

THE IMPACT FACILITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

THE IMPACT FACILITY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms C Neefs	
	Ms M Lempers	
	Dr Assheton Carter PHD	
	Ms P Singo	(Appointed 21 July 2021)
	Mr S Lowe	(Appointed 1 June 2022)
Charity number	1181077	
Principal address	Avening Park	
	West End	
	Tetbury	
	Gloucestershire	
	GL8 8NE	
Auditor	Shaw Gibbs (Audit) Limited	
	264 Banbury Road	
	Oxford	
	Oxfordshire	
	OX2 7DY	

THE IMPACT FACILITY

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THE IMPACT FACILITY

TRUSTEES' 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 Charities Act 2011 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

The Impact Facility exists for the public benefit regarding:

1. The promotion of sustainable development for the benefit of communities and landscapes surrounding mining communities in developing nations and countries in transition. The Impact Facility will contribute through:

- a) the preservation, conservation and the protection of the environment and the prudent use of natural resources, with a particular focus on mined resources.
- b) the relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged mining communities, in developing nations and transitioning countries.
- c) the enabling of sustainable means of achieving economic growth and regeneration.

In this context sustainable development is defined as, "development which meets the needs of the present without compromising the ability of future generations to meet their own needs".

Nothing in this constitution shall authorise an application of the property of the CIO for the purposes which are not charitable in accordance with section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and section 2 of the Charities Act (Northern Ireland) 2008.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. For more information on the CIO see section 5.

Achievements and performance

Key achievements of the Impact facility have revolved around two core programs: The Fair Cobalt Alliance and programmes implemented to improve gold mining communities in the Lake Victoria Gold region.

In 2022, a key achievement of the Impact Facility was to grow the Fair Fair Cobalt Alliance (FCA), and initiative managed by the Impact Facility that started in 2020 but only became fully operational in 2021.

The FCA is a multi-stakeholder initiative, supported by the Dutch government, and includes participants from the global cobalt supply chain collaborating to address complex developmental issues around the artisanal production of cobalt in the DRC. The FCA was founded by Fairphone, Signify, Glencore and The Impact Facility (TIF) and supported by members including Tesla, The Cobalt Institute and others (for a full overview of members, see <https://www.faircobaltalliance.org/supply-chain-wide-collaboration/our-members/>). The number of members grew in this financial year to 21 members, among which Google, Safe Supply Chain Solutions and Sushi Bikes. TIF has established a local team working on the different objectives and activities as outlined below.

In this year, a comprehensive strategy for the FCA up till 2025 was formulated, outlining the key strategic areas of the Fair Cobalt Alliance interventions and objectives. These 'workstreams' are comprised of the following:

- 1. Mine site expansion and legalization support
- 2. Enabling safe and dignified working conditions
- 3. Child labour remediation
- 4. Raising workers incomes
- 5. Achieving market acceptance for fair cobalt

THE IMPACT FACILITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

The FCA initiated multiple critical activities in and around the artisanal cobalt mining sector. To enable safer working conditions in the artisanal mining sector, health and safety awareness campaigns were implemented as well as personal protective equipment distributed in cooperation with the artisanal mine sites, mainly to protect women working in mine sites. Around 75 safety captains were trained to spread knowledge on first aid throughout the mine site, and a mine planning review was conducted to mitigate against structural risks underground.

In collaboration with our partners Save the Children and the Centre for Children's rights and businesses, the development of the child labour referral system started, as well the training of local partners for the effective remediation of children from artisanal mine sites. After experiencing significant covid-related supply chain challenges, the Signify electrification project aimed to benefit the children in the local community has taken shape in 7 schools. The schools have so far been able to receive the installation of the first solar panels with the first classrooms equipped with solar-generated electricity and LED lights, benefiting 5788 pupils.

A separate programme, funded by the London Metal Exchange, started implementation. The programme aims to have a positive effect on the reduction of child labour and increase enrollment rates of children into schools, by rehabilitating and reconstructing schools in the Kapata neighbourhood. This programme started preparatory work in this year, by selecting the different schools and the desired improvement projects in collaboration with the local authorities, schools and parents and children.

Furthermore, in partnership with a local NGO, Association for Action (A.F.A) a programme was implemented aimed at raising the financial literacy and resilience of the local mining community. In alignment with local Congolese Authorities, A.F.A set up 14 savings groups reaching as many as 350 mining community members. The groups convene on a weekly basis for the financial management of their joint savings, the social emergency fund, and also to receive training on financial accounting, small-scale entrepreneurship, and alike.

In addition to saving and financial literacy training, the project also granted loans to 63 saving group members, 40 of whom were women and 23 men, for a total amount of 7,490,000 CFA or 3445 USD. The members of the savings groups have received loans to (restart) income-generating activities, to support school fees, the construction of houses as well as other expenses.

Relations with the government were strengthened through visits of the team in the end of 2021 and beginning of 2022 as well as to expand our partnership network with relevant government institutions.

The FCA published its first annual report until 2021, that is available here: <https://www.faircobaltalliance.org/wp-content/uploads/2022/03/2021-Impact-and-Finance-Report.pdf>

In 2021 FCA was featured in over 30 articles, podcasts and / or interviews, including:

- swissinfo, September 15, 2021, "Commodity giants race to clean up mineral supply chains amid green energy boom", <https://www.swissinfo.ch/eng/commodity-giants-race-to-clean-up-mineral-supply-chains-amid-green-energy-boom/46944260>
- Mining Review Africa, Dec 2021, "Save the Children joins Fair Cobalt Alliance to strengthen child rights", <https://www.miningreview.com/battery-metals/save-the-children-joins-fair-cobalt-alliance-to-strengthen-child-rights/>
- Mining Magazine, Nov 2021, "Freyr Battery joins FCA to boost DRC mining", <https://www.miningmagazine.com/underground-mining/news/1422059/freyrbattery-joins-fca-to-boost-drc-mining>
- Storage Magazine, Dec 2021, Fair Cobalt Alliance: 'Banning Congolese cobalt from batteries is not the solution [Dutch]', <https://solarmagazine.nl/smart-storage/i26062/fair-cobalt-alliance-congolees-kobalt-uit-batterijen-verbannen-is-niet-de-oplossing>

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

• Mining and Business, Sep 2021, The Fair Cobalt Alliance, [French], <https://miningandbusiness.com/2021/09/06/lalliance-du-cobalt-equitable/>

• Reuters, Dec 2021, "Fairphone finds market for responsibly sourced mobiles", <https://www.reuters.com/markets/commodities/fairphone-finds-market-responsibly-sourced-mobiles-2021-12-03/>

Secondly, the gold programme centered around the Lake Victoria region, continued and expanded. In 2021 funding by the European Partnership of Responsible Minerals (EPRM) was granted to continue and grow operations in Kenya and Uganda to improve the social, environmental and business performance of artisanal gold mine sites. Also, funding was awarded for the first phase of a programme to improve the ASM sector in Tanzania, led by our partner Solidaridad, was awarded and implementation concluded. And lastly, in 2021, an additional funding commitment of Genesis Charitable Trust was established for a four year period, to facilitate the provision of equipment to artisanal and small-scale gold mine sites in the Lake Victoria region. Additionally, an impact investor was onboarded to enable the provision of equipment to ASM gold mine sites.

These coordinated projects have the goal of enabling miners to access professional mining equipment, technical assistance and markets, and are based on the thesis that through accessing these resources ASM operators' can become truly viable, enduring producers. In both programmes, a key component is to enhance the social and environmental performance of ASGM operators. This approach is transformative from a social point of view, as ASM operators follow an enabled path to adopting safer mining practices and creating decent working conditions, facilitated through the technical support of the TIF team and partner organizations following our continuous improvement framework. It leverages donor support and demonstrates the power of blended finance and impact investing through the tangible benefits experienced by mining communities.

Key activities that were implemented during this financial year include the development of a mine site and stakeholder engagement plan for Uganda and Kenya identifying key stakeholders such as artisanal mining organizations and government institutions to help reach a significant number of ASM gold mines in identified regions. Because of COVID travel restrictions, this plan was updated in Q2. Stakeholders identified and engaged in our outreach efforts include outreach to relevant mining ministries, mining associations, service providers and local and international NGOs.

A total of 26 mining organizations were reached out of which 15 mines showed genuine interest to partner with TIF. These are in addition to the 10-15 mines in Tanzania.

To ensure social and environmental improvements of the mine sites TIF partners with ASM sites are assessed to understand their current social and environmental performance as well as determine their equipment needs. TIF conducted 6 mine assessments in Kenya, and through our partnership with Solidaridad, 10 mines in Tanzania have been assessed. From these assessments, continuous improvement plans have and will continue to be developed to accompany access to equipment. Lastly, together with Solidaridad, a training handbook for health and safety is being developed to guide OHS trainings at mine sites in Kenya, Uganda and Tanzania.

To facilitate mines to access equipment, a network of service providers was created of over 20 suppliers across Kenya and Tanzania, including the relevant supplier assessment tools. The supply of equipment to 3 mines was approved and equipment installation, expected to improve their production volumes and practices.

Separately, other activities were geared towards the engagement of supply chain actors into the ASM sectors. Key achievements were the initial development of a supply chain mechanism to provide ASM mines with access to fair markets in collaboration with partners.

A separate smaller program, focusing on researching barriers to establishing economically viable, practical routes to accessing formal markets, for responsibly produced ASGM gold, was initiated with the Natural Resources Defense Council (NRDC). This research programme can further provide TIF with insights to establish direct supply chain connections.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Several communication materials have been published around our gold program implementation, including the following blogs and publications:

* NRDC report, Overcoming Practical Barriers for Integrating Responsible Artisanal and Small-Scale Mined Gold into International Supply Chains. <https://www.theimpactfacility.com/wp-content/uploads/2022/09/Overcoming-Practical-Barriers-for-Integrating-Responsible-Artisanal-Small-Scale-Mined-Gold-into-Intl-Supply-Chains-1.pdf>

* Demystifying Record Keeping in ASM
<https://www.theimpactfacility.com/demystifying-record-keeping-in-asm/Kenya-Roundtable-Events> -

*Bargain for green energy investment; miners' recruitment beyond borders – Mubende case study <https://www.theimpactfacility.com/bargain-for-green-energy-investment-miners-recruitment-beyond-borders-mubende-case-study/>

Financial review

In this third year of operations the charity successfully grew the Fair Cobalt Alliance as well as gold programmes. Furthermore, a study was initiated, expected to be completed by the end of 2022, of a potential new programme. Additional corporate members joined the Fair Cobalt Alliance, increasing the funding base and the margin available to cover overheads costs. In December funding was won to continue TIFs programs in the Lake Victoria Gold Region (LVGP), through funding from the EPRM for work in Kenya and Uganda, and through our strategic partners Solidaridad, to continue work in Tanzania, funded by the RVO. Additional funding was committed and received from Genesis Charitable trust to continue and expand our programmes in Kenya and Tanzania.

No formal reserves policy had been written by the end of the financial year.

Future Plans

In 2022 and beyond, the focus will be on growing the work on gold and cobalt and ensuring impact in the mining communities we currently work with, with a growing FCA membership base, as well as reaching additional institutional and corporate donors for our Lake Victoria programme.

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The trustees who have served for the charity in and following the year to 31 March 2022 are:

Ms C Neefs	
Ms M Lempers	
D Finlay	(Resigned 3 June 2022)
Dr Assheton Carter PHD	
Ms S Field	(Resigned 23 December 2021)
Ms P Singo	(Appointed 21 July 2021)
Mr S Lowe	(Appointed 1 June 2022)

THE IMPACT FACILITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Structure:

The Impact Facility has been established as a Charitable Incorporated Organisation (CIO) registered under the laws of England and Wales. The Impact Facility's Registered Office is located in Avening Park, Tetbury, Gloucestershire England.

The Impact Facility has established a fully owned trading subsidiary, Impact Capital (ICL), registered as a company limited by shares in the UK. This trading subsidiary is able to receive third party investments and to facilitate investments into mining communities.

The Impact Facility legal advisors are Virginia Henley of Harrison Clark Rickerbys Limited, Oliver Hunt of the Charity & Social Enterprise Department of Bates Wells Braithwaite, Oliver Rochman and Dom Rothbarth of Morrison and Foerster and HCR Hewitsons. Bespoke Accountants provides accounting services. The Impact Facility holds its bank account with Lloyds bank.

The financial year of The Impact Facility is 1st April to 31st March each year.

Governance:

The Impact Facility is governed by the Impact Facility Constitution. In line with UK Government requirements for CIOs The Impact Facility has a constitution including provisions to ensure The Impact Facility complies with the UK Charities 2011 Act and the General Regulations. In line with UK government guidelines for CIO's The Impact Facility follows its Charitable purpose. This includes the commitment to promote sustainable development defined as "development which meets the needs of the present without compromising the ability of future generations to meet their own needs".

Management:

The Impact Facility's Trustees have appointed an organization, TDi Sustainability (TDI), to provide management and support services. This includes general management services, financial management and HR services.

The Impact Facility's group of Trustees will comprise of a minimum of two independent members, committed to the mission of the Facility responsible for oversight of the (investment) strategy and ultimate control over the management of The Impact Facility. These trustees will act on a voluntary basis, be independent of TDi , and have no personal connections with the work of The Impact Facility manager. The Impact Facility manager will report to the Trustees as per the requirements of a CIO. The trustees will be the only company members of The Impact Facility and thus they will have control over any constitutional changes. In essence, the company members have equivalent powers to shareholders in a for-profit company, but do not have any personal financial interests and so do not receive shares or dividends.

THE IMPACT FACILITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Trustees of The Impact Facility:

The board of trustees are passionate about the work The Impact Facility does, with the skills and experience to make sure it is done effectively and true to the charity's core values and principles.

Assheton Stewart Carter, TDi Sustainability

Pioneering executive, consultant and NED on responsible sourcing, environmental markets, non-financial risk, and responsible investment in international and emerging markets. A track record of 25 years with a focus on the resource sector – mining (especially artisanal and small-scale mining) and forest-based carbon markets (REDD +) – and international supply chains – jewellery, luxury and auto and electronics OEM. Director of TDi, a sustainability advisory platform and incubator providing business development, risk management and programme and asset management services; he chairs and serves on a number of boards and expert panels for standard-setting organizations, NGOs and private companies. Dr Carter is an expert on corporate voluntary standard-setting and certification schemes, value-chain development from mine to market, and a gold industry expert.

Monique Lempers, Fairphone

Monique loves to connect different worlds to make an impact in the field of sustainability. She's inspired by working with positive, energetic people who are motivated by more than financial gain. In her role as Impact Innovation Director at Fairphone, she oversees the team responsible for ensuring Fairphones. Thought Leadership on driving impact towards a fairer industry is held high and embedded strongly in the company. Monique's sustainability experience spans more than 18 years. She has played a crucial role in scaling Fairphone through MT membership and former roles of Commercial and Value Chain. Before joining Fairphone, in the Sustainable Trade Initiative (IDH) Monique was leading large pre-competitive transformation programs in the Electronics, Mining and Textile supply chains with key industry players and NGOs, such as Apple, Philips, Levis, Tata Steel, Good Electronics and Friends of the Earth. These programs focused on building sustainable workforces by improving employee representation and dialogue with management, higher environmental performance in the supply chain and minimizing negative impact of mining. Prior to that, Monique worked as a Senior Advisor in Sustainability and Ethical Sourcing at PwC and researcher/project manager in the NGO human rights field.

David Finlay, Fairtrade

David has over a decades experience of forming and managing partnerships with institutional donors in support of innovative rural livelihoods programmes in both the agricultural and mining sectors. In the last four years, David has raised finance for programmes in particular supporting artisanal and small-scale gold mines in East Africa, in partnership with The Impact Facility. For the last two years, David has led Fairtrade gold at a category level; managing relationships with commercial partners using Fairtrade gold along the supply chain including refiners, manufacturers and end users of gold.

Carla Neefs, Solidaridad

Carla Neefs is a senior corporate engagement manager with Solidaridad. She works closely with midstream and downstream companies to build responsible supply chains for artisanal and small-scale gold. Prior to joining Solidaridad, she was director of Supplier Sustainability with Signify (former Philips Lighting), where she led the strategy and implementation of programs towards a responsible supply chain including the conflict minerals and responsible cobalt sourcing program. Before that, Carla was a sustainability consultant with Ernst & Young, specialized in sustainability strategy and sustainable supply chains. At the start of her career, she was employed by governmental agencies and not for profit organizations, as a specialist in sustainability.

Patience Singo, ASM expert

Patience Singo is Project Manager for Rwenzori Rare Metals, an exploration and mining company in Uganda. A mining engineer by profession he has more than 25 years in the mining sector with several years supporting and implementing projects on artisanal mining formalization and professionalization in several countries in Africa, Asia, Latin America and the Caribbeans. His experience includes advising governments, private sector, development agencies and communities on policy and governance, environmental management and sustainable development related to mining.

THE IMPACT FACILITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

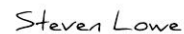
Stella Field, Bespoke Tax (resigned in December 2021)

Stella Field, along with Neil Denniss, set up Bespoke Tax accountants in 2011. As a team they have grown a successful business that is able to offer clients comprehensive and inspired tax and accountancy advice. Stella is well known for providing expert technical tax advice on complex client cases and is a member of the Enterprise Investment Scheme Association. The clients have raised over GBP 200 m through the Enterprise Investment Scheme. Having started her career with the Inland Revenue, she had worked for Ernst and Young and Crowe Clark Whitehill LLP before setting up Bespoke.

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



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Ms M Lempers
Trustee
Chair since June 2021
Dated:
30 Jan 2023



.....
Mr S Lowe
Trustee
Treasurer since June 2022
Dated:.....
31 Jan 2023

THE IMPACT FACILITY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees 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).

The law applicable to charities in England and Wales 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 of the charity 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 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 sufficient 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

THE IMPACT FACILITY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE IMPACT FACILITY

Opinion

We have audited the financial statements of The Impact Facility (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet and 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 Financial Reporting Standard 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 charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, 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 Charities Act 2011.

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

THE IMPACT FACILITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF THE IMPACT FACILITY

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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below .

1. At the planning stage of the audit, we gain an understanding of the laws and regulations which apply to the company and how the management seek to comply with those laws and regulations. This helps us to plan appropriate risk assessments.
2. During the audit, we focus on relevant risk areas and review the compliance with the laws and regulations by making relevant enquiries and undertaking corroboration, for example by reviewing Board Minutes and other documentation.
3. We assess the risk of material misstatement in the financial statements including as a result of fraud and undertake procedures including:
 - a. Reviewing the controls set in place by management;
 - b. Making enquiries of management as to whether they consider fraud or other irregularity may have taken place, or where such opportunity might exist;
 - c. Challenging management assumptions with regard to accounting estimates; and
 - d. Identifying and testing journal entries, particularly those which appear to be unusual by size or nature.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

THE IMPACT FACILITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF THE IMPACT FACILITY

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

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

The prior year accounts were not audited.

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Samantha Daniels

31 Jan 2023

Samantha Daniels (Senior Statutory Auditor)
for and on behalf of Shaw Gibbs (Audit) Limited

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Chartered Certified Accountants
Statutory Auditor

264 Banbury Road
Oxford
Oxfordshire
OX2 7DY

THE IMPACT FACILITY

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	28	650	678	1,421	1,800	3,221
Charitable activities	4	171,600	865,491	1,037,091	18,414	297,724	316,138
Total income		171,628	866,141	1,037,769	19,835	299,524	319,359
Expenditure on:							
Charitable activities	5	187,471	616,127	803,598	19,515	213,756	233,271
Net (expenditure)/income for the year/ Net (outgoing)/incoming resources		(15,843)	250,014	234,171	320	85,768	86,088
Other recognised gains and losses							
Other gains or losses	10	6,274	307	6,581	(1,017)	(3,440)	(4,457)
Net movement in funds		(9,569)	250,321	240,752	(697)	82,328	81,631
Fund balances at 1 April 2021		216	82,328	82,544	913	-	913
Fund balances at 31 March 2022		(9,353)	332,649	323,296	216	82,328	82,544

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

All income and expenditure derive from continuing activities.

THE IMPACT FACILITY

BALANCE SHEET

AS AT 31 MARCH 2022

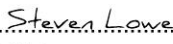
	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		12,945		10,520
Investments	12		-		1
			<u>12,945</u>		<u>10,521</u>
Current assets					
Debtors	13	345,712		8,361	
Cash at bank and in hand		444,892		161,991	
		<u>790,604</u>		<u>170,352</u>	
Creditors: amounts falling due within one year	14	(480,253)		(98,329)	
Net current assets			310,351		72,023
Total assets less current liabilities			<u>323,296</u>		<u>82,544</u>
Income funds					
Restricted funds			332,649		82,328
Unrestricted funds			(9,353)		216
			<u>323,296</u>		<u>82,544</u>

30 Jan 2023

The financial statements were approved by the Trustees on

...

 Ms M Lempers
 Trustee

...

 Mr S Lowe
 Trustee

THE IMPACT FACILITY

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

1 Accounting policies

Charity information

The Impact Facility is a charitable incorporated organisation registered in England and Wales. The registered office is Avening Park, West End, Avening, Tetbury, GL8 8NE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, 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.

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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

THE IMPACT FACILITY

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

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is included in the SoFA on an accruals basis.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	3 years straight line
Motor vehicles	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE IMPACT FACILITY

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

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' 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 debtors 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 creditors 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.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

THE IMPACT FACILITY

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

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.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Donations and gifts	28	650	678	1,421	1,800	3,221

4 Charitable activities

	2022 £	2021 £
Other income	1,037,091	316,138
Analysis by fund		
Unrestricted funds	171,600	18,414
Restricted funds	865,491	297,724
	1,037,091	316,138

THE IMPACT FACILITY

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

5 Charitable activities

	Education 2022 £	Education 2021 £
Staff costs	161,248	95,472
Consultancy	250,846	57,282
Travel and subsistence	55,148	21,189
Project equipment	1,550	2,439
Website and marketing	69,982	2,652
Educational and training	5,059	759
General expenses	31,753	1,614
Legal expenses	19,303	4,614
Premises expenses	17,263	4,246
	<u>612,152</u>	<u>190,267</u>
Share of support costs (see note 7)	167,593	38,617
Share of governance costs (see note 7)	23,853	4,387
	<u>803,598</u>	<u>233,271</u>
Analysis by fund		
Unrestricted funds	187,471	19,515
Restricted funds	616,127	213,756
	<u>803,598</u>	<u>233,271</u>

6 Auditor's remuneration

Fees payable to the charity's auditor and associates:	2022 £	2021 £
Audit of the charity's annual accounts	<u>9,000</u>	<u>-</u>

THE IMPACT FACILITY

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

7 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Staff costs	50,376	-	50,376	19,399	-	19,399
Depreciation	4,462	-	4,462	1,626	-	1,626
Website development	5,484	-	5,484	-	-	-
IT software and consumables	394	-	394	-	-	-
Travel and subsistence	450	-	450	6	-	6
Insurances	1,070	-	1,070	2,231	-	2,231
Freelance workers	103,627	-	103,627	7,580	-	7,580
Payroll services	667	-	667	7,087	-	7,087
General expenses	1,063	-	1,063	688	-	688
Audit fees	-	9,000	9,000	-	-	-
Accountancy	-	10,957	10,957	-	3,847	3,847
Legal and professional	-	3,896	3,896	-	540	540
	<u>167,593</u>	<u>23,853</u>	<u>191,446</u>	<u>38,617</u>	<u>4,387</u>	<u>43,004</u>
Analysed between Charitable activities	<u>167,593</u>	<u>23,853</u>	<u>191,446</u>	<u>38,617</u>	<u>4,387</u>	<u>43,004</u>

Governance costs includes payments to the auditors of £12,300 (2021: independent examiners of £3,300) for their work carried out.

8 Trustees

During the year one Trustee (Dr A Carter) received remuneration of £36,667 for employment (2021: £22,698), with Employers Pension benefit of £881 and Employers National Insurance of £4,246. Expenses reimbursed to the Trustees amounted to £Nil (2021: £Nil) during the year.

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Employees	<u>3</u>	<u>3</u>

THE IMPACT FACILITY

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

9 Employees (Continued)

Employment costs	2022 £	2021 £
Wages and salaries	187,623	100,838
Social security costs	20,197	11,811
Other pension costs	3,804	2,222
	<u>211,624</u>	<u>114,871</u>

There were no employees whose annual remuneration was more than £60,000.

10 Other gains or losses

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Foreign exchange (gains)/losses	(6,274)	(307)	(6,581)	1,017	3,440	4,457

11 Tangible fixed assets

	Computers £	Motor vehicles £	Total £
Cost			
At 1 April 2021	4,816	7,330	12,146
Additions	6,887	-	6,887
At 31 March 2022	<u>11,703</u>	<u>7,330</u>	<u>19,033</u>
Depreciation and impairment			
At 1 April 2021	608	1,018	1,626
Depreciation charged in the year	2,043	2,419	4,462
At 31 March 2022	<u>2,651</u>	<u>3,437</u>	<u>6,088</u>
Carrying amount			
At 31 March 2022	<u>9,052</u>	<u>3,893</u>	<u>12,945</u>
At 31 March 2021	<u>4,208</u>	<u>6,312</u>	<u>10,520</u>

THE IMPACT FACILITY

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

12 Fixed asset investments

		Other investments
Cost or valuation		
At 1 April 2021 & 31 March 2022		1
Carrying amount		
At 31 March 2022		1
At 31 March 2021		1

	Notes	2022 £	2021 £
Other investments comprise:			
Investments in subsidiaries	20	-	1

13 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	119,731	-
Other debtors	7,839	7,897
Prepayments and accrued income	218,142	464
	345,712	8,361

14 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Other taxation and social security		-	2,452
Deferred income	15	255,000	-
Trade creditors		209,723	8,661
Other creditors		3,230	83,916
Accruals and deferred income		12,300	3,300
		480,253	98,329

THE IMPACT FACILITY

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

15 Deferred income

	2022 £	2021 £
Other deferred income	255,000	-

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	255,000	-
Movements in the year:		
Deferred income at 1 April 2021	-	-
Resources deferred in the year	255,000	-
Deferred income at 31 March 2022	255,000	-

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:						
Tangible assets	688	12,257	12,945	1,094	9,426	10,520
Investments	-	-	-	1	-	1
Current assets/(liabilities)	(10,041)	320,392	310,351	(879)	72,902	72,023
	(9,353)	332,649	323,296	216	82,328	82,544

17 Operating lease commitments

Lease payments are recognised as an expense in the year of £5,067 (2021: £928). At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	5,527	5,527
Between two and five years	10,594	16,121
	16,121	21,648

THE IMPACT FACILITY

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

18 Events after the reporting date

In April 2022, The Impact Facility secured investment through our subsidiary Impact Capital Ltd, to provide equipment to small-scale mines committed to ESG improvement across East and Central Africa. This is being rolled out in Kenya with plans to expand into Tanzania in 2023.

19 Related party transactions

Income

This year, the charity has received charitable activities income of £16,972 (2021: £65,936) from Fairphone for a joint project. Fairphone is an organisation which has a common trustee with The Impact Facility.

The charity also received charitable activities income of £66,147 (2021: Nil) from TDi Sustainability which is the trading name of a company under the control of a Trustee of The Impact Facility.

Charitable activities income of £30,659 (2021: Nil) was received from Solidaridad Nederland which is one of The Impact Facility's project partners.

Included in other debtors at the year end is £100 (2021: Nil) owed by Impact Capital Ltd, and £24,385 (2021: Nil) owed by TDi Sustainability.

Expenditure

During the year, consultancy fees of £157,766 (2021: £Nil) were paid to TDi Sustainability, which is the trading name of a company under the control of a Trustee of The Impact Facility.

Included in other creditors at the year end is £160,970 (2021: £83,916) owed to TDi Sustainability, and £Nil (2021: £Nil) owed to Fairphone.

During the year accountancy fees of £157 (2021: £547) were paid to a firm, at which one of its partners is also a trustee of The Impact Facility.

20 Subsidiaries

Details of the charity's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Impact Capital Ltd	Delta Place, 27 Bath Road, Cheltenham, United Kingdom, GL53 7TH	Fair trading company	Ordinary	100.00	