

Charity Registration No. 1147678

Company Registration No. 07976404 (England and Wales)

OPES-LCEF

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

OPES-LCEF

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	E Casolari G Freato B Wenz
Charity number	1147678
Company number	07976404
Registered office	Devonshire House 1 Devonshire Street London W1W 5DR
Auditor	Citroen Wells Chartered Accountants Devonshire House 1 Devonshire Street London W1W 5DR
Bankers	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN
Solicitors	IBB Solicitors Capital Court 30 Windsor Street Uxbridge Middlesex UB8 1AB

OPES-LCEF

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OPES-LCEF

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their annual report and financial statements for the year ended 31 March 2022.

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. Particular attention is paid to female entrepreneurship, for the development of which fewer resources are available globally (in 2020 less than 7% of the world's Venture Capital resources were allocated to start-ups with female leadership). To address this profound asymmetry and help bridge that gap, the foundation has incorporated "gender lens investing" into its vision.

OPES-LCEF

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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.

Achievements and performance

The coronavirus pandemic continued to hit society in 2021/2022. 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.

In 2020, 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 2022, Restart East Africa has supported three women-founded companies and one company with a mixed team:

- Munyax Eco Ltd, Rwanda, is providing access to clean and affordable energy solutions (solar water heaters, energy access systems, and electric power generation).
- WidEnergy Africa Ltd, Zambia, is a last mile distributor providing clean energy solutions. The company leverages a PAYGO model and are the official distributors of Little Sun solar products (solar lamps, solar phone chargers) and is a partner of d.light to provide solar home systems.
- Exotic EPZ Ltd, Kenya, collects and processes macadamia nuts for the export market; The company sources quality unprocessed macadamia nuts-in-shell directly from more than 1.800 small holder farmers.
- Ecodudu Ltd, Kenya, is a waste-to-value company operating in the animal feed and agricultural inputs value chain. Ecodudu recycles organic waste into high-protein animal food and organic fertilizer using black soldier flies.

The fifth and final investment in the Restart East Africa program has been closed in the beginning of the 2022/2023. The company from Tanzania, Kilimo Fresh, offers a platform linking smallholder farmers and buyers in urban areas in Tanzania. It aggregates demand and matches supply for delivery of fresh produce.

In addition to the launch of the Restart East Africa, OPES-LCEF invested in the Italian social enterprise Giffoni Innovation Hub with the mission of leading the cultural and digital transformation leveraging on the young people, the brand Giffoni and the common values of inclusion, education and social impact.

Furthermore, OPES-LCEF has supported its existing portfolio companies by not accruing interest for 2020 and part of 2021.

Finally, Sistema.bio the biodigester company from Mexico repaid its outstanding loan. OPES-LCEF patient loan helped to grow the Company outside of its national borders. OPES-LCEF was an active partner when establishing the Sistema.Bio subsidiary in Kenya, the first opening on the African continent.

OPES-LCEF

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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 9.

Total incoming resources amount to \$213,371 (2021: \$466,138), which comprised restricted donations of \$206,212 (2021: \$450,000) and investment income from programme related investments of \$7,159 (2021: \$5,383). In the prior year, OPES-LCEF also received unrestricted donations of \$10,755. There were no unrestricted donations received in the current year.

Resources expended on charitable activities amounted to \$136,347 (2021: \$228,725), of which \$104,536 (2021: \$195,803) was defrayed on management of programme related investments and \$31,811 (2021: \$32,922) defrayed on support and governance costs.

OPES-LCEF made foreign exchange losses on its cash balances held in GBP of \$5,400 (2021: gains of \$20,006). In the prior year OPES-LCEF made impairment losses on its programme related investments of \$62,872. There were no impairment losses incurred in the current year.

The resulting net surplus for the year was \$71,624 (2021: \$194,547).

The charity's statement of financial position, which shows the financial position of the charity as at 31 March 2022, is set out on page 10.

The net book value of the OPES-LCEF's programme related investments at 31 March 2022 was \$1,577,339 (2021: \$1,202,811).

Current assets are represented by cash of \$158,600 (2021: \$455,838). In the prior year, there was accrued interest receivable of \$14,321, which was received in the year.

OPES-LCEF's liabilities are represented by current liabilities of \$21,104 (2021: \$19,759) and non-current liabilities including long term loans of \$258,839 (2021: \$268,839).

The resulting net assets at 31 March 2022 were \$1,455,996 (2021: \$1,384,372), which represents \$452,516 (2021: \$452,516) of restricted funds, and \$1,003,480 (2021: \$931,856) 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 six months' expenditure, that is, approximately \$65,000. 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 2022, as represented by unrestricted net current assets, were \$59,980.

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 2022

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, the Charities Act 2011 and the Charities Act 2022. 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

B Wenz

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 2022

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.

Auditor

In accordance with the company's articles, a resolution proposing that Citroen Wells be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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: 15 November 2022

OPES-LCEF

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF OPES-LCEF

Opinion

We have audited the financial statements of OPES-LCEF (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the statement of financial position and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

OPES-LCEF

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF OPES-LCEF

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities including fraud.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are those that relate to the reporting framework being the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Charities Act 2011, the Charities Act 2022 and the relevant direct and indirect tax compliance regulation in the United Kingdom.
- We understood how the charitable company is complying with those frameworks by making enquiries of management and seeking representations from those charged with governance. We corroborated our understanding by reviewing supporting documentation including board meeting minutes and correspondence with regulatory bodies.

OPES-LCEF

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF OPES-LCEF

- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override of internal control and by designating income recognition as a fraud risk. We performed journal entry testing by specific risk criteria with a focus on journals indicating large or unusual transactions based on our understanding of the charitable company. We tested specific transactions reconciling to source documentation, ensuring appropriate authorisation of the transactions, and ensuring that income was applied in accordance with the charitable company's Memorandum and Articles of Association and the restricted terms of grants and donations, where applicable.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance, review of investments made, review of legal and professional expenses and review of board meeting minutes.
- The charitable company is a regulated entity under the supervision of the Charities Commission. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters we are required to address

The year ended 31 March 2022 is the first period that the charitable company has had its financial statements audited. The comparative figures for the year ended 31 March 2021 have not been audited.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Hannah Sibley FCA (Senior Statutory Auditor)
for and on behalf of Citroen Wells

15 November 2022

Chartered Accountants
Statutory Auditor

Devonshire House
1 Devonshire Street
London
W1W 5DR

OPES-LCEF

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 \$	Restricted funds 2022 \$	Total 2022 \$	Unrestricted funds 2021 \$	Restricted funds 2021 \$	Total 2021 \$
Income from:							
Donations and legacies	3	-	206,212	206,212	10,755	450,000	460,755
Investments	4	7,159	-	7,159	5,383	-	5,383
Total income		7,159	206,212	213,371	16,138	450,000	466,138
Expenditure on:							
Charitable activities	5	136,347	-	136,347	228,725	-	228,725
Other gains and losses	9	5,400	-	5,400	(17,490)	(2,516)	(20,006)
Total expenditure		141,747	-	141,747	211,235	(2,516)	208,719
Net gains/(losses) on investments	10	-	-	-	(62,872)	-	(62,872)
Net (expenditure)/income before transfers		(134,588)	206,212	71,624	(257,969)	452,516	194,547
Gross transfers between funds		206,212	(206,212)	-	-	-	-
Net income for the year/ Net movement in funds		71,624	-	71,624	(257,969)	452,516	194,547
Fund balances at 1 April 2021		931,856	452,516	1,384,372	1,189,825	-	1,189,825
Fund balances at 31 March 2022		1,003,480	452,516	1,455,996	931,856	452,516	1,384,372

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 2022

	Notes	2022 \$	\$	2021 \$	\$
Programme related investments	11		1,577,339		1,202,811
Current assets					
Trade and other receivables	12	-		14,321	
Cash at bank and in hand		158,600		455,838	
		158,600		470,159	
Current liabilities	13	(21,104)		(19,759)	
Net current assets			137,496		450,400
Total assets less current liabilities			1,714,835		1,653,211
Non-current liabilities	14		(258,839)		(268,839)
Net assets			1,455,996		1,384,372
Income funds					
Restricted funds	15		452,516		452,516
Unrestricted funds			1,003,480		931,856
			1,455,996		1,384,372

The financial statements were approved by the Trustees on 15 November 2022

E Casolari
Trustee

Company Registration No. 07976404

OPES-LCEF

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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 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.

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.

OPES-LCEF

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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 OPES-LCEF's balance sheet when the OPES-LCEF 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 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 other payables and 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 OPES-LCEF'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.

2 Critical accounting estimates and judgements

In the application of OPES-LCEF'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.

OPES-LCEF

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

2 Critical accounting estimates and judgements

(Continued)

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

	Restricted funds 2022 \$	Unrestricted funds 2021 \$	Restricted funds 2021 \$	Total 2021 \$
Donations and gifts	206,212	10,755	450,000	460,755

4 Investments

	Unrestricted funds 2022 \$	Unrestricted funds 2021 \$
Income from programme related investments	7,159	5,383

5 Charitable activities

	2022 \$	2021 \$
Management of programme related investments	104,536	195,803
Support costs (see note 6)	3,327	(304)
Governance costs (see note 6)	28,484	33,226
	<u>136,347</u>	<u>228,725</u>

OPES-LCEF

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

6 Support costs

	Support costs	Governance costs	2022	2021
	\$	\$	\$	\$
Bank charges	1,154	-	1,154	(492)
Sundry	2,173	-	2,173	188
Legal and professional	-	6,567	6,567	15,001
Accountancy/independent examination fees	-	21,917	21,917	18,225
	<u>3,327</u>	<u>28,484</u>	<u>31,811</u>	<u>32,922</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

8 Employees

The charity did not have any employees during the current or prior year.

9 Other gains and losses

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2022	2021	2021	2021
Foreign exchange losses/(gains)	<u>5,400</u>	<u>(17,490)</u>	<u>(2,516)</u>	<u>(20,006)</u>

10 Net gains/(losses) on investments

	Total	Total
	2022	2021
	\$	\$
Impairment of programme related investments	<u>-</u>	<u>(62,872)</u>

OPES-LCEF

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

11 Programme related investments

	\$
At 1 April 2021	1,202,811
Additions	445,374
Recovered amounts	(70,846)
At 31 March 2022	1,577,339

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.

Programme related investments comprise \$375,000 (2021: \$175,000) of investments made from restricted funds and \$1,202,339 (2021: \$1,027,811) of investments made from unrestricted funds.

The historical cost of the charity's programme related investments held at 31 March 2022 was \$1,757,608 (2021: \$1,408,234).

12 Trade and other receivables

	2022 \$	2021 \$
Amounts falling due within one year:		
Prepayments and accrued income	-	14,321

13 Current liabilities

	2022 \$	2021 \$
Accruals and deferred income	21,104	19,759

14 Non-current liabilities

	2022 \$	2021 \$
Concessionary loan	258,839	268,839

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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 and the Giffoni Innovation Hub.

	Movement in funds			Movement in funds			
	Balance at 1 April 2020	Incoming resources	Revaluations, gains and losses	Balance at 1 April 2021	Incoming resources	Transfers	Balance at 31 March 2022
	\$	\$	\$	\$	\$	\$	\$
Restart Fund For East Africa	-	450,000	2,516	452,516	-	-	452,516
Giffoni Innovation Hub	-	-	-	-	206,212	(206,212)	-
	<u>-</u>	<u>450,000</u>	<u>2,516</u>	<u>452,516</u>	<u>206,212</u>	<u>(206,212)</u>	<u>452,516</u>

Restart Fund for East Africa

During the prior 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 2022, 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, \$100,000 in WidEnergy Africa Ltd, a company registered in Zambia who provide affordable solar home solutions, \$100,000 in Exotic EPZ Ltd, a company registered in Kenya who collects and processes macadamia nuts for the export market, and \$100,000 in Ecodulu Ltd, a company registered in Kenya who recycles organic waste into animal feed and organic fertilizer. Total invested as at 31 March 2022; \$375,000.

The amount which had not been invested as at 31 March 2022 of \$77,516 is represented by cash at bank. The monies have been invested post year end into Kilimo Fresh, a company registered in Tanzania, who offers a platform linking smallholder farmers and buyers in urban areas.

Giffoni Innovation Hub

A donation of \$206,212 was received on 24 January 2022 from Fondazione OPES-LCEF solely for the purpose of investing in Giffoni Innovation Hub Srl. Following the completion of the investment on 28 January 2022 the restriction placed on the above donation has been satisfied. Accordingly, it falls to be classified as unrestricted funds.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

16 Analysis of net assets between funds

	Unrestricted funds 2022 \$	Restricted funds 2022 \$	Total 2022 \$	Unrestricted funds 2021 \$	Restricted funds 2021 \$	Total 2021 \$
Fund balances at 31 March 2022 are represented by:						
Programme related assets	1,202,339	375,000	1,577,339	1,027,811	175,000	1,202,811
Current assets/(liabilities)	59,980	77,516	137,496	172,884	277,516	450,400
Long term liabilities	(258,839)	-	(258,839)	(268,839)	-	(268,839)
	<u>1,003,480</u>	<u>452,516</u>	<u>1,455,996</u>	<u>931,856</u>	<u>452,516</u>	<u>1,384,372</u>

17 Related party transactions

Included in programme related investments is \$68,887 (2021: \$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.

During the year the charity received donations of \$206,212 (2021: \$nil) from Fondazione OPES-LCEF, a charity registered in Italy with common trustees.