

Prespa Ohrid Nature Trust (PONT)
Offenbach am Main/Germany

Annual Financial Statements for
the Financial Year from

1 January to 31 December 2018

Prespa Ohrid Nature Trust (PONT), Offenbach am Main/Germany
Balance Sheet as at 31 December 2018

Assets	31 Dec. 2018		31 Dec. 2017		Equity and Liabilities	
	EUR	EUR	EUR	EUR	EUR	EUR
A. Fixed assets						
I. Property, plant and equipment						
Operating and office equipment	1,154.00	534.00				
II. Financial assets						
Long-term securities	<u>22,517,887.26</u>	<u>18,777,858.43</u>				
	22,519,041.26	18,778,392.43				
B. Current assets						
I. Receivables and other assets						
Other assets	2,539,160.80	43,332.58				
II. Bank balances	<u>6,503,237.58</u>	<u>8,656,173.96</u>				
	9,042,398.38	8,699,506.54				
	<u>31,561,439.64</u>	<u>27,477,898.97</u>				
A. Equity						
I. Foundation capital						
1. Initial endowment			3,000,000.00		3,000,000.00	
2. Donations			<u>17,600,000.00</u>		<u>12,600,000.00</u>	
			20,600,000.00		15,600,000.00	
II. Reserves						
1. Reserves for endowing						
with assets (Section 62 (3) No. 2 AO)			10,473,522.88		11,303,835.77	
2. Savings reserve (Section 62 (4) AO)			<u>407,333.83</u>		<u>299,654.32</u>	
			10,880,856.71		11,603,490.09	
III. Funds carried forward			<u>8,814.25</u>		<u>173,785.01</u>	
			31,489,670.96		27,377,275.10	
B. Provisions						
Other provisions				65,837.17		63,569.55
C. Liabilities						
1. Liabilities to banks				0.00		22.50
2. Trade payables				1,398.50		0.00
3. Other liabilities				<u>4,533.01</u>		<u>37,031.82</u>
				5,931.51		37,054.32
				<u>31,561,439.64</u>		<u>27,477,898.97</u>

Prespa Ohrid Nature Trust (PONT),
Offenbach am Main/Germany
Statement of Profit and Loss for the Financial Year from 1 January to 31 December 2018

	2018 EUR	2018 EUR	2017 EUR	2017 EUR
1. Investment income and other revenue				
a) Investment income				
aa) Dividends	52,398.16		53,623.74	
ab) Interest and similar income	62,677.85		71,584.09	
ac) Fund distribution	251,224.75		234,584.49	
ad) Income from realised asset shifting	<u>251,577.65</u>		<u>169,528.72</u>	
		617,878.41		529,321.04
b) Expenses for asset investments		-153,022.29		-139,462.15
c) Expenses from currency translation		<u>-157,574.32</u>		<u>-11,134.38</u>
Net investment income		307,281.80		378,724.51
d) Income from grants and subsidies		<u>8,816.41</u>		<u>7,948.00</u>
Net income		316,098.21		386,672.51
2. Project and aid expenses as well as other expenses				
Direct project support				
a) Funding measures	-871,456.40		-709,718.00	
b) Consultancy and other projects	<u>-35,750.52</u>		<u>-16,591.90</u>	
		-907,206.92		-726,309.90
Internal project development and monitoring		-98,009.73		-49,578.63
Administrative and other expenses				
a) Administrative expense	-187,401.68		-198,018.30	
b) Fundraising and promotional expense	<u>-11,084.02</u>		<u>-8,198.76</u>	
		-198,485.70		-206,217.06
Total project expenses and other expenses		-1,203,702.35		-982,105.59
3. Loss for the period		-887,604.14		-595,433.08
4. Funds brought forward from the prior year		173,785.01		307,942.60
5. Withdrawals from the reserves for endowing with assets		830,312.89		750,999.74
6. Allocation to the savings reserve		<u>-107,679.51</u>		<u>-289,724.25</u>
7. Funds carried forward		<u>8,814.25</u>		<u>173,785.01</u>

Prespa Ohrid Nature Trust (PONT), Offenbach am Main/Germany

Notes to the Financial Statements for the Financial Year 2018

General Information and Explanations on the Annual Financial Statements

Prespa Ohrid Nature Trust (PONT) was established as foundation under civil law under the name Prespa Ohrid Nature Trust (PONT) with foundation business dated 20 October 2015. The recognition by the district president took place on 12 November 2015. The Foundation is registered within the foundation register of the Darmstadt district.

As a general rule, the financial year is the calendar year. The annual financial statements as at 31 December 2018 were prepared in compliance with the Foundation's charter in accordance with the provisions under German GAAP applicable for corporations of similar size. In the financial year, the foundation met the criteria for a small firm organised in a corporate form (Section 267 (1) German Commercial Code (HGB)).

As regards the classification of the balance sheet and the statement of profit and loss, the particularities that arise from the activity of the Foundation were taken into account. The statement of profit and loss was prepared based on the cost-of-sales format in accordance with Section 275 (3) German Commercial Code (HGB) under taking into account the particularities under foundation law.

Accounting and Valuation Principles

The accounting and valuation principles applied unchanged when compared to the prior year.

Property, plant and equipment and financial assets are measured at acquisition cost in accordance with section 255 (1) German Commercial Code (HGB). At the property, plant and equipment, the wear and tear is considered by depreciation, measured on the basis of accepted useful lives and under using the straight-line method. Financial assets are written down to the lower fair value in case of a lasting permanent impairment in value. The Foundation does not exercise the option in case of a presumably temporary impairment in value.

Receivables and other assets are measured at acquisition cost or at lower fair value on balance sheet date.

Bank balances are recognised at nominal value.

The values recognised for the other provisions include all risks identifiable and uncertain liabilities. They are recognised at settlement amount based on sound business judgement.

Liabilities are carried at settlement amount.

Transactions denominated in foreign currencies are generally recorded at the rate in effect on the date of transaction. Receivables and liabilities denominated in foreign currencies are translated at the rate in effect on the day of origin. The translation of the currency items as of balance sheet date is generally made in accordance with the provisions under Section 256a German Commercial Code (HGB) and thus at the middle spot rate in effect on balance sheet date.

Notes to the Balance Sheet

Fixed Assets

The movements in fixed assets are presented in the attached statement of movements in fixed assets.

Financial Assets

As regards the security portfolio making part of the financial assets with a book value of EUR 22,517,887.26 as at the end of the reporting year, the following securities are disclosed over their fair values (market rates as of balance sheet date):

	Nominal value/share		Book value		Fair value	
Bonds						
Hutch.Wham.EUR	EUR	150	EUR	170,700.00	EUR	163,035.00
Vovonia Finance	EUR	200	EUR	213,078.00	EUR	207,460.00
Carnival Corp	EUR	150	EUR	159,891.00	EUR	156,330.00
Standard Chartered PLC	EUR	100	EUR	104,018.00	EUR	102,010.00
KFW	EUR	137,171.32	EUR	135,349.68	EUR	129,038.23
Evonik Industries AG	EUR	160	EUR	164,531.01	EUR	162,368.00
Amadeus IT Group	EUR	100	EUR	100,283.00	EUR	99,440.00
Volkswagen Int. Finance	EUR	120	EUR	123,108.00	EUR	119,760.00
Booking Holdings	EUR	150	EUR	162,277.50	EUR	158,310.00
Bayer AG	EUR	150	EUR	151,725.00	EUR	148,290.00
PKO Fl.AB.M.T.LN.NT14 PKO Bk.	EUR	150	EUR	156,000.00	EUR	149,925.00
O2 Telefoni.Dtld.Finanzi.Anl.	EUR	150	EUR	162,412.50	EUR	155,955.00
Carlsberg Breweries	EUR	250	EUR	278,812.46	EUR	270,625.00
Sabic Capital	EUR	120	EUR	129,572.40	EUR	124,740.00
Morrison Supermarkets PLC	EUR	100	EUR	106,487.00	EUR	101,480.00
Ryanair Dac	EUR	200	EUR	212,329.52	EUR	205,800.00
Dt. Pfandbriefbank	EUR	150	EUR	153,122.75	EUR	150,735.00
Leaseplan Corporation	EUR	200	EUR	203,076.00	EUR	197,240.00
VAR.% AXA S.A.MTN	EUR	150	EUR	113,448.41	EUR	91,500.00
VAR.% GOLDMAN Sachs	EUR	200	EUR	200,808.45	EUR	193,100.00
			EUR	3,201,030.68	EUR	3,087,141.23

		Nominal value/share		Book value		Fair value
Shares and investment fund shares						
Henkel AG & Co.KGaA	Number	750	EUR	85,983.13	EUR	70,770.00
Fresenius SE & Co. KGAA	Number	1,660	EUR	112,896.82	EUR	69,022.80
Infineon Technologies AG	Number	5,105	EUR	91,264.03	EUR	85,764.00
Wells Fargo & Co. Reg. Shares	Number	1,750	EUR	71,534.81	EUR	68,617.50
DEUTSCHE POST registered shares	Number	3,555	EUR	115,833.15	EUR	84,182.40
AXA S.A.Actions Port.EO	Number	2,420	EUR	55,913.02	EUR	44,982.96
BNP Paribas S.A. Actions	Number	1,330	EUR	86,996.81	EUR	51,304.75
Facebook Inc.Reg.Shares	Number	590	EUR	79,362.50	EUR	68,575.70
Heidelbergcement AG	Number	1,190	EUR	96,347.87	EUR	62,808.20
ING Groep N.V.	Number	6,160	EUR	84,485.44	EUR	56,672.00
Ryanair Holdings PLC RG.SH	Number	1,180	EUR	62,838.88	EUR	41,412.00
Tencen.Holdings LTD	Number	1,845	EUR	82,350.65	EUR	62,637.75
Adobe	Number	380	EUR	79,527.32	EUR	74,263.40
Adidas	Number	415	EUR	79,992.74	EUR	75,011.25
Blackrock Inc.Reg.	Number	195	EUR	83,854.07	EUR	65,303.55
GEA Group AG	Number	2,300	EUR	78,029.65	EUR	51,175.00
JPMorgan Chase	Number	935	EUR	88,269.01	EUR	78,521.30
Nordea	Number	1,615	EUR	161,225.45	EUR	160,385.65
GAM Star-CR.Opps	Number	21,500	EUR	302,198.50	EUR	273,475.70
JUPITER GI.FD.	Number	40,250	EUR	513,976.50	EUR	506,345.00
ISHSIII-EO BD	Number	1,830	EUR	203,014.63	EUR	199,964.10
ASS.CR.-A.C.Subd.	Number	667	EUR	639,727.91	EUR	591,315.51
Candr.BDS-Cre.Opp.	Number	367	EUR	555,133.74	EUR	515,301.03
M.F.-M.EN.Y.S.-T.H EO I.A FUNDS	Number	26,285	EUR	2,468,143.06	EUR	2,301,777.45
ISHSV.MSCI W.EUR HGD Funds	Number	11,040	EUR	509,544.25	EUR	501,723.84
THINK SUST.WORLD	Number	4,480	EUR	348,856.17	EUR	328,742.40
AMU.ETF Cash	Number	6,830	EUR	809,648.69	EUR	806,691.30
I.M.III.Euromts	Number	7,960	EUR	810,126.13	EUR	806,276.36
Lyxor Euro Cash	Number	7,665	EUR	809,693.19	EUR	805,974.75
ISH.EB.R. Money Market	Number	10,295	EUR	809,956.04	EUR	800,642.15
iShares MSCI Target UK	Number	14,920	EUR	82,926.11	EUR	75,005.82
ISHSIII-MSCI T.USA RE DLD Funds	Number	5,345	EUR	124,879.81	EUR	107,648.30
Gemsstock Fund (Class D EUR - UR Series 1)			EUR	520,000.00	EUR	497,122.51
			EUR	11,104,530.08	EUR	10,389,416.43

As at 31 December 2018, no write-downs to the lower market rates were made for these financial assets, since it is expected that the impairments are not of permanent nature. This assumption is justified by the fact that these market values showed only short-term and low fluctuations in the past.

Other Assets

The other assets include a payment in transit for a direct investment of EUR 2,500,100.00. Furthermore, the item includes a receivable of EUR 10,059.05 from Nature Trust Alliance GbR, Frankfurt am Main/Germany, being a company under civil law, whose shareholders are PONT next to Caucasus Nature Fund and Blue Action Fund.

The sundry other assets relate to interest claims. Like in the prior year, the other assets are due within one year.

Bank Balances Denominated in Foreign Currencies

As of balance sheet date, the Foundation discloses bank balances denominated in foreign currencies of USD 404,900.13 and ALL 1,183,835.76.

Foundation Capital

The former foundation capital remained unchanged as of the balance sheet date. In the reporting year, the KfW Development Bank made an endowment of EUR 5,000,000.00.

Reserves in accordance with Section 62 (3) No. 2 AO

The Foundation's reserves for endowing with assets amount to EUR 10,473,522.88 as of 31 December 2018.

In the financial year 2016, the founder MAVA, Fondation pour la Nature, Gland, Switzerland, and, via the KfW Development Bank also the Federal Ministry for Economic Cooperation and Development (BMZ) have made endowments of EUR 6,600,000 and EUR 6,000,000, respectively, to the reserves under Section 62 (3) No. 2 German Tax Code (AO) (hereafter referred to as "MAVA Sinking Fund" and "KfW Sinking Fund"). Following the agreement with MAVA, the MAVA Sinking Fund must be used together with the therewith realised investment income in the years 2016 to 2030 for grants to the Greek NGO Société pour la Protection de Prespa (hereafter referred to as SPP).

Endowment	2016 Original amount	Balance as of 31 December 2017	New Endowment	2018		Balance as of 31 December 2018
				Withdrawal from reserve for use for SPP		
		EUR	EUR	EUR	EUR	EUR
MAVA Sinking Fund	6,600,000	5,753,836	0	640,080		5,113,756

According to the agreement with KfW Development bank, the KfW Sinking Fund must be used in terms of the foundation's mission at the latest until the year 2030 but only for projects in the Republic of Macedonia and in Albania. The following table (rounded amounts in EUR) presents the development of these reserves and the use of the investment income from these funds.

Endowment	2016 Original amount	Balance as of 31 December 2017	2018		Balance as of 31 December 2018
			New endowment	Withdrawal from reserve for statutory use in terms of the Foundation's mission	
		EUR	EUR	EUR	EUR
KfW Sinking Fund	6,000,000	5,550,000	0	190,233	5,359,767

Savings reserve in accordance with Section 62 (4) AO

An amount of EUR 107,679.51 was added to the so-called savings reserve in accordance with Section 62 (4) German Tax Code (AO), which thus amounts to EUR 407,333.83 as of 31 December 2018.

Provisions

The other provisions include outstanding invoices for asset management services received in the reporting year, costs for the preparation and audit of the annual financial statements, deposit fees and accounting services.

Liabilities

The other liabilities result from received, so-called variation margin payments from open unconditional futures as of balance sheet date (futures on the USD).

Like in the prior year, all liabilities have a term of up to one year.

Notes to the Statement of Profit and Loss

The dividends result from long-term securities.

Interest and similar income relates to bonds disclosed under the long-term securities, to term deposits and to a current account.

Distributions from funds result from investment fund shares disclosed under the long-term securities.

The investment expenses result from fees for investment advisory and deposit fees.

Grants, subsidies and other income include endowments from private donors.

The expenses for promotion measures and projects relate to direct promotion measures in the Prespa area. The expenses for direct project support include employee benefit expenses, travel costs and rental costs for the offices kept in the focal area.

The administrative expenses comprise incurred employee benefit expenses, rent and other office expenses as well as own staff costs, audit fees and external accounting costs, insurance premiums, travel costs and sundry operational expenses. The borrowing and advertising expense includes staff costs, event costs and travel costs.

Other Disclosures

Unconditional futures are closed for hedging currency risks for bank balances denominated in USD. So-called variation margin payments are made on each day in line with the market value of the futures. Results from closed out futures are recognised through profit or loss. Received or paid margin payments for not yet closed out futures as of balance sheet date are disclosed as liabilities or receivables. Valuation units in accordance with Section 254 German Commercial Code (HGB) were not created.

The liabilities of Nature Trust Alliance GbR, Frankfurt am Main/Germany, in which the Foundation is the personally liable shareholder, amount to EUR 56,145.34 as of the balance sheet date.

Foundation Council

Ms Maria De Koning, Executive Director, Tirana/Albania

Foundation Board

Ms Lynda Brooke Mansson (chairwoman), Director General, MAVA Fondation pour la Nature, Gland/Switzerland

Mr Dimitrios Karavellas (deputy chairman), Director General, World Wide Fund for Nature Greece, Athens/Greece

Mr Christoph Mathias Tiskens, Head of Regional Department Southeast Europe and Turkey, KfW, Frankfurt am Main/Germany

Mr David Fielding Morrison, Expert in Conservation Trust Funds, Berlin/Germany

Mr Gabriel Schwaderer, EuroNatur Foundation, Executive Director, Radolfzell/Germany

Number of Employees

In addition to the executive director, the Foundation had two employees in the annual average of the financial year 2018.

Major Post-Balance-Sheet-Date Events

There were no events of special importance that incurred after the end of the financial year.

Offenbach am Main/Germany, 13 May 2019

Prespa Ohrid Nature Trust (PONT)

The Foundation Council

Prespa Ohrid Nature Trust (PONT), Offenbach am Main/Germany

Movements in Fixed Assets in the Financial Year 2018

	Acquisition cost				Accumulated amortisation, depreciation and write-downs				Book value	Book value
	1 Jan. 2018	Additions	Disposals	31 Dec. 2018	1 Jan. 2018	Additions	Disposals	31 Dec. 2018	31 Dec. 2018	31 Dec. 2017
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
A. Fixed assets										
I. Property, plant and equipment										
Operating and office equipment	1,127.16	1,095.00	0.00	2,222.16	593.16	475.00	0.00	1,068.16	1,154.00	534.00
II. Financial assets										
Long-term securities	18,777,858.43	7,044,164.37	3,304,135.54	22,517,887.26	0.00	0.00	0.00	0.00	22,517,887.26	18,777,858.43
Total fixed assets	18,778,985.59	7,045,259.37	3,304,135.54	22,520,109.42	593.16	475.00	0.00	1,068.16	22,519,041.26	18,778,392.43