

THE GENESIS CHARITABLE TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



Caladine

Chartered Certified Accountants

THE GENESIS CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	R Mather K Roydon (Chair) M Solari X Hu	(Appointed 28 September 2021) (Appointed 20 December 2021)
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Manager	T Hoyle
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Secretary	S Kiely
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Charity number	1148643
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Principal address	16 St James's Street London SW1A 1ER
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Independent examiner	Colin Dadswell FCA ACCA DChA Caladine Limited Chantry House 22 Upperton Road Eastbourne East Sussex BN21 1BF
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Bankers	Canaccord Genuity Wealth Limited 41 Lothbury London EC2R 7AE
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	Royal Bank of Scotland London Corporate Banking Centre PO Box 39952 2 1/2 Devonshire Square London EC2M 4XJ
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THE GENESIS CHARITABLE TRUST

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THE GENESIS CHARITABLE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their report and the accounts for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the financial statements and comply with the Trust'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 Trust's objects, as set out in the Trust Deed, are exclusively for charitable purposes, as the Trustees may in their absolute discretion determine.

The Trust completed its humanitarian relief scheme (May 2021) and resumed its focus on income-generating livelihoods projects. This followed improved rollout of COVID-19 vaccinations in the developing countries where the GCT focuses and the governments in these emerging markets reducing their use of general and prolonged lockdowns to manage outbreaks.

The Trust has continued its strategy for sustainable livelihoods, first articulated in June 2016, that prioritises income generation and promotion of economic opportunities for marginalised people in selected developing countries. The Trustees amended the Trust Deed in April 2020 in relation to the Trust's powers to facilitate funding and co-operate with social enterprises, furthering the Trust's purposes for the public benefit.

The Trust has published on its webpage further guidance to applicants on its approach to identifying projects that are best aligned to the Trust's objectives and the focus of work.

Focus of Work and Grant-Making Policy

The Trust aims to address disadvantage in developing countries by enhancing the capabilities, resources and opportunities of marginalised communities. The Trust's focus is the provision of grants and social investments for public benefit within developing countries to improve standards of living. The Trust funds projects that provide sustainable, long-term income generation opportunities, especially those making a demonstrable positive impact on marginalised communities currently beyond the reach of traditional government or market-based solutions.

The Trust takes sustainable income to mean "development which meets the needs of the present without compromising the ability of future generations to meet their own needs".

The Trust prioritises income-generating projects in selected developing countries. It actively seeks to support:

- enterprise development, including support for smallholders, in value chains which support marginalised communities
- the improvement of vocational opportunities for marginalised communities, including targeted skills training
- more effective and sustainable management of markets in natural capital

The Trust's funding strategy focuses on building relationships with high-potential partner organisations with meaningful track records and robust business plans, operating in certain developing countries. It provides funds to non-profit organisations and social enterprises that are closely connected to local communities and that provide benefits to such communities, usually in the form of increased revenues and employment.

The Trust is looking for partner organisations that meet a clearly defined social need and can demonstrate tangible positive results, cost-effectiveness, accountability and a sustainable approach. It provides funds, potentially over multiple years, depending on the needs of the organisation and the strength of existing relationships.

A developing country focus reflects the Trust's desire to give back to marginalised communities in the countries that have contributed to the business success of Genesis Investment Management, LLP ('Genesis') and allows for an increased leverage of the skills, knowledge, expertise and networks of Genesis' Partners.

THE GENESIS CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Each applicant is assessed for evidence of good governance, sustainable impact, and cost-effectiveness. All Grantees must adhere to the Trust's grant agreement or, in the case of social investment, a financing agreement, which encompasses its safeguarding policy and a requirement for regular reporting on financial and impact indicators

The country list is reviewed annually and published on The Genesis Charitable Trust webpage. In 2021 the Trust funded active projects in Bangladesh, Colombia, Kenya, India, Indonesia, Lebanon, Malawi, Philippines, Senegal, South Africa, Tanzania, Thailand, Uganda, and Vietnam. In addition the Trust spent down the COVID-19 relief fund with the final projects selected in: Colombia, India, Indonesia and Thailand. The fund (total US\$ 1.25m) provided humanitarian relief to marginalised urban communities in countries of greatest concern and COVID-19 related relief work was the predominant focus of the Trust in 2020.

The Trust regularly reviews its objectives, eligibility criteria and exclusions which are published on the Trust's webpage.

After several years providing funding alongside or in sequence with social investors, the Trust devised its own Social Investment strategy and in 2021 began making direct programme related investments and social investments based on the statutory power in the Charities (Protection and Social Investment) Act 2016.

At an early stage in the COVID-19 pandemic, the Trust invoked its business continuity plan (in conjunction with Genesis Investment Management LLP's Finance department) in 2020 and adopted a working from home stance with board meetings held by video call. The Trust made specific amendments to its governing document to allow greater use of online procedures.

The Trust, in line with Genesis, has since adopted a hybrid approach, balancing attendance in the office and at face-to-face meetings with remote working using Teams and Zoom. No international travel was arranged by GCT in 2021 due to lockdowns and strict quarantine rules in relevant emerging markets.

Public benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Trust should undertake.

Achievements and performance

The Trust's achievements and performance in 2021 focused on the recovery of sustainable livelihoods projects in light of the de-escalation of lockdown orders and improved vaccine roll-out within emerging markets. The Trust implemented its plan to apply unspent budget from 2020 on new projects as part of a reopening of its core livelihoods work and the start of its social investment strategy. Due to the difficulties of delivering in-person technical assistance amid COVID-19 outbreaks, this approach favoured rural, coastal and online projects.

The Trust assesses projects at regular milestones and as they conclude in order to measure results, extract thematic insights, and better inform future project selections and approaches. We discuss below some general observations of projects in the three areas of the Trust's focus: vocational training, support for enterprises (including smallholders), and better management of natural capital.

Among vocational training and workplace support projects, lockdowns disrupted delivery and highlighted in stark terms the quality of management - in resilience, adaptability and focus on beneficiaries. Extensive lockdowns disrupted a usually reliable implementation with predictable cost-per-beneficiary, but some providers impressed with switches to online then blended training. In general, the GCT has found efforts to help beneficiaries develop soft skills and promote inclusion are necessary but not sufficient for sustainable uplifts in income – those projects with the greatest success tend also to provide 'trade choosing' and skills training geared to particular occupations in strong demand.

THE GENESIS CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

In the pandemic, smallholders' agricultural activities (estimated to comprise 95% of the world's farmers, occupying 20% of cultivated land) were generally unaffected by lockdowns, but their unmet need for technical assistance at almost all stages of the supply chain – production, harvesting, processing, distribution and marketing – remained high. Some of the GCT's projects were affected by a shift back to safe staples, and away from higher value cash crops as urban markets closed. Adverse climate events – flooding and drought, followed by pest invasions – regularly impair agriculture projects, and inform some of the GCT's preference for supporting tree-based value chains. Rural enterprises continue to suffer from limited availability of capital – a situation which appears to have deteriorated in east Africa and Latin America in the pandemic. Providing patient finance towards agri-processing machinery has been the focus of the Trust's first social investments.

1. Mainstream livelihoods grants

- **Pratham** (US\$ 203,000)

Despite their skills and experience, many informal day labourers remain stuck in low pay, unable to progress into higher pay bands due to lack of accessible training and affordable accreditation. With short online and in-person refresher training, this Recognition of Prior Learning programme aims to help 1,800 uncertified low paid technicians, primarily masons and mechanics, with 3-10 years' experience to gain formal accreditation and support to realise statutory wage levels.

- **Fauna & Flora International** (US\$ 372,000)

Some 85,000 fishers in Turkey depend on nearshore fisheries but the stock is under threat from a series of harmful alien species entering the Mediterranean via the Suez Canal, damaging the marine ecosystem and local livelihoods. The Trust has provided seed funding (the second tranche conditional on enterprise viability indicators to be assessed in late 2022) to build the region's first specialist invasive seafood trading company with AKD (Mediterranean Conservation Society). The trading company aims to encourage the artisanal fleet in 11 communities (2,500 vessels) to catch a range of edible alien varieties and market them commercially, to improve their incomes and help bring the ecosystem into equilibrium.

- **Meloy Fund** (US\$ 330,000)

Seaweed is an important and versatile product. Since it is ocean-fed and grows in quick cycles, it can provide sustainable incomes to coastal communities, but it is susceptible to a range of environmental risks, poor access to markets, and a lack of investment in technology. The GCT made a grant to establish a comprehensive Seaweed Improvement Project in the Philippines and Indonesia. The project aims to significantly improve 3,000 farmers' income through better production and processing, access to equipment finance, and providing linkages to carrageenan buyers globally.

- **Mann Deshi** (follow-on funding, US\$ 58,000)

Goats and poultry are an important source of nutrition, earnings and store of value, particularly for low-income female-headed households in India. This grant, building on a previous programme funded by the GCT, will train and equip a further 10 para-vets (community veterinary technicians, also known as 'goat doctors') and provide support to existing para-vets. Smallholders in Maharashtra will benefit from a mobile para-vet service, principally offering vaccinations (approximately 100,000 annually), safer birthing, emergency and basic wound care for their goats and other small livestock. With the Nimbkar Agricultural Research Institute, the para-vets provide artificial insemination treatments to increase market value and improve the gene stock.

- **Raising the Village** (follow-on funding, US\$ 57,000)

Raising the Village originally designed the "Ready to Eat" programme during the pandemic as a nutrition support intervention for poor rural households in south-west Uganda. The GCT agreed to fund a second phase as Uganda wavers between strict lockdown and market recovery. This kitchen garden initiative will provide 150 crop seedlings to 29,000 households at low cost (under US\$ 2 per household), intended to provide within one month sufficient yield for one nutritious family meal per day for one year. Germination rates have improved to over 90%, and families can sell any surplus at market.

THE GENESIS CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

- **The Impact Facility** (transfer, US\$ \$493,500)

In June 2021 the Trust approved this large conditional grant committed in 2018 to The Impact Facility (previously reported as Fairtrade Foundation with £356,377 unpaid). The aim of the Lake Victoria Gold Programme is to improve the business and ESG performance of artisanal and smallscale gold mines in Tanzania and Kenya. The Impact Facility (set up by TDI, a mining consultancy, with Fairtrade and Solidaridad) met the required co-investment condition to trigger the Trust's commitment and has begun underwriting leased equipment to the first mine operators across East Africa.

2. Social Investments

- **Horizon Business Ventures** (US\$ 150,450)

A previous GCT grant funded equipment, working capital, and a nursery and training facility to this sustainable forestry charity (Help Self Help Centre) and Horizon, its natural oil business. They offer vital supplementary income to smallholders and pastoralists from harvesting seed fall in Mount Kenya protected forest, supporting 1,200 households and 400 jobs, and supplying 96,000 seedlings annually for reforestation. In 2021 the Trust awarded its first loan to procure a 600lt distilling machine and enable Horizon to fulfil bigger, timelier orders. The equipment is due to arrive in summer 2022 and biannual repayments will commence after a grace period.

- **Amazonia Impact Ventures with Cepro Yanasha** (subject to contract agreed in 2022, US\$ 200,000)

The Trust agreed a concessionary loan to Amazonia to provide capital investment, and technical assistance to an underbanked co-operative in the Peruvian Amazon. Cepro Yanasha, which has 117 member households, grows organic, premium green coffee and stewards 10,000 hectares of rainforest. This social investment will offer lower cost of capital in return for high conservation standards and regenerative agricultural practices, verified by surveillance of the rainforest canopy. The loan is due to be repaid in 2027.

- **Beneficial Returns on behalf of Ananas Anam Philippines** (US\$ 25,000)

A subscription in a US\$ 130,000 loan to Ananas Anam, brokered by Beneficial Returns, to deploy decorticating machinery to pineapple farms in the Philippines, enabling the vegan leather producer to expand production and purchase more pineapple waste material, boosting the incomes of local farmers. Repayments began in 2022.

3. Contingency grants to existing livelihoods grantees.

The GCT assessed needs on a case by case basis and revised terms and provided supplementary funding where warranted to support existing active grantees typically for recovery or catch up after lockdowns – see Contingency grants to existing livelihoods grantees. None of our grantees ceased operating.

- Early Care Foundation, South Africa – repurposing the final instalment of an existing grant with a small supplement to support 15 early care centres in Mfuleni to re-open.
- iDE, Vietnam – a supplementary grant (US\$ 57,339) provided to replicate an irrigation technology rollout which began in Gai Lai to a poorer province.
- Grow Movement (revision) - The Trust approved a US\$ 92,000 project in 2022 to replicate in Myanmar Grow Movement's entrepreneur coaching service. This project was suspended by mutual agreement prior to payment due to the political coup. Having closely monitored the ensuing civil conflict in Myanmar, the prospect of resuming this grant was deemed hopeless. The grant has been repurposed to accelerate Grow Movement's adoption of digital and automated systems, and to offer online coaching services to micro-entrepreneurs in several Asian markets.

4. COVID-19 relief grants (spend down completed).

In May 2021 the Genesis Charitable Trust made the last of 22 grants providing basic humanitarian relief to unemployed and vulnerable communities adversely affected by Covid-19 and associated lockdown orders. The US\$1.25 million fund supported humanitarian projects, largely food aid and cash transfers, in 13 countries, including South Africa (US\$240,000), India (US\$200,000) and Brazil (US\$150,000). The final four projects allocated in 2021 were:

THE GENESIS CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

- Anudip, India (US\$ 66,000) – Following the 2021 spike in COVID-19 cases, this follow-on grant provided ration packs for 2,100 families in Jharkand and West Bengal, where the lockdowns cut casual service work.

- GERHATI, Indonesia (US\$ 18,000) - A mixed 'grow your own' family nutrition and livelihood project in Jakarta, setting up hydroponic fish & vegetable growing units for 48 poor families.

- UNHCR, Colombia & Thailand (US\$ 200,000) – As household needs became more complex and lockdowns less tenable in emerging markets, we funded cash transfers to support refugee families.

- Thailand: with the local NGO COERR, support for over 400 informal migrant families in Bangkok and tourism dependent areas.
- Colombia: welfare support integrated into a job readiness programme, targeting mainly low-skilled Venezuelan migrant families

Financial review

Donation income for the year ending 31 December 2021 was \$699,396 (2020: \$1,600,000) from Genesis Partners with Gift aid receipts totaling \$174,850 (2020: \$403,317). Genesis Investment Management also provided \$20,000 (2020: \$18,000) worth of donated services. Investment income during the year was \$58 (2020: \$1,375).

Expenditure on grant funding, support and governance costs amounted to \$902,175 (2020: \$2,487,467). There was also a loss on the value of investments of \$21,075 (2020: gain of \$52,300). Overall the charity recorded a deficit for the year of \$9,345 (2020: \$355,681) after profits and losses on foreign exchange.

Reserves carried forward amounted to \$2,325,693 at 31 December 2021 (2020: \$2,335,038).

The Trust's functional currency is US\$.

The GCT made its first social investments in 2021. The typical terms and tenor are 'low and slow' – concessionary rates with repayments due over several years. The first receivables are expected in 2022. The Trust will also consider equity positions on a case-by-case basis.

Reserves Policy

The Trust keeps its reserves policy under careful review in order to mitigate its risks, support grant making for beneficiaries and respond to opportunities.

Funds are maintained with a view to:

- meeting all grant commitments over the full term set out in the grant agreements (not only immediate liabilities).

In addition, reserves are designated to cover:

- unfavourable foreign exchange fluctuations in grant commitments (10% of unpaid non US dollar grant commitments)
- an orderly wind down of the Trust if necessary (three times the most recent annual recurring support costs and governance costs).

Designated Funds at the year end are set out in Note 17 to the Accounts.

The remainder amounts to free reserves.

Principal Funding Sources

The principal funding source of the Trust is donations by the Partners of Genesis Investment Management, LLP.

THE GENESIS CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Investment Policy

The Trust holds shares provided as a gift. The Trust's Investment Policy aims to preserve the capital value of funds to enable it to carry out future grant-making activities effectively even in the event of adverse conditions. Reflecting the wishes of the donor, the Trustees intend to hold the shares in the long term on a Total Returns basis, retaining absolute discretion to expend the principal capital if necessary. To meet the other contingencies identified in the Reserves Policy, the Trust maintains a low-risk investment policy with funding placed in either call or fixed term bank deposits. Funds will only be placed with institutions meeting minimum credit ratings.

Risk Management

The principal risk is the credibility and authenticity of potential Grantees and their appropriation of grants. Due diligence is carried out before any grant is awarded on the legitimacy and reputation of the Grantee. The Trust takes care in appraising a project's potential impact and sustainability, and mitigates the risk of inappropriate expenditure or poor performance in larger and longer-term grants by paying in instalments conditional on the satisfaction of project milestones and reporting. In 2018 the Trust strengthened its safeguarding processes in line with new regulatory guidance.

The Trust maintains its foreign exchange policy. In the normal course of awarding grants, the Trust will assume the foreign exchange risk by meeting budgeted requirements in the local currency. The policy sets out a set of principles that the Trust will apply to resolve any future difficulties caused by foreign currency changes.

As its principal funding source, the Trust is dependent on Genesis and the performance of emerging markets public equities to sustain its focus of work: the provision of grants and social investments for public benefit within developing countries. A high level of correlation is inescapable. However, the Trust is taking steps to diversify its funding sources in the medium term – primarily, through its reserves policy and management of financial investments, and through the possibility of future receivables from social investments.

Plans for the Future

In the coming years, the Trust anticipates greater involvement with partner organisations in prioritised locations in support of their goals. On the basis of current income it expects to award almost all annual cash income in grants and social investments over varying timescales (mainly multi-year) ranging from US\$ 40,000 to around US\$ 300,000.

GCT will continue appraisals of grants and, where appropriate, social investments in its core areas of vocational training, enterprise development and natural resource management.

Following review in early 2022, the country list has been revised to better reflect the research and travel activity of the investment team. The GCT will increase efforts to find high quality projects across selected Asian countries and in Latin America which is likely to lead to fewer and highly competitive funding decisions in Africa.

The Trust's new social investment strategy will be monitored against our stated objectives: to achieve our public benefit standard which applies to grants, and to enable revenue-generating social enterprises to reach profitability and crowd in commercial funders. The Trust will reflect on structuring processes and early visibility on receivables later in 2022.

The resourcing of the Trust and the utilisation of its reserves and investment will be examined closely in light of volatility in emerging markets equities.

Structure, governance and management

The Genesis Charitable Trust (the "Trust") was established by a charitable Trust Deed dated 17 August 2012 (amended 23 April 2020).

The Trustees who served during the year and up to the date of signature of the financial statements were:

C Ellyatt	(Resigned 20 December 2021)
R Mather	
K Roydon (Chair)	
M Solari	(Appointed 28 September 2021)
Mr A Elder	(Resigned 28 September 2021)

THE GENESIS CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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(Appointed 20 December 2021)

The Board of Trustees comprises four Partners of Genesis all of whom have been selected on the basis of their skills, knowledge, experience and commitment. All Trustees give their time voluntarily and receive no benefits from the Trust. Under the requirements of the Trust Deed, the Trustees may appoint a person who is willing to serve for such a term as they see fit, either to fill a vacancy or as an additional Trustee.

Trustees typically serve a term of three years. A retiring Trustee may be re-appointed by the Trustees. There shall be no limit to the number of times a Trustee may be re-appointed but the Trustees' usual practice is to rotate after no more than two terms.

Upon joining the Board, new Trustees are provided with information on the Trust's history and plans, the role and responsibilities of Trustees, the governing document, key policies and the minutes of recent Trustee meetings.

The day-to-day management of the Trust's activities, and the implementation of policies, is delegated to two members of staff, seconded from Genesis.

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



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K Roydon

Chair

Dated: 20 October 2022
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THE GENESIS CHARITABLE TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE GENESIS CHARITABLE TRUST

I report to the Trustees on my examination of the financial statements of The Genesis Charitable Trust (the Trust) for the year ended 31 December 2021.

Responsibilities and basis of report

As the Trustees of the Trust you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the Trust's financial statements carried out under section 145 of 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

Since the Trust's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Association of Chartered Certified Accountants, which is one of the listed bodies.

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 Trust as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.



Colin Dadswell FCA ACCA DChA

Caladine Limited
Chantry House
22 Upperton Road
Eastbourne
East Sussex
BN21 1BF

Dated: 21/10/2022

THE GENESIS CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds 2021 \$	Unrestricted funds 2020 \$
	Notes		
<u>Income from:</u>			
Donations and legacies	3	894,246	2,021,317
Investments	4	58	1,375
Total income		<u>894,304</u>	<u>2,022,692</u>
<u>Expenditure on:</u>			
Charitable activities	5	(902,175)	(2,487,467)
Net gains/(losses) on investments	11	<u>(21,075)</u>	<u>52,300</u>
Net outgoing resources		(28,946)	(412,475)
<u>Other recognised gains and losses</u>			
Other gains or losses	10	<u>19,601</u>	<u>56,794</u>
Net movement in funds		(9,345)	(355,681)
Fund balances at 1 January		<u>2,335,038</u>	<u>2,690,719</u>
Fund balances at 31 December		<u><u>2,325,693</u></u>	<u><u>2,335,038</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 GENESIS CHARITABLE TRUST

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	\$	2021 \$	\$	2020 \$
Fixed assets					
Investments	13		315,510		336,585
Programme related investments	14		375,450		-
			<u>690,960</u>		<u>336,585</u>
Current assets					
Trade and other receivables	15	316		-	
Cash at bank and in hand		2,266,764		2,416,475	
		<u>2,267,080</u>		<u>2,416,475</u>	
Current liabilities	16	(632,347)		(418,022)	
Net current assets			<u>1,634,733</u>		<u>1,998,453</u>
Total assets less current liabilities			<u>2,325,693</u>		<u>2,335,038</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds:					
Grant commitments		1,065,665		493,160	
Foreign exchange risk		34,921		71,675	
Orderly wind down and contingency		430,644		391,842	
		<u>1,531,230</u>		<u>956,677</u>	
General unrestricted funds	17	794,463		1,378,361	
			<u>2,325,693</u>		<u>2,335,038</u>
Total funds			<u>2,325,693</u>		<u>2,335,038</u>

The financial statements were approved by the Trustees on 9 September 2022

Karen Roydon

K Roydon (Chair)
Trustee

THE GENESIS CHARITABLE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 \$	\$	2020 \$	\$
Cash flows from operating activities					
Cash absorbed by operations	19	(149,769)		(220,514)	
Investing activities					
Income from investments		58		1,375	
		<hr/>		<hr/>	
Net cash generated from investing activities			58		1,375
			<hr/>		<hr/>
Net decrease in cash and cash equivalents		(149,711)		(219,139)	
Cash and cash equivalents at beginning of year		2,416,475		2,635,614	
		<hr/>		<hr/>	
Cash and cash equivalents at end of year		2,266,764		2,416,475	
		<hr/> <hr/>		<hr/> <hr/>	

THE GENESIS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Trust Information

The Genesis Charitable Trust was established by a charitable Trust Deed dated 17 August 2012 (amended 23 April 2020). The principal address is 16 St James's Street, London, SW1A 1ER.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Trust's 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)". The Trust is a Public Benefit Entity as defined by FRS 102.

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 US dollars, which is both the presentation and functional currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest \$.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments at fair value. 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 Trust 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.

1.4 Income

Income is recognised when the Trust 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.

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement. Gift aid relief is recognised in the year in which the original gift is received.

1.5 Expenditure

Grant funding is recognised when payments are made or when a constructive obligation has arisen. All other resources expended are recognised on an accruals basis. These costs include irrecoverable VAT.

Charitable expenditure comprises those costs incurred by us in the delivery of activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature which are necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Trust and include audit fees and costs linked to the strategic management of the Trust.

THE GENESIS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

1.6 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.

1.7 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.

1.8 Financial instruments

The Trust 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 Trust's balance sheet when the Trust 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 Trust's contractual obligations expire or are discharged or cancelled.

1.9 Donated services

Donated services are valued as a percentage of staff costs, which can be quantified, and an estimation for use of rooms and other services.

1.10 Taxation

In the opinion of the Trustees the Trust is not subject to UK Taxation on its charitable activities.

THE GENESIS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Critical accounting estimates and judgements

In the application of the Trust'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

	2021	2020
	\$	\$
Donations and gifts		
Donations - Genesis Investment Management, LLP Partners	699,396	1,600,000
Gift Aid	174,850	403,317
Donated services - rent, services and administrative support	20,000	18,000
	<hr/>	<hr/>
	894,246	2,021,317
	<hr/>	<hr/>
	894,246	2,021,317
	<hr/>	<hr/>

4 Income from Investments

	2021	2020
	\$	\$
Interest receivable	58	1,375
	<hr/>	<hr/>

THE GENESIS CHARITABLE TRUST

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

5 Charitable activities

	2021 \$	2020 \$
Grant funding of activities (see Note 6)	761,797	2,356,853
Share of support costs (see Note 8)	137,453	124,366
Share of governance costs (see Note 8)	2,925	6,248
	<u>902,175</u>	<u>2,487,467</u>
Analysis by fund		
Unrestricted funds	<u>902,175</u>	<u>2,487,467</u>

THE GENESIS CHARITABLE TRUST

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

6 Grants payable

	2021 \$	2020 \$
Livelihoods grants to charities and social enterprises		
ACE Africa	-	3,209
ACTED + Gawad Kalinga	-	202,093
Dan Eley Foundation + FEDUT	-	38,020
Deliberate Capital (known as Meloy Fund)	135,068	-
Early Care Foundation	-	33,223
Fairtrade Foundation (see note)	(376,339)	181,272
Fauna & Flora International	110,104	-
Grow Movement	92,200	-
Help Self Help Centre	-	57,806
iDE	57,339	255,980
Karen Hill Tribes	-	(521)
Leonard Chesire Disability	-	122,845
Oxfam Enterprise Development Programme	70,301	61,554
Pragya	57,532	85,801
Pratham	67,000	-
Raising the Village	-	55,950
Ripple Africa	95,750	131,840
SE Factory	20,237	82,177
SEED	-	10,432
The Impact Facility	147,705	-
Y Care International + YMCA Senegal	541	18,378
	<hr/> 477,438	<hr/> 1,340,059
Contingency grants to existing livelihoods grantees		
ACTED + Gawad Kalinga	-	31,237
Dan Eley Foundation + FEDUT	-	1,371
SEED	-	6,713
	<hr/> -	<hr/> 39,321

THE GENESIS CHARITABLE TRUST

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

6 Grants payable (Continued)

	2021 \$	2020 \$
COVID-19 relief grants		
Alfanar + Lebanese Food Bank	-	55,041
Anudip	66,287	50,737
FONDODespensaMx	-	50,037
Fundacion Calorie + Red de Alimentos	-	50,000
Fundacion Para La Asistencia Educativa (FAE)	-	13,031
Fundación Servicio Jesuita a Migrantes (SJM) + Nucleo Humanitario	-	58,142
Future Hope (Kolkata & Delhi with IMM)	-	87,325
Gawad Kalinga	-	124,187
Gerhati Foundation	18,057	-
MERCY Malaysia	-	50,000
Miqlat	-	22,000
One People Fund + Click Foundation	-	165,263
REMAR	-	39,037
The Cradle of Hope	-	62,599
UNHCR	200,015	-
Uniao Rio (Instituto Phi)	-	100,037
Uniao SP (Associacao Integra De Desenvolvimento Humano)	-	50,037
	<u>284,359</u>	<u>977,473</u>
	<u>761,797</u>	<u>2,356,853</u>

Note

Fairtrade Foundation - As at 31 December 2020 The Genesis Charitable Trust was committed to paying the Fairtrade Foundation \$376,339 over the term of the grant agreement. The release of funds was contingent on the Fairtrade Foundation attracting co-finance for project. During 2021 Fairtrade Foundation merged with The Dragonfly Initiative, creating a new charity to take this project forward. The balance of the grant commitment with Fairtrade Foundation was transferred to the new entity - The Impact Facility.

THE GENESIS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Financial commitments, guarantees and contingent liabilities

The Trust has made commitments to fund the following organisations for up to a further three years. These have not been charged in the accounts since they are subject to the Grant Recipients satisfactorily meeting the targets set in their next annual review with the Trustees. These total \$1,065,665 as set out below.

	2022 \$	2023 \$	2024 \$	TOTAL \$
Deliberate Capital (Meloy Fund)	107,867	86,831	-	194,698
Fauna and Flora International	192,968	68,815	-	261,783
Oxfam EDP	11,809	-	-	11,809
Pratham	83,400	35,000	17,306	135,706
The Impact Facility	115,260	110,234	120,326	345,820
Mann Deshi	58,848	-	-	58,848
Raising the Village	57,000	-	-	57,000
	<u>627,153</u>	<u>300,880</u>	<u>137,632</u>	<u>1,065,665</u>

Commitments as at 31 December 2020

	2021 \$	2022 \$	2023 \$	TOTAL \$
Grow Movement	92,200	-	-	92,200
iDE	57,319	-	-	57,319
Oxfam EDP	70,856	11,809	-	82,665
Pragya	56,993	-	-	56,993
Ripple Africa	99,221	-	-	99,221
SE Factory	20,000	-	-	20,000
The Impact Facility (previously Fairtrade Foundation)	84,762	-	-	84,762
	<u>481,351</u>	<u>11,809</u>	<u>-</u>	<u>493,160</u>

THE GENESIS CHARITABLE TRUST

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

8 Support and governance costs

	2021 \$	2020 \$
Support costs		
Donated services	20,000	18,000
Bank charges	594	476
Seconded management and travel	113,227	105,890
Legal and professional fees	3,632	-
	<u>137,453</u>	<u>124,366</u>
Governance costs		
Audit fees	-	3,387
Accountancy	1,950	2,861
Independent Examiner fees	975	-
	<u>2,925</u>	<u>6,248</u>

9 Trustees

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

The Trustees were covered by trustee indemnity insurance.

The total aggregate amount of donations without conditions received from the Trustees amounted to \$268,864 (2020: \$574,468).

10 Other gains or losses

	Unrestricted funds 2021 \$	Unrestricted funds 2020 \$
Foreign exchange gain/(losses)	<u>19,601</u>	<u>56,794</u>

11 Net gains/(losses) on investments

	Unrestricted funds 2021 \$	Unrestricted funds 2020 \$
Revaluation of investments	<u>(21,075)</u>	<u>52,300</u>

THE GENESIS CHARITABLE TRUST

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

12 Employees

There were no employees during the year.

On a day-to-day basis the Trust is administered by the Charitable Trust Manager, Tom Hoyle, and by Sarah Kiely, the Company Secretary and Assistant to Chris Ellyatt, a retiring Trustee and the managing partner of Genesis Investment Management, LLP. Both are employed by GIM.

The costs of Sarah Kiely's post (0.2 full-time equivalent ("FTE")) is met by Genesis Investment Management, LLP and is treated under donated services and administration.

The costs of Tom Hoyle's post (0.8 FTE) is reimbursed by Genesis Charitable Trust and is a fully seconded post.

13 Fixed asset investments

	Listed investments \$
Cost or valuation	
At 1 January 2021	336,585
Valuation changes	(21,075)
	<hr/>
At 31 December 2021	315,510
	<hr/>
Carrying amount	
At 31 December 2021	315,510
	<hr/>
At 31 December 2020	336,585
	<hr/>

14 Programme related investments

	\$
At 1 January 2021	-
Additions	375,450
	<hr/>
At 31 December 2021	375,450
	<hr/>

Programme related investments are loans provided by the Trust to other organisations in order to directly further the charitable purposes of the Trust; any financial return obtained is not a primary reason for making the investment.

Horizon Business Ventures - \$150,450

Amazonia Impact Ventures with Cepro Yanesha - \$200,000

Beneficial Returns on behalf of Ananas Anam Philippines - \$25,000

THE GENESIS CHARITABLE TRUST

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

15 Trade and other receivables

	2021	2020
	\$	\$
Amounts falling due within one year:		
Other receivables	316	-

16 Current liabilities

	2021	2020
	\$	\$
Grants payable	629,421	411,205
Accruals and other creditors	2,926	6,817
	632,347	418,022

17 Designated funds

The income funds of the Trust include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2020 \$	Transfers \$	Balance at 1 January 2021 \$	Transfers \$	Balance at 31 December 2021 \$
Grant commitments (Note 7)	1,671,521	(1,178,361)	493,160	572,505	1,065,665
Foreign exchange risk	174,670	(102,995)	71,675	(36,754)	34,921
Orderly wind down and contingency	420,027	(28,185)	391,842	38,802	430,644
	2,266,218	(1,309,541)	956,677	574,553	1,531,230

18 Related party transactions

All Trustees are current partners in Genesis Investment Management, LLP.

The Trust incurs some support costs that are paid by Genesis Investment Management, LLP on the Trust's behalf and subsequently recharged to the Trust. In addition, Genesis Investment Management, LLP donated services and administration to the Trust during the period of \$20,000 (2020: \$18,000).

THE GENESIS CHARITABLE TRUST

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

19	Cash generated from operations	2021	2020
		\$	\$
	Deficit for the year	(28,946)	(412,475)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(58)	(1,375)
	Foreign exchange differences	19,601	56,794
	Fair value gains and losses on investments	21,075	(52,300)
	Movements in working capital:		
	Increase in programme related assets	(375,450)	-
	(Increase) in trade and other receivables	(316)	-
	Increase in trade and other payables	214,325	188,842
		<hr/>	<hr/>
	Cash absorbed by operations	(149,769)	(220,514)
		<hr/>	<hr/>
20	Analysis of changes in net funds		
	The Trust had no debt during the year.		