



FONDATION POUR LES AIRES PROTÉGÉES  
ET LA BIODIVERSITÉ DE MADAGASCAR  
Madagascar Protected Areas  
and Biodiversity Fund

# **FINANCIAL REPORTS 2022**

To the Board of Trustees and the Executive  
Director of the Madagascar Protected Areas and  
Biodiversity Fund (FAPBM)

## INDEPENDENT AUDITOR'S REPORT

Fiscal year ended December 31, 2022

### Opinion

We have audited the annual financial statements of the Madagascar Protected Areas and Biodiversity Fund (FAPBM), which include the balance sheet as of December 31, 2022, and the income statement, the table of changes in equity, the statement of cash flows for the year then ended, and the related notes, including a summary of significant accountant policies.

In our opinion, the accompanying annual financial statements presenting a deficit of Ariary 77.580.019.491,12 present a true and fair view in all material respects, of the financial position of the Foundation as of December 31, 2022, as well as of their financial performance and their cash flows for the year then ended, in accordance with the accounting principles applied in Madagascar (PCG 2005).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those 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 Madagascar Protected Areas and Biodiversity Fund (FAPBM) in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (the IESBA Code), we have fulfilled our other ethical responsibilities in accordance with the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities 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.

### Auditor's Responsibilities for the audit of the financial statements

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 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.

Antananarivo, April 25, 2023

The Statutory Auditor

Delta Audit



**Denis RATSIMANDRESY**  
Partner

# Madagascar Protected Areas and Biodiversity Fund

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

	Note	2022			2021	Variation	Variation %
		Gross Value	Depreciation/ Impairment losses	Net Value	Net Value		
<b>Assets</b>							
<b>Non-current assets</b>							
Intangible assets	4.1	91.288.800,00	( 11.918.260,00)	79.370.540,00	0,01	79.370.540,01	(793705400100%)
Tangible assets	4.2	2.202.890.687,78	( 1.026.263.874,29)	1.176.626.813,49	1.296.935.688,08	( 120.308.874,59)	(9%)
Financial assets	4.4	2.591.000,00	-	2.591.000,00	2.591.000,00	-	0%
Assets in progress	4.3	5.125.000,00	-	5.125.000,00	-	5.125.000,00	0%
<b>Total Non-current assets</b>		<u>2.301.895.487,78</u>	<u>(1.038.182.134,29)</u>	<u>1.263.713.353,49</u>	<u>1.299.526.688,07</u>	<u>(35.813.334,58)</u>	<u>(3%)</u>
<b>Current assets</b>							
Other receivables	5	895.244.951,15	-	895.244.951,15	524.717.094,77	370.527.856,38	71%
Accrued suspense account to be regularized	6	4.094.603.992,83	-	4.094.603.992,83	70.752.814.727,46	( 66.658.210.734,63)	(94%)
Cash and cash equivalents	7	<u>548.357.908.326,54</u>	<u>-</u>	<u>548.357.908.326,54</u>	<u>558.330.015.912,69</u>	<u>( 9.972.107.586,15)</u>	<u>(2%)</u>
<b>Total current assets</b>		<u>553.347.757.270,52</u>	<u>-</u>	<u>553.347.757.270,52</u>	<u>629.607.547.734,92</u>	<u>( 76.259.790.464,40)</u>	<u>(12%)</u>
<b>Total Assets</b>		<u>555.649.652.758,30</u>	<u>( 1.038.182.134,29)</u>	<u>554.611.470.624,01</u>	<u>630.907.074.422,99</u>	<u>( 76.295.603.798,98)</u>	<u>(12%)</u>

**Madagascar Protected Areas and  
Biodiversity Fund**

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

<b>Equity and Liabilities</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>	<b>Variation</b>	<b>Variation %</b>
<b>Equity</b>					
Capital endowments		455.929.467.281,93	455.920.608.226,93	8.859.055,00	0%
Project funds received		17.056.663.266,33	15.870.849.393,53	1.185.813.872,80	7%
Accumulated expenses on realization		( 16.726.923.897,39)	(15.410.402.951,24)	( 1.316.520.946,15)	9%
Retained earnings		174.933.049.767,93	149.458.516.624,42	25.474.533.143,51	17%
Income statement		<u>( 77.580.019.491,12)</u>	<u>25.471.247.754,76</u>	<u>( 103.051.267.245,88)</u>	<u>(405%)</u>
<b>Total owner's equity</b>	<b>8</b>	<u>553.612.236.927,68</u>	<u>631.310.819.048,40</u>	<u>( 77.698.582.120,72)</u>	<u>(12%)</u>
<b>Non-current liabilities</b>					
Equipment grant		163.491.806,51	1168.433.379,48	( 4.941.572,97)	(3%)
Sinking Fund Situation		<u>-</u>	<u>(811.141.225,79)</u>	<u>811.141.225,79)</u>	<u>(100%)</u>
<b>Total Non-current liabilities</b>	<b>9</b>	<u>163.491.806,51</u>	<u>(642.707.846,31)</u>	<u>806.199.652,82</u>	<u>(125%)</u>
<b>Current liabilities</b>					
Other payables	<b>10</b>	835.741.889,82	233.564.218,51	602.177.671,31	258%
Suspense accounts to be settled liabilities		<u>-</u>	<u>5.399.002,39</u>	<u>( 5.399.002,39)</u>	<u>(100%)</u>
<b>Total current liabilities</b>		<u>835.741.889,82</u>	<u>238.963.220,90</u>	<u>596.778.668,92</u>	<u>250%</u>
<b>Total Equity and Liabilities</b>		<u>554.611.470.624,01</u>	<u>630.907.074.422,99</u>	<u>( 76.295.603.798,98)</u>	<u>(12%)</u>

**Madagascar Protected Areas and  
Biodiversity Fund**

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

	Note	2022	2021	Variation	Variation %
Turnover		-	-	-	-
Stocked production		-	-	-	-
Immobilized production		-	-	-	-
<b>Production of the fiscal year</b>		-	-	-	-
Purchased services	11	(80.348.977,54)	(61.500.231,40)	(18.848.746,14)	31%
External services and other consumptions	12	(3.205.381.298,56)	(2.836.962.189,08)	(368.419.109,48)	13%
<b>Consumption for fiscal year</b>		(3.285.730.276,10)	(2.898.462.420,48)	(387.267.855,62)	13%
<b>Added value</b>		(3.285.730.276,10)	(2.898.462.420,48)	(387.267.855,62)	13%
Salaries and related expenses	13	(1.150.174.618,71)	(944.215.448,78)	(205.959.169,93)	22%
Dues and fees		(1.158.800,00)	(110.200,00)	( 1.048.600,00)	952%
<b>Gross operating surplus</b>		(4.437.063.694,81)	(3.842.788.069,26)	(594.275.625,55)	15%
Other operating income	14	2.092.417.725,04	2.942.272.349,50	(849.854.624,46)	(29%)
Other operating expenses	15	(14.770.838.701,69)	(12.077.104.580,75)	(2.693.734.120,94)	22%
Depreciation and amortization		(152.093.928,31)	(143.696.367,59)	(8.397.560,72)	6%
Reversal of provisions and impairment losses		-	-	-	-
<b>Operating income</b>		(17.267.578.599,77)	(13.121.316.668,10)	(4.146.261.931,67)	32%
Finance products	16	25.145.152.065,60	47.249.981.906,53	(22.104.829.840,93)	(47%)
Finance costs	17	(85.457.592.956,95)	(8.657.417.483,67)	(76.800.175.473,28)	887%
<b>Financial income</b>		(60.312.440.891,35)	38.592.564.422,86	(98.905.005.314,21)	256%
<b>Income before tax</b>		(77.580.019.491,12)	25.471.247.754,76	(103.051.267.245,88)	(405%)
Income tax expenses		-	-	-	-
Deferred tax		-	-	-	-
<b>Total income from ordinary activities</b>		27.237.569.790,64	50.192.254.256,03	(22.954.684.465,39)	(46%)
<b>Total expenses from ordinary activities</b>		(104.817.589.281,76)	(24.721.006.501,27)	(80.096.582.780,49)	324%
<b>Net income for the ordinary year</b>		(77.580.019.491,12)	25.471.247.754,76	(103.051.267.245,88)	(405%)
Extraordinary items (income)		-	-	-	-
Extraordinary items (expenses)		-	-	-	-
<b>Extraordinary income</b>		-	-	-	-
<b>Net income for the year</b>		(77.580.019.491,12)	25.471.247.754,76	(103.051.267.245,88)	(405%)

**Madagascar Protected Areas and  
Biodiversity Fund**

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

	<u>2022</u>	<u>2021</u>	<u>Variation</u>	<u>Variation %</u>
Income from ordinary activities	-	-	-	-
Cost of sales	<u>(3.285.730.276,10)</u>	<u>(2.898.462.420,48)</u>	<u>(387.267.855,62)</u>	13%
<b>Gross margin</b>	<u>(3.285.730.276,10)</u>	<u>(2.898.462.420,48)</u>	<u>(387.267.855,62)</u>	13%
Other operating income	2.092.417.725,04	2.942.272.349,50	(849.854.624,46)	(29%)
Selling expenses	(1.150.174.618,71)	(944.215.448,78)	(205.959.169,93)	22%
Administrative expenses	( 153.252.728,31)	(143.806.567,59)	(9.446.160,72)	7%
Other operating expenses	<u>(14.770.838.701,69)</u>	<u>(12.077.104.580,75)</u>	<u>(2.693.734.120,94)</u>	22%
<b>Operating income</b>	<u>(17.267.578.599,77)</u>	<u>(13.121.316.668,10)</u>	<u>(4.146.261.931,67)</u>	32%
Finance income	25.145.152.065,60	47.249.981.906,53	(22.104.829.840,93)	(47%)
Finance costs	(85.457.592.956,95)	(8.657.417.483,67)	(76.800.175.473,28)	887%
<b>Income before tax</b>	<u>(77.580.019.491,12)</u>	<u>25.471.247.754,76</u>	<u>(103.051.267.245,88)</u>	(405%)
Income tax expenses	-	-	-	-
Deferred tax	-	-	-	-
<b>Net income from ordinary activities</b>	<u>(77.580.019.491,12)</u>	<u>25.471.247.754,76</u>	<u>(103.051.267.245,88)</u>	(405%)
Extraordinary expenses	-	-	-	-
Extraordinary income	-	-	-	-
<b>Net income for the year</b>	<u>(77.580.019.491,12)</u>	<u>25.471.247.754,76</u>	<u>(103.051.267.245,88)</u>	(405%)

**Madagascar Protected Areas and  
Biodiversity Fund**

**Cash flows statements**

fiscal year ended December 31st,

(Indirect method)

(Amounts expressed in MGA)

	<u>2022</u>	<u>2021</u>
<b>Cash used in operations</b>		
Receipts received (customers and other debtors)	4.728,06	-
Amounts paid (suppliers, staff, and other operating payables)	(3.777.754.546,64)	(4.000.830.937,21)
Interest and other financial statements paid	(953.040.789,65)	(748.563.696,62)
Received grants	-	-
Grants awarded	(14.533.384.970,45)	(11.179.651.034,77)
Cash flows related to extraordinary events	-	-
<b>Net cash used in operations</b>	<u>(19.264.175.578,68)</u>	<u>(15.929.045.668,60)</u>
<b>Cash flows from investing activities</b>		
Disbursements on acquisition of intangible and tangible assets	(158.767.616,72)	(143.768.160,59)
Receipts on disposals of intangible and tangible assets	-	-
Disbursements on acquisition of financial assets	-	-
Receipts on disposals of financial assets	-	-
Interest received	(60.314.570.831,60)	38.614.520.824,38
Dividends and share of results received	-	-
<b>Net cash used in investing activities</b>	<u>(60.473.338.448,32)</u>	<u>38.470.752.663,79</u>
<b>Cash flows from financing activities</b>		
Receipts following the issuance of shares	-	-
Endowment contributions received	68.579.592.568,05	135.507.018.075,80
Project funds received	1.185.813.872,80	1.722.127.374,54
Collection from loans	-	-
Issue of loans or other similar debts	-	-
<b>Net cash generated from financing activities</b>	<u>69.765.406.440,85</u>	<u>137.229.145.450,34</u>
<b>Cash flows change for the period</b>	<u>(9.972.107.586,15)</u>	<u>159.770.852.445,53</u>
Cash and cash equivalents at start of year	558.330.015.912,69	398.559.163.467,16
Cash and cash equivalents at end of year	<u>548.357.908.326,54</u>	<u>558.330.015.912,69</u>
<b>Cash flows change for the period</b>	<u>(9.972.107.586,15)</u>	<u>159.770.852.445,53</u>

**FONDATION POUR LES AIRES PROTEGEES  
ET LA BIODIVERSITE DE MADAGASCAR**

**Statement of changes in net assets**  
fiscal year ending December 31st,  
(Amounts expressed in MGA)

	<u>Capital allocations</u>	<u>Funds received from donors</u>	<u>Accumulated expenses on realization</u>	<u>Other equity</u>	<u>Income</u>	<u>Total</u>
<b>Balance as of December 31st 2020</b>	<u>251.842.856.638,08</u>	<u>14.148.460.922,42</u>	<u>(13.909.158.876,53)</u>	<u>115.725.210.501,79</u>	<u>33.709.824.903,76</u>	<u>401.517.194.089,52</u>
Change in accounting method	-	-	-	-	-	-
Error correction	-	-	-	-	-	-
Other income and expenses	-	-	-	-	-	-
Income allocation & retained earnings	-	-	-	33.709.824.903,76	(33.709.824.903,76)	-
Capital transaction	204.077.751.588,85	1.722.388.471,11	(1.501.244.074,71)	23.481.218,87	-	204.322.377.204,12
Net income Fiscal year 2021	-	-	-	-	<u>25.471.247.754,76</u>	<u>25.471.247.754,76</u>
<b>Balance as of December 31st 2021</b>	<u>455.920.608.226,93</u>	<u>15.870.849.393,53</u>	<u>(15.410.402.951,24)</u>	<u>149.458.516.624,42</u>	<u>25.471.247.754,76</u>	<u>631.310.819.048,40</u>
Change in accounting method	-	-	-	-	-	-
Error correction	-	-	-	-	-	-
Other income and expenses	-	-	-	-	-	-
Income allocation & retained earnings	-	-	-	25.471.247.754,76	(25.471.247.754,76)	-
Capital transaction	8.859.055,00	1.185.813.872,80	(1.316.520.946,15)	3.285.388,75	-	( 118.562.629,60)
Net income Fiscal year 2022	-	-	-	-	<u>( 77.580.019.491,12)</u>	<u>( 77.580.019.491,12)</u>
<b>Balance as of December 31st 2022</b>	<u>455.929.467.281,93</u>	<u>17.056.663.266,33</u>	<u>( 16.726.923.897,39)</u>	<u>174.933.049.767,93</u>	<u>( 77.580.019.491,12)</u>	<u>553.612.236.927,68</u>



# Delta Audit

## Delta Audit Associés

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To the Board of Trustees and the Executive  
of the Madagascar Protected Areas  
Fund (FAPBM)

Director  
and Biodiversity

### 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, 2022

Ladies and Gentlemen,

We have not been informed of any transactions carried out during the 2022 financial year falling within the scope of articles 18 and 19 below of the law No. 2004-014 of August 19, 2004, on the reform of the system of Foundations in Madagascar and we have not identified any related transactions in the financial statements as of December 31, 2022.

**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 or endorse for commitments made by them to third parties. This prohibition extends to spouses, parents and relatives 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 pay damages to 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 Auditors who will establish a special report in this regard. All relevant funders/donors of the Foundation will receive this special report.

Antananarivo, April 25, 2023  
The Statutory Auditor  
Delta Audit



**Denis RATSIMANDRESY**  
Partner