

Prespa Ohrid Nature Trust (PONT), Offenbach am Main

Balance sheet as of December 31, 2017

Assets

	31.12.2017	31.12.2016
	EUR	EUR
A. Fixed assets		
I. Property, plant and equipment		
Other works and office machinery and equipment	534.00	826.00
II. Investment securities		
Securities held as investments	18,777,858.43	12,201,385.55
	18,778,392.43	12,202,211.55
B. Current assets		
I. Other assets	43,332.58	43,565.28
II. Cash and cash equivalents	8,656,173.96	12,824,988.19
	8,699,506.54	12,868,553.47
	27,477,898.97	25,070,765.02

Equity and liabilities

	31.12.2017		31.12.2016	
	EUR	EUR	EUR	EUR
A. Equity				
I. Foundation capital including grants and contributions				
1. Initial endowment	3,000,000.00		3,000,000.00	
2. Additional endowments	12,600,000.00	15,600,000.00	9,600,000.00	12,600,000.00
II. Reserves				
1. Reserve for endowing with assets	11,303,835.77		12,054,835.51	
2. Savings reserve pursuant to Section 62 (4) AO	299,654.32	11,603,490.09	9,930.07	12,064,765.58
III. Net loss for the year		0.00		0.00
IV. Funds carried forward		173,785.01		307,942.60
		27,377,275.10		24,972,708.18
B. Provisions				
Miscellaneous provisions		63,569.55		86,355.21
C. Liabilities				
1. Liabilities against banks		22.50		0.00
2. Trade accounts payable		0.00		1,573.27
3. Other liabilities		37,031.82		10,128.36
		37,054.32		11,701.63
		27,477,898.97		25,070,765.02

Prespa Ohrid Nature Trust (PONT), Offenbach am Main

Income statement for the period from January 1 to December 31, 2017

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1. Investment income and other revenue
 - a) Investment income
 - aa) Dividends
 - ab) Interest and similar income
 - ac) Fund distribution
 - ad) Realized capital gains
 - ae) Other investment income
 - b) Investment expenses
 - c) Foreign currency loss

Net investment income

- d) Income from grants and subsidies

Net revenue

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2. Project and other expenses
 - a) Support projects
 - b) Consulting and other projectsDirect project support
 - a) Project development and monitoring – internalAdministrative and similar expenses
 - a) Administrative expenses
 - b) Fundraising and promotional expenses

Total project and other expenses

3. Net loss (-loss) for the year before reserves transfer

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4. Withdrawal from earnings reserves: reserve pursuant to Section 62 (3) no. 2 AO
 5. Transfer to earnings reserves: reserve pursuant to Section 62 (4) AO
 6. Funds carried forward from prior year

7. Funds carried forward

	Jan. 1 to Dec. 31, 2017		Jan. 1 to Dec. 31, 2016	
	EUR	EUR	EUR	EUR
	53,623.74		1,483.58	
	71,584.09		7,219.78	
	234,584.49		72,272.85	
	169,528.72		0.00	
	0.00	529,321.04	287.10	81,263.31
		-139,462.15		-66,497.73
		-11,134.38		0.00
		378,724.51		14,765.58
		7,948.00		160,000.00
		386,672.51		174,765.58
	-709,718.00		-250,000.00	
	-16,591.90	-726,309.90	-18,250.00	-268,250.00
	-49,578.63		-109,930.56	
	-198,018.30			
	-8,198.76	-255,795.69	-2,903.29	-112,833.85
		-982,105.59		-381,083.85
		-595,433.08		-206,318.27
		750,999.74		545,164.49
		-289,724.25		-9,930.07
		307,942.60		-20,973.55
		173,785.01		307,942.60

Prespa Ohrid Nature Trust (PONT), Offenbach am Main

Notes to the financial statements for the 2017 financial year

General disclosures and notes to the financial statements

Prespa Ohrid Nature Trust (PONT) was established as a civil law foundation named 'Prespa Ohrid Nature Trust (PONT)' by means of an act of foundation of October 20, 2015. It was recognized by the government president on November 12, 2015. The financial year is the calendar year. The financial statements as of December 31, 2017, have been prepared pursuant to the Foundation's charter in accordance with the provisions of the German Commercial Code [HGB] governing corporations of comparable size. The Foundation met the criteria of a small-sized corporation in the financial year (Section 267 (1) HGB).

The breakdown of items in the balance sheet and income statement took account of the distinctive features arising from the activities of the Foundation.

The income statement was prepared on the basis of the cost of sales method pursuant to Section 275 (3) HGB taking into consideration the legal characteristics of foundations.

Accounting policies

The accounting policies remained unchanged from the prior year.

Property, plant and equipment and financial assets are measured at cost in accordance with Section 255 (1) HGB. Property, plant and equipment is depreciated using rates based on the useful life recognized for tax purposes under the straight-line method. Financial assets are written down to the lower of cost or fair value in the event of anticipated permanent impairment.

Receivables and other assets as well as cash at banks are stated at nominal value.

Values assigned to other provisions include all identifiable risks and contingent liabilities. They are recognized at the settlement amount required according to prudent commercial judgment.

Liabilities are recognized at settlement amount.

Transactions in foreign currencies are generally recorded at the exchange rate on the date of the transaction. Foreign currency receivables and liabilities are measured at the exchange rate applicable on the date of the transaction. Foreign currency items are generally translated at the average spot exchange rates applicable on the balance sheet date in accordance with the provisions of Section 256a HGB.

Explanatory notes on the balance sheet

The classification and movements in fixed assets are presented in the statement of movements in fixed assets as part of the balance sheet.

Financial assets include a securities portfolio with a book value of EUR 18,777,858.43 as of the end of the financial year. The following securities in the portfolio were recognized at amounts exceeding their fair value:

	Nominal value/shares	Book value	Fair value
Bonds			
K+S AG	EUR 120,000.00	EUR 136,638.00	EUR 132,576.00
Priceline Group Inc.	EUR 150,000.00	EUR 162,277.50	EUR 160,245.00
PKO FI.AB.M.T.LN.NT14 PKO Bk.	EUR 150,000.00	EUR 156,000.00	EUR 153,420.00
O2 Telefoni.Dtld.Finanze.Anl.	EUR 150,000.00	EUR 162,412.50	EUR 159,952.50
Carlsberg Breweries	EUR 150,000.00	EUR 168,859.50	EUR 165,502.50
Sabic Capital	EUR 120,000.00	EUR 129,572.40	EUR 128,208.00
Morrison Supermarkets PLC	EUR 100,000.00	EUR 106,487.00	EUR 104,280.00
Ryanair Dac	EUR 200,000.00	EUR 212,329.52	EUR 209,700.00
APPLE Inc.	EUR 140,845.07	EUR 140,584.51	EUR 124,735.26
AT & T Inc.	EUR 141,429.38	EUR 142,631.53	EUR 125,323.11
Dt.Pfandbriefbank	EUR 150,000.00	EUR 153,122.75	EUR 152,985.00
Ericsson	EUR 200,000.00	EUR 200,424.00	EUR 197,840.00
VAR.% OMV	EUR 150,000.00	EUR 160,297.50	EUR 152,790.00
ISHSIII-EO BD	Unit 1,460	EUR 162,208.92	EUR 161,607.40
Candr.BDS-Cre.Opp.	Unit 367	EUR 555,133.74	EUR 542,224.15
M.F.-M.EN.Y.S.-T.H EO I.A FUNDS	Unit 26,285	EUR 2,468,143.06	EUR 2,421,899.90
		EUR 5,217,122.42	EUR 5,093,288.82

		Nominal value/shares		Book value		Fair value
Investment shares						
Henkel AG & Co.KGaA	Unit	750	EUR	85,983.13	EUR	EUR 82,462.50
Starbucks Corp.Reg.Shares	Unit	1,250	EUR	60,574.07	EUR	EUR 59,600.00
Fresenius SE & Co. KGAA	Unit	1,300	EUR	89,358.89 €	EUR	84,123.00 €
BNP Paribas S.A. Actions	Unit	950	EUR	62,664.83	EUR	EUR 58,909.50
Ryanair Holdings PLC RG.SH	Unit	3,200	EUR	48,901.91	EUR	EUR 47,680.00
ISHSIII-MSCI T.USA RE DLD Funds	Unit	12,445	EUR	290,763.19	EUR	EUR 261,345.00
Seganti Asia-Pacific Equity Multi-Strategy Fund	Number of shares	1,681	EUR	637,509.08	EUR	613,952.41
				EUR 1,275,755.10	EUR	1,208,072.41

As of December 31, 2017, none of these financial investments had been written down to lower market values as they were not expected to be permanently impaired. This assumption was based on the fact that the fluctuations in market value that had occurred in the past were short term and negligible.

Other assets include a receivable from NTA of EUR 10,217.81. NTA is a civil law partnership whose partners include, beside CNF, PONT and, since March 1, 2017, now also the Blue Action Fund. As in the prior year, other assets are due within one year.

As of the balance sheet date, the Company reported credit balances with banks in foreign currencies of USD 112,079.82 and ALL 903,838.75.

The Foundation's previous capital remained unchanged at the full amount as of the reporting date.

Donor MAVA, Fondation pour la Nature, Gland, Switzerland, made a contribution of EUR 3,000,000 to the Foundation's capital.

Donors MAVA, Fondation pour la Nature, Gland, Switzerland, and BMZ made – via KfW – contributions to the reserves to endow with assets of EUR 6,600,000 and EUR 6,000,000, respectively, in 2016 (hereinafter referred to as the "MAVA Sinking Fund" and "KfW Sinking Fund"). According to the agreement with MAVA, the Mava Sinking Fund and any associated income generated from investments are to be used as grants to the Greek NGO Société pour la Protection de Prespa (hereinafter: SPP) for the years 2016 to 2030. According to the agreement with KfW, the KfW Sinking Fund is to be used to fulfil the purpose of the Foundation by the year 2030 at the latest, however only for projects in the Republic of Macedonia and Albania. The following table (rounded amounts in EUR) presents the development of these reserves and the use of income from assets associated with the reserves.

Contribution	2016		New donation	2017	
	Original amount	Balance on December 31, 2016		Withdrawals from reserves used for purposes of the Foundation	Balance at December 31, 2017
	EUR		EUR	EUR	
KfW Sinking Fund	6,000,000	5,700,000	0	150,000	5,550,000

Contribution	2016		New Contribution	2017	
	Original amount	Balance at December 31, 2016		Withdrawals from reserves used for SPP	Balance at December 31, 2017
	EUR		EUR	EUR	
MVA Sinking Fund	6,600,000	6,354,836	0	601,191	5,753,645

Thus, the reserves after the amounts earmarked for endowing assets equaled EUR 11,303,644.79 as of December 31, 2017.

EUR 289,724.25 was allocated to the savings reserve pursuant to Section 62 no. 4 AO in the reporting year, so that an amount of EUR 299,654.32 is disclosed as of December 31, 2017.

Other provisions include outstanding invoices in the year under review for asset management services, custody fees, accounting services and year-end closing costs.

Other liabilities result from the variation margin payments received from open unconditional forward transactions (futures in USD) as of the balance sheet date.

As in the prior year, all liabilities are due within one year

Explanatory notes on the income statement

Dividend income is derived from investment securities.

Interest and similar income are attributable to investment securities, time deposits and a current account.

Distributions from funds result from investment fund shares recognized under investment securities.

Other income from assets related in the prior year to income from foreign currency translation.

Expenses for investment resulted from charges for investment advice, custody fees and foreign withholding taxes.

Grants, subsidies and other income include grants from private donors as well as income from reversing provisions.

Expenses for support measures relate to direct support measures in the Prespa region.

The expenses for direct project development and monitoring (internal) include personnel expenses, travel expenses and the costs for renting the office in the development area.

Administrative expenses include personnel costs, expenses for maintaining the office in the development area, personnel expenses for the office shared with another foundation, rent and other office expenses, auditing and external accounting costs, insurance premiums, travel expenses and other operating expenses.

Fundraising and promotional expenses include personnel and travel expenses.

Other disclosures

Unconditional forward transactions (futures) were concluded to hedge the currency risk for foreign currency balances in USD. Variation margin payments are made each banking day corresponding to the fair market value of the futures. The results of the closed out futures are recognized in profit or loss. Margin payments received or payment for futures not closed out as of the balance sheet date are recognized as liabilities or receivables.

Executive Board

Chairperson

- David Morrison (from February 1, 2016 until January 10, 2017)
Executive Director, Berlin
- Maria De Koning (since January 10, 2017)
Executive Director, Tirana, Albania

Number of employees

Besides the Executive Director, the Foundation had one employee in the 2017 financial year.

Subsequent events

No material events occurred after the close of the financial year.

Prespa Ohrid Nature Trust (PONT), Offenbach am Main

Movements in fixed assets in the 2017 financial year

Cost				
	Jan. 1, 2017	Additions	Disposals	Dec. 31, 2017
	EUR	EUR	EUR	EUR
I. Property, plant and equipment				
Other equipment, operating and office equipment	1,127.16	0.00	0.00	1,127.16
II. Financial assets				
Securities held as investments	12,201,385.55	10,497,889.89	3,921,417.01	18,777,858.43
	12,202,512.71	10,497,889.89	3,921,417.01	18,778,985.59

Accumulated amortization, depreciation and write-downs				Book value		
Jan. 1, 2017	depreciation and write- downs during the	Disposals	Dec. 31, 2017	Dec. 31, 2017	Dec. 31, 2016	
EUR	EUR	EUR	EUR	EUR	EUR	EUR
301.16	292.00	0.00	593.16	534.00	826.00	
0.00	0.00	0.00	0.00	18,777,858.43	12,201,385.55	
301.16	292.00	0.00	593.16	18,778,392.43	12,202,211.55	