

Charity Registration No. 1163028

MLINDA FOUNDATION CIO

ANNUAL TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

MLINDA FOUNDATION CIO

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Sally Chandler Richard Azarnia Liesl Maria Patricia Eisenbeiss Andrew Giles Pedder Davies Sirv Mahesh Chibber Sachitt Chandaria
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 2023

The Trustees present their report and financial statements of Mlinda Foundation CIO ("Mlinda" or "the Foundation") for the year ended 31 March 2023.

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) (effective 1 January 2019)".

The Trustees who served during the year were:

Sally Chandler
Richard Azarnia
Liesl Maria Patricia Eisenbeiss
Andrew Giles Pedder Davies
Sirv Mahesh Chhibber
Sachitt Chandaria

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. There are no restricted or endowment funds at the period end.

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 2023**

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 quality and reliable energy for the most marginalised. Most significantly, the national grid is not reliable or appropriate enough for running a business, especially with the type of large machinery that could create employment and meaningfully increase 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 2023, Mlinda had installed and commissioned solar powered mini-grids in 44 villages with a total installed base of 1,037 kWp, electrifying over 9,250 households. Our direct beneficiaries include women, children, farmers, entrepreneurs, schools and health centres. Around 46,000 individuals are connected to our electricity.

THE MODEL

- People in developing countries have the right to improve their lives and livelihoods through economic development and growth. This process is already happening at great speed.
- Without a significant change from current behaviours, this rapid growth will do irreversible damage to the global environment.
- For development to be environmentally sustainable, it requires a shift from carbon intensive energy production to green energy.
- The shift to sustainable modes of production and consumption is a systemic challenge. Our solutions must also be systemic, offering solutions to the core flaws of the existing system. This requires a response that ranges from the local (access to finance, markets, and skills) to the national and international (funding for capital intensive energy projects).
- This shift requires a response that is also catalytic, triggering and precipitating a change beyond its immediate and direct reach. This means a response that can be replicated at scale by a wide range of actors.
- Sustainable economic growth in developing countries can only happen at scale globally if vast numbers of small, nimble, local private companies step in to play a role. The problem is too big and too urgent for governments, NGO's, or multinationals to address alone.
- Mlinda's model is to mobilise small local mini-grid operators to provide clean energy as a platform to spur economic growth in rural areas of developing countries.
- The mini-grid operators work with businesses to grow the local economy, ensuring improvement to people's lives while at the same time growing the local market for the clean energy they sell.
- This virtuous circle provides a powerful incentive for commercial mini-grid operators to step in to drive sustainable economic growth.

MLINDA FOUNDATION CIO**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

For a robust local economy to experience healthy growth without the ongoing need for outside support, it must have the following attributes:

- Diversity - a range of economic activities that complement each other and that provide opportunities for the whole population
- Resilience - diversity of activities, adequate savings, and access to finance to enable people and businesses to survive economic shocks
- Inclusiveness - active participation by the whole population, regardless of gender or social category
- Sustainability - economic activities that do not damage, but ideally support and enhance the natural environment

The effort to build these attributes cuts across all of our economic development activities, forming our most fundamental outcomes. They serve as criteria for selection of the businesses and individuals we will support and the way we support them.

The ultimate goal of this work is to develop a commercially viable model for sustainable development, and then to scale our impact by coordinating a wide range other organisations to replicate the model globally. Our plans for replication centre on a franchising approach, where Mlinda provides franchisees with:

- Internationally coordinated fundraising (grants, debt, and equity) at scale
- Internationally coordinated procurement for capital equipment
- Technical training and standard operating procedures for grid design, build, and operations
- Technical training, programme assistance, and monitoring & evaluation for economic development and community engagement efforts

2022-23 ACTIVITY

By the end of March 2023, Mlinda had installed and commissioned solar powered mini-grids in 44 villages with a total installed base of 1,037 kWp, electrifying over 9,250 households and over 2,400 productive loads. We have achieved an average reduction in greenhouse gas emissions of 285kg per household pa.

During 2022-23, we continued to refine the operational model for the mini-grids, reducing costs and delivering new approaches to increasing revenue, based on Mlinda's re-designed Theory of Change. This Theory of Change aspires to deliver, through its approach to community engagement, energy based economic development which integrates diversity, resilience, inclusion, and sustainability. It comprises three strands:

1. Micro enterprise development, both farm and non-farm based. Micro-enterprises range from commercial poultry and processing of raw materials to shops, welding units and information kiosks.
2. Value chain development of crops which have a competitive price advantage and market, with a particular focus on women collectives for cultivation, procurement, marketing, and sales. We saw, through this, the growth of women as entrepreneurs.
3. Sustainable Agriculture involved promoting the cultivation of drought resistant crops e.g. millet, this aligns with initiatives of the Indian government. In particular, we mobilised farmers to cultivate sweet corn, mustard and turmeric for the first time.

MLINDA FOUNDATION CIO**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023****STRUCTURE GOVERNANCE AND MANAGEMENT**

Mlinda Foundation CIO 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. Trustees are elected for a period of five years and six 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 Mlinda, 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 served as supervisor of the CEO and Management Team of MPL and the General Manager of MCT during the year. This ensures consistent oversight across the group.

Two MUK Trustees sit on the board of MPL, together with an independent Indian Director and the MUK Executive Director. MCT has two Trustees. Since the balance sheet date, a new Indian director for MPL and trustee for MCT have been recruited.

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 CEO of MPL.

Governance and management across the group will remain under review so they remain relevant to the needs and obligations of the group in the future.

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 2023. The group result is a deficit of €515,025, which includes operating losses of €437,619 in the trading subsidiary (MPL).

MLINDA FOUNDATION CIO**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

The investment in MPL was impaired during the year by €50,838, with reference to previous independent professional valuations undertaken in prior years. 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's 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 considered the major risks to which the Foundation is exposed and satisfied themselves that systems or procedures are established 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.

Principal risks are currently identified as:

We are currently experiencing high inflation and price volatility that brings the risk that our cost projections in budgets will prove inadequate, contributing to the risk of cash flow problems. Also, the rural electrification project has reached the end of the current funding plan. 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.

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.

The Foundation is fundraising for replication and had budgeted to receive some third-party grants in the year, which did not happen. The project is currently being funded by grants from connected parties (with €350,000 received in the spring of 2023), the IREDA loan and usage of cash reserves. Of course, uncertainties are inherent in fundraising, but we will continue to monitor cash and have the ability to alter or delay activities until funding is secured. In the summer of 2023, the Trustees reviewed progress, developed and are implementing a 12-month plan for the Foundation to (i) reduce costs, (ii) revive and expand fundraising efforts and (iii) launch replication. Connected party grants have been approved to support the Foundation on the basis of this plan.

In the summer of 2022, the CEO of MPL was dismissed. He subsequently brought a legal case against MPL to challenge this and MPL's claim to recover an immaterial amount of money that he had paid to himself, following his dismissal, without authorisation. MPL's accounts include a contingent liability in relation to this case. However, the former CEO's claim was dismissed in the autumn of 2023. A criminal case is ongoing to recover the misappropriated funds. A review of MPL's internal controls following this incident, identified no major weaknesses that could have prevented the incident but some internal training to took place to build the confidence of staff to challenge and report if they feel that procedures are not being followed.

MLINDA FOUNDATION CIO**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

OUTLOOK FOR 2023-24

In 2022, a decision was taken not to proceed with the installation of the final six grids but to deploy the existing grids more effectively to reach our goals. This learning will support the replication strategy, where Mlinda will support other mini-grid providers to develop their businesses and the lives and livelihoods of their customers through Economic Development of the villages in which they work.

Fundraising for replication has progressed more slowly than anticipated. Given this, the trustees have made the post of Executive Director redundant with effect from December 2023. This enables cost savings and ensures the Foundation can keep costs within committed grant levels whilst fundraising continues. The Foundation has been fortunate to bring on board pro-bono support to recruit potential replicators and talks are well established to deliver two funded pilots, one in Africa, one in India, in 2024. The Foundation has also brought in a Fundraising Consultant, experienced and well-connected in the Sector, to lead the grant fundraising strategy for replication.

Several revenue improvement avenues have been identified for the business in Gumla and these are being explored.

In 2024, we will continue to develop our partnerships with potential replicators and deliver the two pilots. We will use the learning from these to continue to improve the model. Mlinda will provide these operators with training in the model, especially in the economic development strategies that are so central to foundation's mission as well as the long-term viability of the local electricity markets.

RESERVES

The reserves policy has been set with the aim of having 3 months operating costs cover for each entity. This would enable notice periods 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.

At the Balance Sheet date this was assessed to be €60,000 and the foundation had net current assets of €122,008. However, this includes a short-term loan from a connected party of €500,000, 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. A grant from a connected party of €300,000 has been committed to in the next financial year and a further €100,000 in 2024 to ensure core costs are covered, given the uncertainty of timing of any fundraising receipts.

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, under their terms, 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 2023-24 budgets for each entity, these are €97,000 and €76,500 respectively. At the balance sheet date free cash balances for each entity were €647,000 and €116,800 which were sufficient to cover this requirement. Mlinda Charitable Trust has secured a 3-year grant from Oak Foundation in 2023 and is seeing interest in their work from several Indian CSR and Charitable Foundations. Their trustees are confident that they will be able to meet their core operating needs from Indian resources going forward.

PENSION LIABILITIES

The Foundation operates a defined benefit pension scheme with NEST for two employees who are based in the UK.

FUNDS IN DEFICIT

The Foundation's subsidiary, MPL, posted a deficit of €326,441 in the year. Despite this deficit, MPL had net current assets of €899,703 and total net assets of €2,325,317 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.

MLINDA FOUNDATION CIO**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023****GOING CONCERN**

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

To fund the Foundation's UK operating costs and project work in India, loans from a connected Trust (the Lorelei Trust) and a connected limited company registered in England (Ironie 19 Limited ('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 trustees remain confident that, with a re-positioning of strategy towards economic development conducive to sustainable growth and the opportunity for MPL to support replication this will in turn enable MPL to reach profitability.

The loan from Lorelei Trust is not repayable for 6 years. An €800,000 long-term facility with Ironie 19 is not repayable until 2032. Ironie 19 made a further short-term loan in December 2020, of €500,000, with the option to convert the loan to shares in MPL. A further long-term facility with Ironie 19, of €525,000, taken out in 2022 to advance funds to MPL to build a further 6 grids, will be repaid when monies held in a deposit account, by MPL, to secure a loan from the Indian Government to the subsidiary are released. It was later decided not to proceed with the 6 grids and the loan proceeds are being used as working capital.

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.

Additionally, the Foundation has developed a fundraising plan for the continued operations in Jharkhand and the implementation of the replication strategy. Several of the funders targeted in the plan are past funders of Mlinda who have already, in principle, expressed interest in future funding. Other funders in the plan are strongly committed to funding access to energy projects like Mlinda.

As with any charity depending on funding from other foundations, the trustees acknowledge that there can be no certainty that applications for funding will be successful or at the anticipated time. In addition, the Trustees have implemented a 12-month plan and brought in experts to support fundraising and the roll-out of replication in the summer of 2023. Given these actions, the potential pilots and the range of potential funders with whom Mlinda has ongoing relationships, the Trustees remain confident that fundraising targets will be met.

Based on this and the continuing support of connected parties 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.

TRUE AND FAIR OVERRIDE

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) (effective 1 January 2019) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

MLINDA FOUNDATION CIO

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

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.

14/12/2023

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 2023, which comprise the Consolidated Statement of Financial Activities, the Group and Foundation Balance Sheets and notes to 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 2023 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.

Emphasis of Matter

We draw attention to note 1.2 of the financial statements, which describes the pledges of financial support the Trustees have received for the foreseeable future from connected parties allowing the Trustees to prepare the financial statements on a going concern basis. Our opinion is not modified in respect of this matter.

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 151 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

15/12/2023

Devonshire House
1 Devonshire Street
London
W1W 5DR

Citroen Wells is eligible for appointment as auditor of the Foundation by virtue of its eligibility for appointment as auditor under section 1212 of the Companies Act 2006.

MLINDA FOUNDATION CIO

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023**

		Unrestricted funds	Restricted funds	Total 31 March 2023	Total 31 March 2022
	Notes	€	€	€	€
Income from:					
Donations	3	575,423	-	575,423	100,034
<i>Income from other trading activities:</i>					
Commercial trading operations	4	401,295	-	401,295	315,124
Total income		976,718	-	976,718	415,158
Expenditure on:					
<i>Raising funds:</i>					
Commercial trading operations	4	838,914	-	838,914	783,372
Charitable activities	5	629,917	-	629,917	376,340
Total expenditure		1,468,831	-	1,468,831	1,159,712
Net (expenditure) for the period		(492,113)	-	(492,113)	(744,554)
Other (losses)/gains	10	(22,912)	-	(22,912)	83,914
Net movement in funds		(515,025)	-	(515,025)	(660,640)
Reconciliation of funds:					
Total funds brought forward		(33,316)	-	(33,316)	627,324
Total funds carried forward		(548,341)	-	(548,341)	(33,316)

MLINDA FOUNDATION CIO**BALANCE SHEETS
AS AT 31 MARCH 2023**

	Notes	Group 31 March 2023 €	Group 31 March 2022 €	Foundation 31 March 2023 €	Foundation 31 March 2022 €
Fixed assets					
Tangible assets	11	2,036,276	2,159,730	-	-
Investments	12	-	-	2,845,049	2,895,887
Capital work in progress		23,795	-	-	-
Long term loans and advances		4,895	4,538	-	-
Other non-current assets		641,028	652,751	-	-
		<u>2,705,994</u>	<u>2,817,019</u>	<u>2,845,049</u>	<u>2,895,887</u>
Current assets					
Inventories		1,960	4,071	-	-
Trade and other receivables	13	65,768	140,369	529,838	629,531
Cash at bank and in hand		1,086,444	1,222,825	265,698	103,703
Investments		16,067	27,781	-	-
		<u>1,170,239</u>	<u>1,395,046</u>	<u>795,536</u>	<u>733,234</u>
Current liabilities	14	(873,629)	(1,276,455)	(673,528)	(1,081,732)
Net current assets/(liabilities)		<u>296,610</u>	<u>118,591</u>	<u>122,008</u>	<u>(348,498)</u>
Total assets less current liabilities		3,002,604	2,935,610	2,967,057	2,547,389
Non-current liabilities	15	(3,542,184)	(2,961,160)	(2,525,000)	(2,000,000)
Provisions for liabilities		(8,761)	(7,766)	-	-
Net (liabilities)/assets		<u>(548,341)</u>	<u>(33,316)</u>	<u>442,057</u>	<u>547,389</u>

MLINDA FOUNDATION CIO**BALANCE SHEETS (Continued)
AS AT 31 MARCH 2023**

	Notes	Group 31 March 2023 €	Group 31 March 2022 €	Foundation 31 March 2023 €	Foundation 31 March 2022 €
The funds of the Foundation					
Restricted funds		-	-	-	-
Unrestricted income funds	17	(548,341)	(33,316)	492,895	547,389
		<u>(548,341)</u>	<u>(33,316)</u>	<u>492,895</u>	<u>547,389</u>

14/12/2023

The financial statements were approved by the Trustees on

*Sally Chandler***Sally Chandler - Trustee**
Charity registration number: 1163028

MLINDA FOUNDATION CIO**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	31 March 2023		31 March 2022	
		€	€	€	€
Net cash generated/(absorbed) by operating activities	22		16,566		(407,371)
Investing activities					
Purchase of tangible fixed assets		(94,895)		(207,596)	
Sale of investments		11,201		240,599	
			(83,694)		33,003
Financing activities					
Loan borrowings		64,290		816,194	
Loan interest		(133,543)		(33,122)	
			(69,253)		783,072
Change in cash and cash equivalents in the period			(136,381)		408,704
Cash and cash equivalents brought forward			1,222,825		814,121
Cash and cash equivalents carried forward			1,086,444		1,222,825

MLINDA FOUNDATION CIO**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****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 ("MPL"). 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) (effective from 1 January 2019)'.

These financial statements consolidate the results of the Foundation and its wholly owned subsidiary, MPL, 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 Foundation's UK operating costs and continue the project work in India, loans continue to be received from connected parties. The Foundation has received confirmation from connected parties of their support for the foreseeable future whilst it fundraises or realises its assets to generate liquidity. 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 the undertakings received the Trustees believe that it continues to remain appropriate to prepare the financial statements on a going concern basis.

MLINDA FOUNDATION CIO**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)****1. Accounting policies (continued)****1.3 Charitable funds**

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

1.4 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.

1.5 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.

1.6 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 the Statement of Financial Activities.

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 Statement of Financial Activities.

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.

1.7 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to the Statement of Financial Activities 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 2023 (CONTINUED)****1. Accounting policies (continued)****1.8 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.

1.9 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

1.10 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.

1.11 Inventories

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

1.12 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.

1.13 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 2023 (CONTINUED)****1. Accounting policies (continued)****1.13 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.

1.14 Provisions

Under Indian law it is mandatory for the employee who has completed a minimum of five years in service to receive a gratuity, therefore the provision in the accounts represents 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 12 are stated at cost of €4,503,733 less an accumulated impairment of €1,658,684. The investments have been valued on an open value basis as at 31 March 2023 by the Trustees but with reference to previous independent professional valuations undertaken in prior years. Although the Trustees appreciate that valuations of unquoted companies can be subjective, they believe the carrying value of the investment, following the impairments, 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 2023 (CONTINUED)**

3. Donations	Income from other activities	Restricted funds	31 March 2023	31 March 2022
	€	€	€	€
Mlinda USA	300,000	-	300,000	-
The Lorelei Trust	300,000	-	300,000	100,000
IKEA	(24,820)	-	(24,820)	
Others	243	-		34
	<u>575,423</u>	<u>-</u>	<u>575,423</u>	<u>100,034</u>
For the year ended 31 March 2022	<u>100,034</u>	<u>-</u>	<u>-</u>	<u>100,034</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 2023	31 March 2022
	€	€
Turnover	401,295	315,124
Administration expenses	<u>(838,914)</u>	<u>(772,144)</u>
Net loss before tax	(437,619)	(457,020)
Taxation*	<u>111,178</u>	<u>118,707</u>
Net loss after tax retained in the subsidiary	<u>(326,441)</u>	<u>(338,313)</u>

The assets and liabilities of the subsidiary were:

Fixed assets	3,175,487	3,318,291
Current assets	899,703	1,186,812
Current liabilities	(196,994)	(228,157)
Provisions and non-current liabilities	<u>(1,552,879)</u>	<u>(1,492,829)</u>
Total net assets	<u>2,325,317</u>	<u>2,784,117</u>
Aggregate share capital and reserves	<u>2,325,317</u>	<u>2,784,117</u>

* not recognised in the group financial statements

MLINDA FOUNDATION CIO**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)****4. Income from other activities (continued)**

Details of the Foundation's subsidiary at 31 March 2023 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 2023 €	31 March 2022 €
Wages and related costs	225,477	223,466
Staff recruitment costs	6,042	-
Telecommunications	-	710
Travelling expenses	16,152	5,069
Office supplies	3,732	4,087
Bank charges	15,022	27,695
Insurance	4,096	3,407
IT costs	5,956	9,417
General expenses	1,678	1,537
	<u>278,155</u>	<u>275,388</u>
Governance costs (see note 6)	159,928	100,952
Grant funding activities (see note 7)	191,834	
	<u>629,917</u>	<u>376,340</u>
Charitable activities		
Unrestricted funds	629,917	365,922
Restricted funds	-	10,418
	<u>629,917</u>	<u>376,340</u>

MLINDA FOUNDATION CIO**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)****6. Governance costs**

	31 March 2023 €	31 March 2022 €
Audit fees	27,574	27,179
Legal and professional fees	55,433	37,273
Loan interest	76,921	36,500
	<u>159,928</u>	<u>100,952</u>

7. Grants

The grant funding of the activities comprised the following:

	31 Mar 2023 €	31 March 2022 €
Grants to institutions	<u>191,834</u>	<u>-</u>

The grants payable in the period were all due to institutional entities.

€191,834 (2022: €nil) was paid to Mlinda Charitable Trust, a Trust related to the Foundation, and registered in India.

8. Trustees

During the year, €6,921 (2022: €7,054) was paid to Sally Chandler, a trustee of the Foundation, for legal and professional services rendered. The payments were made in accordance with the Foundation's governing document and the Charities Act 2011.

9. Employees**Number of employees**

The average monthly number of employees during the period was 33 (2022: 45).

	31 March 2023 €	31 March 2022 €
Employment costs		
Wages	346,452	412,439
National insurance	14,996	9,792
Pensions	62,246	111,310
	<u>423,694</u>	<u>533,541</u>

MLINDA FOUNDATION CIO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

9. Employees (continued)

The number of employees whose annual remuneration was €70,000 or more were:

	31 March 2023 Number	31 March 2022 Number
€80,000 - €90,000	-	1
€120,000 - €130,000	1	1

Payments to key management personnel during the year totalled €171,814 (2022: €222,335).

10. Other gains/(losses)

	31 March 2023 €	31 March 2022 €
Foreign exchange (losses)/gains	(22,912)	83,914

11. Tangible fixed assets

Group	Plant and machinery €
Cost or valuation	
At 1 April 2022	2,754,467
Additions	96,187
At 31 March 2023	2,850,654
Depreciation	
At 1 April 2022	594,737
Charge for the period	219,641
At 31 March 2023	814,378
Net book value	
At 31 March 2023	2,036,276
At 31 March 2022	2,159,730

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

MLINDA FOUNDATION CIO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)**12. Investments**

Foundation	Subsidiaries
	€
Cost or valuation	
At 1 April 2022	2,895,887
Additions	-
Impairment	(50,838)
At 31 March 2023	<u>2,845,049</u>
Carrying amount	
At 31 March 2023	<u>2,845,049</u>
At 31 March 2022	<u>2,895,887</u>

The Foundation's investment in MPL was impaired by €50,838 in the year. See note 2 for further details.

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

13. Trade and other receivables

	Group		Foundation	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	€	€	€	€
Amount receivable	1,718	102,587	525,000	625,000
Short term loans and advances	28,669	28,256	-	-
Prepayments	35,381	9,526	4,838	4,531
	<u>65,768</u>	<u>140,369</u>	<u>529,838</u>	<u>629,531</u>

14. Creditors: amounts falling due within one year

	Group		Foundation	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	€	€	€	€
Borrowings	652,615	1,186,717	500,000	1,025,000
Payable for capital expenditure	1,066	1,901	-	-
Accrued expenses	196,199	76,830	173,528	56,732
Statutory dues	5,328	2,763	-	-
Other payables	18,421	8,244	-	-
	<u>873,629</u>	<u>1,276,455</u>	<u>673,528</u>	<u>1,081,732</u>

MLINDA FOUNDATION CIO**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)****15. Non-current liabilities**

	Group		Foundation	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	€	€	€	€
Borrowings	3,542,184	2,961,160	2,525,000	2,000,000

Included in borrowings are two term loans from Indian Renewable Energy Development Agency Limited (IREDA), a Government of India Enterprise to Mlinda Sustainable Environment Private Limited:

- 1) Project No 2402 secured on all movable assets of the project and a charge on surplus revenue generated from the 17 village mini grids installed and commissioned by the company. Borrowings outstanding at the balance sheet date were €900,080 and interest was payable on the loan at a rate of 11.5% per annum and due for repayment by 3 March 2029.
- 2) Project No 2572 secured on all movable assets of the project, a charge on the Trust and Retention account and a negative lien on the shares of the company. Borrowings outstanding at the balance sheet date were €29,291 and interest was payable on the loan at a rate of 11.5% per annum and due for repayment by 3 March 2029.

Included in other non-current assets is a €599,254 term deposit held by IREDA which is pledged against the borrowings noted above.

- 3) The above includes an amount of €240,428 received in relation to Debt Service Reserve Money (DSRM), an incentive in connection with the IREDA bank borrowings of MPL. This amount is included in cash at bank within current assets. The DSRM shall become a grant to MPL to be offset against the final loan repayment obligations if MPL is not in default of its loan conditions for more than 90 days and achieves project operational service delivery requirements as agreed by IREDA.

The remainder of the borrowings are owed to related parties as disclosed in note 19.

16. Analysis of net (liabilities)/assets between funds

Group	Unrestricted funds €	Restricted funds €	Total €
Fund balances at 31 March 2023 are represented by:			
Fixed assets	2,705,994	-	2,705,994
Current assets	1,170,239	-	1,170,239
Creditors: amounts falling due within one year	(873,629)	-	(873,629)
Creditors: amounts falling due in more than one year	(3,542,184)	-	(3,542,184)
Provisions for liabilities	(8,761)	-	(8,761)
	(548,341)	-	(548,341)
Foundation	Unrestricted funds €	Restricted funds €	Total €
Fund balances at 31 March 2023 are represented by:			
Investments	2,845,049	-	2,895,887
Current assets	795,536	-	795,536
Creditors: amounts falling due within one year	(673,528)	-	(673,528)
Creditors: amounts falling due in more than one year	(2,525,000)	-	(2,525,000)
	442,057	-	442,057

MLINDA FOUNDATION CIO**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)****17. Unrestricted funds****Foundation**

	Unrestricted funds €
Unrestricted funds brought forward at 1 April 2022	547,389
Impairment	(50,838)
Net expenditure	(54,494)
Unrestricted funds carried forward at 31 March 2023	<u>442,057</u>

The Foundation's investment in MPL was impaired by €50,838 in the year. See note 2 for further details.

The movement in the Group's unrestricted funds is shown in the consolidated Statement of Financial Activities on page 12.

18. 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 2023 €	31 March 2022 €
Within one year	10,686	10,985
Between two and five years	34,118	38,873
After five years	74,647	83,922
	<u>119,451</u>	<u>133,780</u>

MLINDA FOUNDATION CIO**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)****19. Related party transactions**

i) At the balance sheet date €1,875,000 (2022: €1,875,000) was owed to Ironie 19 Limited, a private limited company registered in the UK, with a director who is a trustee of the Foundation. The loan is interest bearing at a fixed rate of 3%, with interest of €56,250 (2022: €25,500) charged during the year. At the year end the group owed accrued interest of €62,834 (2022: €6,584).

ii) At the balance sheet date €550,000 (2022: €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, with interest of €20,671 (2022: €11,000) charged during the year. At the year end the group owed accrued interest of €5,414 (2022: €2,712).

During the year, the Foundation received donations totalling €300,000 (2022: €100,000) from The Lorelei Trust. At the year end the Foundation was owed €nil (2022: €100,000).

iii) During the year, the Foundation received donations totalling €300,000 (2022: €nil) from Mlinda USA, a charity with common Trustees.

20. Financial activities of the Foundation

The financial activities shown in the consolidated statement of financial activities include those of the Foundation's wholly owned subsidiary.

A summary of the financial activities undertaken by the Foundation, as an individual undertaking, is as set out below:-

	2023 €	2022 €
Income from donations	575,423	100,034
Expenditure on charitable activities	(629,917)	(376,340)
Total	(54,494)	(276,306)
Impairment of investment	(50,838)	(463,898)
Net deficit	(105,332)	(740,204)
Total funds brought forward	547,389	1,287,593
Total funds carried forward	442,057	547,389
Represented by:		
Unrestricted funds	442,057	547,389
Restricted funds	-	-
	442,057	547,389

MLINDA FOUNDATION CIO**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)****21. Contingent liabilities**

A claim was made against MPL by a former member of staff in the amount of €268,000. The Directors sought legal advice, which indicated that MPL had a robust defence and that the claimant was not likely to succeed. Accordingly, no provision for the claim was made in the accounts for the year ended 31 March 2023.

Subsequent to the year end, the Indian legal system found in favour of MPL. The case was dismissed and costs were awarded to MPL.

22. Cash generated from operations	31 March 2023 €	31 March 2022 €
(Deficit) for the period	(515,025)	(660,640)
Adjustments for:		
Depreciation of tangible fixed assets	219,641	201,973
Loan interest	202,961	48,692
(Decrease)/increase in provision	(995)	3,914
(Profit) on sale of investments	(613)	(20,596)
Loss on disposal of tangible assets	4,246	16,884
Foreign exchange losses on cash equivalents	11,366	6,307
Movements in working capital:		
(Decrease)/increase in capital work in progress	(23,795)	52,283
Increase/(decrease) in stock	2,111	(1,367)
Decrease/(increase) in debtors	74,601	(97,077)
Increase in creditors	42,068	42,256
Net generated/(absorbed) by operating activities	16,566	(407,371)

23. Analysis of changes in net debt

	1 April 2022 €	Cash flows €	Other non- cash changes €	Foreign exchange movements €	31 March 2023 €
Cash	1,222,825	(136,381)	-	-	1,086,444
Loans falling due within one year	(1,186,717)	161,717	372,385	-	(652,615)
Loans falling due after more than one year	(2,961,160)	(226,007)	(372,385)	17,368	(3,542,184)
Total	(2,925,052)	(200,671)	-	17,368	(3,108,355)