

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 2022

Tandem Accounting
Chartered Accountants
17 Heathville Road
London N19 3AL

NESsT UK LIMITED

Annual Report and Financial Statements For the year ended 31 December 2022 Contents

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NESsT UK LIMITED

Legal and Administrative Information For the year ended 31 December 2022

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	<ul style="list-style-type: none">(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(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.
Directors	<p>The Directors who served during the year and who were serving at the date of this report were:</p> <p>Loic Comolli Claire Wilkinson Olga Pascualt Joe Palombo Lord Mervyn Davies</p>
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 in 2022 was 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 Tandem Accounting Limited 17 Heathville Road London N19 3AL

NESsT UK LIMITED

Annual Report of the Directors For the year ended 31 December 2022

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 2022. 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. Loic Comolli and Lord Mervyn Davies, both Directors of the Charity were also members of the Board of NESsT Inc. in 2022.

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; and
- *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

Annual Report of the Directors For the year ended 31 December 2022

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.

3. Achievements and Performance

In 2022, the charity trustees agreed to identify donors that could support the Refugee Employment Initiative which would invest in 15 social enterprises creating 3,000 jobs for refugees from Ukraine in Poland and Romania.

They also planned to hold an event in September of the year which was later postponed to 2023 with the goal of having more time to plan a larger event.

In 2022 the charity resumed its grant making activities. The first grant went to support the Peru programme to grow its impact on inclusive entrepreneurship and job creation in the country. The grant allowed the program to grow in the following ways: 1) Research, analyse and select six new social enterprises in the NESsT Loan Programme; 2) Benefit rural areas in Peru by engaging in regenerative agriculture involving 1,200 smallholder farming families; 3) Increase the visibility of NESsT in the country by organizing events for social enterprises and partner to share lessons learned about impact investing.

The second grant went toward supporting NESsT Inc to grow as an organization addressing six key gaps: 1) Programs- Hire a Program Director, implement a Knowledge Management System and a Amazonia Programme Manager; 2) Development- Hire a Development Director, increase board outreach and fundraising capacity and strengthen CRM for donor management; 3) Finance- Hire an Accounting Associate, transition to accrual based accounting and strengthen the procurement process; 4) Communications- Hire a PR agenda, hire a design agency and increase marketing content with two new hires; 5) Operations- Increase IT support to maintain online systems, hire knowledge management consultant and develop a DEI policy.

The charity was presented with the UK audit which made recommendations that the charity: 1) Disburse grants; 2. Claim past Gift Aid; 3) Document individual donation on an ongoing basis; 4) clear up grant payable carried on the books for the last year. The charity is working to address these recommendations.

The charity also performed a review of the NESsT UK Risk Register which contains five categories of risk. The trustees agreed that the major risks to the charity remain largely the same, noting a few areas of improvement, and approving the register.

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 decreased by £5,863 during the year (2021: Increased by £105,442). The balance sheet shows total net assets of £125,295 (2021: £131,158).

**Annual Report of the Directors
For the year ended 31 December 2022****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 2022 the Charity had net free reserves of £74,885 (2021: £90,985) as follows:

	2022 £	2021 £
Total reserves	125,295	131,158
Less: restricted funds	(50,410)	(40,173)
Free reserves	74,885	90,985
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 2023, charitable grants will be made to reduce free reserves.

6. Plans for Future Periods

In 2023 the Charity plans to host a private event to raise the visibility of NESsT Inc in the UK, leveraging more support and funding for its work. The Charity also plans to continue to provide grants to social enterprises in Latin America and Central Europe supporting them to grow their impact.

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.

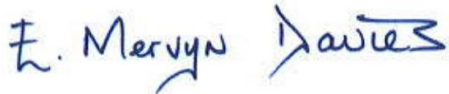
The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enables them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 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.

NESsT UK LIMITED

Annual Report of the Directors For the year ended 31 December 2022

8. Approval

The report of the Directors was approved by the Directors on 10 September 2023 and signed on their behalf by:

A handwritten signature in blue ink that reads "L. Mervyn Davies". The signature is written in a cursive, flowing style.

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 2022, set out on pages 8 to 13.

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 2021 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2021 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

10 September 2023

NESsT UK LIMITED

Statement of Financial Activities (incorporating the Income and Expenditure account) For the year ended 31 December 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £
Income from:	2						
Donations and legacies		100,833	6,360	107,193	76,196	31,360	107,556
Investments		728	-	728	7	-	7
Total Income		101,561	6,360	107,921	76,203	31,360	107,563
Expenditure on:							
Raising funds	3	-	-	-	544	-	544
Charitable activities	4	113,784	-	113,784	1,577	-	1,577
Total Expenditure		113,784	0	113,784	2,121	0	2,121
Net (expenditure)/income before tax		(12,223)	6,360	(5,863)	74,082	31,360	105,442
Tax payable	5	-	-	-	-	-	-
Net (expenditure)/income after tax		(12,223)	6,360	(5,863)	74,082	31,360	105,442
Transfers between funds		(3,877)	3,877	-	-	-	-
Other recognised gains/(losses)		-	-	-	-	-	-
Net movement in funds		(16,100)	10,237	(5,863)	74,082	31,360	105,442
Total funds brought forward		90,985	40,173	131,158	16,903	8,813	25,716
Total funds carried forward		74,885	50,410	125,295	90,985	40,173	131,158

NESsT UK LIMITED

Balance Sheet

For the year ended 31 December 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Total 2021 £
Current Assets					
Debtors	6	19,330	-	19,330	5,585
Cash At Bank And In Hand		209,345	50,410	259,755	165,708
		228,675	50,410	279,085	171,293
Creditors - Amounts Falling Due Within One Year	7	153,790	-	153,790	40,135
Net Current Assets		74,885	50,410	125,295	131,158
Represented By:					
Restricted Funds	8	-	50,410	50,410	40,173
Unrestricted Income Funds		74,885	-	74,885	90,985
Total Funds		74,885	50,410	125,295	131,158

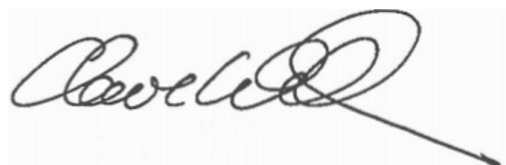
These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31 December 2022 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 10 September 2023 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 2022

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.

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.

NESsT UK LIMITED

Notes to the Financial Statements For the year ended 31 December 2022

1. Accounting Policies (continued)

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 2022 £	Restricted Funds 2022 £	Total 2022 £	Total 2021 £
Donations & legacies				
Donations	87,047	6,360	93,407	107,556
Gift Aid	13,786	-	13,786	-
	100,833	6,360	107,193	107,556
Investments				
Bank Interest	728	-	728	7
	101,561	6,360	107,921	107,563

3. Expenditure on Raising Funds

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Total 2021 £
Event Costs	-	-	-	544

4. Expenditure on Charitable Activities

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Total 2021 £
Grants to institutions	112,122	-	112,122	-
Office costs (insurance, bank fees)	462	-	462	497
Independent examination	1,200	-	1,200	1,080
	113,784	0	113,784	1,577

There were no employees during the year (2021: none).

NESsT UK LIMITED

Notes to the Financial Statements For the year ended 31 December 2022

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

	2022 £	2021 £
Prepayments	146	187
Gift Aid receivable	19,184	5,398
	<u>19,330</u>	<u>5,585</u>

7. Creditors - Amounts Falling Due Within One Year

	2022 £	2021 £
Grants payable	152,257	39,055
Other creditors	333	-
Accruals	1,200	1,080
	<u>153,790</u>	<u>40,135</u>

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

8. Restricted Funds

8a Current Year

	At 1 January 2022 £	Income £	Expenditure £	Transfers £	At 31 December 2022 £
NESsTER Intern Programme	<u>40,173</u>	<u>6,360</u>	<u>-</u>	<u>3,877</u>	<u>50,410</u>

The reason for the transfer from unrestricted to restricted funds is to correct the historic error on the opening balance at 1 January 2021.

8b Prior Year

	At 1 January 2021 £	Income £	Expenditure £	Transfers £	At 31 December 2021 £
NESsTER Intern Programme	<u>8,813</u>	<u>31,360</u>	<u>-</u>	<u>-</u>	<u>40,173</u>

NESsT UK LIMITED

Notes to the Financial Statements For the year ended 31 December 2022

8. Restricted Funds (continued)

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.

Loic Comolli and Lord Mervyn Davies, both Directors during 2022, were also directors of NESsT Inc. in 2022. NESsT Inc. provides administrative services to the Charity without charge.

The aggregate unrestricted donations made by Directors was £8,250 (2021: £25,300).

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.