



Stichting SDG ACE
Cornelis Vermuydenstraat 57
1018 RN AMSTERDAM

Annual report 2022

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1. FINANCIAL REPORT

Stichting SDG ACE
De directie
Cornelis Vermuydenstraat 57
1018 RN AMSTERDAM

Subject: Annual report 2022

Dear board of directors,

Herewith we submit you a report of our activities regarding the annual report 2022 of Stichting SDG ACE.

The balance sheet as per 31 December 2022, the profit and loss account 2022 and the notes, together forming part of the financial statements 2022 and the other information are components of this report.

1.1 Compilation report

The financial statements of Stichting SDG ACE have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as per 31 December 2022 and the profit and loss account for the year 2022 with the accompanying explanatory notes.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility.

The financial statements are prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code. To this end we have applied our professional expertise in accounting and financial reporting.

On the basis of the above we are required to prepare the financial statements in accordance to generally accepted standards for financial reporting. To this end we have applied our professional expertise in accounting and financial reporting.

Within this context the scope of our work primarily included the gathering, processing, classifying, comparing, interconnecting and summarizing of financial information for the sake of the financial statements and / or credit report. We did not conduct review or audit procedures which would enable us to express any assurance on the true and fair view of the financial statements.

We trust to have been of service. We are available to provide further explanation.

Yours sincerely, 12/10/2023....
HES.tax


drs. G. (Greg) Sheldon

Annual Report of the Board of Directors 2022

In 2022, the SDG ACE foundation continued finding donors to support its program and funding loans to underserved borrowers wanting to invest in their energy access.

Donations and loans

The SDG ACE Foundation has disbursed 1184 new loans in 2022, in Uganda, Kenya, Lesotho and Cambodia. To date we have given out 2240 loans, of which about half are still active. Of the loans 58% went to women and 42% to men. The SDG ACE borrowers have reduced their CO2 footprint by at least 3400 tons, measured through their annual usage and fuel purchases. The actual number of tons is higher, because we only calculate the usage for which we have data on the use patterns of the borrowers.

Loan repayments

Despite targeting the most vulnerable households in the countries where we disburse loans, we see that of all repayments that were due on active loans, 80% of payments have already been received, showing that there is a real willingness to pay. This means that 20% of repayments of the active loans is still outstanding, but these payments are still possible to be received.

Loan portfolio

The total cumulative loan portfolio disbursed to date, with € 118.668 being disbursed in 2022, is € 203.103. We have capped the outstanding loan balance up to no more than € 55.000 (with temporary maximum of € 60.000) at any given time.

Fundraising

Due to Covid 19 restrictions no fundraiser event could be organised in 2022, much to the board's regret, because many beautiful photographs by Humberto Tan are still available for sale. We have made them available on the website and hope that through our work we will still find suitable donors. We had been looking forward to organising an exhibition of these photographs and are hoping that an event like that can be realised in 2023. The photographs can be found on the SDG ACE website, with prices, but so far, no further portraits have been sold.

Policy

A SDG ACE policy was designed in 2020. A major decision was that the foundation will focus on building track record and best practices with one partner only for the first few years, which is African Clean Energy.

They produce the ACE Connect, a hybrid energy system for cooking and solar electricity, powered by solar PV and sustainable biomass. They often also include a smartphone as part of their offering, which can be charged on the ACE One, and which provides the customer with access to the internet with all the advantages in terms of connectivity to the world. African Clean Energy collects usage data through a mobile application that syncs with the stove and uses this app to communicate loan information with the customer. Stove usage information means that CO² emission reduction can be tracked, which gives us a tremendous insight in the impact the use of energy saving, smoke free cookstoves have on the environment.

African Clean Energy has years of experience with selling their product on credit, mainly in Lesotho, Uganda, and Cambodia, and has collected an impressive amount of data to show that the system we are envisaging is working and that the product is popular with the user and contributes to the improvement of many worldwide issues like CO² reduction, climate change, poverty, health, deforestation and erosion, connectivity, gender equality to name but a few.

It was decided again for 2022 that the foundation has a cap on the loan for the ACE Connect of €60,000 and that 90% of the loan funds will be rolling at any time.

It was also agreed that African Clean Energy cannot make a profit on the SDG ACE funds, meaning no interest or fees can be charged over the loan.

Website

All this information, goals and mission, the strategy plan, the policy, can be found on the SDG ACE website (www.sdgage.foundation), which was improved this year. Through the website, potential donors can send their intention to donate, after which we will contact them and arrange the actual transfer of funds. The photographs by Humberto Tan, which are for sale have been posted on the website.

Financial report

The financial report for 2022 was written and approved by the Board. The financial report for 2022 can be found below.

Board members:

Judith Joan Walker: chair

Humberto Tan: mission ambassador

Alice Troostwijk: secretary

Linda Sjöström: vice chair

Rolijne van Houten: financial officer

We hope that 2023 will give the foundation the opportunity to organise fundraising events and enlarge its revolving fund, support more people by lending them funds, and continue supporting refugee households in Uganda.

Key Metrics

→ 2,240 Loans disbursed

→ € 223,200 loans disbursed

→ 3,400 tons measured Carbon offset (unmeasured carbon not extrapolated)

→ 58% Women Borrowers

We thank all our donors and supporters for what we've been able to achieve so far and are hoping to set more ambitious targets in 2023 for the coming years.

1.2 General

Incorporation

Stichting SDG ACE was incorporated by way of deed dated 17-08-2018.

The foundation has been registered at the Chamber of Commerce under file number 72436530.

Objects

The objects of Stichting SDG ACE are defined in article 2 of the articles of association as follows:

- 1 a. our mission is to provide financial credits to inhabitants of developing countries for the purchase of household energy products and therefore contribute to their economic empowerment;
- 1 b. contributing to the strengthening of the economic position of residents of developing countries;
- 1 c. to perform all legal acts that are directly or indirectly related to or accommodating the realization of the above objectives, which must be interpreted as broadly as possible, but at all times in accordance with of the legal provisions that apply to a public benefit institution as referred to in article 5b paragraph 3 sub m of the General State Taxes Act (algemene wet inzake rijksbelastingen - ANBI).
2. The foundation does not aim to make a profit. Moreover, the foundation will not hold more capital than is reasonably necessary for the continuity of the planned activities for its purpose.
3. The foundation can raise loans for the realization of its objective.
4. The foundation and its board represent the interests of the borrowers and in that sense operate independently from African Clean Energy BV, a private company with limited liability, with its registered office in Amsterdam, with offices at Willem de Zwijgerlaan 13-3, 1056 JD Amsterdam, registered in the Trade Register under number 61155748, and companies affiliated with African Clean Energy BV.

Board of directors

The management is conducted by:

- Judith Joan Walker
- Alice Troostwijk
- Humberto Tan-A-Kiam
- Linda Therese Sjöström
- Rolijne Eileen van Houten

Amendment of articles of association

As per May 22, 2019 the articles of association have been amended.

1.3 Results

Below we provide an analysis of the enterprise's results, based on the profit and loss account.

	2022		2021	
	€	%	€	%
Net turnover	550	100.0%	41,449	100.0%
Gross margin	550	100.0%	41,449	100.0%
Office costs	-	0.0%	-	0.0%
General costs	4,061	738.4%	54,668	131.9%
Operating result	-3,511	-638.4%	-13,219	-31.9%
Interest and similar expenditure	-194	-35.3%	-185	-0.5%
Result	<u>-3,705</u>	<u>-673.7%</u>	<u>-13,404</u>	<u>-32.4%</u>

1.3 Results

The result 2022 increased by € 9,699. compared to 2021. The development of the result 2022 compared to 2021 can be reflected as follows:

	€	€
The result has been influenced favourably by:		
<i>Increase of:</i>		
General costs	<u>50,607</u>	50,607
The result has been influenced unfavourably by:		
<i>Decrease of:</i>		
Net turnover	40,899	
Office costs	-	
Financial expenditure	<u>9</u>	
Increased result		<u>40,908</u> <u>9,699</u>

1.4 Financial position

Below we provide an analysis of the enterprise's financial position, based on the balance sheet.

	31 December 2022		31 December 2021	
	€	€	€	€
In short term available:				
Cash at bank and in hand	<u>4,235</u>		<u>5,159</u>	
Total current assets		4,235		5,159
Less: current liabilities		<u>8,066</u>		<u>5,285</u>
Working capital		-3,831		-126
Fixed on long term:				
Financial fixed assets	<u>59,979</u>		<u>60,281</u>	
		<u>59,979</u>		<u>60,281</u>
Funded with on long term available assets		<u><u>56,148</u></u>		<u><u>60,155</u></u>
Funding occurred as follows:				
Equity capital		-3,831		-126
Provisions		<u>59,979</u>		<u>60,281</u>
		<u><u>56,148</u></u>		<u><u>60,155</u></u>

2. FINANCIAL STATEMENTS

2.1 Balance sheet as of 31 December 2022

(After result appropriation)

ASSETS	<u>31 December 2022</u>		<u>31 December 2021</u>	
	€	€	€	€
Fixed assets				
<i>Financial fixed assets</i>	[1]			
Other receivables	<u>59,979</u>	59,979	<u>60,281</u>	60,281
Current assets				
<i>Cash at bank and in hand</i>	[2]	4,235		5,159
Total assets		<u><u>64,214</u></u>		<u><u>65,440</u></u>

2.1 Balance sheet as of 31 December 2022

(After result appropriation)

	31 December 2022		31 December 2021	
	€	€	€	€
LIABILITIES				
Equity capital	[3]			
Other reserves	<u>-3,831</u>	-3,831	<u>-126</u>	-126
Provisions	[4]			
Other provisions	<u>59,979</u>	59,979	<u>60,281</u>	60,281
Current liabilities	[5]			
Accrued liabilities	<u>8,066</u>	8,066	<u>5,285</u>	5,285
Total liabilities		<u><u>64,214</u></u>		<u><u>65,440</u></u>

2.2 Profit and loss account 2022

		2022		2021	
		€	€	€	€
Net turnover	[6]		550		41,449
Gross operating result			<u>550</u>		<u>41,449</u>
General costs	[8]	<u>4,061</u>	4,061	<u>54,668</u>	54,668
Total operating costs					
Operating result			<u>-3,511</u>		<u>-13,219</u>
Interest and similar expenditure	[9]	<u>-194</u>		<u>-185</u>	
Total financial income and expenditure			-194		-185
Result			<u><u>-3,705</u></u>		<u><u>-13,404</u></u>

2.3 Notes to the financial statements

General notes

Activities

The activities of Stichting SDG ACE, having its registered office at Amsterdam primarily consist of providing finance credits to inhabitants of developing countries for the purchase of household energy products and therefore contribute to their economic empowerment.

The actual activities are carried out at Cornelis Vermuydenstraat 57, Amsterdam.

Registered office and registration number at the chamber of commerce

Stichting SDG ACE has been registered at the Chamber of Commerce under file number 72436530.

Estimates

In applying the principles and policies for drawing up the financial statements, the management of the foundation makes different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under art. 362, sub 1, book 2 of the Dutch Civil Code the nature of these estimates and judgments, including related assumptions, is disclosed in the Notes to the relevant financial statement item.

General accounting policies

General

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the pronouncements in the Dutch Accounting Standards applicable to small legal entities, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Foreign currency

Functional currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the foundation operates (the functional currency). The financial statements are presented in euros, which is the functional and presentation currency of the foundation.

Transactions, receivables and liabilities

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date.

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the income statement, unless hedge-accounting is applied.

Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date.

Non-monetary assets valued at fair value in a foreign currency are converted at the exchange rate on the date on which the fair value was determined.

Exceptional items

Exceptional items are items of income and expense from the normal, non-incidental activities or transactions, but which need to be disclosed separately on the basis of the nature, size or incidental character of the item.

2.3 Notes to the financial statements

ACCOUNTING POLICIES APPLIED TO THE VALUATION OF ASSETS AND LIABILITIES

Financial fixed assets

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the accounting policies used in these financial statements on the other, on the understanding that deferred tax assets are only recognised insofar as it is probable that future taxable profits will be available to offset the temporary differences and available tax losses.

The calculation of the deferred tax assets is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

Deferred income taxes are recognised at nominal value.

Cash at banks and in hand

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value.

Provisions

General

Provisions are recognised for legally enforceable or constructive obligations that exist at the balance sheet date, and for which it is probable that an outflow of resources will be required and a reliable estimate can be made.

Provisions are measured at the best estimate of the amount that is necessary to settle the obligation as per the balance sheet date. Provisions for pension are valued on the basis of actuarial principles. The other provisions are carried at the nominal value of the expenditure that is expected to be necessary in order to settle the obligation, unless stated otherwise.

If obligations are expected to be reimbursed by a third party, such reimbursement is included as an asset in the balance sheet if it is probable that such reimbursement will be received when the obligation is settled.

Other provisions

Other kinds of provision are included in accordance with the nominal value of the expenditure which is expected to be necessary to settle the obligations.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

2.3 Notes to the financial statements

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Profit or loss is determined taking into account the recognition of unrealised changes in fair value of investment property, securities included in current assets and derivative financial instruments not designated as hedging instruments.

Revenue recognition

General

Net turnover comprises the income from the supply of goods and services after deduction of discounts and such like and of taxes levied on the turnover.

Sales of goods

Revenues from the goods supplied are recognised when all significant risks and rewards in respect of the goods have been transferred to the buyer.

Sales of services

Revenues from the services rendered are recognised in proportion to the services delivered, based on the services rendered up to the balance sheet date in proportion to the total of services to be rendered.

Costs

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Exceptional items

Exceptional items are items of income and expense from the normal, non-incidental activities or transactions, but which need to be disclosed separately on the basis of the nature, size or incidental character of the item for reasons of analysis and comparability of the results.

Financial income and expense

Interest income and interest expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Currency translation differences

Currency translation differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they are realised, unless hedge accounting is applied.

Dividends

Dividends to be received from participations and securities not carried at net asset value are recognised as soon as the company has acquired the right to them.

Changes in value of financial instruments recognised at fair value

Changes in the value of the following financial instruments (for which no hedge-accounting is applied) are recognised directly in the income statement.

2.4 Notes to the balance sheet

ASSETS

FIXED ASSETS

Financial fixed assets [1]

	2022	2021
	€	€
Other receivables		
Loan providing African Clean Energy BV	59,979	60,281
<i>Loan providing African Clean Energy BV</i>		
Value as of 1 January	60,281	7,120
Movements	118,688	77,295
Refunds	-110,975	-24,134
Repossments	-7,938	-
Write off	-77	-
Value as of 31 December	59,979	60,281

CURRENT ASSETS

Receivable current account African Clean Energy BV

Value as of 1 January 2020 / 17 August 2018	-	5,025
Income received via African Clean Energy BV	-	-5,025
Costs paid via African Clean Energy BV	-	-
Value as of 31 December	-	-

Cash at bank and in hand [2]

Current account bank	4,235	5,159
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To the current account following certainty apply:
The cash and cash equivalents are available on demand.

2.4 Notes to the balance sheet

LIABILITIES

EQUITY CAPITAL [3]

	2022	2021
	€	€
Other reserves		
Value as of 1 January	-126	13,278
From proposal result appropriation	-3,705	-13,404
Value as of 31 December	<u>-3,831</u>	<u>-126</u>

PROVISIONS [4]

Other provisions

Microfinance provision	<u>59,979</u>	<u>60,281</u>
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Microfinance provision

Value as of 1 January	60,281	7,120
Additive	118,688	77,295
Release	-118,990	-24,134
Value as of 31 December	<u>59,979</u>	<u>60,281</u>

Due to the relatively high risk profile of the outstanding microfinance credits/loans (as presented as Financial fixed assets), Stichting SDG ACE books a provision directly linked to the loans provided. Due to the recurring nature of the loans provided, the provision follows the outstanding loan amount. Repayments of the loans will also lower the booked provision. The need for a 100% provision will be reviewed from time to time based on the actual repayment percentage over a longer period of time.

CURRENT LIABILITIES [5]

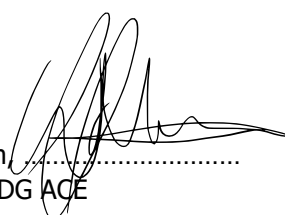
Accrued liabilities

Administration costs payable	1,815	3,000
Other accrued liabilities	1,156	2,285
Trade accounts payable	5,095	-
	<u>8,066</u>	<u>5,285</u>

2.5 Notes to the profit and loss account

	<u>2022</u>	<u>2021</u>
	€	€
Net turnover [6]		
Sale of Photo's	550	-
Donations	-	41,449
	<u>550</u>	<u>41,449</u>
General costs [8]		
Accountant costs	3,910	1,500
Differences in payments	-	7
Microfinance provision costs	-302	53,161
Other general costs	453	-
	<u>4,061</u>	<u>54,668</u>
Financial income and expenditure		
Interest and similar expenditure [9]		
Banking fees and provision	<u>194</u>	<u>185</u>

Amsterdam
 Stichting SDG ACE



Judith Joan Walker