

Charity registration number 1163028

MLINDA FOUNDATION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

MLINDA FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

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

Charity number

1163028

Principal address

5th Floor
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Independent examiner

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MLINDA FOUNDATION

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MLINDA FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The Trustees present their annual report and financial statements for the year ended 31 March 2025.

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 charity's governing documents, 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

Objectives and activities

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 aims to positively contribute, one village at a time, to the key challenges of our time: inequality and climate change. These challenges are especially relevant for those living in rural poverty, where opportunities for livelihoods are limited and becoming increasingly so due to climate change pressures. Because we believe that renewable energy is a key catalyst for development, Mlinda aims to offer a model for economic growth which provides social and environmental benefits.

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. In addition, we have been planning and carrying out activities to scale our model through replication.

Mlinda's objectives are to promote, for the benefit of the public, conservation, protection and improvement of the physical and natural environment. The Charity 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 and replication 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 operation and expansion of its rural electrification programme in the state of Jharkhand, India.

MLINDA FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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.

Our goal is to scale through replication. We will apply commercial franchising methods and concepts to replicate and share proven organisational models for greater social and environmental impact and long-term viability.

Achievements and performance

Significant activities and achievements against objectives

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. Mlinda now has directly installed and commissioned solar powered mini-grids serving 44 villages with a total installed base of 1,037kWp, electrifying over 11,500 households. Our direct beneficiaries include women, children, farmers, entrepreneurs, schools and health centres. Around 46,000 individuals are connected to our electricity.

2024-25 ACTIVITY

In the financial year just ended, we partnered with Development Alternatives and Sustain Plus to pilot replication strategies and successfully commissioned six new mini-grids. We continue to work closely with replicators to guide them in adopting and contextualising Mlinda's approach.

Mlinda's core strategy continues to focus on scaling through replication. Drawing from our experience of electrifying 44 villages and driving extensive community engagement, we have developed a proven model that enhances livelihoods and incomes while promoting environmental sustainability. Our successful implementation of a commercially viable mini-grid business in Jharkhand, —anchored around productive use of energy—demonstrates the potential of this approach.

To scale this impact, we are actively fundraising to support the replication of this model through partner organisations. Our vision is to enable the electrification of 750 villages across India over a 5-year period, with clean energy as a driver of rural economic development. Over the past year, we have made significant strides toward making Mlinda's model "replication-ready." We are developing and refining the necessary tools, protocols, and support systems to ensure effective delivery by replicators.

Our long-term objective is to create a model that is not only scalable but also financially self-sustaining, reducing dependence on grants. We envision a future where replicators and the communities they serve benefit from resilient, self-sustaining local economies, with viable mini-grid enterprises at their core.

We believe that taking a commercial franchising approach will enable Mlinda to scale social impact quickly, but without growing in a hierarchical way, creating distance from the front line. It will devolve power, hence encouraging entrepreneurship. Replicators will have the benefits of a larger organisation, whilst retaining local ownership with its inherent flexibility and adaptability to local circumstances.

MLINDA FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

By the end of the reporting period, we were providing reliable electricity to over 11,500 households, generating over 670,000 kWh annually. This clean energy access has facilitated the creation of 1,976 micro-enterprises, with a target of 2,500 within 3 years. 81% are connected to the mini-grid.

The economic impact has been transformative—average household income has increased from Rs. 60,000 to Rs. 93,500, with a goal of an 88% increase to Rs. 112,500 over three years. Our model also promotes income diversification, with 57.5% from agriculture and 14.5% from micro-enterprises. Entrepreneurs supported to set up micro-enterprises included 423 women entrepreneurs, 575 tribal entrepreneurs, and 312 young people under 30. There have been 316 new connections to date from the replication pilot sites.

Environmental benefits are equally significant, with an annual reduction of 285 kg of CO2 emissions per household, and a target of 2,200 MT across 10,000 households. We also promote climate-smart agriculture practices, enhancing food security—95% of households report food stability—and reducing distress migration to just 8%.

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. The Board are currently receiving monthly updates from the management team on funding and replication progress, so they have closer oversight during this period of fundraising and testing of the replication strategy.

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 the Finance and Administration Manager, working in collaboration with the Indian Management Team and the Trustees. During the year fundraising support was secured on a consultancy basis from the former lead on Renewable Energy at IKEA Foundation, who is well known in the industry.

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. The subsidiary supplied, installed and operates Mlinda's directly owned mini grids and is responsible for all technical aspects of replication.

The Foundation has invested in the equity of MPL to date to provide working capital and, during the year, paid MPL €185,000 for replication pilot delivery and development of a standardised replication methodology. 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.

Two MUK Trustees sit on the board of MPL, together with an independent Indian and UK based Director. MCT has three independent Trustees.

MLINDA FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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 Finance and Administration Manager and the Directors and Finance and Operations Manager 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 practices

Mlinda does not engage in public fundraising. The services of a fundraising consultant were procured in the year to review and advise on approaches to institutional funders and to make the initial approaches to them. However, fundraising efforts have needed to respond to a significantly shifting donor landscape. We are seeing an impact from several external factors:

- Significant reductions in development aid from the US, UK, and others have tightened the funding pool.
- Foundation Repositioning: Major foundations are revising strategies or pausing new commitments. We are seeing a trend of major international foundations moving out of India, mainly due to the messaging that the Indian government prefers Indian philanthropy to solve India's problems. Given that, there is huge potential for CSR funding and grants from India-based sources.
- Competition and Scope: Many new funders have narrower geographic or thematic mandates, requiring tailored approaches and persistent engagement.

The Foundation has adapted to these pressures by remodelling the replication strategy to focus on India with MCT/ MPL central, prioritising fundraising on India sources and cutting UK costs to a minimum. The offer has been subdivided and reworked on thematic approaches to best meet narrower mandates. These strategies have yielded some promising leads. However, building a fundraising base from scratch takes time and the Foundation is considering several measures, in conjunction with the India team, to keep operations proceeding in the interim period and, should funding not be forthcoming or received at a lower amount, how to preserve and take forward the environmental and social benefits delivered by Mlinda and build on these organically.

Financial review

The Foundation has posted a deficit of €256,058, for the year ending 31 March 2025. This is net of grants of €70,000 paid to MCT and €185,000 paid for services provided by MPL.

The Trustees have reviewed and believe the carrying value of the investment in MPL, 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.

Major risks

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:

MLINDA FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

· Third-party fundraising to kick-start replication at scale has not been successful to date and strategy has had to be rethought, due to external factors changing the fundraising climate. 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.

· 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 (with a visit to India in January 2025 by the Finance and Administration Manager and two Trustees), 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. A Trustee-led series of workshops supported the team to think about Economic Development approaches in the context of replication during the year.

· 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 €217,500 in the year), new loans from connected parties and usage of cash reserves. Of course, uncertainties are inherent in fundraising, but the Foundation monitors progress and cash flow regularly and is considering worst case options should funding look unlikely or received at a lower amount than expected.

Plans for future periods

Fundraising for replication has progressed more slowly than anticipated and it is not certain how successful the focus on India funding will be or how quickly funds will materialise.

The Foundation is putting in place a plan, working with the India entities, to ensure that Mlinda can continue within the funds available in the internal ecosystem, whilst still able to respond to opportunities and meet current grant commitments. This includes some cost cutting and reorganisation in the Mlinda Group which will take place over the last quarter of 2025.

Reserves policy

The reserves policy has been set with the aim of having 3 months operating costs cover. This would enable notice periods commitments to be met, should the Foundation cease to operate and to meet current liabilities.

At the Balance Sheet date this was assessed to be €15,000 and the Foundation had net current liabilities of €853,285. However, this includes a short-term loans from connected parties of €762,500, 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. Grants from connected parties of €217,500 were awarded in the current year and a further €100,000 is budgeted in 2025-6 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 free reserves of the Foundation are €nil (2024: €nil).

Pension Liabilities

The Foundation operates a defined benefit pension scheme with NEST for one employee who is based in the UK.

Funds in deficit

The Foundation has net liabilities of €853,285 at the balance sheet date. However, this includes €2,560,000 of loans from connected parties as the loans, under their terms, will not be called for repayment unless the Foundation has sufficient funds in place.

MLINDA FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

The Foundation's subsidiary, MPL, posted a deficit of €102,500 in the year. Despite this deficit, MPL had net current assets of €118,574 and total net assets of €1,899,868 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 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. MPL is now EBITDA positive.

The loan from Lorelei Trust is not repayable for 5 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. During 2024-25 further long-term loans from Ironie 19, totalling €185,000 were taken out to enable MPL to support replication activities, which were decided as vital to build potential funder confidence that the capabilities were in place to deliver replication and provide evidence, through the pilots, that the model works in this context.

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 financial statements, there is no reason to believe they will not do so.

Additionally, the Foundation has developed and revised following funder feedback and an assessment by professionals of the external fundraising climate, a fundraising plan for continued operations in Jharkhand and the implementation of the replication strategy.

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 or amount. The Trustees are implementing a further plan to ensure that operations in India can be delivered during this period.

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.

The Trustees' report was approved by the Trustees.

Sally Chandler

S Chandler

Trustees

22/1/2026

Date:

MLINDA FOUNDATION

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MLINDA FOUNDATION

I report to the Trustees on my examination of the financial statements of Mlinda Foundation (the charity) for the year ended 31 March 2025.

Responsibilities and basis of report

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

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement - matter of concern identified

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

I have completed my examination. I have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the charitable company's ability to continue as going concern.

At 31 March 2025, the charity had net liabilities of €853,285 and net current liabilities of €955,653. 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 and grants 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.

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

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I confirm that there are no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

MLINDA FOUNDATION

INDEPENDENT EXAMINER'S REPORT (CONTINUED) TO THE TRUSTEES OF MLINDA FOUNDATION

Use of this report

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

Hannah Sibley

Hannah Sibley FCA

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

Independent Examiner

TC Group

5th Floor

3 Dorset Rise

London

EC4Y 8EN

22/1/2026

Dated:

MLINDA FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds 2025 €	Unrestricted funds 2024 €
Income from:			
Donations and legacies	3	817,711	300,414
Charitable activities	4	1,073,769	1,339,698
Net expenditure and movement in funds		(256,058)	(1,039,284)
Reconciliation of funds:			
Fund balances at 1 April 2024		(597,227)	442,057
Fund balances at 31 March 2025		(853,285)	(597,227)

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

MLINDA FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

		2025		2024	
	Notes	€	€	€	€
Fixed assets					
Investments	10		1,899,868		2,568,357
Current assets					
Trade and other receivables	11	6,006		115,509	
Cash at bank and in hand		30,585		17,813	
		36,591		133,322	
Current liabilities	12 & 16	992,244		773,906	
Net current liabilities			(955,653)		(640,584)
Total assets less current liabilities			944,215		1,927,773
Non-current liabilities	13		(1,797,500)		(2,525,000)
Net liabilities			(853,285)		(597,227)
The funds of the charity					
Unrestricted funds			(853,285)		(597,227)
			(853,285)		(597,227)

22/1/2026

The financial statements were approved by the Trustees on

Sally Chandler

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S Chandler

Trustee

MLINDA FOUNDATION**STATEMENT OF CASH FLOWS*****FOR THE YEAR ENDED 31 MARCH 2025***

	Notes	2025 €	€	2024 €	€
Cash flows from operating activities					
Cash generated from operations	20		12,772		277,115
Investing activities					
Repayment of investment loans and receivables		-		(525,000)	
Net cash used in investing activities			-		(525,000)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			12,772		(247,885)
Cash and cash equivalents at beginning of year			17,813		265,698
Cash and cash equivalents at end of year			30,585		17,813

MLINDA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Charity information

The Mlinda Foundation ('the Foundation') is a Charitable Incorporated Organisation registered in England and Wales. The Foundation's registered address is 5th Floor, 3 Dorset Rise, London, EC4Y 8EN. The nature of the Foundation's operations and principal activities are set out in the Trustees' Report.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing documents, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The charity has taken advantage of the exemption under section 405 of the Companies Act 2006 and paragraph 9.30 of FRS102 not to prepare consolidated accounts, as the group qualifies as small.

The financial statements are prepared in euros which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest €.

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

1.2 Going concern

At 31 March 2025, the charity had net liabilities of €853,285 and current net liabilities of €955,653. 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 and grants 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.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors 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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

MLINDA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies (Continued)

1.4 Income

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

Cash donations are recognised on receipt. Other donations are recognised once the charity 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.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

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 Non-current investments

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.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

MLINDA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

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

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

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 charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 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.

1.12 Concessionary loans

Concessionary loans made to a third party are interest free and are made to advance charitable purposes. Where the loan is repayable on demand within one year, the loan is measured at cost, less impairment.

MLINDA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

2 Critical accounting estimates and judgements

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

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

Valuation of investments

Investments held as non-current assets per note 10 are stated at cost of €4,503,733 less an accumulated impairment of €2,603,865. The investments have been valued on an open value basis as at 31 March 2025 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. There is an inevitable degree of judgement involved. The accuracy of any impairment can only be ascertained under a divestment process.

3 Income from donations and legacies

	Unrestricted funds 2025 €	Unrestricted funds 2024 €
Donations and gifts	<u>817,711</u>	<u>300,414</u>

MLINDA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

4 Expenditure on charitable activities

	2025 €	2024 €
Direct costs		
Staff costs	23,580	150,229
Depreciation and impairment	668,489	801,692
Staff recruitment	-	3,361
Website costs	-	5,068
Travel	4,631	6,452
Office supplies	-	3,302
Bank charges	(23,428)	12,560
Sundry expenses	1,318	1,534
Insurance	3,482	4,016
IT expenses	3,738	9,342
Telecommunications	3,135	-
Memberships	2,099	-
Consultancy fees	185,000	-
	<u>872,044</u>	<u>997,556</u>
Grant funding of activities (see note 5)	70,000	100,000
Share of support and governance costs (see note 6)		
Governance	131,725	242,142
	<u>1,073,769</u>	<u>1,339,698</u>
Analysis by fund		
Unrestricted funds	<u>1,073,769</u>	<u>1,339,698</u>

5 Grants payable

	2025 €	2025 €
Grants to institutions:	<u>70,000</u>	<u>100,000</u>

6 Support costs allocated to activities

	2025 €	2024 €
Governance costs	<u>131,725</u>	<u>242,142</u>
Analysed between:		
Administration	<u>131,725</u>	<u>242,142</u>

MLINDA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

7 Trustees

During the year, €7,200 (2024: €6,961) 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.

None of the Trustees (or any person connected with them) received any remuneration or benefits from the Foundation in the year.

8 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
	1	2
Employment costs	2025	2024
	€	€
Wages and salaries	23,010	119,139
Social security costs	-	7,671
Other pension costs	570	23,419
	23,580	150,229

Payments to key management personnel during the year totalled €18,986 (2024: €35,599)

There were no employees whose annual remuneration was more than €60,000.

9 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

10 Fixed asset investments

	Other investments
Cost or valuation	
At 1 April 2024	2,568,357
Impairment	
Impairment losses	668,489
Carrying amount	
At 31 March 2025	1,899,868
At 31 March 2024	2,568,357

MLINDA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

10	Fixed asset investments			(Continued)
			2025	2024
			€	€
	Other investments comprise:	Notes		
	Investments in subsidiaries	19	1,899,868	2,568,357
11	Trade and other receivables		2025	2024
			€	€
	Amounts falling due within one year:			
	Prepayments and accrued income		6,006	115,509
12	Current liabilities		2025	2024
			€	€
	Other payables		762,500	500,000
	Accruals and deferred income		229,744	273,906
			992,244	773,906
13	Non-current liabilities		2025	2024
			€	€
	Other payables		1,797,500	2,525,000

Non-current liabilities are made up of loans from related parties as disclosed in note 16.

14 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2024	Incoming resources	Resources expended	At 31 March 2025
	€	€	€	€
General funds	(597,227)	817,711	(1,073,769)	(853,285)
Previous year:	At 1 April 2023	Incoming resources	Resources expended	At 31 March 2024
	€	€	€	€
General funds	442,057	300,414	(1,339,698)	(597,227)

MLINDA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

15 Analysis of net assets between funds

	Unrestricted funds 2025
	€
Fund balances at 31 March 2025 are represented by:	
Investments	1,899,868
Current assets/(liabilities)	(955,653)
Long term liabilities	(1,797,500)
	(853,285)
	Unrestricted funds 2024
	€
Fund balances at 31 March 2024 are represented by:	
Investments	2,568,357
Current assets/(liabilities)	(640,584)
Long term liabilities	(2,525,000)
	(597,227)

16 Events after the reporting date

After the year end the repayment date of loans made to the Foundation from related parties of €1,025,000 was extended to 2028. These included loans of €762,500 disclosed as current liabilities at 31 March 2025.

MLINDA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

17 Related party transactions

- i) At the balance sheet date €2,010,000 (2024: €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 €58,228 (2024: €56,250) charged during the year. At the year end the Foundation owed accrued interest of €177,312 (2024: €119,084).
- ii) At the balance sheet date €550,000 (2024: €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 €31,295 (2024: €33,598) charged during the year. At the year end the Foundation owed accrued interest of €8,897 (2024: €23,493).
- During the year, the Foundation recognised donations totalling €187,500 (2024: €300,000) from The Lorelei Trust. At the year end, €nil (2024: €111,500) was outstanding.
- iii) At the balance sheet date €525,000 (2024: €525,000) was owed to the Foundation by Mlinda Sustainable Environment Private Ltd, a subsidiary of the Foundation. The Trustees do not believe that this loan will be repaid and so has been fully provided for, leaving an asset of €nil (2024: €nil) in the balance sheet. There is no interest charged on the loan.
- iv) During the year, the Foundation received donations totalling €30,000 (2024: €nil) from Mlinda Foundation USA, a charity with common Trustees. The grant was used to pay operating expenses. The grant was fully utilised during the year, with no balance remaining at the year end.
- v) During the year, the Foundation paid fees for consultancy services totalling €185,000 (2024: €nil) to Mlinda Sustainable Environment Private Ltd, a subsidiary of the entity.

18 Contingent assets

During the year the charity was engaged in a legal dispute with a former employee. Subsequent to the year end, the Indian legal system found in favour of the charity, which was awarded costs of 75,000 Indian Rupees with further amounts expected to follow. The final amount and schedule of payments were not clear at the year end so have been recognised as a contingent asset.

19 Subsidiaries

These financial statements are separate charity financial statements.

Details of the charity's subsidiaries at 31 March 2025 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
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	

MLINDA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

20	Cash generated from operations	2025 €	2024 €
	Deficit for the year	(256,058)	(1,039,284)
	Adjustments for:		
	Depreciation and impairment of property, plant and equipment	668,489	801,692
	Movements in working capital:		
	Decrease in trade and other receivables	109,503	414,329
	(Decrease)/increase in trade and other payables	(509,162)	100,378
	Cash generated from operations	12,772	277,115

21	Analysis of changes in net funds	At 1 April 2024 €	Cash flows €	Acquisitions and disposals €	Other non-cash changes €	At 31 March 2025 €
	Cash at bank and in hand	17,813	12,772	-	-	30,585
	Loans falling due within one year	500,000	-	-	262,500	762,500
	Loans falling due after more than one year	2,525,000	-	(465,000)	(262,500)	1,797,500
		<u>3,042,813</u>	<u>12,772</u>	<u>(465,000)</u>	<u>-</u>	<u>2,590,585</u>