



FONDATION POUR LES AIRES PROTÉGÉES
ET LA BIODIVERSITÉ DE MADAGASCAR

Madagascar Protected Areas
and Biodiversity Fund

FINANCIAL REPORTS 2020



THE AUDITED 2020 FINANCIAL STATEMENTS

Delta Audit

Delta Audit Associés
Immeuble Tsimahafotsy
Lot III 100 PL Bis
Rue Ratovo R. Henri
Mahamasina
Antananarivo 101
Madagascar

PO Box 241
Tel : +00 (261) 20 22 278 31
 +00 (261) 20 22 653 73
Fax : +00 (261) 20 22 210 95
E-mail : deltadt@deltaaudit.mg
 deltadt@mooov.mg
Site web : www.deltaaudit.com
NIF : 300006925
Stat : 69 202 11 1994 000 813
RCS : 2003 B 00140

INDEPENDENT AUDITOR'S REPORT

To the Directors and the Executive Director
of the Foundation for Protected Areas and Biodiversity
of Madagascar (FAPBM)

Opinion

We have audited the annual financial statements of the Foundation for Protected Areas and Biodiversity of Madagascar (FAPBM), which include the balance sheet as of December 31, 2020, and the income statement, the table of changes in equity and the statement of cash flows for the year ended on that date, as well as the accompanying notes, including the summary of the main accounting methods.

In our opinion, the accompanying annual financial statements presenting a profit of MGA 33,709,824,903.76 give, in all their material aspects, a true picture of the financial situation of the Foundation as of December 31, 2020, as well as of its financial performance and cash flow for the year ended on that date, in accordance with the accounting principles applied in Madagascar (PCG 2005).

Rationale

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are further described in the «Auditor's Responsibilities for the Audit of the Financial Statements» section of this report. We are independent from the Foundation for Protected Areas and Biodiversity of Madagascar (FAPBM) in accordance with the Code of Ethics of Professional Accountants of the Council of Comparable International Standards of Ethics (the IESBA Code), and we have fulfilled the other ethical responsibilities incumbent on us according to these rules. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of management and those charged with governance for the annual financial statements

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with the 2005 PCG, as well as for the internal control it considers necessary to enable the preparation of financial statements free from material misstatement, whether from fraud or errors.

Upon preparing the annual financial statements, it is management's responsibility to assess the ability of the company to continue its exploitation, to communicate, where appropriate, matters relating to continued exploitation and to apply the comparable principle of continued exploitation, unless management intends to liquidate the company or cease its activity or if no other realistic solution is available to it.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

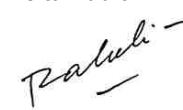
Responsibilities of the auditor for the audit of the annual financial statements

Our objectives are to obtain reasonable assurance that the annual financial statements, taken as a whole, are free from material misstatement, whether these result from fraud or error, and to issue an auditor's report stating our opinion. Reasonable assurance is a high level of assurance, which, however, does not guarantee that an audit conducted in accordance with ISA standards will always detect any material misstatement that may exist. Anomalies may result from fraud or error and are considered material when it is reasonable to expect that, individually or collectively, they could influence the economic decisions that users of annual financial statements make based on those.

Antananarivo, May 12, 2021

The Statutory Auditor

Delta Audit



Justine RAHELIARINORO
Partner



Denis RATSIMANDRESY
Partner

Foundation for Protected Areas and Biodiversity of Madagascar

Balance sheets as of December 31st, (Amounts expressed in MGA)

Assets	Note	2020		2019	
		Gross value	Depreciation/ Impairment losses	Net value	Net value
Non-current assets					
Intangible assets	4a.	5,100,000.00	(3,892,291.68)	1,207,708.32	2,482,708.32
Tangible fixed assets	4b.	2,071,445,377.75	(873,365,590.68)	1,198,079,787.07	1,323,541,184.11
Fixed assets in progress	4c.	77,557,601.28	-	77,557,601.28	-
Financial fixed assets	4d.	2,591,000.00	-	2,591,000.00	2,591,000.00
Total Non-current assets		<u>2,156,693,979.03</u>	<u>(877,257,882.36)</u>	<u>1,279,436,096.67</u>	<u>1,328,615,492.43</u>
Current assets					
Other receivables and similar assets	5	1,324,779,679.34	-	1,324,779,679.34	285,469,666.86
Active suspense account to be regularized		-	-	-	-
Cash and cash equivalents	6	398,559,163,467.16	-	398,559,163,467.16	315,703,934,419.65
Total current assets		<u>399,883,943,146.50</u>	<u>-</u>	<u>399,883,943,146.50</u>	<u>315,989,404,086.51</u>
Total Assets		<u>402,040,637,125.53</u>	<u>(877,257,882.36)</u>	<u>401,163,379,243.17</u>	<u>317,318,019,578.94</u>

Foundation for Protected Areas and Biodiversity of Madagascar

Balance sheets as of December 31st, (Amounts expressed in MGA)

Equity and Liabilities	<u>Note</u>	<u>2020</u>	<u>2019</u>
Equity			
Capital endowments		251,842,856,638.08	201,801,144,118.43
Funds received from donors		14,148,460,922.42	13,285,960,229.30
Cumulative usage expenditure		(13,909,158,876.53)	(13,206,292,770.36)
Carry forward		115,725,210,501.79	77,787,557,565.16
Income statement		33,709,824,903.76	37,957,738,142.11
Total owner's equity	7	<u>401,517,194,089.52</u>	<u>317,626,107,284.64</u>
Non-current liabilities			
Equipment grant		168,433,379.48	168,433,379.48
Funds with management mandate		(768,625,422.20)	(768,625,422.20)
Total Non-current liabilities	8	<u>(600,192,042.72)</u>	<u>(600,192,042.72)</u>
Current liabilities			
Misc. creditors	9	181,988,711.68	233,114,854.72
Suspense accounts to be settled liabilities	10	64,388,484.69	58,989,482.30
Total current liabilities		<u>246,377,196.37</u>	<u>292,104,337.02</u>
Total Equity and Liabilities		<u>401,163,379,243.17</u>	<u>317,318,019,578.94</u>

Foundation for Protected Areas and Biodiversity of Madagascar

Income statement by nature fiscal year ended December 31st, (Amounts expressed in MGA)

	Note	2020	2019
Turnover			
Stocked production		-	-
Immobilized production		-	-
Production of the fiscal year		<u>-</u>	<u>-</u>
Consumed purchases	11	(54,007,770.90)	(61,436,494.83)
External services and other consumptions	12	(2,172,605,238.48)	(2,384,492,028.63)
Consumption for fiscal year		<u>(2,226,613,009.38)</u>	<u>(2,445,928,523.46)</u>
Added value		<u>(2,226,613,009.38)</u>	<u>(2,445,928,523.46)</u>
Staff costs	13	(814,240,342.41)	(780,482,639.39)
Dues and taxes		(105,700.00)	(287,800.00)
Gross operating surplus		<u>(3,040,959,051.79)</u>	<u>(3,226,698,962.85)</u>
Other operating income	14	797,810,168.55	530,991,080.07
Other operating expenses	15	(8,424,572,366.49)	(6,803,956,715.51)
Depreciation, provisions, and impairment charges		(128,500,997.04)	(140,554,199.94)
Reversal of provisions and impairment losses		-	248,927.35
Operating income		<u>(10,796,222,246.77)</u>	<u>(9,639,969,870.88)</u>
Financial products	16.1	76,282,606,638.57	57,627,434,971.23
Financial expenses	16.2	(31,776,559,488.04)	(10,029,726,958.24)
Financial income		<u>44,506,047,150.53</u>	<u>47,597,708,012.99</u>
Profit before Tax		<u>33,709,824,903.76</u>	<u>37,957,738,142.11</u>
Income taxes payable		-	-
Deferred taxes		-	-
Total income from ordinary activities		77,080,416,807.12	58,158,674,978.65
Total expenses from ordinary activities		(43,370,591,903.36)	(20,200,936,836.54)
Net income for the ordinary year		<u>33,709,824,903.76</u>	<u>37,957,738,142.11</u>
Extraordinary items (income)		-	-
Extraordinary items (charges)		-	-
Extraordinary result		-	-
Net income for the year		<u>33,709,824,903.76</u>	<u>37,957,738,142.11</u>

Foundation for Protected Areas and Biodiversity of Madagascar

Income statement by function fiscal year ended December 31st (Amounts expressed in MGA)

	Note	2020	2019
Income from ordinary activities		-	-
Cost of sales	11 and 12	(2,226,613,009.38)	(2,445,928,523.46)
Gross margin		<u>(2,226,613,009.38)</u>	<u>(2,445,928,523.46)</u>
Other operating income	14	797,810,168.55	531,240,007.42
Commercial costs	13	(814,240,342.41)	(780,482,639.39)
Administrative charges		(128,606,697.04)	(140,841,999.94)
Other operating expenses	15	(8,424,572,366.49)	(6,803,956,715.51)
Operating income		<u>(10,796,222,246.77)</u>	<u>(9,639,969,870.88)</u>
Financial products	16.1	76,282,606,638.57	57,627,434,971.23
Financial expenses	16.2	(31,776,559,488.04)	(10,029,726,958.24)
Income before taxes		<u>33,709,824,903.76</u>	<u>37,957,738,142.11</u>
Income taxes payable		-	-
Deferred taxes		-	-
Net income from ordinary activities		<u>33,709,824,903.76</u>	<u>37,957,738,142.11</u>
Extraordinary charges		-	-
Extraordinary products		-	-
Net income for the year		<u>33,709,824,903.76</u>	<u>37,957,738,142.11</u>

Foundation for Protected Areas and Biodiversity of Madagascar

Cash flow statements

fiscal year ended December 31st

(Indirect method)

(Amounts expressed in MGA)

	<u>2020</u>	<u>2019</u>
Cash flow from operating activities		
Receipts received (customers and other debtors)	367,130.00	-
Amounts paid (suppliers, staff, and other operating payables)	(3,778,174,268.55)	(3,013,161,757.98)
Interest and other financial statements paid	(591,682,398.17)	(10,518,772,009.36)
Received grants	-	-
Grants awarded	(8,080,446,014.79)	(6,445,304,867.37)
Cash flows related to extraordinary events	-	-
Net cash flow from operating activities	<u>(12,449,935,551.51)</u>	<u>(19,977,238,634.71)</u>
Cash flow from investing activities		
Disbursements on acquisition of intangible and tangible fixed assets	(79,321,601.28)	(105,568,966.00)
Receipts on disposals of intangible and tangible fixed assets	-	-
Disbursements on acquisition of financial fixed assets	-	-
Receipts on disposals of financial fixed assets	-	-
Interest received on financial investments	44,480,303,367.21	57,575,697,998.63
Dividends and share of results received	-	-
Net cash flow from investing activities	<u>44,400,981,765.93</u>	<u>57,470,129,032.63</u>
Cash flow from financing activities		
Receipts following the issuance of shares	-	-
Receipts following the release of endowments funds	50,041,712,519.65	459,240,205.04
Funds received from donors	862,470,313.44	244,674,103.94
Collection from loans	-	-
Issue of loans or other similar debts	-	-
Net cash flow from financing activities	<u>50,904,182,833.09</u>	<u>703,914,308.98</u>
Cash flow change for the period	<u>82,855,229,047.51</u>	<u>38,196,804,706.90</u>
Cash and cash equivalents at the start of the financial year	315,703,934,419.65	277,507,129,712.75
Cash and cash equivalents at year end	<u>398,559,163,467.16</u>	<u>315,703,934,419.65</u>
Cash flow change for the period	<u>82,855,229,047.51</u>	<u>38,196,804,706.90</u>

Foundation for Protected Areas and Biodiversity of Madagascar

Table of changes in Equity fiscal year ending December 31st (Amounts expressed in MGA)

	Capital allocations	Funds received from donors	Cumulative expenditure on use	Other equity	Income	Total
Balance as of December 31st, 2018	201,341,903,913.39	13,001,126,018.97	(12,733,744,296.97)	73,509,759,460.16	4,374,940,155.77	279,493,985,251.32
Change in accounting method	-	-	-	-	-	-
Error correction	-	-	-	-	-	-
Other income and expenses	-	-	-	-	-	-
Income allocation & retained earnings	-	-	-	4,374,940,155.77	(4,374,940,155.77)	-
Capital transaction	459,240,205.04	284,833,850.33	(472,548,473.39)	(97,141,690.77)	-	174,383,891.21
Net income Fiscal year 2019	-	-	-	-	37,957,738,142.11	37,957,738,142.11
Balance as of December 31st, 2019	201,801,144,118.43	13,285,959,869.30	(13,206,292,770.36)	77,787,557,925.16	37,957,738,142.11	317,626,107,284.64
Change in accounting method	-	-	-	-	-	-
Error correction	-	-	-	-	-	-
Other income and expenses	-	-	-	-	-	-
Income allocation & retained earnings	-	-	-	37,937,652,576.63	(37,937,652,576.63)	-
Capital transaction	50,041,712,519.65	862,501,053.12	(702,866,106.17)	(20,085,585.48)	-	50,181,281,901.12
Net income Fiscal year 2020	-	-	-	-	33,709,824,903.76	33,709,824,903.76
Balance as of December 31st, 2020	251,842,856,638.08	14,148,460,922.42	(13,909,158,876.53)	115,705,124,938.31	33,729,910,469.24	401,517,194,089.52

Delta Audit

Delta Audit Associés PO Box 241
Immeuble Tsimahafotsy Tel : +00 (261) 20 22 278 31
Lot III 100 PL Bis +00 (261) 20 22 653 73
Rue Ratovo R. Henri Fax : +00 (261) 20 22 210 95
Mahamasina E-mail : deltadt@deltaaudit.mg
Antananarivo 101 deltdt@moov.mg
Madagascar Site web : www.deltaaudit.com
NIF : 3000006925
Stat : 69 202 11 1994 000 813
RCS : 2003 B 00140

Special report

of the Statutory Auditor

relating to Articles 18 and 19 of Law 2004-014 of August 19, 2004

Fiscal year ending December 31, 2020

Ladies and Gentlemen Administrators
and Mr. Executive Director
of the Foundation for Protected Areas and Biodiversity
of Madagascar

We were not informed of any operation carried out during the 2020 financial year falling within the framework of articles 18 and 19 below of the law No. 2004-014 of August 19, 2004, on the overhaul of the system of Foundations in Madagascar. We have not identified any related transaction in the financial accounts as of December 31, 2020.

According to Article 18: The Foundation cannot grant loans, current account overdrafts, grants or donations directly or through an intermediary to members of the Board of Trustees, executive management, Auditors, or managers of funds.

Likewise, the Foundation cannot act as guarantor of or endorse commitments made by them to third parties. This prohibition extends to spouses, relatives and allies up to and including the fourth degree.

Acts taken in violation of the prohibitions enacted in the preceding paragraphs are null and void.

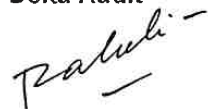
The beneficiaries and perpetrators of such acts are liable to damages towards the Foundation without prejudice to disciplinary sanctions.

According to Article 19: Service contracts concluded between the Founders/donors or their representatives and the Foundation are subject to the prior authorization of the Board of Directors and communicated to the Statutory Auditors who establish a special report in this regard. All relevant funders/donors of the Foundation will receive this special report.

Antananarivo, May 12, 2021

The Statutory Auditor

Delta Audit



Justine RAHELIARINORO
Partner



Denis RATSIMANDRESY
Partner