

Charity Registration No. 1163028

MLINDA FOUNDATION CIO

ANNUAL TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

MLINDA FOUNDATION CIO

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Sally Chandler Richard Azarnia Liesl Maria Patricia Eisenbeiss Andrew Giles Pedder Davies (Appointed 16 June 2020) Sirv Mahesh Chibber (Appointed 20 November 2020)
Charity registration number	1163028
Principal address	Devonshire House 1 Devonshire Street London W1W 5DR
Auditor	Citroen Wells Devonshire House 1 Devonshire Street London W1W 5DR
Bankers	Marcard, Stein & Co AG Ballindamm 36 20095 Hamburg Germany

MLINDA FOUNDATION CIO

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MLINDA FOUNDATION CIO

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 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 Foundation's governing document, 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)".

The Trustees who served during the year were:

Sally Chandler	
Richard Azarnia	
Liesl Maria Patricia Eisenbeiss	
Andrew Giles Pedder Davies	(Appointed 16 June 2020)
Sirv Mahesh Chhibber	(Appointed 20 November 2020)
Rebecca Symington	(Resigned 8 June 2020)

WHY WE ARE HERE

More than 734 million people still live in extreme poverty today, struggling to fulfil the most basic needs like health, education, and access to water and sanitation.

Over the course of the last generation, economic growth has helped more than a billion people leave the most destitute living conditions behind. But while consumption and production drive the global economy and lift people out of poverty, they deplete the earth's resources and cause harmful greenhouse gas emissions. They threaten everything we care about: well-being, security, culture, landscape, and financial stability.

Mlinda works in developing countries to create economic growth while reducing the threat of wasteful production and consumption. We build market-based solutions that are self-sustaining, replicable, and scalable.

In the year under review, Mlinda continued to focus on achieving these objectives through its rural electrification programme implemented in the state of Jharkhand in India.

OBJECTIVES & ACTIVITIES

Mlinda's objectives are to promote, for the benefit of the public, conservation, protection and improvement of the physical and natural environment. In particular the Foundation aims to educate the public about climate change and depletion of natural resources, to encourage organisations to undertake systemic change in their production processes and to transform individual behaviour and modes of consumption. The focus to date has been on the investment into research and development of a scalable and replicable model of rural electrification using renewable energy in rural India.

Mlinda aims to raise income to support its objects as the Trustees see fit. The Foundation receives grants from other institutions with a view to donating monies received to Mlinda Charitable Trust and investing in Mlinda Sustainable Environment Private Limited, both of which are based in India to deliver the rural electrification programme.

The Trustees have regard to the Charity Commission's public benefit guidance when making decisions to which the guidance is relevant. During the year under review, the Trustees consider the Foundation met the public benefit requirement through the expansion of its rural electrification programme in the state of Jharkhand, India. The supply of clean electricity is a catalyst to drive sustainable economic and social benefits. We create long-term improvement in the lives of communities by providing the reliable energy, finance and expertise upon which to build a financially and environmentally sustainable economy.

MLINDA FOUNDATION CIO**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021****ACHIEVEMENTS AND PERFORMANCE**

India has halved its poverty rate since the 1990's. Part of this story has been India's unprecedented progress towards universal electricity provision. However, this hides many challenges to access to quality and reliable energy for the most marginalised. At the start of Mlinda's project, as many as 52% of all households in Jharkhand were unable to rely on electricity in any meaningful way. They could not rely on the national grid for developing business and increasing incomes.

Mlinda seeks to increase access to energy to enable India's most marginalised communities to grow sustainable livelihoods, while also reducing CO2 emissions. The rural communities in Jharkhand have average annual household incomes equivalent to less than 700 Euros.

Mlinda's village-wide mini-grids provide metered energy which is paid for by households. We offer business advisory support to help villagers to develop their agribusinesses and train local villagers to repair and maintain their energy service network.

Renewable energy activities began in 2011 with small solar rooftop systems shared between families in the mangrove areas of the Sunderbans of southern West Bengal. In 2013, Mlinda expanded to northern areas of West Bengal, later moving into Jharkhand in 2015.

In 2016 Mlinda began installing village-wide solar powered mini-grids in Jharkhand. By the end of March 2021, Mlinda had installed and commissioned solar powered mini-grids in 44 villages with a total installed base of 1037 kWp, electrifying over 7,200 households. Our direct beneficiaries include women, children, farmers, entrepreneurs, school and health centres. Around 41,000 individuals are connected to our electricity.

THE MODEL

Mlinda's model for mini-grid installation and support to the community is anchored in close ties with villagers, and a deep understanding of their energy needs.

Mlinda designs, installs and operated mini-grids in the villages then supports the community to make transition from diesel and kerosene to renewable energy.

Mlinda installs and operates mini-grids

- Each system is between 20-30 kWp, solar powered with diesel generator connected for peak load management and back-up for outages.
- The consumers pay for upfront connection fees and then pay for energy usage through pre-paid meters.
- Part time engineers and one full time operator stay in the villages and work with the communities, individual entrepreneurs, women's self-help groups, farmer groups, to convert diesel to electric devices. These close ties ensure that relations of trust are built and maintained with the community and that a quality service is provided.
- Local operators are also trained in repair and maintenance of the mini-grids.
- The grids are designed to increase in capacity as demand grows. Several grids have had modular expansions of up to 15 kWp so far.

Mlinda supports agricultural producers and entrepreneurs

- Mlinda grows demand responsibly, ensuring it is based on low energy devices.
- Mlinda provides loans to farmers to finance energy efficient devices to accelerate uptake.
- Mlinda also incubates agri-businesses such as oil expelling, mini cold storage, and electrification of poultry coops in the villages.
- There has been a large increase in productive activities powered by our mini-grids.
- The number of non-farm productive activities powered by mini-grids such as grocery shops customer service centres, metal fabrication units, air compressors, freezers, sewing machines, construction materials manufacturing etc. have increased.

MLINDA FOUNDATION CIO**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

- Some new non-farm uses of the mini-grids such as music amplifier sets as part of entertainment services for social events have sprung up. The number of government and private health centres powered by Mlinda mini-grids have also increased.

In order to diversify economic activities in the villages, it is essential to support the non-farm sector: pre-existing activities such as shops, eateries, welding units etc. as well as new activities such as digital dispensaries, e-schools, non-farm manufacturing units. Mlinda works to convert the pre-existing activities from kerosene and diesel to clean and reliable energy. We research additional sectors such as health, education and non-farm manufacturing centres to diversify economic development.

2020-21 ACTIVITY

In 2020-21, Mlinda's progress towards the target of 50 villages electrified was impacted by the Covid-19 pandemic. Procurement was completed on four villages just before lockdown struck in India in March 2020. These were finally commissioned in January 2021, taking the total of electrified villages to 44. Further expansion has been deferred until 2022, given the current uncertainties created by the pandemic.

By the end of March 2021, Mlinda had installed and commissioned solar powered mini-grids in 44 villages with a total installed base of 1037 kWp, electrifying over 7,200 households and over 990 productive loads. We have achieved a reduction in greenhouse gas emissions of 1,054 tons pa and a reduction in diesel/kerosene usage of 185,776 ltrs.

STRUCTURE GOVERNANCE AND MANAGEMENT

Mlinda Foundation CIO (MUK) is a Charitable Incorporated Organisation in England. The governing document is the Foundation's Constitution dated 17 June 2015. Mlinda is governed by a board of Trustees which has ultimate responsibility for directing strategy and overseeing performance of the Foundation. The constitution requires a minimum of two and a maximum of five Trustees. Trustees are elected for a period of five years and five served during the reporting period. The Board of Trustees retain oversight via quarterly reports which cover key performance objectives and financial performance and are the basis for decision making. These reports are considered at the regular board meetings which take place quarterly. In addition, informal meetings are held from time to time if required.

Trustees have been recruited to date because they are known to current board members, have an interest in the Foundation's objectives and have skills, experience and knowledge that the board needs. Mlinda has developed an induction pack for new trustees.

Day to day management of Mlinda Foundation CIO (MUK) was delegated to Wayne Myslik, Executive Director.

The Foundation has a wholly owned subsidiary, Mlinda Sustainable Environment Private Limited ("MPL"). MPL is a Limited company, registered in India, and is responsible for the technical delivery of the Electrification Programme in rural Jharkhand. The subsidiary sub-contracts the supply, installation and operation of the mini-grids. The Foundation has invested in the equity of MPL to date to provide working capital. The Trustees believe that this investment is vital to establish, long term, Mlinda's objective of a scalable and replicable model of rural electrification with the long-term aim of generating unrestricted income for the Foundation to further its objectives.

Mlinda has a partnership with Mlinda Charitable Trust (MCT), a charity registered in India. MCT delivers the public benefit outcomes of the Electrification Programme. The Foundation funds MCT's programmes through grant donations against agreed programmes of work.

The Boards of MUK, MPL, and MCT entered into a Group Agreement in 2021 that outlines their commitment to work together toward a common strategic goal and sets out how decisions will be taken on group-wide issues.

By agreement with the boards of MPL and MCT, the MUK Executive Director serves as supervisor of the General Managers of MPL and MCT. This ensures consistent oversight across the group.

Two MUK Trustees sit on the board of MPL, together with two independent Indian Directors. The MUK Executive Director will join the board in 2021. MCT has three Trustees.

MLINDA FOUNDATION CIO**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Roles and objectives of key management personnel of the Foundation and subsidiary are defined in conjunction with the strategic objectives of Mlinda and pay and conditions benchmarked against similar roles in the sector and location. Key management personnel are the Executive Director and the Directors and General Manager of MPL.

Work to strengthen governance and management across the group continues through 2021.

There were no assets held as custodian trustee during the year.

FUNDRAISING

Mlinda does not engage in public fundraising.

FINANCIAL REVIEW

The Foundation has prepared consolidated financial statements for the year ended 31 March 2021. The group result is a deficit of €1,045,046, which includes operating losses of €714,916 in the trading subsidiary (MPL). This loss included €212,384 of costs relating to the departure of the two India Directors and recruitment of a new management team in India. Expenditure of €364,456 and capex of €224,587 was incurred on activities funded by a grant from the IKEA Foundation in 2019 to strengthen Mlinda's organisational capacity to ensure it is well positioned to deliver the core elements of the strategy for the next phase of the project

The principle funding source for the Foundation in the year consisted of a grant from Mlinda US of €200,000 and €500,000 as a short-term loan from a connected party, Ironie 19 Limited.

The Foundation invested €488,998 equity in MPL as working capital to fund capital and operational costs during the year. The investment in MPL was impaired during the year by €1,143,948, based on an independent valuation by a Merchant Bank. The Trustees believe the carrying value of the investment, following the impairment, is in line with the current valuation of the subsidiary.

INVESTMENT POLICY

Mlinda invests to achieve both a financial return and to directly further its charitable objectives. However, investing also exposes Mlinda to risks which, if not properly managed, can affect not just the charity itself but the public's trust and confidence in the sector more generally. Because of this, Mlinda Trustees follow the guidance of the Charity Commission to ensure that investment decisions are compliant with their duties and have approved an Investment Policy which sets out what Mlinda's investment objectives are, how investment decisions are made and investment risk managed. Mlinda's Investment Policy applies to any subsidiaries of Mlinda.

PRINCIPAL RISKS & UNCERTAINTIES

The Foundation's Trustees have given consideration to the major risks to which the Foundation is exposed and satisfied themselves that systems or procedures are established in order to manage those risks

A Risk Register, supported by a Risk Management Policy and Procedure, is intended to ensure risks are proactively managed at strategic, operational and project levels. The Risk Register is an active tool to identify the possible and probable risks the Foundation may face over its working life.

Principle risks are currently identified as:

The rural electrification project reached the end of the current phase and funding plan this year. There is a cash flow risk if fundraising is delayed, and of operations ceasing, if funding the next phase is not successful. We mitigate this risk by regular review of performance against budget, of rolling cash forecasts and timely planning, next-stage project design and conversations with existing funders for the next phase.

MLINDA FOUNDATION CIO**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Overseas operations carry inherent risk in that it is more difficult for the Foundation to exercise governance and oversight. There is a greater reliance on reporting and key indicators. We mitigate this risk, in addition to formal reporting against key metrics, regular contact between European and Indian management teams, both remote and face to face, and we will continue the development of systems and processes to support data collection, management and decision making.

As the rural electrification project reaches a key milestone and refocuses on replication; success will be impeded if we do not have the skills and systems that are necessary. To mitigate this risk, we see organisational development as integral to the next phase and will plan, fund and deliver key activities focussing on people (leadership & succession planning, training, capacity building) and appropriate systems and processes.

In 2020, Mlinda stepped up activities aimed at improving governance and management structures across the Mlinda group. This process was meant to recognise the growth of the organisations in size and complexity and to prepare the organisations for the shift to a replication focus. As part of this process, new leadership was installed at both Board and management levels in both MPL and MCT. Following these significant changes, Mlinda's largest donor, IKEA Foundation, commissioned an audit of the group's governance, management, and compliance matters. This audit was completed in May 2021 and included several recommendations for improvement. Mlinda has welcomed the support in strengthening the organisation and we anticipate completing all of the recommended changes by December 2021.

The Covid-19 Pandemic and the subsequent lockdown in India impacted villages in Jharkhand. Asked by the district administration, Mlinda continued to provide electricity. Demand fell away at the start of the lockdown, as households prioritized food stockpiling and savings. However, demand returned to within 25% of pre-Covid levels in April 2020 and has been maintained since. Repeated lockdowns and continued uncertainty have acted to keep demand below targeted figures in 2021, but there is steady improvement in both household and productive demand. It is a testament to the dedication and professionalism of the Mlinda's local team that, despite their own exposure to Covid-19, they kept the service running.

In addition, there has been a delay in the installation of 6 mini-grids which has subsequently affected our timeline of electrifying 50 villages by mid-2020. Uncertainty, due the Pandemic, is likely to continue through 2021. The local and national situation in India is kept under regular review and is incorporated into business continuity planning.

The impact of Covid-19 on the budget and cash-flow was also assessed. The budget has been re-forecast and the Board will monitor cash and funding as the situation unfolds. However, after an early dip, revenues recovered back to a reasonable proportion of budgeted levels and continue to improve. The greatest impact on revenues will be the delayed installation of the final grids which will defer some budgeted revenues into 2021. However, the Trustees are confident this can be managed within existing funding streams and funder relationships.

OUTLOOK FOR 2021-22

In 2022, Mlinda expects to have achieved the goal of supplying 50 villages with reliable clean energy, so this is an especially important time to review and articulate our strategy. A major piece of work, which commenced in early 2020 and will continue into 2021, is to review Mlinda's mission and strategic plan. After several years focussing on building the operations from scratch and scaling up, this with very strong utilisation and revenue levels and excellent community relations, we have learnt a great deal about how to bring clean energy to very rural villages under challenging circumstances. We aim to translate the successful solar installations into meaningful and long-lasting change for the communities we serve. This will require new organisational skills to deliver a core strategic priority to create a local economic environment conducive to sustainable growth, around two major elements – sustainable economic development and replication. This strategic plan will drive activities for the next three years, commencing in 2021.

RESERVES

The reserves policy has been set with the aim of having 3 months operating costs cover for each entity. This would enable notice period commitments to be met, should Mlinda cease to operate and to meet current liabilities. The minimum level of reserves will be kept under review as the Foundation grows and operations develop.

MLINDA FOUNDATION CIO**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

At the Balance Sheet date this was assessed to be €75,000 and the Foundation had net current liabilities of €72,192. However, this includes a short-term loan from a connected party, which will not be called for repayment until the Foundation has sufficient funds in place. The trustees will monitor and keep under review short-term cash needs, as the strategy and funding plan for the next three years is implemented.

The Foundation has significant long-term liabilities at the balance sheet date. However, the Trustees consider that these be excluded from the free reserves calculation as the loans will not be called for repayment unless the Foundation has sufficient funds in place.

The foundation is cognisant of the funding needs of its subsidiary and the grant commitment to Mlinda Charitable Trust for the current project and will ensure that they have sufficient resources for 3 months operating cost cover, to enable them to put alternative funding arrangements in place should the Foundation cease to operate. Based on the 2021 budgets for each entity, these are €107,000 and €32,000 respectively. At the balance sheet date free cash balances for each entity were €292,412 and €300,635 which were sufficient to cover this requirement.

PENSION LIABILITIES

The Foundation operates a defined benefit pension scheme with NEST for two employees who are based in the UK. At the balance sheet date accrued contributions were €0 (2020: €660).

FUNDS IN DEFICIT

The Foundation's subsidiary, MPL, posted a deficit of €537,296 in the year. This included costs relating to management transition and work towards developing the core capabilities to deliver the planned strategy for 2021 and beyond. Despite this deficit, MPL had net current assets of €221,232 and total net assets of €2,860,940 at the balance sheet date. The Trustees will monitor and keep under review future performance and funding needs against the rural electrification project long term budget.

GOING CONCERN

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue to operate for the foreseeable future.

In order to fund the project work in India, loans from a connected Trust (the Lorelei Trust) and a connected limited company registered in England (Ironie 19) were received to meet early costs, with the expectation that these will be repaid from future income streams arising from profits generated in the subsidiary. The timelines for this have been affected by the Covid-19 pandemic, however the trustees are confident that, with a repositioning of strategy towards economic development conducive to sustainable growth, this will in turn enable MPL to reach profitability. The long term forecast for MPL will be developed in 2021 on the back of the 2021-24 strategy and budget.

The loan from Lorelei Trust is not repayable for 8 years. The long-term facility with Ironie 19 is not repayable until 2032 and was fully drawn at the balance sheet date. Ironie 19 made a further loan of €500,000 in the year, with the option to convert the loan to shares in MPL.

The Lorelei Trust and Ironie 19 have confirmed their support for the foreseeable future. As with any entity placing reliance on connected entities for financial support, the trustees acknowledge that there can be no certainty that this support will continue, although at the date of approval of these audited financial statements, there is no reason to believe they will not do so.

Based on this undertaking the Trustees believe it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

MLINDA FOUNDATION CIO

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustee's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources and application of resources of the Foundation for that period.

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Citroen Wells, Statutory Auditors were re-appointed as auditor to the Foundation and a resolution proposing that they be reappointed will be put at a General Meeting.

Disclosure of information to auditor

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

17/9/2021

The Trustees' Report was approved by the Board of Trustees on

Sally Chandler

Sally Chandler – Trustee

MLINDA FOUNDATION CIO**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF MLINDA FOUNDATION CIO****Opinion**

We have audited the financial statements of Mlinda Foundation CIO ('The Foundation') and its subsidiary (the 'Group') for the year ended 31 March 2021, which comprise the Consolidated Statement of Financial Activities, the Group and Foundation Balance Sheets, the Consolidated Cash Flow Statement and notes the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and The Foundation's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or The Foundation's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees' are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MLINDA FOUNDATION CIO**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF MLINDA FOUNDATION CIO (CONTINUED)****Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, as set out on page 7, the Trustees' are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 152 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework being the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the CIO's constitution, the Charities Act 2011, The Indian Foreign Contribution (Regulation) Act, 2010 and the relevant direct and indirect tax compliance regulation in the United Kingdom and India.

MLINDA FOUNDATION CIO**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF MLINDA FOUNDATION CIO (CONTINUED)**

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- We understood how the Group is complying with those frameworks by making enquiries of management and seeking representations from those charged with governance and local management in the jurisdictions in which the Group operates. We corroborated our understanding by reviewing supporting documentation including trustee meeting minutes.
 - We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by considering the risk of management override of internal control and by designating revenue recognition as a fraud risk. We performed journal entry testing by specific risk criteria, with a focus on journals indicating large or unusual transactions based on our understanding of the business. We tested completeness of income through substantive tests performed and cut off tests on the revenue recognised.
 - Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance, review of legal and professional expenses and review of trustee meeting minutes.
 - The Foundation is a regulated entity under the supervision of the Charities Commission. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities.

Use of our report

This report is made solely to the Trustees', as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Trustees' those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Foundation and the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.


Citroen Wells

Chartered Accountants
Statutory Auditor

17/9/2021

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Devonshire House
1 Devonshire Street
London
W1W 5DR

MLINDA FOUNDATION CIO

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds	Restricted funds	Total 31 March 2021	Total 31 March 2020
	Notes	€	€	€	€
Income from:					
Donations	3	-	201,020	201,020	2,570,436
<i>Income from other trading activities:</i>					
Commercial trading operations	4	428,319	-	428,319	433,912
Total income		428,319	201,020	629,339	3,004,348
Expenditure on:					
<i>Raising funds:</i>					
Commercial trading operations	4	1,143,235	-	1,143,235	1,008,100
Charitable activities	5	-	409,805	409,805	950,692
Total expenditure		1,143,235	409,805	1,553,040	1,958,792
Net (expenditure)/income for the period		(714,916)	(208,785)	(923,701)	1,045,556
Other losses	10	(121,345)	-	(121,345)	(169,806)
Net movement in funds		(836,261)	(208,785)	(1,045,046)	875,750
Reconciliation of funds:					
Total funds brought forward		1,453,167	219,203	1,672,370	796,620
Total funds carried forward		616,906	10,418	627,324	1,672,370

MLINDA FOUNDATION CIO**BALANCE SHEETS
AS AT 31 MARCH 2021**

	Notes	Group 31 March 2021 €	Group 31 March 2020 €	Foundation 31 March 2021 €	Foundation 31 March 2020 €
Fixed assets					
Tangible assets	11	2,154,107	2,078,598	-	-
Intangible assets	12	16,884	-	-	-
Investments	13	-	-	3,359,785	4,014,735
Capital Work in Progress		52,283	193,177	-	-
Long term loans and advances		10,845	4,740	-	-
Other non-current assets		34,262	38,238	-	-
		<u>2,268,381</u>	<u>2,314,753</u>	<u>3,359,785</u>	<u>4,014,735</u>
Current assets					
Inventories		2,704	31,974	-	-
Trade and other receivables	14	43,292	84,599	3,476	4,423
Cash at bank and in hand		814,121	953,725	521,709	692,503
Investments		247,784	610,015	-	-
		<u>1,107,901</u>	<u>1,680,313</u>	<u>525,185</u>	<u>696,926</u>
Current liabilities	15	(702,610)	(254,796)	(597,377)	(71,335)
Net current assets/(liabilities)		<u>405,291</u>	<u>1,425,517</u>	<u>(72,192)</u>	<u>625,591</u>
Total assets less current liabilities		2,673,672	3,740,270	3,287,593	4,640,326
Non-current liabilities	16	(2,042,496)	(2,055,630)	(2,000,000)	(2,000,000)
Provisions for liabilities		(3,852)	(12,270)	-	-
Net assets		<u>627,324</u>	<u>1,672,370</u>	<u>1,287,593</u>	<u>2,640,326</u>

MLINDA FOUNDATION CIO**BALANCE SHEETS (Continued)
AS AT 31 MARCH 2021**

	Notes	Group 31 March 2021 €	Group 31 March 2020 €	Foundation 31 March 2021 €	Foundation 31 March 2020 €
The funds of the Foundation	17				
Restricted funds	18	10,418	219,203	10,418	219,203
Unrestricted income funds	19	616,906	1,453,167	1,277,175	2,421,123
		627,324	1,672,370	1,287,593	2,640,326

17/9/2021

The financial statements were approved by the Trustees on

Sally Chandler

Sally Chandler - Trustee
Charity registration number: 1163028
MLINDA FOUNDATION CIO

MLINDA FOUNDATION CIO**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	31 March 2021		31 March 2020	
		€	€	€	€
Net cash generated by operating activities	22		(213,449)		1,287,096
Investing activities					
Purchase of tangible fixed assets		(249,091)		(1,380,369)	
Purchase of intangible fixed assets		(16,884)		-	
Sale/(purchase) of investment		362,231		(158,542)	
			96,256		(1,538,911)
Financing activities					
Loan (repayments)/borrowings		(13,134)		955,630	
Term deposit pledged against loans		3,976		(38,238)	
Loan interest		(13,253)		(5,216)	
			(22,411)		912,176
Change in cash and cash equivalents in the period			(139,604)		660,361
Cash and cash equivalents brought forward			953,725		293,364
Cash and cash equivalents carried forward			814,121		953,725

MLINDA FOUNDATION CIO**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****1. Accounting policies**

The Mlinda Foundation ('the Foundation') is a Charitable Incorporated Organisation registered in England and Wales. The Foundation's registered address is Devonshire House, 1 Devonshire Street, London, W1W 5DR. The nature of the Foundation's operations and principal activities are set out in the Trustees' Report.

The Group consists of the Mlinda Foundation and it's wholly owned subsidiary Mlinda Sustainable Environment Private Ltd ('MSEP'). The subsidiary is based and registered in India.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Foundation's governing document, the Charities Act 2011 and 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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 2019).

These financial statements consolidate the results of the Foundation and its wholly owned subsidiary, MSEP, on a line by line basis. Transactions and balances between the Trust and its subsidiary have been eliminated from the consolidated financial statements. The Foundation constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared to give a 'true and fair' view and 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 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) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below. The financial statements are prepared in euros, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest €.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. In order to fund the project work in India, loans have been received from connected parties. The Foundation has received confirmation from connected parties of their support for the foreseeable future. As with any entity placing reliance on connected entities for financial support, the trustees acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this undertaking the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis.

1.3 Reporting period

The comparative figures in these financial statements cover the 15 month period 1 January 2019 to 31 March 2020. The current reporting period is the year end 31 March 2021.

MLINDA FOUNDATION CIO**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)****1. Accounting policies (continued)****1.4 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. Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.5 Income recognition

Income is recognised when the Group is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. Cash donations are recognised on receipt.

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

1.6 Expenditure recognition

Resources expended are included in the Statement of Financial Activities on an accruals basis. Grants awarded are charged in the period when the offer is conveyed to the recipient, irrespective of the period covered by the grant, such grants being recognised as expenditure. Governance costs comprise all costs involving the public accountability of the Foundation and its compliance with regulation and good practice.

1.7 InvestmentsNon-current

Fixed asset investments are mixed motive investments in subsidiaries, recorded at cost less impairment. A subsidiary is an entity controlled by the Foundation. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

At the end of each reporting period investments measured at amortised cost are assessed for objective evidence of impairment. If an investment is impaired the impairment loss is the difference between the carrying amount and the market value of investment. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is recognised to the extent that the revised carrying value does not exceed what the carrying value would have been had the impairment not previously been recognised. The impairment reversal is recognised in the profit or loss.

Current

Investments held as current assets are revalued to market value at the balance sheet date and the gain or loss taken to the statement of financial activities, when the gain or loss is material.

1.8 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

MLINDA FOUNDATION CIO**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)****1. Accounting policies (continued)****1.9 Foreign exchange differences**

Transactions in currencies other than euros 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 and consolidation are included in the statement of financial activities for the period.

1.10 Tangible fixed assets and depreciation

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

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

Buildings	Over useful economic life of 30 years
Solar system	Over useful economic life of 35 years
Plant and machinery	6.67%, 12.5% and 20% straight line
Computer equipment	33% straight line
Office equipment	20% straight line

1.11 Other non-current assets

Other non-current assets are term deposits pledged against loans and therefore not freely available for the use of the group.

1.12 Inventories

Inventories are held at the lower of stock and net realisable value.

1.13 Cash at bank and in hand

Cash at bank and in hand represents cash held for working capital purposes and in interest free bank current accounts.

1.14 Financial instruments

The Foundation 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 Foundation's balance sheet when the Foundation 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.

MLINDA FOUNDATION CIO**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)****1. Accounting policies (continued)****1.14 Financial instruments (continued)****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 loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Derecognition of financial liabilities

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

1.15 Provisions

Under Indian law it is mandatory for the employee who have completed a minimum of five years in service to receive a gratuity, therefore the provision in the accounts represent this liability.

2. Critical accounting estimates and judgements

In the application of the Foundation'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.

Valuation of investments

Investments held as non-current assets per note 13 are stated at cost of €4,503,733 less a current year impairment of €1,143,948. The trustees engaged an independent merchant bank to perform a valuation of the Foundation's subsidiary. Although the trustees appreciate that valuations of unquoted companies can be subjective, they believe the carrying value of the investment, following the impairment, to be in line with the current valuation of the subsidiary.

MLINDA FOUNDATION CIO**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)****3. Donations**

	Restricted funds €	31 March 2021 €	31 March 2020 €
Mlinda USA	200,000	200,000	-
Ikea Foundation	-	-	2,392,500
OFID	-	-	177,936
Others	1,020	1,020	-
	<u>201,020</u>	<u>201,020</u>	<u>2,570,436</u>
For the period ended 31 March 2020	<u>2,570,436</u>	<u>-</u>	<u>2,570,436</u>

4. Income from other activities

The wholly owned trading subsidiary, Mlinda Sustainable Environment Private Ltd is incorporated in India.

A summary of the financial performance of this subsidiary alone is set out below:

	31 March 2021 €	31 March 2020 €
Turnover	428,319	433,912
Administration expenses	<u>(1,143,235)</u>	<u>(1,008,100)</u>
Net loss before tax	(714,916)	(574,188)
Taxation*	<u>177,620</u>	<u>193,719</u>
Net loss after tax retained in the subsidiary	<u><u>(537,296)</u></u>	<u><u>(380,469)</u></u>

The assets and liabilities of the subsidiary were:

Fixed assets	2,639,718	2,508,470
Current assets	372,803	983,387
Current liabilities	(105,233)	(183,461)
Provisions and non-current liabilities	<u>(46,348)</u>	<u>(67,900)</u>
Total net assets	<u><u>2,860,940</u></u>	<u><u>3,240,496</u></u>
Aggregate share capital and reserves	<u><u>2,860,940</u></u>	<u><u>3,240,496</u></u>

** not recognised in the group financial statements*

Expenditure of €1,184,646 on activities and on fixed assets of €118,359 relates to the delivery of the Rural Electrification Project in Jharkhand, India for the year to 31 March 2021. A further €364,456 related to activities and €224,587 to fixed assets funded by a grant received from IKEA to fund scaling and replication activities.

MLINDA FOUNDATION CIO**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)****4. Income from other activities (continued)**

Details of the Foundation's subsidiary at 31 March 2021 is as follows:

Name of undertaking	Registered Office	Nature of business	Class of shares held	% Held Direct
Mlinda Sustainable Environment Private Ltd	Ground Floor – Flat No 1, 41 B/5, Gariahat Road South, Kolkata – 700031, India	Sustainable Development	Ordinary shares	100.00

5. Charitable activities

	31 March 2021 €	31 March 2020 €
Wages and related costs	186,954	107,999
Staff recruitment costs	47,611	30,453
Telecommunications	1,897	6,972
Consultancy fees	6,600	34,162
Travelling expenses	-	20,528
Office supplies	4,747	3,741
Bank charges	27,351	9,048
Insurance	3,232	2,502
IT costs	3,899	3,018
General expenses	2,100	119
	284,391	218,542
Grant funding of activities (see note 6)	-	422,146
Governance costs (see note 7)	125,414	310,004
	409,805	950,692

6. Grants

The grant funding of the activities comprised the following:

	31 March 2021 €	31 March 2020 €
Grants to institutions	-	422,146

There were no grants (2020: €422,146) paid to, or on behalf of, Mlinda Charitable Trust, a Trust related to the Foundation, and registered in India.

MLINDA FOUNDATION CIO**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)****7. Governance costs**

	31 March 2021 €	31 March 2020 €
Audit fees	23,474	31,887
Non-audit fees payable to the auditor	11,737	19,624
Legal and professional fees	53,703	52,165
Administrative costs	-	175,000
Loan interest	36,500	31,328
	<u>125,414</u>	<u>310,004</u>

8. Trustees

During the year, €6,664 (2020: €9,356) was paid to Sally Chandler, a trustee of the Foundation, for legal and professional services rendered.

9. Employees**Number of employees**

The average monthly number of employees during the period was 52 (2020: 49).

	31 March 2021 €	31 March 2020 €
Employment costs		
Wages	381,115	499,664
National insurance	22,677	15,750
Pensions	68,996	2,398
Redundancies	188,211	-
	<u>660,999</u>	<u>517,812</u>

The number of employees whose annual remuneration was €60,000 or more were:

	31 March 2021 Number	31 March 2020 Number
€80,000 - €90,000	1	1
€90,000 - €100,000	-	1
€150,000 - €160,000	<u>1</u>	<u>-</u>

Payments to key management personnel during the year totalled €374,666 (2020: €218,919), including the redundancy payments of €188,211 (2020: €nil).

MLINDA FOUNDATION CIO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)**10. Other losses**

	31 March 2021 €	31 March 2020 €
Foreign exchange losses	121,345	169,806

11. Tangible fixed assets

Group	Plant and machinery €
Cost or valuation	
At 1 April 2020	2,297,780
Additions	249,091
At 31 March 2021	2,546,871
Depreciation	
At 1 April 2020	219,182
Charge for the period	173,582
At 31 March 2021	392,764
Net book value	
At 31 March 2021	2,154,107
At 31 March 2020	2,078,598

The Foundation had no tangible fixed assets during the current or comparative periods.

12. Intangible assets

Group	Intangible assets €
Cost or valuation	
At 1 April 2020	-
Additions	16,884
At 31 March 2021	16,884
Carrying amount	
At 31 March 2021	16,884
At 31 March 2020	-

The Foundation had no intangible fixed assets during the current or comparative periods.

MLINDA FOUNDATION CIO

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

13. Investments

Foundation	Subsidiaries €
Cost or valuation	
At 1 April 2020	4,014,735
Additions	488,998
Impairment	(1,143,948)
At 31 March 2021	3,359,785
Carrying amount	
At 31 March 2021	3,359,785
At 31 March 2020	4,014,735

The Foundation's investment in MPL was impaired by €1,143,948 in the year. See note 2 for further details.

The group had no fixed asset investments during the current or comparative periods

14. Trade and other receivables

	Group		Foundation	
	31 March 2021 €	31 March 2020 €	31 March 2021 €	31 March 2020 €
Amount receivable	7,043	36,567	-	-
Short term loans and advances	30,607	37,726	-	-
Prepayments	5,642	10,306	3,476	4,423
	<u>43,292</u>	<u>84,599</u>	<u>3,476</u>	<u>4,423</u>

15. Creditors: amounts falling due within one year

	Group		Foundation	
	31 March 2021 €	31 March 2020 €	31 March 2021 €	31 March 2020 €
Borrowings	508,981	3,521	500,000	-
Payable for capital expenditure	7,276	43,913	-	-
Accrued expenses	142,665	107,404	97,377	71,335
Statutory dues	14,434	17,694	-	-
Other payables	29,254	82,264	-	-
	<u>702,610</u>	<u>254,796</u>	<u>597,377</u>	<u>71,335</u>

MLINDA FOUNDATION CIO**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)****16. Non-current liabilities**

	Group		Foundation	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	€	€	€	€
Borrowings	2,042,496	2,055,630	2,000,000	2,000,000

17. Analysis of net assets between funds

Group	Unrestricted funds	Restricted funds	Total
	€	€	€
Fund balances at 31 March 2021 are represented by:			
Fixed assets	2,268,381	-	2,268,381
Current assets	1,097,483	10,418	1,107,901
Creditors: amounts falling due within one year	(702,610)	-	(702,610)
Creditors: amounts falling due in more than one year	(2,042,496)	-	(2,042,496)
Provisions for liabilities	(3,852)	-	(3,852)
	616,906	10,418	627,324

Foundation	Unrestricted funds	Restricted funds	Total
	€	€	€
Fund balances at 31 March 2021 are represented by:			
Investments	3,359,785	-	3,359,785
Current assets	514,767	10,418	525,185
Creditors: amounts falling due within one year	(597,377)	-	(597,377)
Creditors: amounts falling due in more than one year	(2,000,000)	-	(2,000,000)
	1,277,175	10,418	1,287,593

MLINDA FOUNDATION CIO**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)****18. Restricted Funds**

Group and Foundation	Restricted funds €
Restricted funds brought forward at 1 April 2020	219,203
Mlinda USA	200,000
Other	1,020
Expenditure	(409,805)
Restricted funds carried forward at 31 March 2021	<u>10,418</u>

A restricted donation, totalling €200,000, was received in the year from Mlinda USA, a charity with common trustees. This donation was made to support the completion of Phase III of the rural electrification project, in Jharkhand. The donation is to be used as working capital for the project in the 2021-22 financial year, whilst work is completed on defining the next stage of the project. The donation has been used by the Foundation to fund a further equity investment into MPL.

Other restricted donations received are for the purposes of the Rural Electrification Project in Jharkhand. The restricted donations have been used for the Foundation's expenditure on charitable activities, as set out in note 5.

19. Unrestricted funds

Foundation	Unrestricted funds €
Unrestricted funds brought forward at 1 April 2020	2,421,123
Impairment	(1,143,948)
Unrestricted funds carried forward at 31 March 2021	<u>1,277,175</u>

The Foundation's investment in MPL was impaired by €1,143,948 in the year. See note 2 for further details.

The movement in the Groups unrestricted funds is shown in the consolidated statement of financial activities on page 11.

MLINDA FOUNDATION CIO**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)****20. Operating lease commitments**

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	31 March 2021 €	31 March 2020 €
Within one year	13,896	14,584
Between two and five years	42,947	49,876
After five years	91,691	110,744
	<u>148,534</u>	<u>175,204</u>

21. Related party transactions

i) During the year, a further loan of €500,000 (2020: €600,000) was received from Ironie 19 Limited, a private limited company registered in the UK, with a director who is a trustee of the Foundation. At the year end, the amount repayable was €1,350,000 (2020: €850,000). The loan is interest bearing at a fixed rate of 3%, with accrued interest payable of €50,846 (2020: €26,225).

ii) At the balance sheet date €550,000 (2020: €550,000) was owed to The Lorelei Trust, a trust based in Ireland of which the Foundation is a beneficiary, as a loan to help fund the charitable activities of the Foundation. The loan is interest bearing at a rate of 2% above Euribor. At the year end the trust owed accrued interest of €2,712 (2020: €2,712).

iii) During the year, the Foundation earned donations totalling €200,000 (2020: €nil) from Mlinda USA, a charity with common trustees.

22. Cash generated from operations

	31 March 2021 €	31 March 2020 €
(Deficit)/surplus for the period	(1,045,046)	875,750
Adjustments for:		
Depreciation of tangible fixed assets	173,582	210,437
Loan interest	49,753	36,544
(Decrease)/increase in provision	(8,418)	11,926
Movements in working capital:		
Decrease/(increase) in capital work in progress	140,894	(43,591)
Decrease/(increase) in stock	29,270	(31,974)
Decrease in debtors	35,202	92,567
Increase in creditors	411,314	135,437
Net cash generated by operating activities	<u>(213,449)</u>	<u>1,287,096</u>