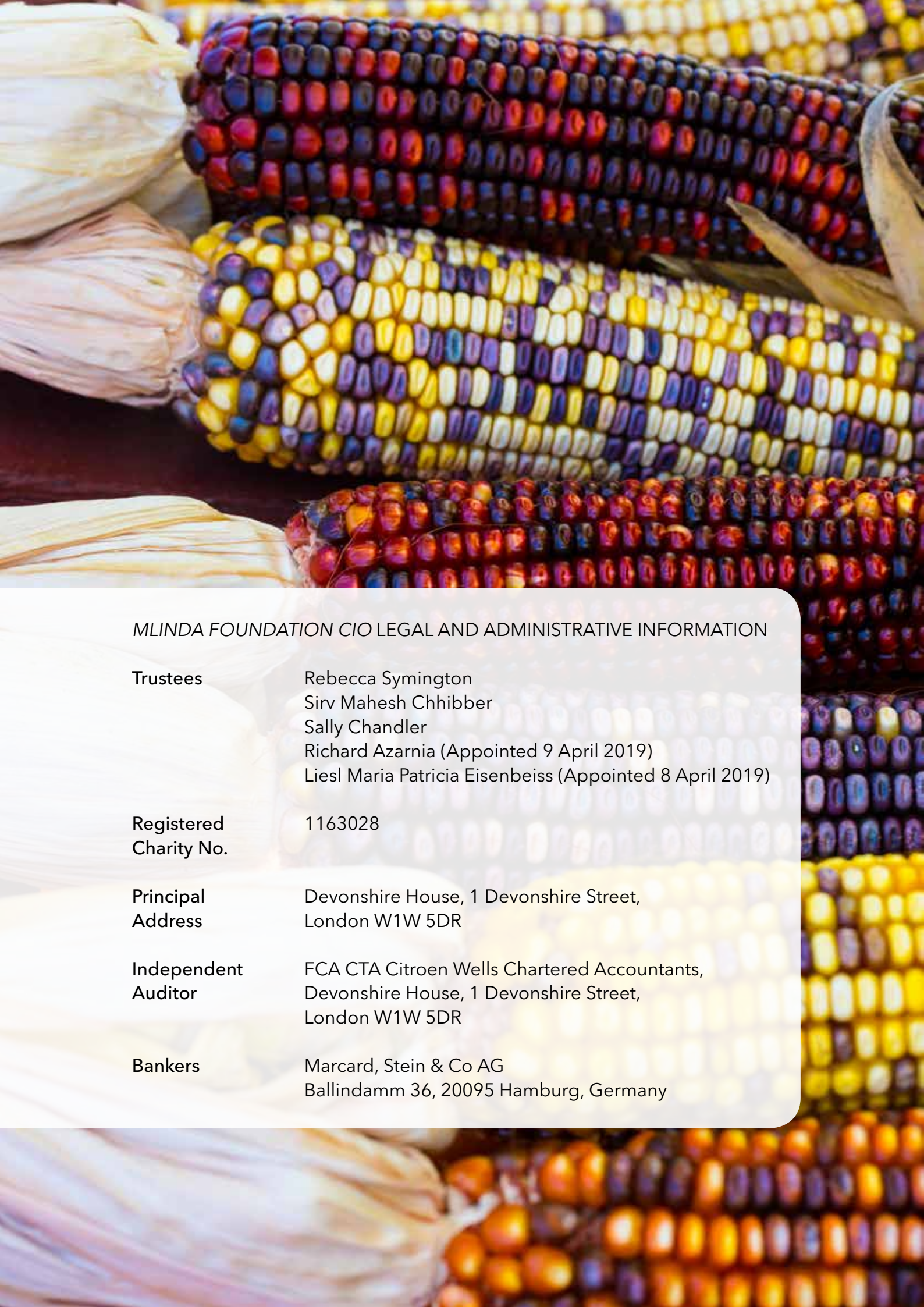




# MILINDA

Annual Report 2018





# MLINDA

Annual Report 2018

MLINDA FOUNDATION CIO  
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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### MLINDA FOUNDATION CIO LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Rebecca Symington
	Sirv Mahesh Chhibber
	Sally Chandler
	Richard Azarnia (Appointed 9 April 2019)
	Liesl Maria Patricia Eisenbeiss (Appointed 8 April 2019)
Registered Charity No.	1163028
Principal Address	Devonshire House, 1 Devonshire Street, London W1W 5DR
Independent Auditor	FCA CTA Citroen Wells Chartered Accountants, Devonshire House, 1 Devonshire Street, London W1W 5DR
Bankers	Marcard, Stein & Co AG Ballindamm 36, 20095 Hamburg, Germany

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## WHY WE ARE HERE

**Mlinda** researches, develops, invests in and shares improved modes of production and consumption: ideas that can scale and act as a catalyst for individual and systemic change.

We work on shifting mindsets from short-term attitudes to long-term values. In developing regions, that means creating the right socio-economic conditions for people to think beyond survival and consider long-term stewardship of the environment.

In 2018, **Mlinda** continued to focus on achieving this objective through its rural electrification programme implemented in the state of Jharkhand in India. ●



*"Before, low voltage or fluctuations damaged bulbs and appliances. Now, we are happy to buy electrical appliances."*  
Resident, Samsera



*"Kerosene lamps are bad for our children's health and it is difficult to study. These problems went when the mini-grid arrived."* Resident, Samsera

## WHAT WE DO



In 2018, in Jharkhand, India, **Mlinda** commissioned 13 additional solar powered mini-grids with a total installed capacity of 193.6 kWp.



By 2018, **Mlinda** installed 466 kWp of solar power: electrified 2607 homes reaching 13035 individuals and powered 400 income-generating loads.



**Mlinda** installs, operates and manages the distributions of metered energy throughout the villages and ensures maintenance and repairs.



**Mlinda** supports village entrepreneurs with access to credit or business advice, to transition to solar energy to grow or create their businesses.

## THE TRUSTEES PRESENT THEIR REPORT AND ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2018

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity'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)'.

## 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 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

*Mlinda* aims to raise income to support its objects as the Trustees see fit. The Charity 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 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 2018, the Trustees consider the Charity 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 driver for sustainable economic and social benefits. We create long-term improvement in communities by providing reliable energy, finance and expertise upon which to build a financially and environmentally sustainable economy. ●

*Mlinda aims to transform modes of consumption.*

transform individual behaviour and modes of consumption. The focus to date has been on the investment into research and development of a scalable, replicable model of rural electrification using renewable energy in rural India. There are no restricted or endowment funds at the year end.



SHARE

## ACHIEVEMENTS AND PERFORMANCE

With around 7% annual growth, India is also one of the fastest growing economies and as a result is also one of the largest contributors of GHG emissions. Per capita emissions however are among the lowest in the world. *Mlinda* aims to ensure India's economic growth continues to contribute to low per capita emissions by increasing incomes while reducing carbon emissions.

*Mlinda helps villagers to develop their agri-businesses and train local villagers to repair and maintain their energy service network.*

India made great strides in rural electrification in 2018. In areas where *Mlinda* operates, only 17 per cent of households remained unelectrified through the national grid. However this hides many challenges to access to quality and reliable energy for the most marginalised. As many as 52% of all households in Jharkhand were unable to rely on electricity in any meaningful way <sup>1</sup>. They could

not rely on the national grid for developing business and increasing incomes.

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

*Mlinda's* village-wide mini grids, provide metered energy which is paid for by households. We offer business advisory support to help villagers to develop their agri-businesses 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

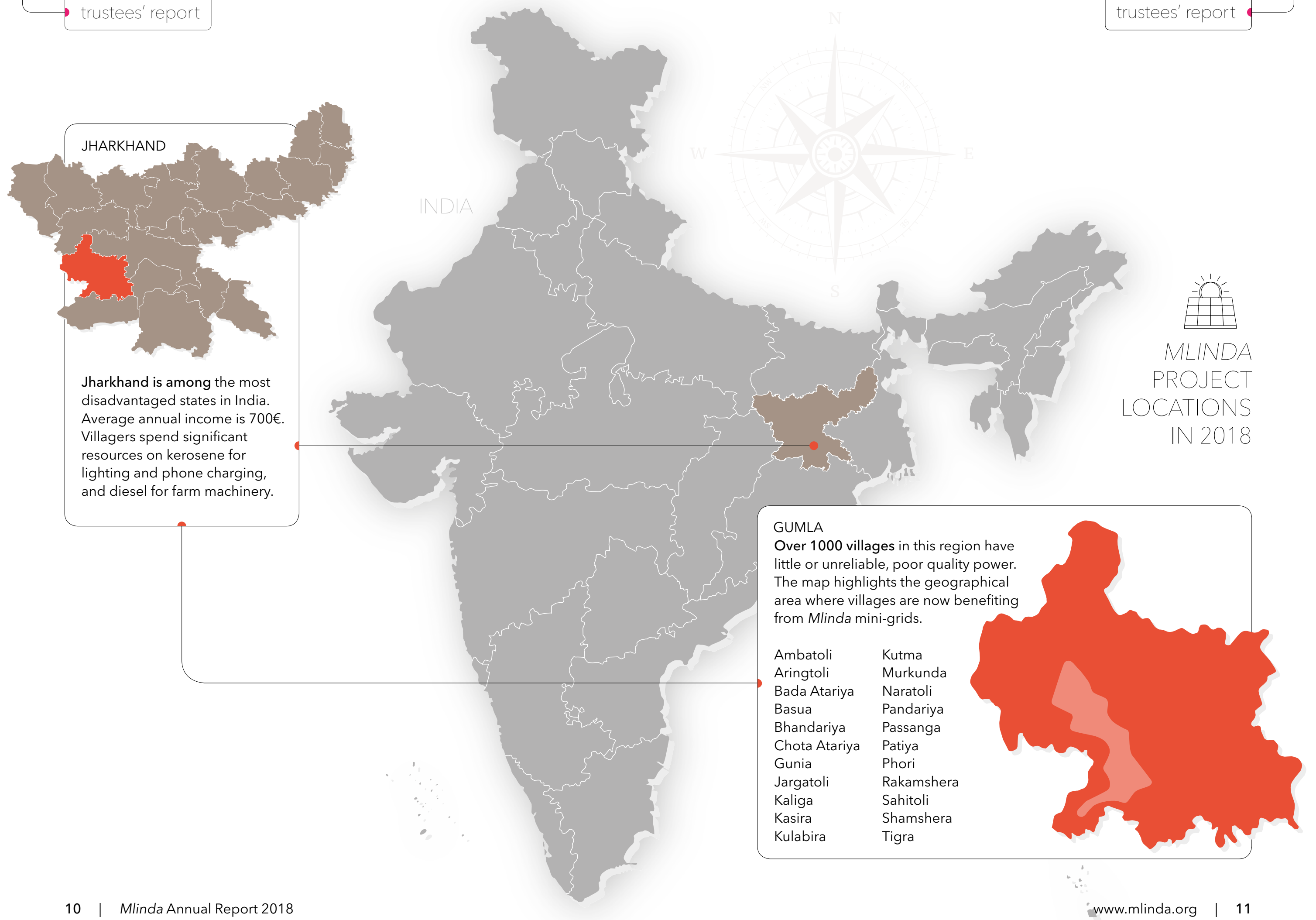
Bengal. In 2013, *Mlinda* expanded to northern areas of West Bengal, later moving into Jharkhand in 2015.

In 2016 *Mlinda* began installing village-wide solar powered mini-grids in Jharkhand. By the end of 2018, the organisation managed and

operated 21 mini-grids in 22 villages and surrounding hamlets, providing 2607 families and 400 farmers with reliable access to modern, clean and affordable energy 24/7 with proven financial, social and environmental benefits for women, children and entrepreneurs. ●

<sup>1</sup> Access 2018 Report, The Council on Energy, Environment and Water.





## THE MODEL

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

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

### MLINDA INSTALLS AND OPERATES MINI-GRIDS

- The average village size is 120 households with approximately 5 family members per household.
- The village-wide mini-grids provide 24 hour, seven days a week energy for productive agricultural and commercial needs as well as domestic night-time use.
- Each system is between 20kWp

*Mlinda's model for mini-grid installation and community support is anchored in its close ties with villagers.*

and 30kWp, solar powered with diesel generators connected for peak load management or technical malfunction.

- The consumers pay upfront connection fees and then pay for energy usage through pre-paid meters.
- Part-time engineers and one full-time operator stay in each village and work with the communities – individual entrepreneurs, women's self-help groups and farmer groups – to convert diesel to electric devices. These close

ties ensure that we build relations of trust with the community and that a quality service is provided.

- Local operators are also trained in maintenance and repair of the mini-grids.
- The grids are designed to increase in capacity as demand grows. Once the grids reach 95% capacity utilisation, we install an additional five kWp array to enable the community to meet its growing demand.

### MLINDA SUPPORTS AGRICULTURAL PRODUCERS AND ENTREPRENEURS

- Mlinda grows demand responsibly, ensuring it is based on low energy devices.
- Mlinda provides loans to farmers to finance energy efficient devices to accelerate uptake. Mlinda also incubates agri-businesses such as oil expelling, mini cold storage, and electrification of poultry

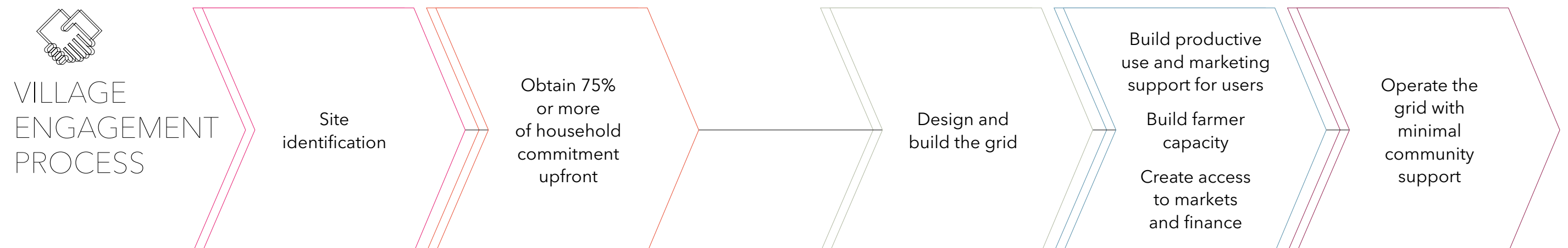
coops in villages.

- The micro enterprises (ME) use locally grown raw material. Energy transforms raw goods into final products for sale.

Benefits to the community are manifold:

- Local procurement of raw materials at market price prevents selling at low prices or 'distress selling'.
- Promotion of entrepreneurship and business skills through ownership of MEs by women's self-help groups.
- Creation of reliable sales of produce to rural and urban markets.

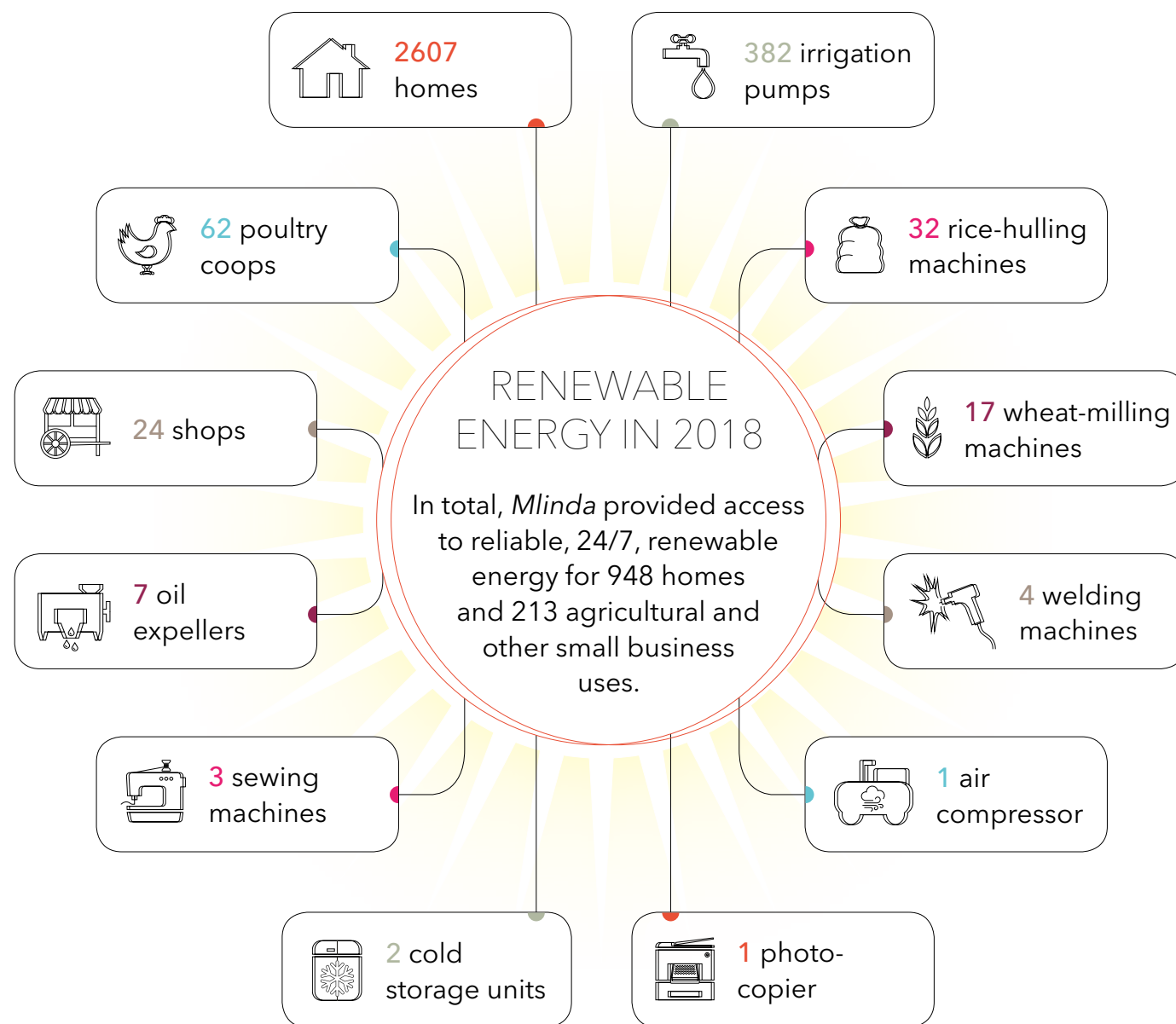
We research additional non-farm sectors such as health, education and manufacturing centres to diversify economic development. ●



## THE RESULTS

In 2018, *Mlinda* installed 13 additional mini-grids at the rate of 4 to 5 every quarter: in February *Mlinda* commissioned grids in Jargatoli, Gunia, Tigra, Patia and Pandariya; in June the villages of Samsera, Rakamsera, Kaliga and Basua were commissioned while Murkunda, Kutma, Phori and

Bhandariya were commissioned in October 2018. The installed capacity of these 13 grids amounted to 193.6 kWp. The work for 4 new mini-grids started in the last quarter of 2018 in the villages of Rekma, Tirra, Barwatoli and Taragutu for a commission scheduled in early 2019.



Overall by the end of 2018, *Mlinda* had installed and commissioned solar powered mini-grids in 21 villages with a total installed base of 466 kWp, electrifying 2607 households and 400 productive loads. Four more mini-grids were scheduled to be commissioned in early 2019. Below is a detailed review of the productive loads generating incomes for the villagers in each village.

*Mlinda has continued working closely with entrepreneurs and farmers to promote productive uses of clean energy.*

In September 2018, *Mlinda* worked with a livelihood promotion organisation to promote mustard cultivation and technical know-how amongst farmers, as a means of additional source of income.

With the oil expellers in the project villages, a demand for mustard has been created right at the farmers' doorsteps. The oil expellers are able to absorb all the mustard which is grown in and around *Mlinda* project villages at the market prices. Thus, mustard farming acts as an

additional source of income in the winter season. By the end of December, a total of 160 acres of land was brought under mustard cultivation.

The electricity utilisation is higher in grids installed in 2018 than those installed in 2017 or 2016. In earlier grids, the utilisation was 12.5% which increased to 21% later, thanks to deeper engagement with the community. *Mlinda* staff helped villagers make the transition from kerosene and diesel to clean solar energy, for domestic purposes.

*Mlinda* has continued working closely with entrepreneurs and farmers to promote productive uses of clean energy, not only in the agricultural sector but also in non-farm sectors.

*Mlinda* has converted existing shops, welding units and eateries from kerosene, diesel and other unreliable sources of energy to clean solar energy. In addition, *Mlinda* has started planning for broad-based interventions in health, education and non-farm manufacturing units.

**RENEWABLE ENERGY IN 2018**  
In total, *Mlinda* provided access to reliable 24/7 renewable energy for 2607 homes and 535 income generating activities. ●



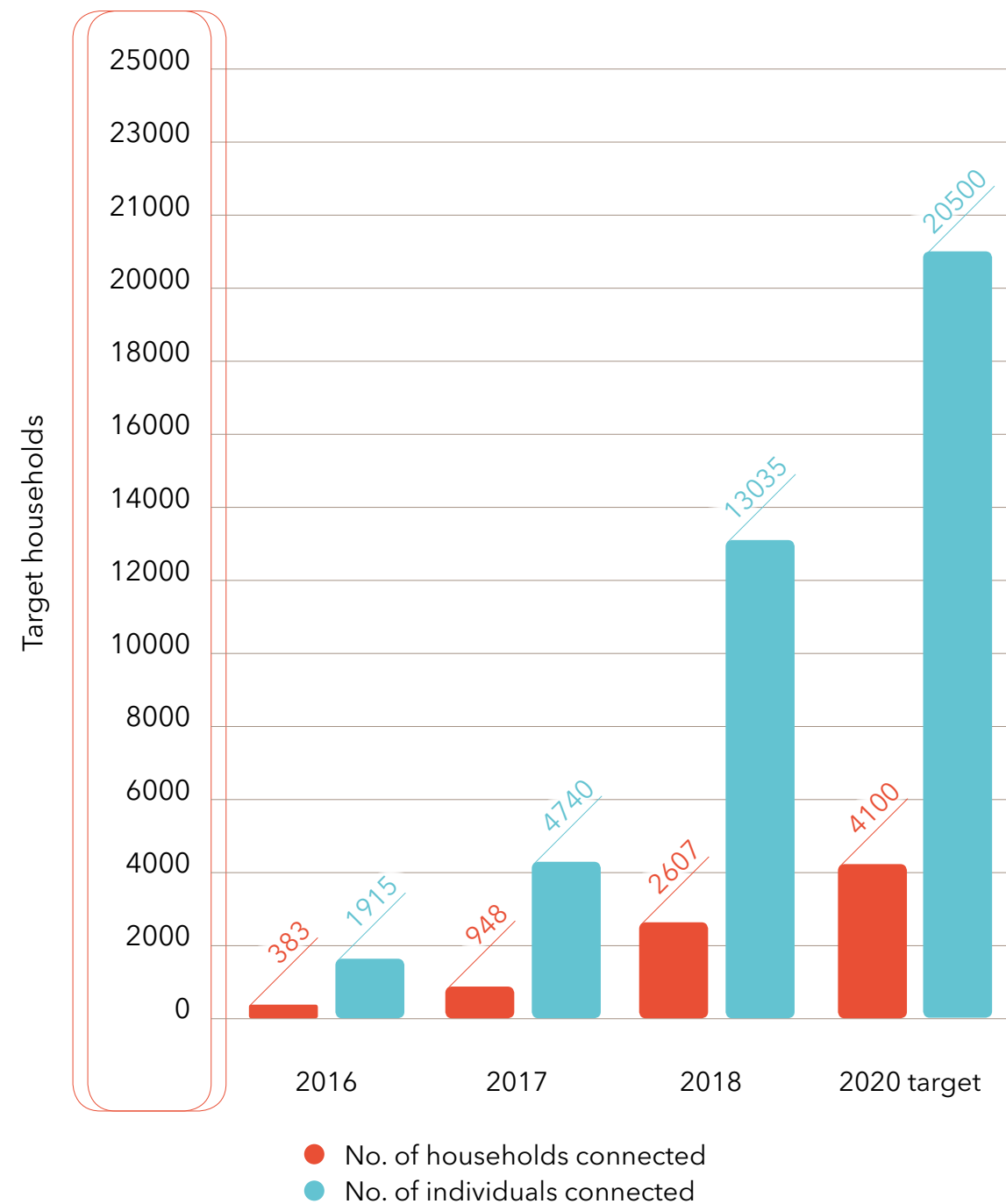
## SERVICES FROM RENEWABLE ENERGY

The total number of connected loads increased from 265 to 535 in 2018. The total kWp connected to *Mlinda's* mini-grids more than doubled from 265 kWp in 2017 to 668 kWp in 2018. Water pumps are by far the most prevalent device *Mlinda* converts.

VILLAGE	SERVICES												connected kWp
	SMALL IRRIGATION PUMPS	LARGE IRRIGATION PUMPS	RICE-HULLING MACHINES	COLD STORAGE UNITS	OIL EXPELLERS	GRAIN-MILLING MACHINES	POULTRY UNITS	AIR COM-PRESSORS	SEWING MACHINES	PHOTO-COPIERS	SHOPS	WELDING MACHINES	
Arangtoli	12	2	1	-	-	-	-	-	-	-	-	-	31
Bada Atariya	18	2	3	-	-	1	-	-	-	1	-	-	48
Basua	20	-	1	-	-	-	-	-	-	-	-	1	23
Bhandariya	16	-	1	-	-	-	-	-	-	-	-	-	18
Chota Atariya	11	1	1	-	-	1	-	-	-	-	-	-	25
Gunia	17	2	1	-	1	1	-	-	-	-	-	-	32
Jargatoli	21	2	1	-	-	1	-	-	-	-	-	-	42
Kaliga	17	-	1	-	-	1	-	-	-	-	-	-	21
Kasira	34	-	2	-	1	-	-	1	3	-	14	-	46
Kulabira	25	1	1	1	1	1	-	-	-	-	-	-	41
Kutma	17	-	2	-	-	-	-	-	-	-	-	1	26
Murkunda	13	1	1	-	-	-	-	-	-	-	10	2	27
Narotoli	21	2	2	-	1	2	62	-	-	-	-	-	49
Pandariya	19	-	1	-	1	1	-	-	-	-	-	-	30
Pasanga	16	-	2	1	-	1	-	-	-	-	-	-	29
Patiya	18	-	1	-	-	1	-	-	-	-	-	-	31
Phori	13	-	3	-	-	-	-	-	-	-	-	-	27
Rakamsera	15	-	1	-	-	1	-	-	-	-	-	-	29
Sahitoli	19	-	3	-	-	1	-	-	-	-	-	-	33
Samsera	11	-	2	-	1	-	-	-	-	-	-	-	28
Tigra	15	1	1	-	1	1	-	-	-	-	-	-	32
<b>TOTAL</b>	<b>368</b>	<b>14</b>	<b>32</b>	<b>2</b>	<b>7</b>	<b>14</b>	<b>62</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>24</b>	<b>4</b>	<b>668</b>

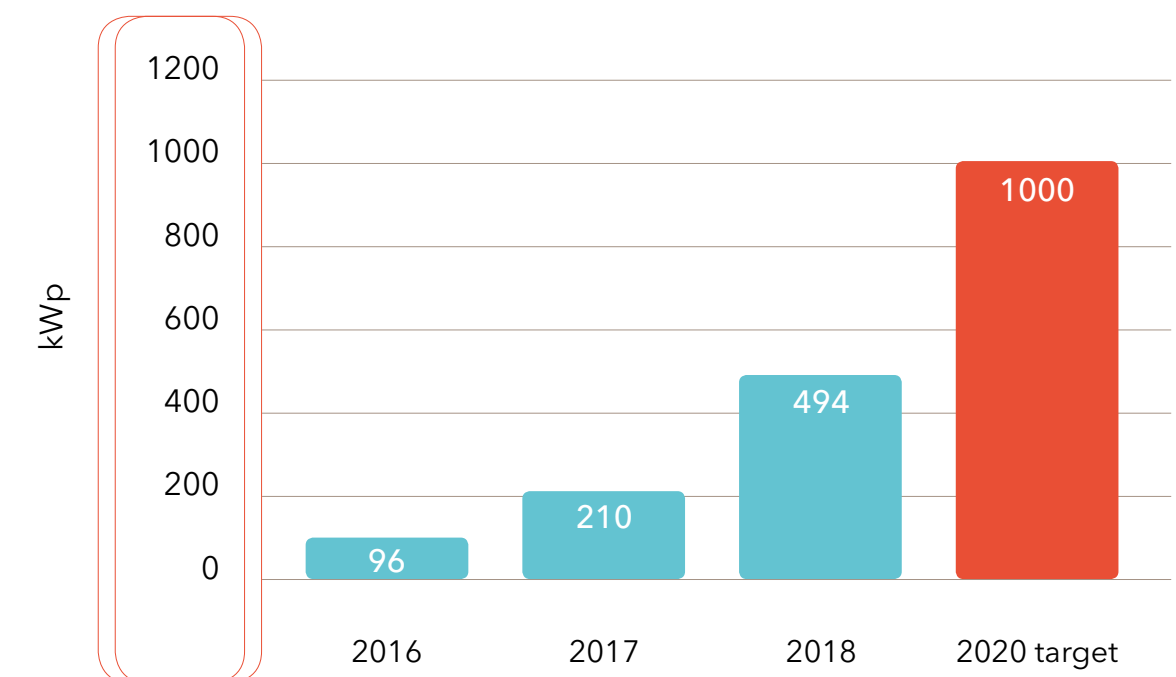
## CUSTOMERS AND CONNECTIONS

By the end of 2018, 63 % of target households were connected to *Mlinda* mini-grids.



## CUMULATED INSTALLED CAPACITY (kWp)

In 2018, *Mlinda* installed an additional 13 new mini-grids, reaching a total installed capacity of 493.7 kWp.

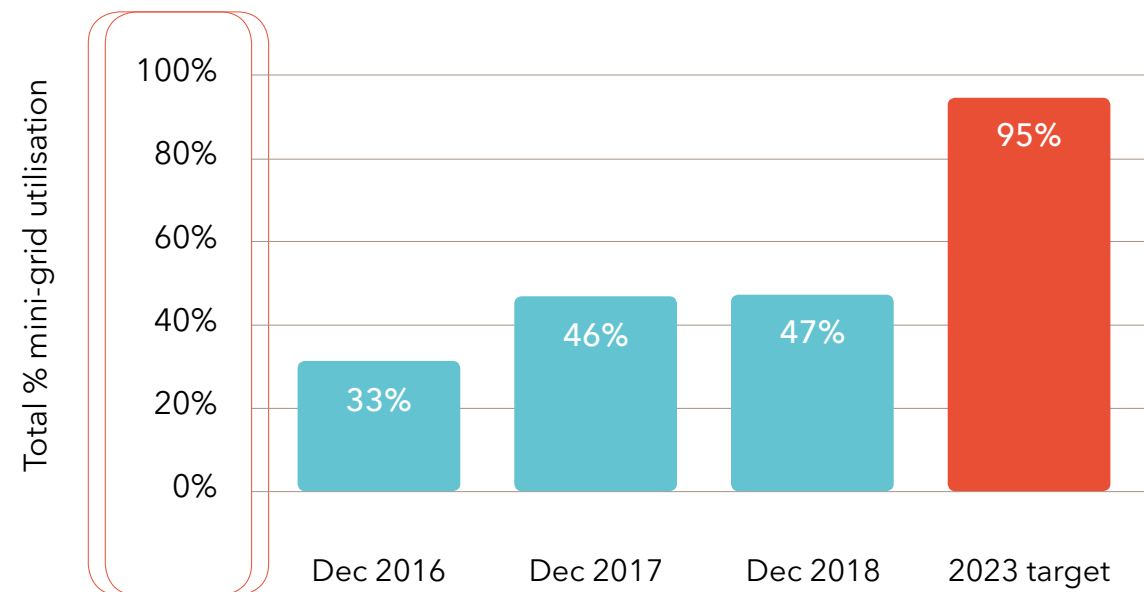




## GRID UTILISATION

Utilisation is an indicator of the demand of the energy supplied. Households continue to pay for and recharge their meters regularly, indicating both a willingness to pay and an ability to pay for the energy.

Total utilisation goes down with the installation of each mini-grid as power is continually added. The demand for energy increases steadily as villagers become accustomed to its use and as they grow their businesses. The mini-grid's ability to cater for a growth in demand is a significant advantage over other rural solar energy solutions.

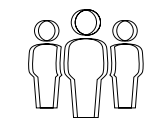
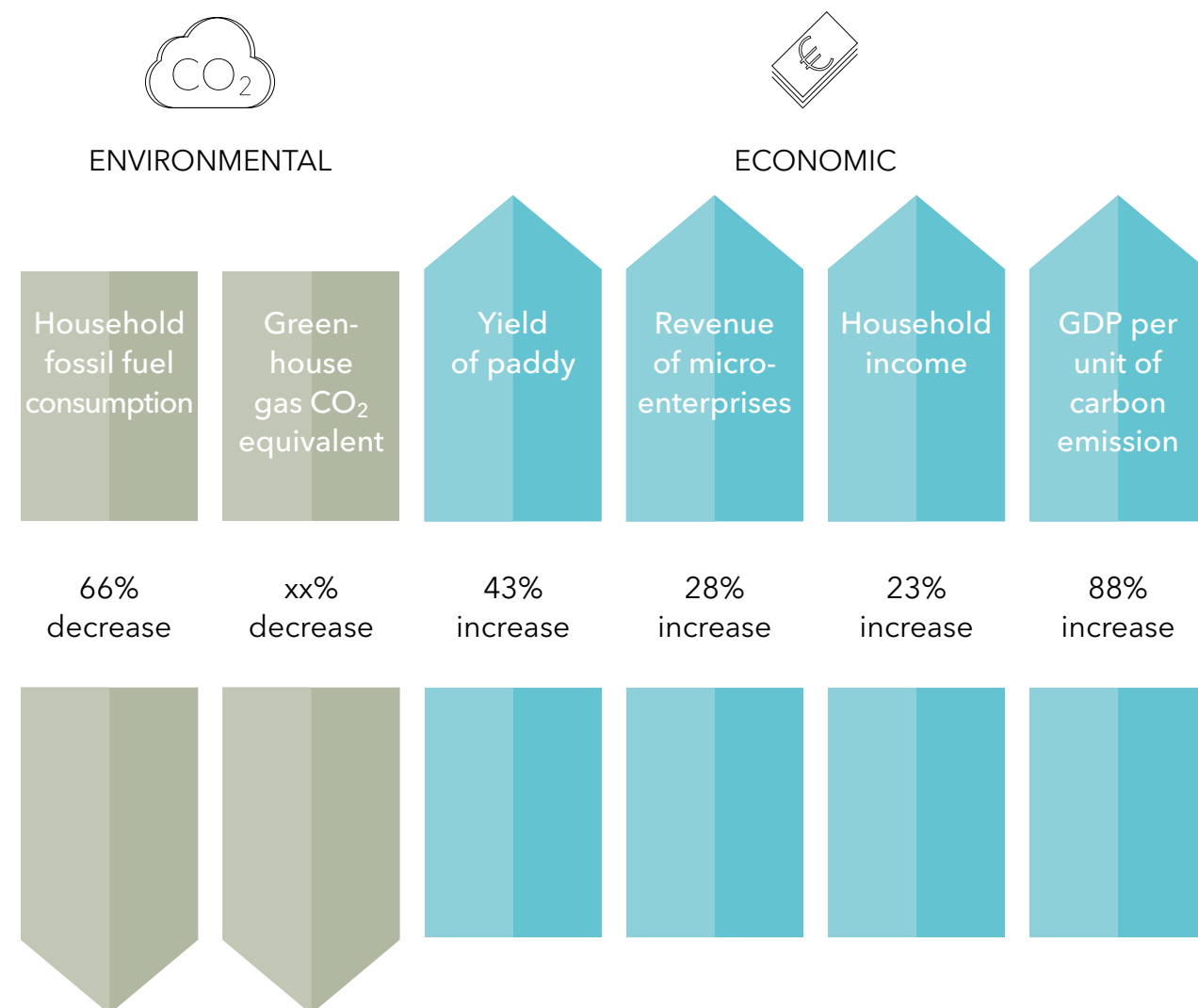


CHANGE

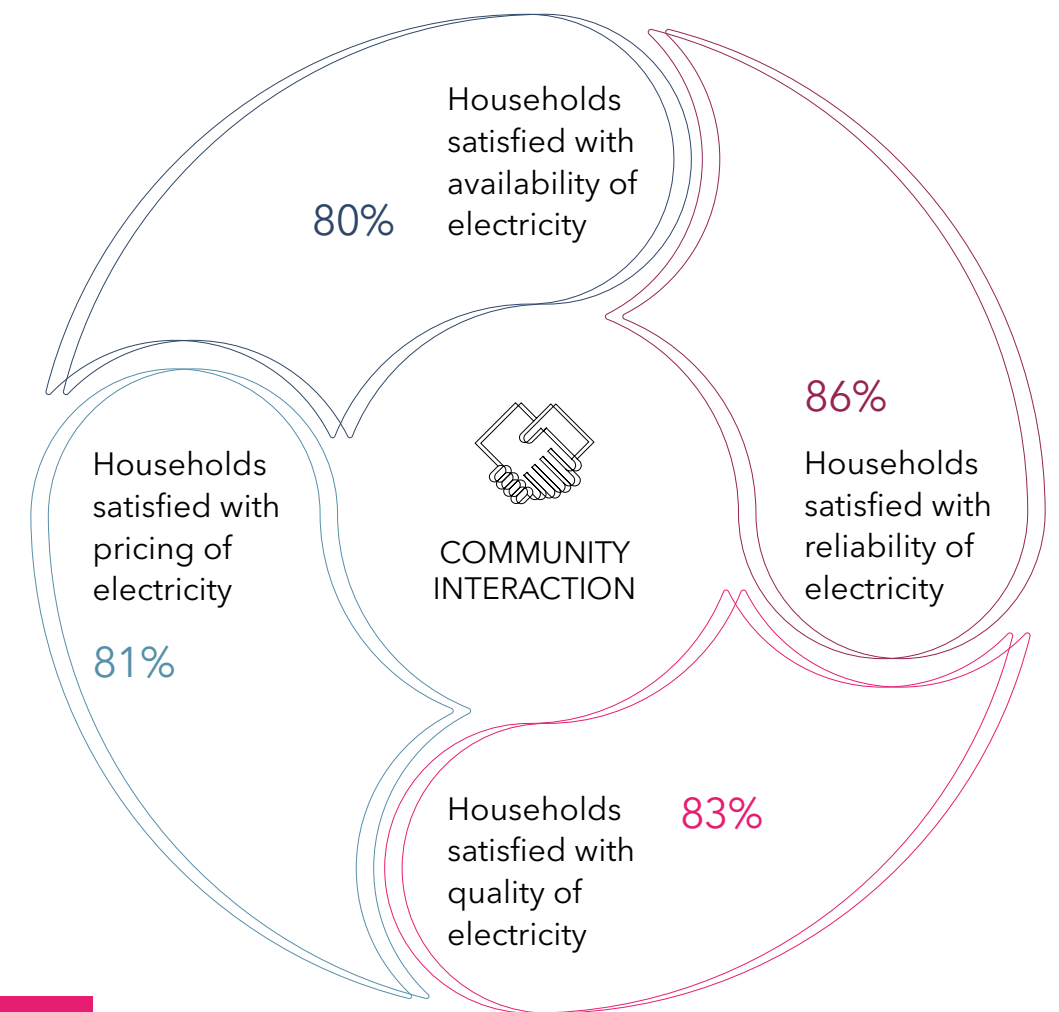
# IMPACT

**Mlinda measures the** impact of its intervention on in relation to environmental, social and financial well-being of the village as a whole as well as its inhabitants.

Mlinda commissioned an impact study in 2018 in nine new villages it electrified in 2018. This including household surveys to gain further insight into the environmental, social and economic impact of the mini-grids. ●



## SOCIAL



*The impact study results highlight the positive changes experienced in the villages.*

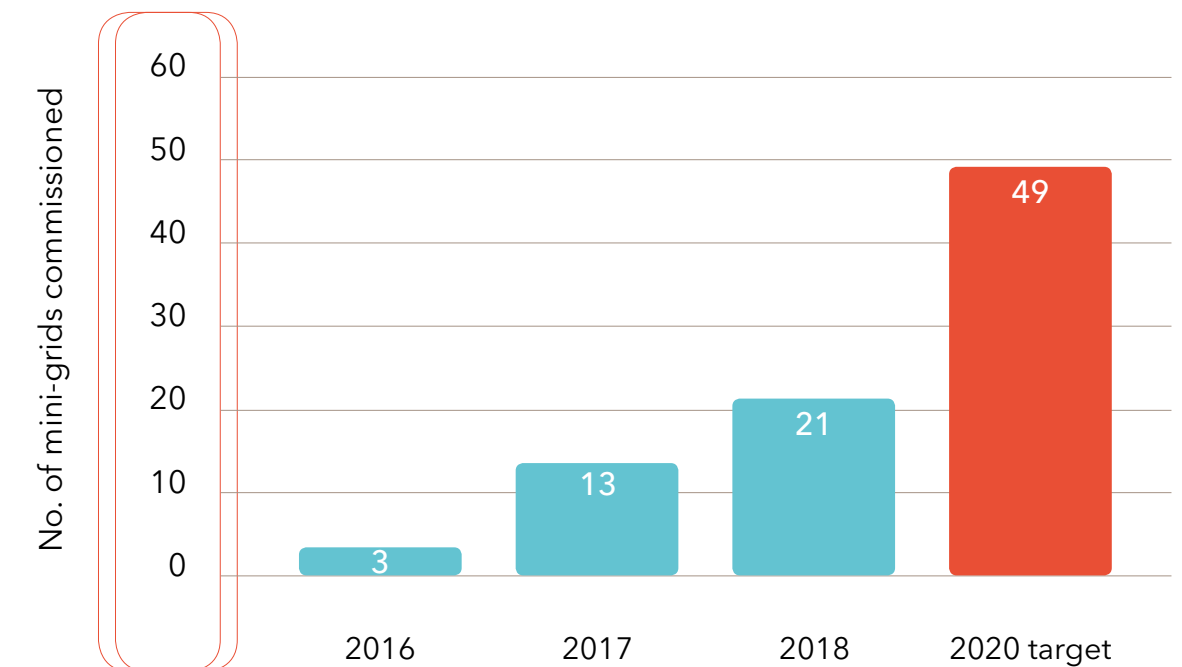


## OUTLOOK FOR 2019-2020

As part of a 50 village scale up plan, *Mlinda* will install 29 grids between 2019 and 2020. Work on four grids began in 2018 to be commissioned in early 2019. Additional grids will be installed on a quarterly basis and each grid will be on average of 23 kWp of capacity, allowing on average 480 new households to access clean energy.

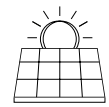
### COMMISSIONED GRIDS

It is envisioned that the total installed capacity by *Mlinda* in Gumla district will be 1 MW. A total of 5000 households, 20,500 individuals, 500 irrigation pumps, 30 rice hullers, 15 oil expellers, 3 cold storages, 30 wheat milling machines and 100 shops will benefit from access to energy by 2020. ●



## OBJECTIVES

*Mlinda's* overall objective is to contribute to grow local economies in a manner which is environmentally and socially sustainable. *Mlinda* tracks a number of environmental, social and financial indicators to measure progress.



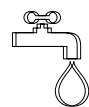
### NEW MINI-GRID INSTALLATIONS

- Install an additional 41 mini-grids, each with a capacity of 20-30 kW, and an overall capacity of 1000 kW.
- Manage operations, transmissions and distributions of energy.



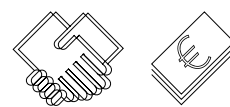
### ONGOING OPERATIONS AND MAINTENANCE

- Long-term repair and maintenance service: local maintenance of stocks and spares, training of operators.



### SALE OF ENERGY EFFICIENT APPLIANCES

- Sell and finance farm equipment such as irrigation pumps, rice-hullers, oil expellers, cold storage lamps, fans, TVs to be compatible with electric energy.



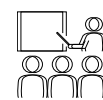
### PROVISION OF BUSINESS ADVICE

- Provision of business advice: advice to individuals and groups on how to use new machinery and access new markets.



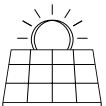

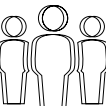


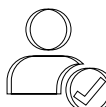
### RESEARCH AND DEVELOPMENT

- Research meters and mobile payments, energy storage systems, control room improvements and standardisation, transmission and distribution improvements, information management in monitoring and reporting, incubation of new micro-businesses and linkage to urban markets.



### TRAINING

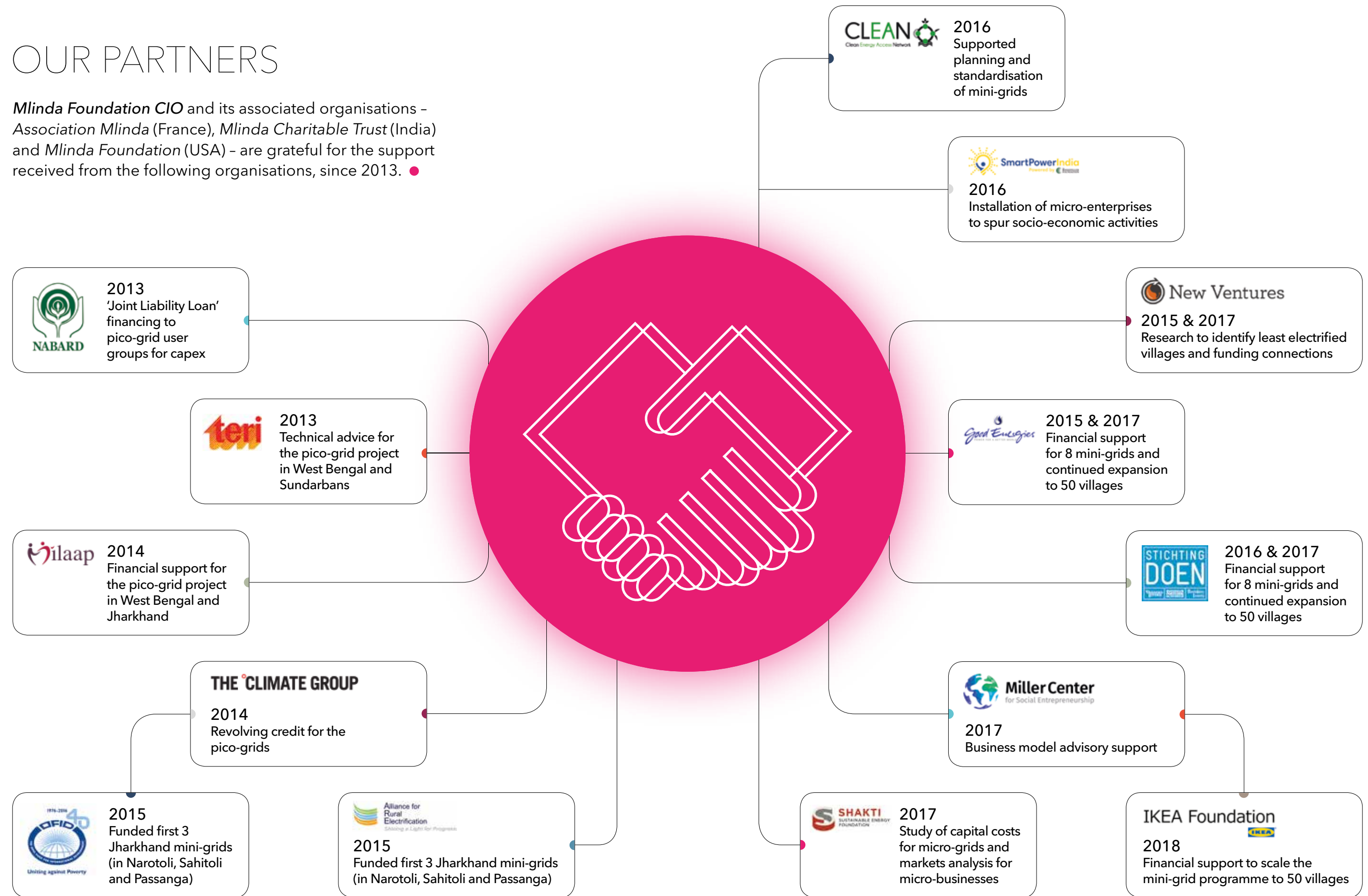
- A training hub is an important part in the scaling of the rural electrification project. The training hub, which will include training on technical skills as well as soft skills, will be operational by early 2019. ●

INDICATOR	2018 ACHIEVED	2020 TARGET
 No. of grids	21	50
 No. of families on <i>Mlinda</i> grids	2607	4,100
 No. of persons on <i>Mlinda</i> grids	13,035	20,500
 CO <sub>2</sub> equivalent emissions reduced	936 tonnes Reduce by 34 tonnes per household (Dec 2017)	20 tonnes / year per village 900 tonnes / year total
 % change in income	23%	10 -15% increase
 No. of local new jobs	50	155



## OUR PARTNERS

**Mlinda Foundation CIO** and its associated organisations - *Association Mlinda* (France), *Mlinda Charitable Trust* (India) and *Mlinda Foundation* (USA) - are grateful for the support received from the following organisations, since 2013. ●



# SHARING KNOWLEDGE AND GROWING THE SECTOR

**Mlinda engages** in speaking and other outreach initiatives to share its model and learnings with as wide an audience as possible:

## LEADERSHIP POSITIONS IN SECTOR ALLIANCES



Board member: *Alliance for Rural Electrification (ARE)*.  
Election to the board April 2018.



Board member: *Clean Energy Alliance Network (CLEAN)*.  
Election to the board 2018.

## SPEAKING ENGAGEMENTS



**4th ARE Energy Access Investment Forum: Integrating Remote Communities into Economies**, 13-15 March, 2018  
Catania, Sicily.  
'Talking Business & Investment in Asia: Can Microgrids Solve Asia's Energy Access Challenge?'.



**SE4All Forum**, 17-18, May 2018  
Lisbon, Portugal.  
'Enabling jobs with energy opportunities, challenges and ongoing activities'.

## MLINDA IN THE NEWS



**ENERGY ACCESS PRACTITIONER NETWORK**



**Energy Access Practitioner Network**, February 2018.  
'Beyond Household Lighting: Promoting Anchor Load Agri-Business to Build Mini-Grids in India'. An overview of the Mlinda model written by Mlinda staff.



**SANKALP Global Summit**, 11-12 December 2018, Mumbai, India.  
'How Much Money Does it Take to Change a Light Bulb?'.  
'Catalysing Economic Empowerment of Women With Energy as an Enabling Medium'.



**New Ventures YouTube Channel**, 9 March 2018.  
'Does Your Electrified Village Need a Micro-grid?'.  
A review of Mlinda's model which demonstrates that Mlinda's mini-grids can operate effectively and in a complementary manner, in locations where the national grid is present.



**Intersolar**, 13 December 2018, Bangalore, India.  
'Decentralised Renewable Energy and Job creation in India'.



## MLINDA IN THE NEWS



New Ventures Blog, 20 April 2018.

*'Can Micro-grids Become More Viable if Farmers Are Linked to Conscious Consumers?'*



PV Magazine, 26 May 2018.

*'The Weekend Read: Value Generation With Rural Mini-grids'*

A review of several companies, including Mlinda, focusing on provision of energy to rural areas which enables income generation from the energy provided.



The Economist, 14 July 2018.

*'Empowering Villages: New Ways of Producing and Storing Electricity Could be a Boon to Poor People in Rural Communities'*

The article draws on Mlinda's work with mini-grids, to illustrate how these can boost local businesses and alleviate rural poverty. It also highlights the needs for explicit policies to highlight how national power grids can co-exist with private mini-grids.







# SUSTAIN

## 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 year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year.

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 Charity 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 Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

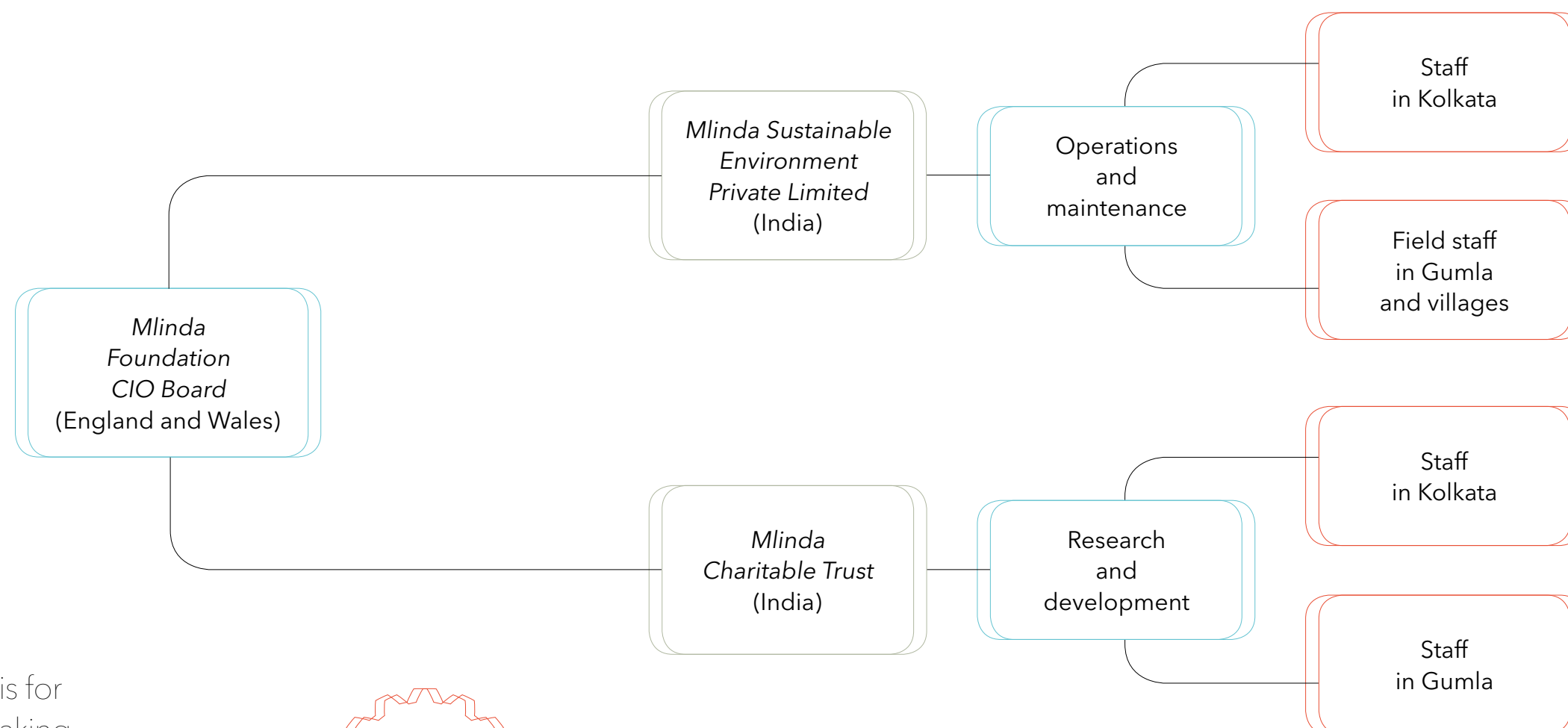
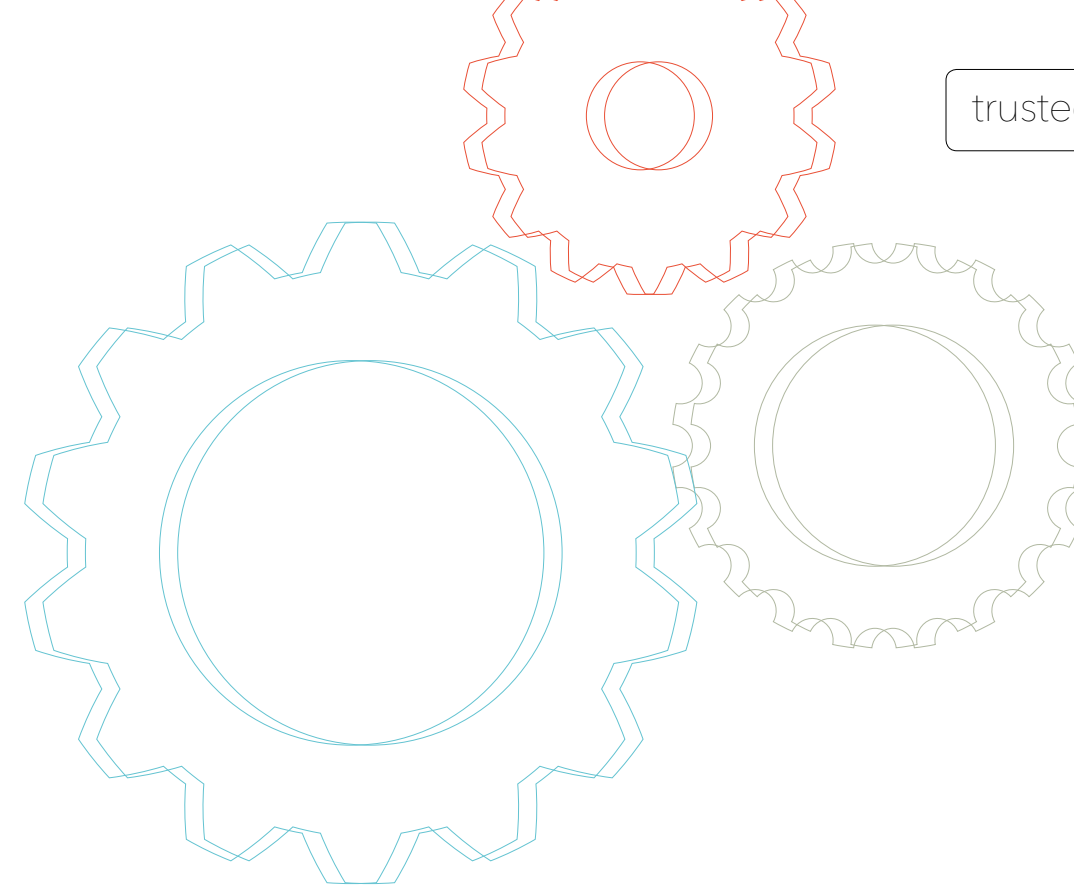
The Trustees' Report was approved by the Board of Trustees and signed by Richard Azarnia, Trustee and *Mlinda Foundation* CIO, on 31 October 2019.



# STRUCTURE, GOVERNANCE AND MANAGEMENT

**Mlinda Foundation CIO** is a Charitable Incorporated Organisation in England. The governing document is the Charity'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 Charity. The constitution requires a minimum of 2 and a maximum of 5 Trustees. Trustees are elected for

a period of 5 years and 3 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.



Key performance objectives and financial performance are the basis for the Board of Trustees' decision-making.



Trustees have been recruited to date because they are known to current board members, have an interest in the Charity's objectives and have skills, experience and knowledge that the board needs. *Mlinda* will seek to strengthen the board in 2019 and are developing a skills audit and process to do this, including induction and training support for new trustees.

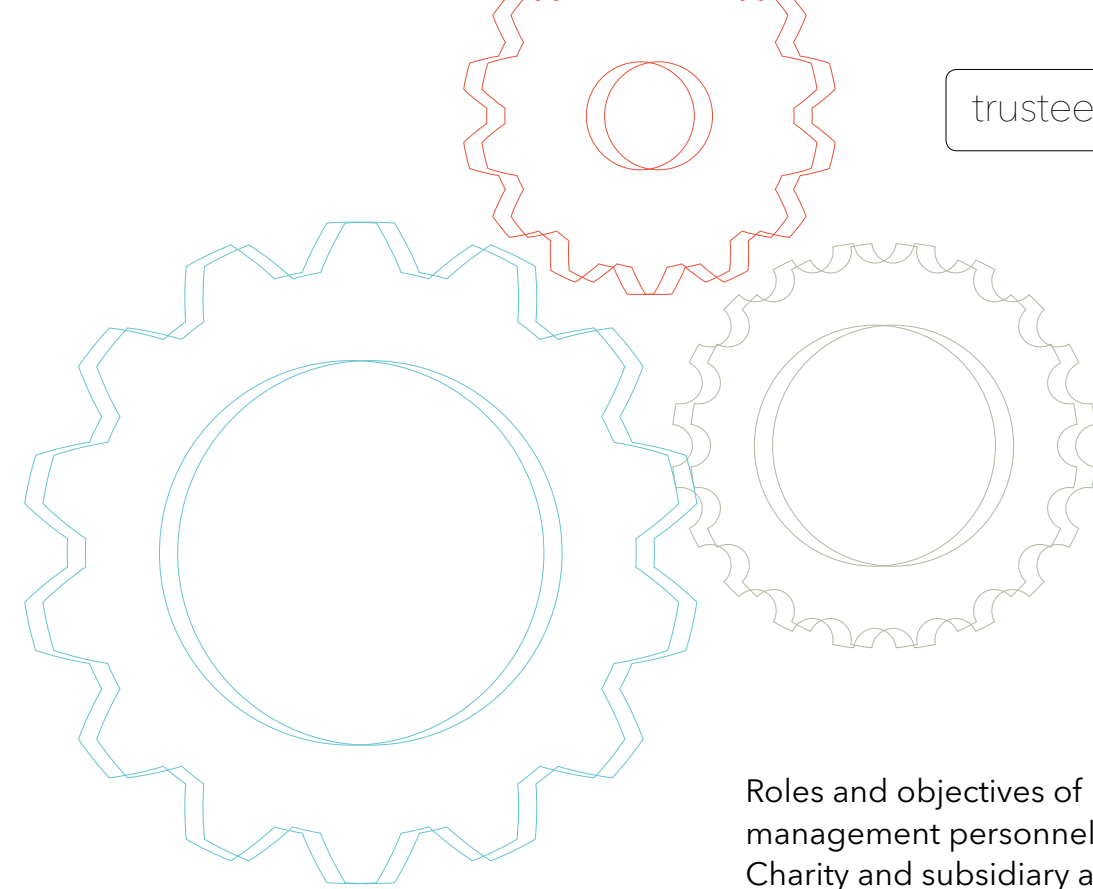
Day to day operational management of the Charity is delegated to the Executive Director (ED). Rebecca Symington was ED until she resigned from ED responsibilities

in August 2019. Since this point, the ED role has been shared by the Finance Manager, Kate Worrall, and Richard Azarnia, until a new ED is appointed.

The Charity 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 Charity sub-contracts the supply, installation and operation of the mini-grids to *MPL*. The Charity 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 Charity to further its objectives.

The governance structures will be reviewed in 2019 to strengthen the Board of Trustees in *Mlinda Foundation CIO*, as well as *Mlinda Sustainable Private Limited Company*.



Roles and objectives of key management personnel of the Charity 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.

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

*Mlinda Sustainable Environment Private Limited (MPL)* was registered in Kolkata India in July 2014. *MPL* is now wholly owned subsidiary of the *Mlinda Foundation CIO*. Its directors are Ms Rebecca Symington (Chair), Mr Vijay Bhaskar (Managing Director) and Ms Sudeshna Mukherjee (Director Operations).

*MPL* is responsible for implementation, infrastructure, operations and maintenance. *The Mlinda Charitable Trust* is responsible for community mobilisation, capacity building, and economic development, environmental and social impact. ●

*The Trustees believe that investment is vital to establish long term.*

*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 Charity funds *MCT's* programmes through grant donations against agreed programmes of work. Oversight is carried out through the Managing Director and Operations Director of *MPL*, who serve on the Board of *MCT*.

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

## OPINION

We have audited the financial statements of Mlinda Foundation CIO ('The Foundation') and its subsidiary (the 'Group') for the year ended 31 December 2018 which comprise the Consolidated Statement of Financial Activities, the Group and The Foundation Balance Sheets, the Consolidated Cash Flow Statement and notes the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

## IN OUR OPINION THE FINANCIAL STATEMENTS:

- Give a true and fair view of the state of the Group's and The Foundation's affairs as at 31 December 2018 and of its incoming resources and application of resources, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Charities Act 2011.

## BASIS OPINION

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





## CONCLUSIONS RELATING TO GOING CONCERN

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

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

## OTHER INFORMATION

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

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

We have nothing to report in this regard.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 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 35, 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 Nominees 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 Nominees 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 Nominees 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 auditors 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.

#### OTHER MATTERS WHICH WE ARE REQUIRED TO ADDRESS

The 2018 financial year is the first year that the Trust is required to prepare consolidated financial statements, it having been exempt from the consolidation requirements previously. Accordingly, the comparative consolidated figures have not been audited.

#### 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 auditors' 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**

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 of a company under of section 1212 of the Companies Act 2006.

The Trustees' Report was approved by the Board of Trustees and signed by Richard Azarnia, Trustee and *Mlanda Foundation* CIO, on 31 October 2019.

## FINANCIAL REVIEW



« The Charity has prepared consolidated accounts for 2018. Group result is a surplus of €1,013,066, which includes operating losses of €219,210k in the trading subsidiary (MPL). These losses were budgeted in the early stage of the project; forecasts project a positive EBITDA by 2023.

The principle funding sources for the charity in the year consisted of grant income of €1,792,106m and €150,000k in convertible grants (in long term creditors) from third party Foundations and Trusts.

The charity used these funds to operate and develop the rural electrification projected, this included allocating funds to support capacity building and organisational resources to support the growth of the project.

The Charity invested €1,770,381m equity in MPL as working capital to fund capex and opex costs until the project reaches break-even. *Mlinda Charitable Trust* received €243,209k in the year as grants to fund community engagement, economic development and impact monitoring.

#### PRINCIPLE RISKS & UNCERTAINTIES

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

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

Principle risks are currently identified as: The rural electrification project reaches the end of the current phase and funding plan in 2020. There is a cashflow risk if fundraising is delayed and of operations ceasing if funding the next phase is not

» The minimum level of reserves will be kept under review as the Charity grows and operations develop. »

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 charity to exercise governance and oversight. There is a greater reliance on reporting and key indicators. We mitigate this risk, in addition to

» 78% of expenditure goes directly on the electrification project in the year. »

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 enters the next phase; project 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.

#### RESERVES

The reserves policy has been set with the aim of having three 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 Charity grows and operations develop.

At the Balance Sheet date this was assessed to be €40,000 and the Charity had net current liabilities of €1,127. This is below the reserves level. However, the Charity received further funding of €150,000 in January 2019.

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

The Charity 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 for three months operating cost cover to enable them to put alternative funding arrangements in place should the Charity cease to operate. Based on the 2019 budgets for each entity, these are €207,000 and €183,000 respectively. At the balance sheet date, free cash balances for each entity were €250,973 and €505,453 – sufficient to cover this requirement.

#### PENSION LIABILITIES

The charity operates a defined benefit pension scheme with NEST for one employee who is based in the UK. At the balance sheet date accrued contributions were €327 (2017: €0).



### « FUNDS IN DEFICIT

The charity's subsidiary, *MPL*, posted a deficit of €219,210 in the year. This was a planned deficit as part of a long-term plan to develop a scalable and replicable model for rural electrification. Despite this deficit, *MPL* had net current assets of €829,413k and a balance sheet value of €1,897,747 at the balance sheet date and the Trustees will monitor and keep under review future performance and funding needs against the rural electrification project long term budget.

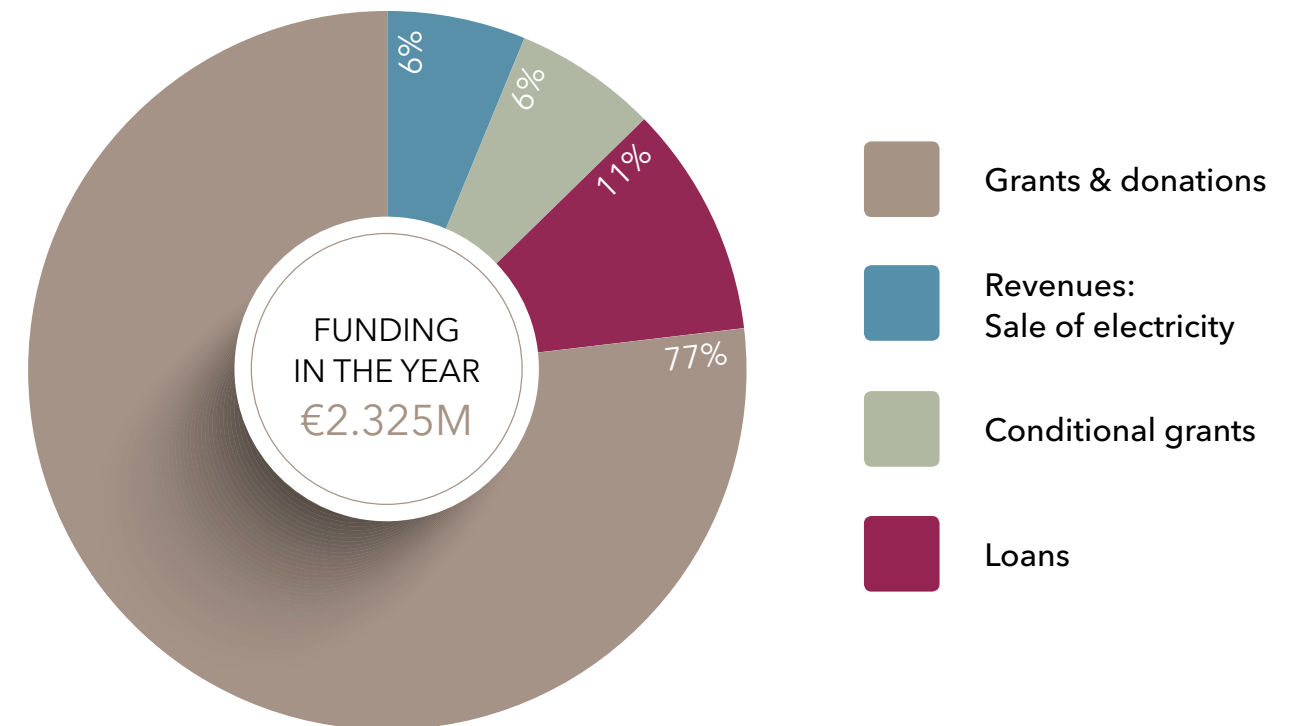
### GOING CONCERN

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

*Mlinda group reserves are €806,620 at the year-end.*

In order to fund the project work in India, loans from a connected Trust (the Lorelei Trust) and a connected limited company registered in England (Ironie 19) were received to meet early costs. The expectation is that these loans will be repaid from future income streams arising from profits generated in the subsidiary, which is forecast to be profitable from 2023 and generate dividends from 2025.

The facility with Ironie 19 is not fully drawn at the balance sheet date. Both loans are not repayable for 10



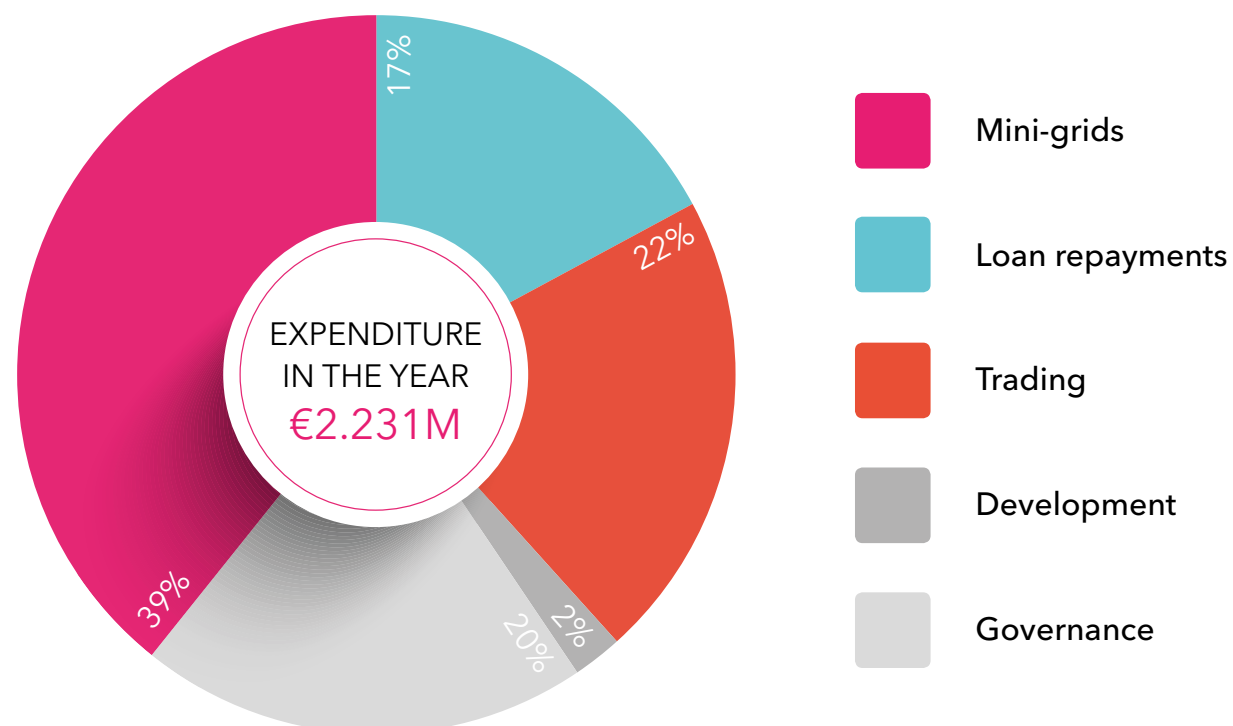
years. In addition, €600,000 grant funding is confirmed for 2019.

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 accounts, there is no reason to believe they will not do so. Based on this undertaking, the Trustees believe it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include

any adjustments that would result from the basis of preparation being inappropriate.

### TRUE AND FAIR OVERRIDE

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Charity'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 published on 16 July 2014 ●





# CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Unrestricted funds €	Restricted funds €	Total 2018 € (as restated)	Total 2017 €
<b>Income from:</b>					
Donations	3	-	1,792,106	1,792,106	454,295
Income from other trading activities:					
Commercial trading operations	4	177,887	-	177,887	526,497
<b>Total income</b>		<u>177,887</u>	<u>1,792,106</u>	<u>1,969,993</u>	<u>980,792</u>
<b>Expenditure on:</b>					
Raising funds:					
Commercial trading operations		421,044	-	421,044	453,364
Charitable activities	5	-	535,883	535,883	122,170
<b>Total expenditure</b>		<u>421,044</u>	<u>535,883</u>	<u>956,927</u>	<u>575,534</u>





		Unrestricted funds	Restricted funds	Total 2018	Total 2017 (as restated)
	Notes	€	€	€	€
Net gains on investments	10	-	-	-	(9,437)
Net income for the year		(243,157)	1,256,223	1,013,066	395,821
Transfer between funds		1,256,223	(1,256,223)	-	-
Net movement in funds		1,013,066	-	1,013,066	395,821
Reconciliation of funds:					
Total funds brought forward		(216,446)	-	(216,446)	(612,267)
Total funds carried forward		796,620	-	796,620	(216,446)

## BALANCE SHEETS

AS AT 31 DECEMBER 2018





	Notes	Group 2018 €	Group 2017 (as restated) €	Foundation 2018 €	Foundation 2017 (as restated) €
<b>Fixed assets</b>					
Tangible assets	11	908,666	40,982	-	-
Investments	12	-	-	2,121,709	351,328
Capital Work in progress		149,586	304,610	-	-
Long term loans and advances		10,426	3,398	-	-
		<u>1,068,678</u>	<u>348,990</u>	<u>2,121,709</u>	<u>351,328</u>
<b>Current assets</b>					
Trade and other receivables	14	622,953	36,986	-	-
Cash at bank and in hand		293,364	813,109	42,391	574,370
		<u>916,317</u>	<u>850,095</u>	<u>42,391</u>	<u>574,370</u>
<b>Current liabilities</b>	15	<u>(88,031)</u>	<u>(265,531)</u>	<u>(43,518)</u>	<u>(11,339)</u>
<b>Net current assets/(Liabilities)</b>		<u>828,286</u>	<u>584,564</u>	<u>(1,127)</u>	<u>563,031</u>
<b>Total assets less current liabilities</b>		1,896,964	933,554	2,120,582	914,359

	Notes	Group 2018 €	Group 2017 (as restated) €	Foundation 2018 €	Foundation 2017 (as restated) €
<b>Non-current liabilities</b>	16	(1,100,000)	(1,150,000)	(1,100,000)	(1,150,000)
<b>Provisions for liabilities</b>		<u>(344)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>796,620</u>	<u>(216,446)</u>	<u>1,020,582</u>	<u>(235,641)</u>
<b>The funds of the Foundation</b>	17				
Restricted funds					
Unrestricted income funds		<u>796,620</u>	<u>(216,446)</u>	<u>1,020,582</u>	<u>(235,641)</u>
		<u>796,620</u>	<u>(216,446)</u>	<u>1,020,582</u>	<u>(235,641)</u>

The financial statements were approved by the Board of Trustees and signed by Richard Azarnia, Trustee and *Mlinda Foundation* CIO, on 31 October 2019.

Charity registration number: 1163028



# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	€	2018 €	2017 (as restated) €
Net cash provided by operating activities	20		886,987	5,488
Investing activities				
Purchase of tangible fixed assets		(876,429)		-
Purchase of investment		(451,473)		-
			(1,327,902)	-
Financing activities				
Loan borrowings		(57,029)		590,000
Loan interest		(21,801)		(7,421)
			(78,830)	582,579
Change in cash and cash equivalents in the year			(519,745)	588,067
Cash and cash equivalents brought forward			813,109	225,042
Cash and cash equivalents carried forward			293,364	813,109

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2018



## ACCOUNTING POLICIES

The *Mlinda Foundation* is a Charitable Incorporated Organisation registered in England and Wales. The charity's business address is 26 Rue De Richelieu, Paris, France, 75001. The nature of the charity's operations and principal activities are set out in the Trustees' Report.

The Group consists of the *Mlinda Foundation* and its wholly owned subsidiary *Mlinda Sustainable Environment Private Ltd*. 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' (as amended for accounting periods commencing from 1 January 2016). The Foundation is a Public Benefit Entity as defined by FRS102.

These financial statements consolidate the results of the Foundation and its wholly owned subsidiary, *Mlinda Sustainable Environment Private Limited* 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 departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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





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

## 1.2 Going concern

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

## 1.3 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 year 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 charity and its compliance with regulation and good practice.

## 1.6 Investments

### Non-current

Fixed Asset investments are mixed motive investments in subsidiaries, at recorded 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 receive benefit from its 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 Foreign Exchange Difference

Transactions in currencies other than euros are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting 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 on translation and consolidation are included in the statement of financial activities for the period.

## 1.8 Tangible fixed assets and depreciation

Property, plant and equipment 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 bases:

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
Fixtures and fittings	10% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.9 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.

#### 1.10 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.

#### 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 Foundation's contractual obligations expire or are discharged or cancelled.

## 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 are stated at cost less any provision for impairments. The Trustees have assessed that recoverability of investments made and economic benefit of the investment based on market conditions.

#### 3. Donations

	Unrestricted	Restricted	2018	2017
	€	funds	Funds	(as restated)
	€	€	€	€
IKEA Foundation	-	1,050,000	1,050,000	-
OFID	-	375,106	375,106	-
Good Energies	-	300,000	300,000	300,000
Lorelei Trust	-	61,000	61,000	-
Others	-	6,000	6,000	154,295
	-	1,792,106	1,792,106	454,295
<b>For the year ended 31 December 2017</b>	-	454,295		454,295

Expenditure of €956,927 on activities and on Fixed Assets of €876,429 relates to the delivery of the Rural Electrification Project in Jharkhand, India for the year 1 January to 31 December 2018. Fixed assets of €1,068,678 and Net Current Assets of €838,286 represent the application of funding for the project as at the balance sheet date.

#### 4. Income from other activities:

The wholly owned trading subsidiary, Mlinda Sustainable Environment Private Ltd is incorporated in India. A summary of the trading results is shown below.

A summary of the financial performance of the subsidiary alone is:

	2018	2017
	€	(as restated) €
Turnover	177,887	526,497
Administration expenses	(396,749)	(438,171)
Net loss before tax	(218,862)	88,326
Taxation	(348)	(14,056)
Net loss after tax retained in the subsidiary	(219,210)	74,270

The assets and liabilities in the subsidiary were:

Fixed assets	1,068,678	348,990
Current assets	873,926	275,725
Current liabilities	(44,513)	(254,193)
Provision for liabilities	(344)	-
Total net assets	1,897,747	370,522
Aggregated share capital and reverses	1,897,747	370,522





Details of the Foundation's subsidiary at 31 December 2018 is as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% held direct
<i>Mlinda Sustainable Environment Private Ltd</i>	India	Sustainable Development	Ordinary shares	100.00

## 5. Charitable activities

	Total 2018 €	Total 2017 (as restated) €
Wages and salaries	7,575	-
Staff recruitment costs	17,126	-
Telecommunications	10,709	-
Consultancy fees	97,547	-
Travelling expenses	2,274	-
Office supplies	2,119	-
Bank charges	4,382	-
General expenses	984	-
	<u>142,716</u>	<u>-</u>
Grant funding of activities (see note 6)	233,046	101,565
Governance costs (see note 7)	60,121	20,605
	<u>535,883</u>	<u>122,170</u>

## 6. Grants

The grant funding of the activities comprised the following:

	2018 €	2017 (as restated) €
Grants to institutions	<u>233,046</u>	<u>101,565</u>

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

€243,209 (2017: €48,279) was paid to, or on behalf of, *Mlinda Charitable Trust*, a Trust related to the Foundation, and registered in India.

## 7. Support costs and governance costs

	Support costs €	Governance costs €	2018 €	2017 (as restated) €
Independent examination fees	-	-	-	3,828
Audit fees	-	20,000	20,000	-
Non-audit fees payable to the auditor	-	8,648	8,648	-
Legal and professional fees	-	9,672	9,672	8,926
Administrative costs	-	100,000	100,000	430
Loan interest	-	21,801	21,801	7,421
	<u>-</u>	<u>60,121</u>	<u>60,121</u>	<u>20,605</u>

Administrative costs were paid to *Association Mlinda*, a French charity, under the control of Richard Azarnia and Liesl Eisenbeiss, who were appointed Trustees of the Foundation in April 2019. Rebecca Symington, a Trustee, is an employee of *Association Mlinda*.





## 8. Trustees

During the year, €6,928 (2017: €6,757) was paid to Sally Chandler, a trustee of the Foundation, for legal and professional services rendered.

During the year, €100,000 (2017: €Nil) was paid to *Mlinda France* (see note 6). These grants were used to pay Rebecca Symington, a trustee of the Foundation, by *Mlinda France* for services provided to *Mlinda France*.

## 9. Employees

### Number of employees

The average monthly number of employees during the year was 26 (2017: there were no employees in the year).

	2018	2017 (as restated)
	€	€
<b>Employment costs</b>		
Wages and salaries and social security costs	212,677	45,254

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

	2018 Number	2017 Number
€80,000 - €90,000	1	-

## 10. Other gains and losses

	2018	2017 (as restated)
	€	€
Foreign exchange losses	-	9,437

## 11. Tangible fixed assets

	Group Plant and and machinery €	Group Total €	Foundation Plant and machinery €	Foundation Total €
<b>Cost or valuation</b>				
At 1 January 2018	40,982	40,982	-	-
Additions	876,429	876,429	-	-
At 31 December 2018	917,411	917,411	-	-
<b>Depreciation</b>				
At 1 January 2018	-	-	-	-
Charge for the year	8,745	8,745	-	-
At 31 December 2018	8,745	8,745	-	-
<b>Net book value</b>				
At 31 December 2018	908,666	908,666	-	-
At 31 December 2017	40,982	40,982	-	-

## 12. Investments

	Group		Foundation	
	Other	Total	Other	Total
	investments		investments	
	€	€	€	€
Cost or valuation				
At 1 January 2018	-	-	351,328	351,328
Additions	-	-	1,770,381	1,770,381
At 31 December 2018	-	-	2,121,709	2,121,709
Carrying amount At 31 December 2018	-	-	2,121,709	2,121,709
At 31 December 2017	-	-	351,328	351,328

Other investments comprises of investments within the subsidiary, *Mlanda Sustainable Environment Private Ltd.*

## 13. Financial instruments

	Group		Foundation	
	2018	2017	2018	2017
	(as restated)	(as restated)	(as restated)	(as restated)
	€	€	€	€
Carrying amount of financial assets:				
Debt instruments measured at amortised costs	622,953	36,986	-	-
Equity instruments measured at cost less impairments	-	-	2,121,709	351,328
Carrying amount of financial liabilities:				
Measured at amortised costs	1,188,031	1,415,531	1,143,518	1,161,339

## 14. Trade and other receivables

	Group		Foundation	
	2018	2017	2018	2017
	(as restated)	(as restated)	(as restated)	(as restated)
	€	€	€	€
Current assets investments	451,473	-	-	-
Amount receivable	16,264	-	-	-
Short term loans and advances	155,216	36,986	-	-
	622,953	36,986	-	-

## 15. Creditors: amounts falling due within one year

	2018 (as restated) €	Group 2017 (as restated) €	Foundation 2018 (as restated) €	Foundation 2017 (as restated) €
Trade payables	-	44,858	-	-
Payable for capital expenditure	20,049	-	-	-
Advance from director	5,107	9,232	-	-
Accrued expenses	53,680	14,269	43,518	11,339
Statutory dues	4,526	218	-	-
Advances against a contract	4,669	196,954	-	-
	<u>88,031</u>	<u>265,531</u>	<u>43,518</u>	<u>11,339</u>

## 16. Non-current liabilities

	2018 (as restated) €	Group 2017 (as restated) €	Foundation 2018 (as restated) €	Foundation 2017 (as restated) €
Borrowings	1,100,000	1,150,000	1,100,000	1,150,000
	<u>1,100,000</u>	<u>1,150,000</u>	<u>1,100,000</u>	<u>1,150,000</u>

## 17. Analysis of net assets between funds

Group	Unrestricted funds €	Restricted funds €	Total €
Fund balances at 31 December 2018 are represented by:			
Tangible fixed assets	1,068,678	-	1,068,678
Investments	-	-	-
Current assets	916,317	-	916,317
Creditors: amounts falling due within one year	(88,031)	-	(88,031)
Creditors: amounts falling due in more than one year	(1,100,000)		(1,100,000)
Provisions of liabilities	(344)		(344)
	<u>796,620</u>	<u>-</u>	<u>796,620</u>





Foundation	Unrestricted funds €	Restricted funds €	Total €
<b>Fund balances at 31 December 2018 are represented by:</b>			
Tangible fixed assets	-	-	-
Investments	2,121,709	-	2,121,709
Current assets	42,391	-	42,391
Creditors: amounts falling due within one year	(1,143,518)	-	(1,143,518)
Provisions of liabilities	1,020,582	-	1,020,582

## 18. Restricted funds

	Restricted funds €
Restricted funds brought forward at 1 January 2018	-
IKEA Foundation	1,050,000
OFID	375,106
Good Energies	300,000
Lorelei Trust	61,000
Others	6,000
Expenditure	1,792,106 (535,883)
Transfer to unrestricted funds	1,256,223 (1,256,223)
Restricted funds carried forward at 31 December 2018	-

Restricted donations received are for the purposes of the Rural Electrification Project in Jharkhand. The restricted donations have been used for the foundations expenditure on charitable activities, as set out in note 5, which were incurred in furtherance of the Rural Electrification Project in Jharkhand.

The remaining funds were used to invest into the foundations' subsidiary, *Mlinda Private Sustainable Environment Ltd*, which was set up for the purpose of the Rural Electrification Project in Jharkhand. As a result a transfer of restricted funds to unrestricted funds has been made as the investment in the subsidiary is an unrestricted investment.

## 19. Related party transactions

- i) During the year, €200,000 of the loan received from Ironie 19 Limited, a private limited company registered in the UK, was repaid. Therefore as at the year-end, the amount repayable was €250,000. The loan is interest bearing at a fixed rate of 3%.

At the period end the total of €250,000 was outstanding, together with accrued interest of €225.

- ii) €550,000 was received from The Lorelei Trust in 2016, a trust based in Ireland of which the charity is a beneficiary, as a loan to help fund the initial charitable activities of the charity in the prior period.

€250,000 is interest bearing at 1% above three-month Euribor and €300,000 at a fixed rate of 2%. The total of €550,000 remained outstanding at the period end, together with accrued interest of €6,975.



## 20. Cash generated from operations

	2018 €	2017 (as restated) €
Surplus for the year	1,013,066	395,821
Adjustments for:	8,745	-
Depreciation of tangible fixed assets		
Loan interest	21,802	7,421
Movements in working capital:		
(Increase)/decrease in stock	155,024	(304,610)
(Increase)/decrease in debtors	(134,494)	(37,053)
Increase in creditors	(177,156)	(56,091)
<b>Net cash provided by operating activities</b>	<b>886,987</b>	<b>5,488</b>

## 21. Prior period adjustment

In preparing the financial statements for the year ended 31 December 2018, it has been necessary to restate the prior years financial statements for the following item:

### 1. Understatement of loans due to loan payments treated as grant income.

In 2017, €150,000 was received as grant income from 'Stichting DOEN', however the grant agreement states that if the project supported is financially successful, the grants made should be treated as a loan. As the trustees are confident on the profitability of the project, as outlined in the Trustees' report, the receipts from 'Stichting DOEN' have been treated as loan payments.

The effect of the adjustment is to increase the balance of borrowings in 2017 by €150,000, from €1,000,000 to €1,150,000 and to reduce the 2017 unrestricted reserves balance by €150,000, from a negative balance of €85,641 to €235,641.

### Changes to the statement of financial position of the Foundation

	At 31 December 2017		
	As previously reported €	Adjustment €	As restated €
<b>Creditors due within one year</b>			
Borrowings	(1,000,000)	(150,000)	(1,150,000)
<b>Capital funds</b>			
Income funds			
Unrestricted funds	(85,641)	(150,000)	(235,641)
<b>Total equity</b>	<b>(85,641)</b>	<b>(150,000)</b>	<b>(235,641)</b>

### Changes to the statement of financial activities

	Period ended 31 December 2017		
	As previously reported €	Adjustment €	As restated €
Donations and legacies	604,295	(150,000)	454,295
Net movement in funds	545,821	(150,000)	395,821





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