	-	295
<b>Total Expenditure</b>		<b>2,121</b>	<b>0</b>	<b>2,121</b>	<b>10,227</b>	<b>0</b>	<b>10,227</b>
<b>Net income/(expenditure) before tax</b>		<b>74,082</b>	<b>31,360</b>	<b>105,442</b>	<b>8,260</b>	<b>8,238</b>	<b>16,498</b>
Tax payable	5	-	-	-	-	-	-
<b>Net income/(expenditure) after tax</b>		<b>74,082</b>	<b>31,360</b>	<b>105,442</b>	<b>8,260</b>	<b>8,238</b>	<b>16,498</b>
<b>Net movement in funds</b>		<b>74,082</b>	<b>31,360</b>	<b>105,442</b>	<b>8,260</b>	<b>8,238</b>	<b>16,498</b>
Total funds brought forward		16,903	8,813	25,716	8,643	575	9,218
<b>Total funds carried forward</b>		<b>90,985</b>	<b>40,173</b>	<b>131,158</b>	<b>16,903</b>	<b>8,813</b>	<b>25,716</b>



# NESsT UK LIMITED

## Balance Sheet

For the year ended 31 December 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Total 2020 £
<b>Current Assets</b>					
Debtors	6	5,585	-	5,585	5,583
Cash At Bank And In Hand		125,535	40,173	165,708	61,898
		131,120	40,173	171,293	67,481
<b>Creditors - Amounts Falling Due Within One Year</b>	7	40,135	-	40,135	41,765
<b>Net Current Assets</b>		<b>90,985</b>	<b>40,173</b>	<b>131,158</b>	<b>25,716</b>
<b>Represented By:</b>					
Restricted Funds	8	-	40,173	40,173	8,813
Unrestricted Income Funds		90,985	-	90,985	16,903
<b>Total Funds</b>		<b>90,985</b>	<b>40,173</b>	<b>131,158</b>	<b>25,716</b>

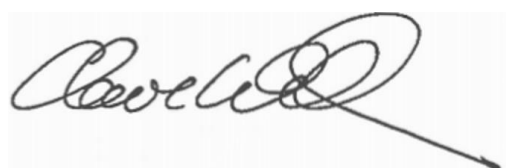
These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31 December 2021 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 20 September 2022 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 2021

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### **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 2021

### 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 2021 £	Restricted Funds 2021 £	Total 2021 £	Total 2020 £
Donations & legacies				
Donations	76,196	31,360	107,556	22,150
Gift Aid	-	-	-	1,943
	<hr/> 76,196	<hr/> 31,360	<hr/> 107,556	<hr/> 24,093
Other trading activities				
Events	-	-	-	2,600
Investments				
Bank Interest	7	-	7	32
	<hr/> 76,203	<hr/> 31,360	<hr/> 107,563	<hr/> 26,725

### 3. Expenditure on Raising Funds

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Total 2020 £
Event Costs	544	-	544	9,834
Collecting agent charges	-	-	-	98
	<hr/> 544	<hr/> 0	<hr/> 544	<hr/> 9,932

# NESsT UK LIMITED

## Notes to the Financial Statements For the year ended 31 December 2021

### 4. Expenditure on Charitable Activities

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Total 2020 £
Grants to institutions	-	-	-	(1,280)
Office costs (insurance, bank fees)	497	-	497	495
Independent examination	1,080	-	1,080	1,080
	<u>1,577</u>	<u>0</u>	<u>1,577</u>	<u>295</u>

There were no employees during the year (2020: 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

	2021 £	2020 £
Prepayments	187	186
Gift Aid receivable	5,398	5,398
Other debtors	-	-
	<u>5,585</u>	<u>5,584</u>

### 7. Creditors - Amounts Falling Due Within One Year

	2021 £	2020 £
Grants payable	39,055	39,055
Other creditors	-	550
Accruals	1,080	2,160
	<u>40,135</u>	<u>41,765</u>

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

## NESsT UK LIMITED

### Notes to the Financial Statements For the year ended 31 December 2021

#### 8. Restricted Funds

8a Current Year	At 1 January 2021 £	Income £	Expenditure £	Transfers £	At 31 December 2021 £
NESsTER Intern Programme	8,813	31,360	-	-	40,173

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

NESsTER Intern Programme consists of supporting 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 2021, were also directors of NESsT Inc. in 2021. NESsT Inc. provides administrative services to the Charity without charge.

The aggregate unrestricted donations made by Directors was £25,300 (2020: £nil).

#### 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.