

**Charity Registration No. 1147678**

**Company Registration No. 07976404 (England and Wales)**

**OPES-LCEF**

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

# OPES-LCEF

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	E Casolari G Freato B Wenz	(Appointed 19 April 2020)
<b>Charity number</b>	1147678	
<b>Company number</b>	07976404	
<b>Registered office</b>	Devonshire House 1 Devonshire Street London W1W 5DR	
<b>Independent examiner</b>	Hannah Sibley FCA Citroen Wells Chartered Accountants Devonshire House 1 Devonshire Street London W1W 5DR	
<b>Bankers</b>	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN	
<b>Solicitors</b>	IBB Solicitors Capital Court 30 Windsor Street Uxbridge Middlesex UB8 1AB	

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# OPES-LCEF

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# OPES-LCEF

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

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The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's trust deed, the Companies Act 2006 and "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 (FRS 102) (effective 1 January 2019)".

### Objectives and activities

OPES-LCEF's objects, as set out in Paragraph 3 of its Articles of Association is "to promote for the benefit of the public sustainable development by the preservation, conservation and protection of the physical and natural environment and to relieve poverty, suffering and hardship in any part of the world. Sustainable development means development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

OPES-LCEF is a charitable company registered in England. In meeting its objectives, OPES-LCEF supports a portfolio of low carbon and social impact enterprises.

OPES-LCEF selects ventures to invest in that have a clear low carbon and social impact, in doing this OPES-LCEF supports sustainable development and the creation of local livelihoods. OPES-LCEF works with a wide range of partners to achieve its goals. It works with not-for-profit, private and public sector organisations, both overseas and in the UK.

OPES-LCEF seeks through its programmes and partnerships to provide financial resources in a way that results in a better global environment achieved through sustainable and equitable development.

OPES-LCEF aims to be a responsive and learning organisation that is knowledgeable about the development, aspirations, needs, culture and environment of its partners. It is committed to encouraging diversity, professionalism and contestability of ideas among all its members, staff and volunteers.

In 2012, OPES-LCEF (under its previous name LCEF II) entered into a loan agreement with the DOEN Foundation, a Dutch not-for-profit organisation, to support low carbon enterprises. These funds were used to provide financial support (equity and/or debt) for small-scale enterprises in lower income countries that are developing and/or delivering low carbon service or products. In total, seven social enterprises have been supported of which three are still in our portfolio.

In 2019, OPES-LCEF received donations from Stichting Opint, a Dutch not-for-profit organisation, in the form of unrestricted cash donations and assets in the form of social enterprises portfolio debt/equity contracts.

In 2020, OPES-LCEF received grants from the DOEN Foundation and the Good Energies Foundation for the facility "Restart East Africa" that OPES-LCEF launched in that year. Restart East Africa targets promising Impact enterprises affected by Covid-19 directly or indirectly or those enterprises which have come up with innovative solutions tackling social and environmental issues.

OPES-LCEF uses a gender lens approach when deploying capital.

### 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 OPES-LCEF's aims and objectives and when planning future activities and setting the loan making policy for the next year.

OPES-LCEF supports environmental, community and sustainable development causes that are of benefit to the public through appropriate charitable, educational and scientific means. Specifically, OPES-LCEF provides financial and technical support to low carbon entrepreneurs in the developing world. Particular emphasis is placed on ventures that also offer broader social benefits to the communities in which they operate. These include protecting local livelihoods, increasing access to clean energy for off-grid communities, creating access to clean water and supporting sustainable employment.

# OPES-LCEF

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### Achievements and performance

The coronavirus pandemic has hit society in ways that would have been hard to imagine a year ago. First and foremost it is a health emergency, but COVID-19 has also dramatically hit the economy. Many small businesses have been forced to shut down temporarily and are at serious risk of closing permanently. During this unprecedented crisis, OPES-LCEF has stayed close to the companies in their portfolio while developing and realizing a new facility to support early-stage impact-driven enterprises in East Africa.

OPES-LCEF launched “*Restart East Africa*”, an initiative realized with the support of the DOEN Foundation and the Good Energies Foundation. *Restart East Africa* targets promising impact-driven enterprises affected by Covid-19 directly or indirectly or those enterprises that have come up with innovative solutions for a more sustainable future. The initiative focuses on the following sectors: Sustainable Agriculture & Food, Sustainable Energy, Education & Skilling, and Mobility & Transportation.

As of 31 March 2021, Restart East Africa has supported two women-founded companies in the energy space:

- Munyax Eco Ltd is a company registered in Rwanda that provides solar water heaters, energy access systems as well as electric power generation.
- WidEnergy Africa Ltd is a company registered in Zambia that provides affordable solar home solutions.

The trustees are actively evaluating companies in the pipeline and expect to close another three to four investments in the coming months.

In addition to the launch of the *Restart East Africa*, OPES-LCEF made two further investments in the year:

- Fabrica Srl, an Italian company which makes investments in early-stage impact enterprises that tackle critical social issues.
- Innoflex Srl, an Italian company that produces plastic films for food packaging using polylactic acid, a raw material of vegetable origin that is completely biodegradable, with proprietary technology and renewable energy sources.

Furthermore, OPES-LCEF supported its existing portfolio companies by not accruing interest for all of 2020, issuing bridge loans, and restructuring some existing loans.

Ecopost, the Kenya waste recycling company had a devastating fire in its premises that led to a shut down of activities and an impairment of the investment.

Finally, the coffee cooperative, Pachamama, repaid its outstanding loan. OPES-LCEF's 'patient loan' helped to establish and grow the cooperative in its early stages. Pachamama is owned and governed by smallholder farmers in Africa and Latin America that, after a period of consolidation of the cooperative and the successful launch of its e-commerce activities, will continue to create a sustainable impact and benefit smallholder coffee farmers.

### Coronavirus (Covid-19)

The World Health Organization declared the Coronavirus (COVID-19) outbreak a pandemic on 11 March 2020. The pandemic, and the measures to control its human impact, have resulted in disruptions to economic activity and business operations worldwide. This could potentially have a financial impact on the OPES-LCEF, depending on factors such as the duration and continued spread of the outbreak, the level of restrictions and advisories from the governments in the jurisdictions where the program related investment companies operate, and the effects on the financial markets and economy overall. The outcome of all these factors is highly uncertain.

OPES-LCEF has undertaken an assessment of its plans, as part of its continuity and contingency planning, and the trustees believe it is well placed financially and operationally to withstand the uncertainties ahead. At the date of approval of the financial statements, OPES-LCEF is unable to determine a reliable estimate of the financial impact of COVID-19 on its financial performance and position. The trustees have a reasonable expectation that OPES-LCEF has adequate resources to continue in operational existence for the foreseeable future.

# OPES-LCEF

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### Financial review

The Statement of Financial Activities, which shows the OPES-LCEF's incoming resources and expenditure for the year, is set out on page 7.

Total incoming resources amount to \$466,138 (2020: \$956,379), which comprised restricted grants of \$450,000 (2020: \$nil), unrestricted donations of \$10,755 (2020: unrestricted grants of \$923,351) and investment income from programme related investments of \$5,383 (2020: \$33,028).

Resources expended on charitable activities amounted to \$228,725 (2020: \$135,442), of which \$195,803 (2020: \$115,298) was defrayed on management of programme related investments and \$32,922 (2020: \$20,144) defrayed on support and governance costs.

OPES-LCEF made foreign exchange gains on its cash balances held in GBP of \$20,006 (2020: losses of \$23,374) and impairment losses on its programme related investments of \$62,872 (2020: \$89,152).

The resulting net surplus for the year was \$194,547 (2020: \$708,411).

The charity's statement of financial position, which shows the financial position of the charity as at 31 March 2021, is set out on page 8.

The net book value of the OPES-LCEF's programme related investments at 31 March 2021 was \$1,202,811 (2020: \$980,799).

Current assets are represented by accrued interest receivable of \$14,321 (2020: \$14,321) and cash of \$455,838 (2020: \$479,317).

OPES-LCEF's liabilities are represented by current liabilities of \$19,759 (2020: \$15,773) and non-current liabilities including long term loans of \$268,839 (2020: \$268,839).

The resulting net assets at 31 March 2021 were \$1,384,372 (2020: US \$1,189,825), which represents \$452,516 (2020: \$nil) of restricted funds, and \$931,856 (2020: \$1,189,825) of unrestricted funds.

### Reserves policy

It is the policy of OPES-LCEF that free reserves which have not been designated for a specific use or applied to make loans in accordance with its general objects, should be maintained at a level equivalent to at least one year expenditure, that is, approximately \$230,000. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue OPES-LCEF's current activities while consideration is given to ways in which additional funds may be raised. OPES-LCEF's free reserves at 31 March 2021, as represented by unrestricted net current assets, were \$172,884.

### Risk factors

The trustees have identified, monitored, and reviewed significant risks and have implemented systems and processes to manage and mitigate those risks. The main risks are associated with the financial viability of the investee companies, and their ability to deliver environmental and social benefits for low income communities. The trustees review each investee company during trustee meetings. Where trustees decide that the investee company is unlikely to succeed, the trustees may consider writing down or writing off the investment. No recoverability issues surrounding these loans were identified. The trustees are satisfied with the current risk management procedures in place which they believe satisfactorily mitigate the identified risks.

### Plans for future periods

OPES-LCEF's future plans are to continue to support low carbon and social enterprise entities to benefit low income communities. OPES-LCEF plans to continually support its existing portfolio of programme related investments, to ensure they work in the most efficient and effective way towards achieving their objectives, and will explore opportunities for further funding and investments, in accordance with OPES-LCEF's objectives.

# OPES-LCEF

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### Structure, governance and management

OPES-LCEF is a company limited by guarantee, incorporated on 5 March 2012. OPES-LCEF is also a registered charity and is governed by its Memorandum and Articles of Association and by the Charities Act 2011. The objectives of OPES-LCEF are as follows:

- To promote for the benefit of the public, sustainable development by the preservation, conservation and protection of the physical and natural environment.
- To relieve poverty, suffering and hardship in any part of the world.

Sustainable development means "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

E Casolari

G Freato

F Odelli

(Resigned 19 April 2020)

B Wenz

(Appointed 19 April 2020)

None of the trustees have any beneficial interest in OPES-LCEF. All of the trustees are members of the company and guarantee to contribute \$1 in the event of a winding up.

Board members use their own network of contacts to identify suitable candidates possessing the necessary knowledge and skills to act as trustees of OPES-LCEF. At the present time, OPES-LCEF has three trustees, which is considered adequate for its purposes. In accordance with paragraph 8.2 of OPES-LCEF's Articles of Association the number of trustees shall not be less than three.

Trustees are recruited on the basis of their existing relevant knowledge. Information relating to OPES-LCEF's legal status, finances and activities are provided in advance of appointment. Trustees are expected to identify their training needs and to take measures to ensure that these needs are met.

The trustees may appoint or re-appoint a person who is willing to be a trustee, either to fill a vacancy or as an additional trustee.

The normal term of office for a trustee is three years. A trustee will be eligible for re-election for two further terms of three years.

After a trustee has served three consecutive terms in office, he or she shall be eligible for re-election only after a year has elapsed since he or she retired, unless the board considers it would be in the best interests of OPES-LCEF to be eligible for re-election on his or her retirement for such number of terms as the trustees shall resolve.

OPES-LCEF's policy is set by the trustees. The trustees are also responsible for the management of the charity. Two consultants support the trustees for the day-to-day management, i.e. monitoring and risk assessment of current portfolio, providing management and technical support the entrepreneurs, and identifying and developing relationships with new enterprises.

### Fundraising statement

OPES-LCEF's fundraising model has been focused on existing relationships with institutions, and OPES-LCEF does not solicit or directly contact members of the public.

OPES-LCEF has not engaged with third parties to raise funds. No complaints were received in relation to OPES-LCEF's fundraising activities.

# OPES-LCEF

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2021*

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### **Statement of trustees' responsibilities**

The trustees, who are also the directors of OPES-LCEF for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' report was approved by the Board of Trustees.

**E Casolari**

Trustee

Dated: 16 September 2021



# OPES-LCEF

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF OPES-LCEF

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I report to the trustees on my examination of the financial statements of OPES-LCEF (the charity) for the year ended 31 March 2021.

### Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

### Independent examiner's statement

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of ICAEW.

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 that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements 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 financial statements to be reached.

### Use of this report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My independent examination work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity's company and the charity's trustees as a body, for my independent examination work, for this report, or for the opinions I have formed.

**Hannah Sibley FCA**

**The Institute of Chartered Accountants in England and Wales (ICAEW)**

**Independent Examiner**

Citroen Wells

Devonshire House

1 Devonshire Street

London

W1W 5DR

Dated: 5 October 2021

# OPES-LCEF

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 \$	Restricted funds 2021 \$	Total 2021 \$	Unrestricted funds 2020 \$
<b><u>Income from:</u></b>					
Donations and legacies	3	10,755	450,000	460,755	923,351
Investments	4	5,383	-	5,383	33,028
<b>Total income</b>		16,138	450,000	466,138	956,379
<b><u>Expenditure on:</u></b>					
Charitable activities	5	228,725	-	228,725	135,442
Other gains and losses	9	(17,490)	(2,516)	(20,006)	23,374
<b>Total expenditure</b>		211,235	(2,516)	208,719	158,816
Net gains/(losses) on investments	10	(62,872)	-	(62,872)	(89,152)
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		(257,969)	452,516	194,547	708,411
Fund balances at 1 April 2020		1,189,825	-	1,189,825	481,414
<b>Fund balances at 31 March 2021</b>		931,856	452,516	1,384,372	1,189,825

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# OPES-LCEF

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Notes	2021 \$	\$	2020 \$	\$
Programme related investments	11		1,202,811		980,799
<b>Current assets</b>					
Trade and other receivables	12	14,321		14,321	
Cash at bank and in hand		455,838		479,317	
		<u>470,159</u>		<u>493,638</u>	
<b>Current liabilities</b>	13	(19,759)		(15,773)	
Net current assets			450,400		477,865
<b>Total assets less current liabilities</b>			1,653,211		1,458,664
<b>Non-current liabilities</b>	14		(268,839)		(268,839)
<b>Net assets</b>			<u>1,384,372</u>		<u>1,189,825</u>
<b>Income funds</b>					
Restricted funds	15	452,516		-	
Unrestricted funds		931,856		1,189,825	
		<u>1,384,372</u>		<u>1,189,825</u>	

The charity is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year 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 applicable to the company.

The members have not required the charity to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 16 September 2021

E Casolari  
Trustee

Company Registration No. 07976404

# OPES-LCEF

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

#### Charity information

OPES-LCEF is a private company limited by guarantee incorporated in England and Wales. The registered office is Devonshire House, 1 Devonshire Street, London, W1W 5DR.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's trust deed, the Companies Act 2006 and "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 (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The accounts are prepared in US dollars, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest \$.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements. The trustees have considered the impact of the coronavirus pandemic further in the Trustees' Report.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably and it is probable that income will be received.

Grants are credited to the Statement of Financial Activities when they are receivable. Grants that are awarded for specific purposes are treated as restricted incoming resources.

All other income is unrestricted for the use of achieving the charity's objectives.

#### 1.5 Resources expended

Expenditure is included on an accruals basis. The charity is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

# OPES-LCEF

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 1.6 Programme related investments

Programme related investments are accounted for at cost less any impairment.

Programme related investments arise when OPES-LCEF provides financial support in the form of low interest loans and/or equity stakes to small entrepreneurial businesses seeking to build a low carbon business.

The expectation is that the loans will be repaid. The trustees review the loans every six months and if there is a risk of non-payment, the loans are provided for.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks.

#### 1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.9 Foreign exchange

Transactions in currencies other than US dollars are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure) for the period.

#### 1.10 Concessionary loans

Concessionary loans are initially measured at amortised cost and then subsequently stated at carrying value adjusted for accrued interest payable.

# OPES-LCEF

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Programme related investments

Programme related investments are stated at cost less any provision for impairment. The trustees' have assessed the recoverability of investments made and economic benefit of investments based on market conditions and cashflow estimates. There is an inevitable degree of judgement involved and the valuations of the investments can only ultimately be reliably tested in the market itself.

### 3 Donations and legacies

	Unrestricted funds 2021 \$	Restricted funds 2021 \$	Total 2021 \$	Unrestricted funds 2020 \$
Donations and gifts	10,755	450,000	460,755	923,351

### 4 Investments

	Unrestricted funds 2021 \$	Unrestricted funds 2020 \$
Income from programme related investments	5,383	33,028

### 5 Charitable activities

	2021 \$	2020 \$
Management of programme related investments	195,803	115,298
Support costs (see note 6)	(304)	2,060
Governance costs (see note 6)	33,226	18,084
	228,725	135,442

# OPES-LCEF

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 6 Support costs

	Support costs	Governance costs	2021	2020
	\$	\$	\$	\$
Bank charges	(492)	-	(492)	1,063
Sundry	188	-	188	997
Legal and professional	-	15,001	15,001	5,913
Accountancy/independent examination fees	-	18,225	18,225	12,171
	<u>(304)</u>	<u>33,226</u>	<u>32,922</u>	<u>20,144</u>

### 7 Trustees

During the prior year the charity directly paid US \$922 travel and subsistence costs incurred by one trustee in their performance as trustee. There were no such costs in the current year.

### 8 Employees

#### Number of employees

The average monthly number of persons (including directors) employed by the charity during the year was 3 (2020: 4).

### 9 Other gains and losses

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2021	2021	2021	2020
Foreign exchange (gains)/losses	<u>(17,490)</u>	<u>(2,516)</u>	<u>(20,006)</u>	<u>23,374</u>

### 10 Net gains/(losses) on investments

	Total	Total
	2021	2020
	\$	\$
Impairment of programme related investments	<u>(62,872)</u>	<u>(89,152)</u>

# OPES-LCEF

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 11 Programme related investments

	\$
At 1 April 2020	980,799
Additions	339,384
Impairments	(62,872)
Recovered amounts	(54,500)
<b>At 31 March 2021</b>	<b>1,202,811</b>

Programme related investments arise when OPES-LCEF provides financial support in the form of low-interest loans and/or equity stakes to small entrepreneurial businesses engaged in low-carbon and social impact enterprises.

At 1 April 2020, all investments were unrestricted. During the year, loans totalling \$175,000 were made from restricted funds, and these remained unimpaired at the year end. The remaining \$153,629 of additions, less amounts recovered of \$54,500 and impairments of \$62,872, represented investments made out of unrestricted funds. At the year end therefore unrestricted investments had a value of \$1,027,811.

The historical cost of the charity's programme related investments held at 31 March 2021 was \$1,408,234 (2020: \$1,257,103).

### 12 Trade and other receivables

	2021 \$	2020 \$
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	14,321	14,321

### 13 Current liabilities

	2021 \$	2020 \$
Accruals and deferred income	19,759	15,773

### 14 Non-current liabilities

	2021 \$	2020 \$
Concessionary loans	268,839	268,839

The concessionary loan is interest free, unsecured and repayable during 2022.



# OPES-LCEF

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 15 Restricted funds

The income funds of the charity include restricted funds which are held on trust for the specific purposes of the Restart Fund for East Africa.

	Movement in funds		
	Balance at 1 April 2020	Incoming resources	Revaluations, gains and losses
	\$	\$	\$
Restart Fund for East Africa	-	450,000	2,516
	<u>          </u>	<u>          </u>	<u>          </u>
			452,516
			<u>          </u>

During the year, grants totalling \$450,000 were received from the DOEN Foundation and the Good Energies Foundation for the Restart Fund for East Africa. Restart Fund for East Africa targets promising impact-driven enterprises affected by Covid-19 directly or indirectly or those enterprises that have come up with innovative solutions for a more sustainable future. The initiative focuses on the following sectors: Sustainable Agriculture & Food, Sustainable Energy, Education & Skilling, and Mobility & Transportation.

As at 31 March 2021, the charity had invested \$75,000 in Munyox Eco Ltd, a company registered in Rwanda who provide solar water heaters, energy access systems as well as providing electric power generation, and \$100,000 in WidEnergy Africa Ltd, a company registered in Zambia who provide affordable solar home solutions. Total invested as at 31 March 2021; \$175,000.

The amount which had not been invested as at 31 March 2021 of \$277,516 is represented by cash at bank. The trustees are actively searching for appropriate entities, in accordance with the Restart Fund for East Africa, to invest in.

### 16 Analysis of net assets between funds

	Unrestricted funds 2021 \$	Restricted funds 2021 \$	Total 2021 \$	Unrestricted funds 2020 \$
Fund balances at 31 March 2021 are represented by:				
Programme related assets	1,027,811	175,000	1,202,811	980,799
Current assets/(liabilities)	172,884	277,516	450,400	477,865
Long term liabilities	(268,839)	-	(268,839)	(268,839)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	931,856	452,516	1,384,372	1,189,825
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### 17 Related party transactions

During the prior year, the charity received donations totalling \$923,351 from Stichting Opint, a charity in which G Freato was a Trustee, in the form of the transfer of loan investments totalling \$223,833 and cash transfers totalling \$699,518. There were no such transactions in the current year.

Included in programme related investments is \$33,246 representing an equity stake in Fabrica s.r.l., a company registered in Italy, in which the spouse of a E Casolari is a director on a complete pro-bono basis.