

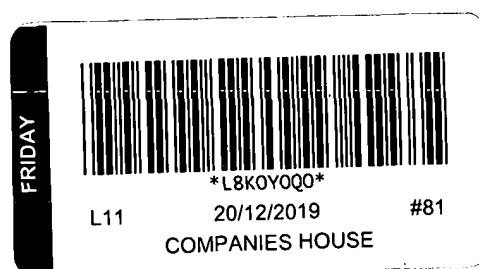
Charity Registration No. 1147678

Company Registration No. 07976404 (England and Wales)

OPES-LCEF

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019



OPES-LCEF

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	E Casolari G Freato F Odelli
Charity number	1147678
Company number	07976404
Registered office	Devonshire House 1 Devonshire Street London W1W 5DR
Independent examiner	Marc Levy FCA 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 2019

The trustees present their report and financial statements for the year ended 31 March 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts 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)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The principal purpose of OPES-LCEF is to enable the trustees to support 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 support 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's objectives are to provide human resources and/or financial assistance to low carbon and social enterprises around the world that contribute to the improvement of the earth's environment, quality of life and sustainable development. This is done through appropriate charitable, educational and technical endeavours.

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.

ERM (the consultancy) provides generous pro-bono support through making available technical support on an as-needed basis. In 2018 ERM's consultants supported the Trust to draft an impact assessment strategy and finalize its Social Impact Report for the period 2017-2018.

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.

OPES-LCEF has received funding from the Doen Foundation, a Dutch not-for-profit organisation, in the form of loans and grants. In June 2019 Opint Stichting Foundation, also a Dutch not for profit organization donated non restricted grants and assets in the form of social enterprises portfolio debt/equity contracts.

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

During the year ended 31 March 2019, OPES-LCEF made one new investment in Purefresh for US \$25,000.

The OPES-LCEF investment committee regularly meets, either via telephone or in person. At these meetings the investment committee reviews the success of each investment against a set of pre-defined, measurable criteria and assesses the potential of new investments.

OPES-LCEF

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Financial review

The Statement of Financial Activities, which shows the charity's incoming resources and expenditure for the year, is set out on page 6.

During the year, the charity received donations of US \$626 (2018: US \$Nil) and generated investment income of US \$11,865 (2018: US \$47,173). The charity incurred costs of US \$128,942 in managing its programme related investments (2018: US \$28,654) and US \$9,935 of support and governance costs (2018: US \$10,663).

The charity's programme related investments have been brought to their original values with the reversal of 2018 impairment (US \$313,154) as a result of a more efficient operations put in place in East Africa and India.

The net surplus for the year was US \$186,768 (2018: deficit of US \$305,298).

The charity's statement of financial position, which shows the financial position of the charity as at 31 March 2019, is set out on page 7.

The net book value of the charity's programme related investments at 31 March 2019 was US \$641,011 (2018: US \$442,846).

Current assets are represented by trade and other receivables of US \$14,321 (2018: US \$69,527) and cash of US \$126,995 (2018: US \$146,514). The charity's liabilities are represented by current liabilities of US \$7,101 (2018: US \$7,566) and non-current liabilities including long term loans of US \$293,812 (2018: US \$356,675).

The resulting net assets at 31 March 2019 were US \$481,414 (2018: US \$294,646), which represents the charity's unrestricted funds.

Reserves policy

It is the policy of OPES-LCEF that free reserves which have not been designated for a specific use or applied to make loans in accordance with its general objects, should be maintained at a level equivalent to at least one year expenditure, that is, approximately US \$130,000. 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 net current assets at 31 March 2019 were US \$134,215, which the trustees consider adequate.

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.

The charity's future plans are to work in the most efficient and effective way towards achieving its objectives.

OPES-LCEF

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Structure, governance and management

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

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

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

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

T Metternich-Sandor	(Resigned 31 March 2019)
S Hoefnagel	(Resigned 31 March 2019)
E Casolari	
E Coppola	(Resigned 14 September 2019)
G Freato	
F Odelli	

The power of appointing new or additional trustees is vested in the trustees.

The resignation of three members of the board is part of a global restructuring. An advisory board has been set up, and some former and transitioning out trustees have migrated to it.

None of the trustees have any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The trustees are responsible for day to day matters and the management of the charity. Two consultants are based in Nairobi to closely monitor the OPES-LCEF portfolio and to develop relationships with new enterprises, providing the Trustees with on the field support as a base for their risk monitoring and investment activities.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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



E Casolari

Trustee

Dated: 10-12-2019

OPES-LCEF

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

I report to the trustees on my examination of the financial statements of OPES-LCEF (the charity) for the year ended 31 March 2019.

Responsibilities and basis of report

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

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

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Use of this report

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


Marc Levy FCA

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

Independent Examiner

Citroen Wells

Devonshire House

1 Devonshire Street

London

W1W 5DR

Dated: 11 December 2019

OPES-LCEF

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

		Unrestricted funds 2019	Total as re-stated 2018
	Notes	\$	\$
<u>Income from:</u>			
Donations and legacies	3	626	-
Investments	4	11,865	47,173
Total income		<u>12,491</u>	<u>47,173</u>
<u>Expenditure on:</u>			
Charitable activities	5	138,877	39,317
Net gains/(losses) on investments	9	313,154	(313,154)
Net income/(expenditure) for the year/ Net movement in funds		<u>186,768</u>	<u>(305,298)</u>
Fund balances at 1 April 2018		294,646	599,944
Fund balances at 31 March 2019		<u><u>481,414</u></u>	<u><u>294,646</u></u>

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 2019

	Notes	2019 \$	\$	2018 \$	\$
Programme related investments	10		641,011		442,846
Current assets					
Trade and other receivables	12	14,321		69,527	
Cash at bank and in hand		126,995		146,514	
		<u>141,316</u>		<u>216,041</u>	
Current liabilities	13	(7,101)		(7,566)	
Net current assets			134,215		208,475
Total assets less current liabilities			775,226		651,321
Non-current liabilities	14		(293,812)		(356,675)
Net assets			<u>481,414</u>		<u>294,646</u>
Income funds					
Unrestricted funds			481,414		294,646
			<u>481,414</u>		<u>294,646</u>

The charity is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2019. No member of the charity has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the Trustees on 10th December, 2019



E Casolari
Trustee

Company Registration No. 07976404

OPES-LCEF

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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 accounts 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

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

1.2 Prior period re-statement

The impairment of US \$313,154 made in 2018 on the programme related investments has been re-classified from 'charitable expenditure' to be reported separately as 'gains/(losses) on investments' in accordance with the SORP. This is a re-classification on the face of the Statement of Financial Activities and has no effect on the total funds and no effect on the Balance Sheet at 31 March 2018.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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.

All 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.

1.7 Cash and cash equivalents

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

OPES-LCEF

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

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

Basic financial liabilities

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

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

Derecognition of financial liabilities

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

1.9 Foreign exchange

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

2 Critical accounting estimates and judgements

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

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

Programme related investments

Programme related investments are stated at cost less any provision for impairment. The trustees' have assessed the recoverability of investments made and economic benefit of investments based on market conditions and cashflow estimates.

OPES-LCEF

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

3 Donations and legacies

	2019 \$	2018 \$
Donations and gifts	626	-

4 Investments

	2019 \$	2018 \$
Income from programme related investments	11,865	47,173

5 Charitable activities

	2019 \$	2018 \$
Management of programme related investments	128,942	28,654
Support costs (see note 6)	1,517	(5,234)
Governance costs (see note 6)	8,418	15,897
	138,877	39,317

6 Support costs

	Support costs \$	Governance costs \$	2019 \$	2018 \$
Exchange Losses/(gains)	636	-	636	(5,302)
Bank charges	378	-	378	68
Sundry	503	-	503	-
Legal and professional	-	2,126	2,126	7,504
Accountancy/independent examination fees	-	6,292	6,292	8,393
	1,517	8,418	9,935	10,663

7 Trustees

During the year the charity directly paid \$287 travel and subsistence costs incurred by one trustee in their performance as trustee.

OPES-LCEF

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

8 Employees

The average monthly number of persons (including directors) employed by the charity during the year was 6 (2017: 4).

9 Net gains/(losses) on investments

	Total 2019 \$	Total 2018 \$
Impairment of programme related investments	313,154	(313,154)

10 Programme related investments

	\$
At 1 April 2018	442,846
Additions	25,000
Reversal of impairments	313,154
Recovered amounts	(139,989)
At 31 March 2019	641,011

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.

All investments are unrestricted.

11 Financial instruments	2019 \$	2018 \$
Carrying amount of financial assets		
Debt instruments measured at amortised cost	207,846	334,846
Equity instruments measured at cost less impairment	120,011	160,000
Carrying amount of financial liabilities		
Measured at amortised cost	300,913	541,652

12 Trade and other receivables

	2019 \$	2018 \$
Amounts falling due within one year:		
Other receivables	-	52,000
Prepayments and accrued income	14,321	17,527
	14,321	69,527

OPES-LCEF

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

13 Current liabilities

	2019	2018
	\$	\$
Accruals and deferred income	7,101	7,566

14 Non-current liabilities

	2019	2018
	\$	\$
Other payables	293,812	356,675

15 Related party transactions

During the year ended 31 March 2019, the charity received \$626 donations from Trustees. No such donations were received during the year ended 31 March 2018.