

**Annual Report 2017**

**Stichting African Parks Foundation**

**Langbroek**



PricewaterhouseCoopers  
Accountants N.V.  
For identification  
purposes only

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## Report of the board

The mission of Stichting African Parks Foundation (SAPF) is to support protected areas and other conservation projects under management of African Parks Network (APN), or its affiliated organizations. APN is a S21 registered not for profit organization with its seat in South Africa. SAPF and APN are part of the bigger African Parks family.

In order to achieve its mission, SAPF raises funds by obtaining liquid assets by means of donations, legacies, interest from investments and other income from capital. SAPF's sole activity is fundraising for African Parks and all funds raised are solely to APN or its affiliated organizations to fund its conservation work on the African Continent. For a better insight in the activities of APN and the projects under management, reference is made to [www.african-parks.org](http://www.african-parks.org) where the Annual Report 2017 and the Annual Financial Statement for the year 2017 can be obtained.

SAPF plays a crucial role in safeguarding the continuity of APN and the Protected Areas which APN has under management. As from the start of African Parks in 2003, the annual financial deficits of APN and the protected areas under its management are cleared by SAPF. Since APN enters into long term management contracts substantial amounts are needed to cover these future deficits which arise particularly in the first years of operation, when there usually is no revenue stream yet. Given the growth ambitions of APN in the coming years, substantial funds will continue to be needed in future.

### *The Board*

The Board of SAPF consists of René Hooft Graafland, Frederik van Beuningen, Laetitia Smits van Oyen and Arent Fock. They are all nature conservationists by heart and very dedicated to APN and the Protected Areas under management. They do not receive any financial compensation for the work performed. In addition, the Board adopts the policy that all additional costs, like out of pocket travelling expenses are not reimbursed by SAPF but are for the account of each individual Board Member.

### *Fundraising*

The Board Members are actively involved in fundraising. This is done amongst others by opening their network for fundraising events organized in the Netherlands and by participation in trips to Protected Areas organized for potential donors (at their own cost). Usually these donors are High Net Worth Individuals and representatives of Foundations and/or (semi) government organisations.

The positive results of all these activities (i.e. income ultimately to be donated to APN) can be categorized in four flows of income.

The first flow relates to donations and gifts to SAPF that are *restricted* by the donors for a specific (project or) Protected Area. In 2017 these donations and gifts amounted to EUR 9.124.126 (2016: EUR 4.588.578) and are fully forwarded to (APN and its) Protected

Areas without any deduction by SAPF. The largest donations during 2017 were received from a anonymous Dutch Foundation for Liuwa and Bangweulu (EUR 3.000.000), two private donors (US\$ 2.150.000/EUR 1.879.947), Steve and Corinne Koltjes (US\$ 750.000/EUR 635.809), Foundation Dioraphte (EUR 578.700), WWF Belgium for Majete (EUR 300.000), Marc Verhagen (€ 100.000), Stichting Amfortas (EUR 98.250) and the remainder coming from several private individuals and foundations who prefer to remain anonymous.

The second flow relates to *restricted* donations and gifts to SAPF. These funds are donated with a restriction on the way the funds may be spent. These donations and gifts in 2017 amounted to EUR 500.000 (2016: EUR 0). The funds were received from one anonymous donor. The expenditure from these funds is restricted to the support of the economic and educational interests of local communities near parks managed by African Parks Network.

The third flow relates to *unrestricted* donations and gifts to SAPF. These funds are donated without any limitation or instruction on the expenditure. These donations and gifts in 2017 amounted to EUR 85.574 (2016: EUR 88.340) and have been recorded under *income* in the Statement of Profits and Losses.

The fourth flow relates to donations and gifts made directly to APN or its Protected Areas, which are not ‘channelled through SAPF’. Some donors and foundations prefer to support a Protected Area directly. This is sometimes also applicable for parties who wish to make social investments (for example in tourist accommodations). This is a considerable flow of money and includes amongst others the donations of the Dutch Postcode Lottery. Although these donations are (partly) the result of the SAPF fundraising activities in The Netherlands, they are quantified and reflected in the Annual Report of APN and not reported in these Financial Statements.

### ***Overhead expenses***

The overhead expenses of SAPF amount to EUR 462.459 (2016: EUR 400.937) and mainly relate to expenses for fundraising events, advisory fees, professional services, personnel expenses, marketing and office expenses. The increase in expenses mainly relates to the increase in personnel expenses (EUR 37.072) which is mainly caused by the employment of one additional staff during 2017. The cost of one of the fundraising employees is covered by donations received from two private donors. These donations are reported as income under Gifts and donations.

### ***Project expenses***

The project expenses of SAPF fully relate to the flow of contributions from SAPF to APN and/or its Protected Areas to fund the annual funding deficit. An important part of these contributions relates to the *restricted* donations received from external donors amounting to EUR 9.124.126 (2016: EUR 4.588.578). These donations (received in 2017) were transferred to APN as agreed with the donors and have been recorded as project expenses. The second part of the project expenses relates to the withdrawal from the *Endowment fund* which amounts to EUR 917.641 (2016: EUR 1.753.847). Annually, it is decided which part

of the investment income can be withdrawn from the Endowment fund and distributed to APN. This distribution is mainly meant to cover all (or most of) the overhead costs of APN and has been recorded as project expenses in the Statement of Profits and Losses.

During 2017 a first payment was made to APN from the Fund for Local Communities. The payment (EUR 54.200) has been allocated to Bangweulu. The projects included support of two community schools and a health centre.

If the annual funding deficit of APN cannot be fully covered by the contributions mentioned above, then SAPF uses its *Free available reserves* from the Foundation funds to fund the remaining deficit. This year no contribution to APN and/or its Protected Areas from the *Free available reserves* was required (2016: EUR 0).

### ***Financial income***

Financial income and expenses have decreased from EUR 2.703.255 in 2016 to EUR 2.090.390 in 2017 mainly as a result of a lower realised and unrealized return (2017: EUR 1.400.118) on the investment of the Endowment Fund.

The interest income decreased from EUR 34.542 to EUR 8.319 because of lower interest rates.

### ***Balance sheet***

The financial assets of SAPF consists of the Endowment fund of EUR 28.710.820 and Other Investments of EUR 6.515.482.

The funds of the Endowment fund (EUR 28.710.820 as at 31 December 2017) have been classified as long term financial assets since the capital of the Endowment fund will be preserved in the long term to provide for annual income generation and potential capital gains.

For the Endowment Fund the Funding Committee adopts a medium to moderately high risk investment policy. A strategic and tactical asset allocation has been determined and guidelines for investments have been issued. InsingerGilissen was appointed as the investment manager in 2012. The asset classes have been restricted to blue chip shares with established dividend yields, EU/US listed shares, corporate bonds of an adequate rating, government Bonds and cash. Direct investment in real estate, private equity and derivatives are not permitted. The Funding Committee periodically meets with the investment manager to discuss yields, investment risks and investment opportunities.

During the year the assets were invested in shares (EUR 17.585.333) and bonds (EUR 8.606.294 including Rabobank bonds EUR 1.272.108). The remainder is held on current accounts at KBL Bank. An amount of EUR 917.641 of the investment income has been withdrawn and contributed to APN/ Protected Areas.

## Stichting African Parks Foundation

The Other Investments consist of investments in EU/US listed shares (EUR 6.515.482 as at 31 December 2017) and have been classified as long term financial assets as well. During the year no further funds were invested in EU/US listed shares.

Cash at banks (which does not form part of the Endowment fund) increased to EUR 10.922.270 (31 December 2016: EUR 9.157.338). Currently these funds are all kept on high interest savings accounts. An amount of EUR 1.764.500 is kept on a blocked account as security for guarantees issued on behalf of APN.



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**Balance sheet as at 31 December 2017**  
(after appropriation of result)

	Ref	31 December 2017		31 December 2016	
		EUR	EUR	EUR	EUR
<i>Assets</i>					
<b>Non - Current assets</b>					
Property, plant and equipment	4.1	0		1.088	
Financial assets	4.2	<u>35.226.302</u>		<u>34.026.414</u>	
			35.226.302		34.027.502
<b>Current assets</b>					
Receivables	4.3	556.025		668.412	
Cash at banks	4.4	<u>10.922.270</u>		<u>9.157.338</u>	
			<u>11.478.295</u>		<u>9.825.750</u>
			<u>46.704.597</u>		<u>43.853.252</u>
		31 December 2017		31 December 2016	
		EUR	EUR	EUR	EUR
<i>Equity and Liabilities</i>					
<b>Foundation funds</b>					
Endowment fund	4.5	28.710.820		28.227.993	
Fund for local communities		445.974		0	
Free available reserves		<u>13.991.434</u>		<u>13.678.571</u>	
			43.148.228		41.906.564
<b>Current liabilities</b>					
Loan from APN	4.6	0		1.325.522	
Taxes and social securities		0		6.060	
Accrued expenses	4.7	<u>3.556.369</u>		<u>615.106</u>	
			<u>3.556.369</u>		<u>1.946.688</u>
			<u>46.704.597</u>		<u>43.853.252</u>

## Statement of profits and losses for the year 2017

		2017		2016	
	Ref	EUR	EUR	EUR	EUR
Income	5.1		9.709.700		4.676.918
Overhead expenses	5.2		-462.459		-400.937
Project expenses	5.3		<u>-10.095.967</u>		<u>-6.342.425</u>
<b>Operational result</b>			-848.726		-2.066.444
Financial income and expenses	5.4		<u>2.090.390</u>		<u>2.703.255</u>
<b>Result for the period</b>			<u>1.241.664</u>		<u>636.811</u>
<b>Appropriation of result</b>					
Addition to Foundation Funds			1.241.664		636.811

## Notes to the balance sheet and statement of profits and losses

### 1 General

#### 1.1 Activities

The Stichting African Parks Foundation contributes to the funding of the operations of African Parks Network.

African Parks is a non-profit organisation that takes total responsibility for the rehabilitation and long-term management of national parks in partnership with governments and local communities. Its approach combines world-class conservation practice with business expertise. APN places emphasis on achieving financial sustainability of the parks by combining long-term donor funding with tourism revenues, related business enterprise and payment for ecosystem services, which all serve as a foundation for economic development and poverty alleviation.

The Stichting African Parks Foundation was incorporated in Utrecht, the Netherlands, on 17 November 2003. During 2007 the Dutch Tax administration awarded the ANBI status to the Stichting African Parks Foundation.

Stichting African Parks Foundation has its statutory seat and registered offices at Langbroekerdijk A 97, 3947 BE Langbroek and is registered at the chamber of commerce under number 30191949.

#### 1.2 Book year

The current book year is equal to the calendar year.

#### 1.3 Estimates

In applying the principles and policies for drawing up the financial statements, different estimates and judgments are made that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the true and fair view required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

## **2 Principles of valuation of assets and liabilities**

### *2.1 General*

The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual Reporting for non-profit organisations in the Netherlands (RJ 640) as issued by the Dutch Accounting Standards Board. The financial statements are denominated in euros.

Assets and liabilities are valued at historical cost, unless otherwise indicated.

### *2.2 Prior year comparison*

The accounting policies have been consistently applied when compared with last year.

### *2.3 Foreign currencies*

#### *Functional currency*

The statements are presented in euro, which is the functional and presentation currency of Stichting African Parks Foundation.

#### *Transactions, assets and liabilities*

Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognised in the income statement

The rates used per 31 December 2017 are:

1 Euro = 1,19770 US dollar (2016: 1,0555)

### *2.4 Property, plant and equipment*

Other non-current assets are valued at historical cost or manufacturing price including directly attributable expenses, less straight-line depreciation over their estimated useful life, or value in use, if lower.

### *2.5 Financial Assets*

Securities are recognised initially at fair value. Fair value is the amount for which an asset could be exchanged. The fair value of listed securities is the same as the market price. Changes in the fair value are recognised directly in the income statement. For subsequent the valuation securities are also valued at fair value.

The purchased interest-bearing bonds, which are not held for trading, are carried at fair value. Changes in the fair value are recognised directly in the income statement.

Transaction costs are expensed in the income statement if these are related to financial assets carried at fair value through profit or loss.

#### 2.6 *Impairment of non-current assets*

At each balance sheet date an assessment is made whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognised in the income statement.

#### 2.7 *Receivables*

Receivables are recognised initially at fair value and subsequently measured at amortised cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

Receivables are valued at amortised cost less a provision for uncollectible accounts.

#### 2.8 *Cash and cash equivalents*

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Cash and cash equivalents are stated at face value.

#### 2.9 *Current liabilities*

On initial recognition, current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

### **3 Principles of determination of result**

#### *3.1 General*

The result represents the difference between the income from gifts, donations and other income and the overhead costs and the contribution to the expenses of the current African Parks projects for the year. The gifts and donations are recognised in the year they are realised; losses are taken as soon as they are foreseeable.

#### *3.2 Exchange rate differences*

Exchange rate differences arising upon the settlement of monetary items are recognised in the profit and loss account in the period that they arise.

#### *3.3 Income*

Income represents the gifts and donations that have been granted during the year less taxes (if any). In general, the donations received from external donors are specifically earmarked for one or more of the parks.

#### *3.4 Costs*

Costs are recognised at the historical cost convention and are allocated to the reporting year to which they relate.

#### *3.5 Employee benefits*

##### *Salaries and wages*

Salaries, wages and social security contributions are taken to the income statement based on the terms of employment, where they are due to the employees.

#### *3.6 Depreciation of tangible fixed assets*

Tangible fixed assets are depreciated over their estimated useful lives as from the moment they are ready for use.

Future depreciation is adjusted if there is a change in estimated future useful life. Gains or losses from the occasional sale of equipment are included under depreciation.

#### *3.7 Project expenses*

Project expenses are the contribution of Stichting African Parks Foundation to the expenses (operational and investments) of the parks managed by African Parks Network.

#### *3.8 Financial income and expenses*

##### *Interest paid and received*

Interest received is recognised on a time-weighted basis, taking account of the effective interest rate of the assets concerned.

*Changes in financial instruments at fair value*

Changes in the value of the following financial instruments are recognised directly through profit or loss:

- derivatives with an underlying instrument that is quoted in an active market;
- purchased loans, bonds (unless held to maturity) and equity instruments that are quoted in an active market.

Decreases in value of financial instruments at fair value are recognised through profit or loss. Realised increases in the value of financial instruments at fair value initially recognised in equity are taken through profit or loss when the financial instruments are derecognised.

*3.9 Taxation*

The Stichting African Parks Foundation is not liable to corporate income tax in the Netherlands.

**4 Notes to the balance sheet**

*4.1 Property, plant and equipment*

	<b>Other non-current assets</b>	<b>Total</b>
	EUR	EUR
<b>At 1 January 2017</b>		
Cost	1.484	1.484
Accumulated depreciation	-396	-396
Carrying value	<u>1.088</u>	<u>1.088</u>
<b>Movements</b>		
Depreciation	-235	-235
Disposals	-1.484	-1.484
Depreciation on disposals	631	631
	<u>-1.088</u>	<u>-1.088</u>
<b>At 31 December 2017</b>		
Cost	0	0
Accumulated depreciation	0	0
Carrying value	<u>0</u>	<u>0</u>
Depreciation rate	<u>20%</u>	

Other non-current assets included computer equipment.

4.2 *Financial assets*

Financial assets can be broken down as follows:

	<u>31 December 2017</u>	<u>31 December 2016</u>
	EUR	EUR
Endowment fund	28.710.820	28.227.993
Other Investments	6.515.482	5.798.421
	<u>35.226.302</u>	<u>34.026.414</u>

*Endowment Fund*

The Endowment Fund includes appropriated funds received from donors. These funds form part of the African Parks collaboration and endowment agreement and are restricted for use.

The movements in the Endowment Fund are as follows:

	<b>31 December 2017</b>		<b>31 December 2016</b>	
	EUR	EUR	EUR	EUR
At 1 January		28.227.993		28.008.461
Gifts to Endowment Fund		350		0
Dividends and interests	621.152		776.234	
Results on sale of shares and bonds	<u>938.359</u>		<u>72.838</u>	
Realised return on investments		1.559.511		849.072
Unrealised return on investments		-111.007		1.169.213
Administration fee (all-in)		-48.386		-44.906
Withdrawals to contribute to APN and the Parks under APN management		-917.641		-1.753.847
At 31 December		<u>28.710.820</u>		<u>28.227.993</u>

The funds are invested as follows:

	<b>31 December 2017</b>	<b>31 December 2016</b>
	EUR	EUR
EU / US listed share	17.585.333	13.083.931
Corporate Bonds	8.554.063	4.243.689
Rabobank Bonds	1.272.108	1.170.345
Current account KBL (BNP in 2016)	1.247.085	0
Accrued interest Corporate Bonds	52.231	27.430
Deposits with BNP	0	9.465.000
Accrued interest deposits BNP	0	176.412
Current account BNP	0	61.186
	<u>28.710.820</u>	<u>28.227.993</u>

The funds are restricted foundation funds and spending is subject to contracted limitations. At year-end, an amount of EUR 1.247.085 is still available to be invested in securities. This amount has not been reported under cash and cash equivalents since the funds are restricted foundation funds and will be invested in future.

Please refer to Note 4.5 for further information on the terms of use for these funds.

*Other Investment*

The other investments relate to investments in US/EU listed shares. The movements are as follows:

	<u>31 December 2017</u>	<u>31 December 2016</u>
	EUR	EUR
At 1 January	5.798.421	5.098.618
Investment in US/EU listed shares	0	0
Realised return on investments	479.433	97.808
Unrealised return on investments	237.628	601.995
	<hr/>	<hr/>
At 31 December	6.515.482	5.798.421
	<hr/>	<hr/>

The funds are invested as follows:

	<u>31 December 2017</u>	<u>31 December 2016</u>
	EUR	EUR
Listed shares	6.479.147	5.768.772
Current account BNP	36.335	29.649
	<hr/>	<hr/>
	6.515.482	5.798.421
	<hr/>	<hr/>

4.3 *Receivables*

The receivables relate to interest, donations to be received and short term loans to projects and can be broken down as follows:

	<u>31 December 2017</u>	<u>31 December 2016</u>
	EUR	EUR
African Parks Odzala – line of credit	550.000	550.000
Prepaid expenses	4.158	941
Interest on savings accounts and deposits	1.867	4.619
African Parks Network	0	60.852
Donations	0	52.000
	<hr/>	<hr/>
At 31 December	556.025	668.412
	<hr/>	<hr/>

The fair value of the receivables is in line with the book value. All receivables will fall due within one year.

4.4 *Cash at banks*

Cash at banks is available on demand. The interest on the bank accounts varies between 0 % on EUR current accounts (2016: 0%) and 0,05 % (2016: 0,3%) on EUR savings accounts and 0 % for USD current accounts.

	<b>31 December 2017</b>	<b>31 December 2016</b>
	EUR	EUR
Savings accounts	7.096.014	4.400.001
Blocked savings account	1.764.500	3.384.500
USD Current accounts	1.712.537	46.268
EUR Current accounts	349.219	1.047
Savings account APN	0	1.325.522
	<hr/>	<hr/>
	10.922.270	9.157.338

The funds kept on a blocked savings account are frozen to supply bank guarantees to African Parks projects. The remainder of the funds is at the free disposal of the Foundation.

4.5 *Foundation funds*

	<b>Endowment Fund</b>	<b>Fund for local communities</b>	<b>Free Available Reserves</b>	<b>Total Foundation Funds</b>
1 January 2017	28.227.993	0	13.678.571	41.906.564
Additions *	350	500.000	0	500.350
Withdrawals *	-917.641	-54.200	0	-971.841
Appropriation of result *	1.400.118	174	312.863	1.713.155
At 31 December 2017	28.710.820	445.974	13.991.434	43.148.597

\* The sum of additions, withdrawals and appropriation of result amounts to EUR 1.241.664, which is the result for the period.

***Endowment fund***

The endowment fund relates to the funds that form part of the African Parks collaboration and endowment agreement between African Parks Network, Stichting African Parks Foundation and the African Parks Foundation of America. These funds are invested to generate income to be used exclusively for funding of specific parks or projects of African Parks Network. These resources are, either by the said agreement and/or by donor's stipulation, restricted foundation funds and cannot be spent. Only investment income can be spent upon a decision of the Funding Committee that consists of seven members. Two members have been appointed by Stichting African Parks Foundation.

During 2017 the investment income on the Endowment Fund was distributed as follows:

	<b>31 December 2017</b>	<b>31 December 2016</b>
	EUR	EUR
African Parks Network	895.897	1.742.275
African Parks Liuwa	21.744	11.572
At 31 December	917.641	1.753.847

As at 31 December 2017 the cumulative unspent (realized and unrealized) investment income amounts to EUR 3.111.723 (2016: EUR 2.629.246).

***Fund for local Communities***

The Fund for local Communities consists of funds donated by an anonymous donor. This fund is open for contributions by other donors. The funds have been earmarked specifically

for the support of the economic and educational interests of local communities near parks managed by African Parks Network. Annually 5% to 10% of the capital may be used in support of the local communities.

#### ***Free available reserves***

This relates to the share of the foundation funds which can be used to fund African Parks projects without any restrictions from African Parks group members and / or third parties. The free available reserves are at the full disposal of the Board.

#### ***4.6 Loan from APN***

The loan from African Parks Network was repaid in 2017.

#### ***4.7 Accrued expenses***

Accrued expenses mainly relate to accrued donations to African Parks Network and accounts payable and can be broken down as follows:

	<b><u>31 December 2017</u></b>	<b><u>31 December 2016</u></b>
	EUR	EUR
Donations African Parks Network	3.378.947	421.650
Deferred Income	117.220	136.000
Advisory fees	50.500	50.000
Accrued expenses	4.401	4.299
Holiday allowance personnel	5.301	3.157
	<hr/>	<hr/>
At 31 December	3.556.369	615.106

Donations APN relate to donations received by SAPF just before year-end and transferred to APN at the beginning of 2018.

In the amount of deferred income a loan amount of EUR 60.000 is included which will be donated to Stichting African Parks Foundation in four equal instalments over the period 2017-2020.

All other current liabilities will mature within one year.

4.8 *Commitments and contingencies not included in the balance sheet*

*Guarantee*

Stichting African Parks Foundation has issued a bank guarantee EUR 1.400.000 to the European Union as guarantee on behalf of the Odzala project in the Republic of Congo. A bank guarantee in the amount of USD 285.000 was issued to L'institut Congolais de Conservation following the renewal of our World Bank grant agreement with ICCN.

*Credit facility*

Stichting African Parks Foundation has a credit facility with the ABN AMRO Bank NV in the amount of EUR 4.000.000. The facility is utilised to issue the bank guarantee mentioned above. As part of the facility a lien on all bank accounts has been established.

## 5 Notes to the statement of profits and losses

### 5.1 Income

Income concerns the gifts and donations that have been granted during the year. The breakdown is as follows:

	<b>2017</b>	<b>2016</b>
	EUR	EUR
Donations received from external donors for (APN) Protected Areas	9.124.126	4.588.578
Restricted gifts and donations	500.000	0
Gifts and donations	<u>85.574</u>	<u>88.340</u>
	<u>9.709.700</u>	<u>4.676.918</u>

The donations received from external donors for APN Protected Areas have been allocated as follows:

	<b>2017</b>	<b>2016</b>
	EUR	EUR
African Parks Network	9.124.126	3.898.578
Zakouma	<u>0</u>	<u>690.000</u>
	<u>9.124.126</u>	<u>4.588.578</u>

### 5.2 Overhead expenses

The overhead expenses mainly relate to the costs of the funding activities and can be broken down as follows:

	<b>2017</b>	<b>2016</b>
	EUR	EUR
Personnel expenses	215.359	178.287
Advisory and APN fees	148.200	139.059
Travelling and accommodation	33.429	23.648
Office expenses	26.940	31.827
Other operating expenses	20.219	12.545
Marketing	13.097	10.476
Professional services	<u>5.215</u>	<u>5.095</u>
	<u>462.459</u>	<u>400.937</u>

## Stichting African Parks Foundation

Advisory and APN fees relate to the support for and advise on fundraising in other European Countries.

Personnel expenses can be specified as follows:

	<b>2017</b>	<b>2016</b>
	EUR	EUR
Salaries	182.734	154.822
Social security, taxes and other	<u>32.625</u>	<u>23.465</u>
	<u>215.359</u>	<u>178.287</u>

Office expenses consist of the rental cost of external offices rent and office support provided to the Foundation. Professional services relate to audit fees and payroll administration.

5.3 *Project expenses*

The contributions to the (APN) Protected Area can be broken down as follows:

	<b>2017</b>	<b>2016</b>
	EUR	EUR
<b>Contributions to (APN) Protected Areas from donations received from external donors (see 5.1)</b>		
African Parks Network	9.124.126	3.898.578
Zakouma	<u>0</u>	<u>690.000</u>
	9.124.126	4.588.578
<b>Contributions to (APN) Protected Areas from Endowment Fund</b>		
African Parks Network	895.897	1.742.275
Liuwa	<u>21.744</u>	<u>11.572</u>
	917.641	1.753.847
<b>Contributions to (APN) Protected Areas from Fund for Local Communities</b>		
African Parks Network	<u>54.200</u>	<u>0</u>
	54.200	0
<b>Contributions to (APN) Protected Areas from Free Available Reserves</b>		
African Parks Network	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
<b>Total net contributions to (APN) Protected Areas</b>	<u>10.095.967</u>	<u>6.342.425</u>

5.4 *Financial income and expenses*

	<b>2017</b>	<b>2016</b>
	EUR	EUR
<i>Return Endowment Fund</i>		
Realised return	1.559.511	849.072
Unrealised return	-111.007	1.169.213
Taxes and administration fees	<u>-48.386</u>	<u>-44.906</u>
	1.400.118	1.973.379
<i>Return Investment in shares</i>		
Realised return	479.433	97.808
Unrealised return	<u>237.628</u>	<u>601.995</u>
	717.061	699.803
<i>Interest income and expenses</i>		
Interest received on bank balances	8.319	34.542
Interest paid on loan from APN	<u>0</u>	<u>-3.184</u>
	<u>8.319</u>	<u>31.358</u>
<b>Net interest and return</b>	2.125.498	2.704.540
Foreign exchange differences	<u>-35.108</u>	<u>-1.285</u>
	<u>2.090.390</u>	<u>2.703.255</u>

The foreign exchange differences relate to translation differences on the USD receivables and the USD bank account as at 31 December 2017.

5.5 *Average number of employees*

During the year the average number of employees calculated on a full-time-equivalent basis was 3 (2016: 2). None of the employees were employed outside of the Netherlands.

Langbroek, 10 April 2018

The Board,



D.R. Hooft Graafland



F.W.H. van Beuningen



A.A. Fock



L.C.Q.M. Smits van Oyen

Stichting African Parks Foundation

Langbroek, 10 April 2018

The Board,

D.R. Hooft Graafland

F.W.H. van Beuningen

A.A. Fock

L.C.Q.M. Smits van Oyen



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Accountants N.V.  
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## **Other information**

### **Appropriation of result**

There are no statutory rules for profit appropriation in the articles of association. The result for the period will be added to the Foundation Funds.



## *Independent auditor's report*

To: the board of Stichting African Parks Foundation

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### *Report on the financial statements 2017*

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#### *Our opinion*

In our opinion Stichting African Parks Foundation's financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2017, and of its result for the year then ended in accordance with the Guideline for annual reporting 640 'small not-for-profit organisations' of the Dutch Accounting Standards Board.

#### *What we have audited*

We have audited the accompanying financial statements 2017 of Stichting African Parks Foundation, Langbroek ('the Foundation').

The financial statements comprise:

- the balance sheet as at 31 December 2017;
- the profit and loss account for the year then ended; and
- the notes, comprising a summary of the accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is the Guideline for annual reporting 640 'small not-for-profit organisations' of the Dutch Accounting Standards Board.

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#### *The basis for our opinion*

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section 'Our responsibilities for the audit of the financial statements' of our report.

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

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### *Independence*

We are independent of Stichting African Parks Foundation in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO – Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA – Code of Ethics for Professional Accountants, a regulation with respect to rules of professional conduct).

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### *Report on the other information included in the annual report*

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In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the directors' report;

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information that is required by the Guideline for annual reporting 640 'small not-for-profit organisations' of the Dutch Accounting Standards Board.

We have read the other information. Based on our knowledge and understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those performed in our audit of the financial statements.

The board is responsible for the preparation of the other information, including the directors' report pursuant to the Guideline for annual reporting 640 'small not-for-profit organisations' of the Dutch Accounting Standards Board.

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### *Responsibilities for the financial statements and the audit*

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#### *Responsibilities of the board*

The board is responsible for:

- the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 640 'small not-for-profit organisations' of the Dutch Accounting Standards Board; and for
- such internal control as the board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board should prepare the financial statements using the going-concern basis of accounting unless the board either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so. The board should disclose events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern in the financial statements.



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### *Our responsibilities for the audit of the financial statements*

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 10 april 2018  
PricewaterhouseCoopers Accountants N.V.



A.J. Bronwer RA

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## ***Appendix to our auditor's report on the financial statements 2017 of Stichting African Parks Foundation***

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In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

### ***The auditor's responsibilities for the audit of the financial statements***

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. 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. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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 intentional override of internal control.
- Obtaining 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 foundation's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board.
- Concluding on the appropriateness of the board's use of the going concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the foundation'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 and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the foundation to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board 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.