

Sophia ApS

Kjørup Overdrev 9
DK-4180 Sorø

CVR no. 33 25 61 83

Annual report for the period 1 January – 31 December 2020

The annual report was presented and approved at the
Company's annual general meeting on

29 June 2021

Shailendra Patel
Chairman

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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Sophia ApS for the financial year 1 January – 31 December 2020.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

Further, in my opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

I recommend that the annual report be approved at the annual general meeting.

Copenhagen, 29 June 2021
Executive Board:

Shailendra Patel



Independent auditor's report

To the shareholder of Sophia ApS

Opinion

We have audited the financial statements of Sophia ApS for the financial year 1 January – 31 December 2020 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditor's report

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines 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, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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 Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 29 June 2021

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Jesper Bo Pedersen
State Authorised
Public Accountant
mne42778

Sophia ApS
Annual report 2020
CVR no. 33 25 61 83

Management's review

Company details

Sophia ApS
Kjørup Overdrev 9
4180 Sorø
Denmark

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CVR no.: 33 25 61 83
Established: 1 November 2010
Registered office: Copenhagen
Financial year: 1 January – 31 December

Executive Board

Shailendra Patel

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
Denmark
CVR no. 25 57 81 98

Management's review

Operating review

The Company's business review

The Company's activities comprise investing the capital in social investments. The company is owned by Sophia Akash Foundation.

Development in activities and financial position

The Company's income statement for 2020 shows a profit of DKK -76,429 as against DKK -142,404 in 2019. Equity in the Company's balance sheet at 31 December 2020 stood at DKK 256,394 as against DKK 332,823 at 31 December 2019. Management will continue to monitor and assess the Company's financial performance during 2021 and will organise appropriate actions in support of ensuring that the Company maintains a healthy going concern status.

Management remains pleased with the overall progress made in support of the parent, Company's parent organisation's (Sophia Akash Foundation) mission objectives through the continued progression of poor and unserved communities through their paths out of poverty by nurturing and developing sustainable social enterprises and affordable, scalable, economically sustainable and replicable delivery models for important livelihood services.

During 2021, the Company will maintain focus on working with our current social enterprise partners to deliver their services to their beneficiary communities with the required institutional capacity and capabilities. Our focus will remain on developing the delivery models for sustainable farming, affordable eye-care and basic financial services.

Following the review of overall operational need and regulatory changes applicable in India, the Company and Management have elected to initiate the required steps to cease operations of the Company's wholly owned subsidiary, Sophia Advisory Services Ltd. (India) from the end of their financial year ending on 31st March, 2021.

Events after the balance sheet date

No events have occurred after the balance sheet date which could significantly affect the Company's financial position.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2020	2019
Gross loss	2	-51,637	-133,517
Loss before financial income and expenses		-51,637	-133,517
Income from equity investments in group entities		0	-9,816
Other financial income		0	3,137
Other financial expenses		-24,792	-2,208
Loss before tax		-76,429	-142,404
Tax on profit/loss for the year		0	0
Loss for the year		-76,429	-142,404
Proposed distribution of loss			
Retained earnings		-76,429	-142,404

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2020	31/12 2019
ASSETS			
Fixed assets			
Investments	3		
Equity investments in group entities		0	0
Total fixed assets		0	0
Current assets			
Receivables			
Receivables from group entities		8,030	5,754
Other receivables		0	661
		8,030	6,415
Cash at bank and in hand		314,222	389,641
Total current assets		322,252	396,056
TOTAL ASSETS		322,252	396,056

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2020	31/12 2019
EQUITY AND LIABILITIES			
Equity			
Contributed capital		120,000	120,000
Retained earnings		<u>136,394</u>	<u>212,823</u>
Total equity		<u>256,394</u>	<u>332,823</u>
Liabilities			
Current liabilities			
Trade payables		<u>65,858</u>	<u>63,233</u>
Total liabilities		<u>65,858</u>	<u>63,233</u>
TOTAL EQUITY AND LIABILITIES		<u><u>322,252</u></u>	<u><u>396,056</u></u>

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2020	120,000	212,823	332,823
Transferred over the distribution of loss	0	-76,429	-76,429
Equity at 31 December 2020	120,000	136,394	256,394

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Sophia ApS for 2020 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of consolidated financial statements

Pursuant to section 110(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross loss

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross loss.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Financial income and expenses

Financial income and expenses comprise interest income, expense and transactions denominated in foreign currencies.

Tax on profit/loss for the year

The current and deferred taxes for the year are recognised in the income statement as taxes for the year with the portion attributable to the net profit or loss for the year.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Investments

Equity investments in group entities and participating interests (including associates) are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value. The cost is reduced by dividends received exceeding accumulated earnings after the acquisition date.

Other receivables and deposits are recognised at amortised cost.

Receivables

Receivables are measured at amortised cost.

Write-down is made on an individual basis for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired.

Cash at bank and in hand

Cash consist of bank deposits and cash at bank and in hand.

Equity

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability.

Liabilities

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

2 Average number of employees

	2020	2019
Average number of full-time employees	0	0

3 Investments

	Equity investments in subsidiaries	Equity investments in associated companies
DKK		
Cost at 1 January 2020	9,816	5,351,642
Cost at 31 December 2020	9,816	5,351,642
Revaluations at 1 January 2020	-9,816	-5,351,642
Revaluations 31 December 2020	-9,816	-5,351,642
Carrying amount at 31 December 2020	0	0

Name	Registered office	Voting rights and ownership interest
Sophia Advisory Services Private Limited (Subsidiary)	India	100%
Technical Development Solutions Inc. (Associated)	USA	27%