

REGISTERED NO. 05598718

CHARITY NO. 1111806

Virunga Foundation

Trustees' Report and Consolidated
Financial Statements for the Year
Ended 31 December 2024

VIRUNGA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

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Chairman's Report

In the course of 2024 Virunga Foundation made significant progress in delivering against its charitable objectives on both conservation and development. The progress on delivery of objectives has been achieved in what has been and remains an extremely challenging security context.

2024 and the first months of 2025 saw a continued expansion of the illegal occupation of large areas of North Kivu, including over 40% of the area of the Virunga National Park, by the Rwandan backed M23 illegal militia supported by the Rwandan Defence Force, (RDF). This illegal armed occupation has presented major challenges to the Foundation in maintaining operational activities, not only in the illegally occupied areas of the Park. However, the ingenuity and courage of Foundation Staff and the ICCN Rangers, has enabled progress across all of the key objective areas.

Tragically, in July of 2025 the lives of ICCN Rangers Claude Nguo and Daniel Kakule ended prematurely when the Bathawk aircraft they were flying in crashed. It is important to acknowledge that staff and ICCN Rangers continue to perform their duties in what remains an extremely high risk environment. The Board of Virunga Foundation extends its sincerest condolences to the family, friends and colleagues of Claude and Daniel, who lost their lives while delivering the goals of the ICCN and Virunga National Park. The Board also wishes to recognise the extraordinary contribution being made by all individuals involved in delivering the work of the Charity.

The occupation of a significant area of North Kivu by the M23 and the RDF continues to have a major adverse impact on the population of those areas affected by the ongoing conflict, which has led to the displacement of several million internally displaced persons, (IDPs). In excess of 2.5 million IDPs in North Kivu alone, were recorded by the UN. The IDP camps on the outskirts of Goma housed several hundred thousand living in makeshift tents until the M23 violently forced IDPs to leave the camps. The UN evaluated that in January of 2025 alone, over 400,000 IDPs were made homeless as a result of M23 and RDF attacks.

In addition to the war between the DRC armed forces, (FARDC), and the RDF and M23, there remain significant challenges from illegal armed militia groups in other areas, where militia activities have increased due to lower presence of FARDC, whose resources are primarily focussed on combatting the M23 and RDF. One illustration of this being the Ishasha Valley where ICCN Rangers had multiple confrontations with FDLR militias trying to poach in what is a key conservation area. Ranger contingents are located as effectively as possible to combat illegal militia threats, though this excludes confronting RDF and M23 forces. The ADF illegal armed militia has been a major threat in the northern sector where it continues to terrorise and extort local populations. In response to this threat, Virunga Foundation is in the process of rolling out its proven strategy of establishing protected Forward Operating Bases, (FOBs) with associated infrastructure and other support resources.

Virunga Foundation headquarters, (HQ), were relocated in the course of 2024, due to the continued expansion of areas under M23 control. The current HQ at Ishasha, a former Ranger training base, is on a site which is relatively secure due to its physical location and it is hoped that this will remain the HQ until such time as it is possible to fully relocate to Rumangabo. The geopolitical situation in the region does not present particular grounds for optimism on the cessation of Rwanda's occupation of much of North Kivu within any predictable timescale. A resolution of the conflict is most likely dependent on international political intervention. Despite the ongoing major security challenges, a level of stability has been achieved which has enabled staff to return to work regularly at Rumangabo from the second quarter of 2025.

On its conservation objectives, despite the major security challenges, progress continues across all key species. Though monitoring the Mountain Gorilla populations has continued to be hampered by the conflict in the "Gorilla" sector of the Park, local community trackers and Rangers have continued to undertake effective monitoring, which indicates the population is doing well and continuing to grow.

A landmark project reached a key phase in the later part of 2024 in relation to a critically threatened population of Eastern Lowland Gorillas, with the release of an additional 4 female gorillas to the remaining population of 7 individuals.

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The “new” gorillas appear to be integrating effectively into the existing population, with 3 of the introduced females already identified as being pregnant within months of their introduction. This development augers well for the establishment of what will hopefully become a viable population. The lion, a key species in the Ishasha valley, is showing a good recovery with between 30 and 50 individuals now present in this area, supported by the large increase in ungulate population facilitated by the successful Queen Elizabeth National Park wildlife corridor project, which has seen significant migration of lion prey populations from Uganda.

Development projects have continued to progress and to deliver tangible benefits for local communities, ranging from gaining access to reliable electricity with all the accompanying benefits, to increased incomes from improved agriculture efficiency and new local agriculture transformation activities. Virunga Energies is now the largest provider of energy in North Kivu, including to the city of Goma. Demand for electricity from Virunga Energies in 2024 regularly exceeded generating capacity which required implementing a range of strategies to regulate demand. However, a new 14 MW hydropower plant, Rwanguba 1, operational from late January 2025, will ensure adequate generating capacity to meet demand. A further hydropower plant, Rwanguba 2, with a similar generating capacity to Rwanguba 1, is in progress. Development of the agriculture sector is a central element of the development objective. Agricultural development projects include those to improve agricultural productivity through improved management practices, as well as by increasing the level of product value added locally. Cocoa and chocolate manufactured locally as a finished products are now sold nationally and in Europe. Chocolate production is expected to more than triple in volume in 2025. Vegetable Oil and Soap production are complementary products manufactured from the same palm oil crop, with sales of these projected to triple in 2025. Wheat and vegetable projects are relatively new, but well underway with commercial products such as biscuits and bread expected to be available in the last quarter of 2025. The benefits of these projects to local communities cannot be overstated, in what is one of the World's poorest regions where the creation of new jobs and the associated growth of local economies will transform lives.

A major new conservation/development project which will have a significant impact on Virunga Foundation's development and activities relates to the Congolese Government's plan to develop a “Green Corridor” from North Kivu to Kinshasa. This plan has the overarching aim of facilitating the transport of agricultural produce from North Kivu to Kinshasa, in a sustainable manner, which respects and protects the local communities and the environment in the Green Corridor. A key innovative feature of this project is that designated land will be a “community reserve”. The land will be managed on the principles of community consent, where responsibility for conservation lies with those who live in, or adjacent to, the areas to be conserved. Virunga Foundation has been appointed to manage this major project, with it's the original contract with the ICCN to manage the Virunga National Park being extended to include the management of the green corridor. This new contract was signed in May 2025 and extends the end of contract date by a further ten years to May 2050.

Virunga Foundation's work is dependent on the generous financial support from a wide range of donors. The European Union continues to enable Virunga Foundation's conservation and developments efforts as its largest single donor, along with other major institutional donors and investors including the World Bank, BII and INL. Private Foundations also play a key long term support role, including partners such as the Schmidt Family Foundation and the World We Want Foundation.

As described here, Virunga Foundation's conservation and development objectives continue to be delivered, in the face of the huge challenges, thanks to the commitment of our staff and the ongoing support of our partners.



Jan Bonde Nielsen, Chairman.

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Legal and Administrative Details

Trustees

Jan Bonde Nielsen (Chairman)
François Xavier de Donnea
Joanna Natasegara
Michael Joseph
Paul Leander Engström (Resigned 8 September 2025)
Annette Lanjouw
Dr Antoine Kesia-Mbe Mindua

Company registration number:	05598718
Legal Form	Company limited by guarantee
Date of incorporation	20 October 2005
Charity registration number:	1111806
Registered Address:	48 Chancery Lane, London, WC2A 1JF
Company Secretary:	Keystone Law Limited, London.
Chief Executive Officer:	Emmanuel de Merode
Auditors:	Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JY.
Bankers:	KBC Bank N.V., 111 Old Broad Street, London, EC2N 1BR Trust Merchant Bank S.A, 1223 Avenue Lumumba, Lubumbashi, Democratic Republic of Congo Equity Bank Kenya Ltd, 9th Floor, Equity Centre, Hospital Road, Upper Hill. P.O. Box 75104-00200, Nairobi, Kenya
Solicitors:	Keystone Law Limited, London.

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Trustees' Report

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their report and the audited consolidated financial statements of Virunga Foundation (the Charity) for the year ended 31 December 2024. The Trustees have adopted the provisions of the Charities SORP (FRS 102) in preparing the annual report and financial statements of the Charity.

Structure, Governance and Management

Structure

Virunga Foundation

Virunga Foundation is a charitable company limited by guarantee, incorporated on 20th October 2005, and registered as a charity in England and Wales, with registered charity number 1111806.

Virunga Foundation's key partnership is with the Institut Congolais pour la Conservation de la Nature, (ICCN), the national Congolese nature conservation organisation, an institution of the Democratic Republic of Congo responsible for managing protected areas throughout the country. With a relationship going back to 2006, in 2015 the ICCN and Virunga Foundation signed a 25 year cooperation agreement, establishing a public-private partnership. In May of 2025 this agreement was extended to May 2050 in connection with the extension of Virunga Foundation's role in managing the Kivu Kinshasa Green Corridor. On the basis of this agreement with the Congolese Government the charity's resources and efforts will continue to be dedicated to supporting the ICCN in protecting and re-establishing Virunga National Park and to provide support for communities around the Park.

In order to further its objectives Virunga Foundation has established a number of subsidiary organisations and works closely with other partner organisations, as presented in this report. Under its Memorandum of Association, Virunga Foundation has the power to incorporate subsidiary companies to carry on any trade, which would, in the opinion of the trustees, promote or assist in furthering the Objects of the charity. Virunga Foundation has one main subsidiary, Virunga SRL, (which itself has a number of subsidiaries) and one related company, Virunga Productions CIC. Virunga Foundation also works in close cooperation with a Belgian charity, Fonds Virunga Belgique and two US and one South African legal entity, which own the aircraft operated by Virunga Foundation. The formal objects of all limited liability companies in the group are of a social purpose. In addition to Virunga SRL, there is only one other Virunga Foundation directly held and controlled subsidiary, a Kenyan Limited liability company, Virunga Foundation Ltd, whose sole purpose is to enable Virunga Foundation to maintain banking facilities in Kenya, for reasons of increased financial resilience. As at the time of signing of the audited accounts there had been no activity in this Kenyan entity.

Subsidiary entities

Virunga SRL

Virunga SRL is a 100% owned subsidiary Belgian limited liability company incorporated by Virunga Foundation in August 2013, to act as a holding company for limited companies, (Sociétés Anonyme), registered in the Democratic Republic of Congo, (DRC). Virunga SRL ensures any profits generated by its subsidiary companies will not be taxed twice, due to the double taxation treaty existing between Belgium and the DRC. All of the Virunga Foundation subsidiary entities registered in DRC pay their taxes exclusively in the DRC.

Virunga Belgique SRL Ltd

A Kenyan registered subsidiary, Virunga Belgique SRL Ltd was established in 2021, solely to enable the establishment of Virunga Belgique SRL bank accounts in Kenya, in order to increase financial resilience. As

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it was identified that the required financial resilience could be provided without this specific account, it was decided in mid-2023 to dissolve this company. The company was formally dissolved on 4 January 2024, as recorded in the official register, The Kenya Gazette on the 24th of January 2024.

Virunga Energies SAU

Virunga Energies SAU is a Congolese limited liability company 100% owned by Virunga SRL. Virunga Energies SAU is engaged in the construction, operation and commercialisation of run-of-river hydroelectric projects in the proximity of the Park. These projects include the construction of generating plant, operation of the plant, construction and operating distribution networks and the sale of electricity to end customers, both commercial and domestic. Any profit generated from these activities will be transferred to Virunga Foundation via Virunga SRL.

The company currently utilises surplus energy from its Luviro plant to generate blockchain code and bitcoin, to augment and diversify revenue, in return for limited additional capital investment. The electrical generation activity related to blockchain code creation has additional benefits as it avoids generating turbines being static during periods of low demand.

The development of hydro-power projects around the Park have been shown to support the conservation and protection of the Park in two key ways:

- i. by providing communities living around the Park with access to electricity and jobs, resulting in development opportunities which will enable the Park to be and to be seen as, a source of beneficial change and opportunity for the local population. Over time it is expected to reduce communities' reliance on unsustainable resources of the Park (e.g. illegal charcoal and firewood), as well as land encroachment for farming;
- ii. by providing an unrestricted revenue stream that can be used by Virunga Foundation to support its charitable objects.

Virunga Energies SAU Ltd

Virunga Energies SAU Ltd is a Kenyan private limited company established on 23 Aug 2021. The sole purpose of this entity is to act as the beneficial owner of Virunga Energies bank account established with Equity Bank in Kenya. The Company and its Equity Bank account are under the full control and management of Virunga Foundation, being established to reduce risks, by increasing the number of active banking facilities in Africa. This entity has had no activity in the period covered by these accounts and is in the process of dissolution.

Virunga Development SARL

Virunga Development is a Congolese limited liability company, a 100% subsidiary of Virunga SRL, established in 2013 to contribute to Virunga Foundation's overall charitable objectives through the management and support of sustainable development opportunities around the Park. These opportunities include the development & operation of industrial parks in the proximity of the Park, the development of agricultural transformation projects, with all energy requirement met by the hydroelectricity generated by Virunga Energies SAU.

Virunga Productions CIC

Virunga Productions CIC was established in 2013. A Community Interest Company (CIC) is a UK limited liability company that must use its profits and assets for the public good. The objects of Virunga Productions CIC are to carry on any activities, including TV and movie productions, which support and promote the conservation, protection and improvement of the wildlife and habitat in and around Virunga National Park. Virunga Foundation is the sole shareholder and has effective control of Virunga Productions CIC.

Grameen Virunga S.A.

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Grameen Virunga is a DRC registered company established on 12th of February 2204, with the purpose of providing loans to small and medium sized entities operating in North Kivu, which are connected to the Virunga Energies energy network.

The company is 67% owned by Virunga Foundation subsidiaries and 33% owned by Grameen Trust. The aim is to commence issuing of loans once Grameen Virunga has a banking licence issued by the DRC Central bank, (BCC).

Sicovir SARL

Sicovir is a Congolese limited liability company, 56.72% owned by Virunga SRL, which was created in October 2013. Virunga SRL's shareholding in Sicovir was increased from 20% to 56.72% in November 2022. Sicovir produces various soap types and edible oils from sustainable palm oil extracted from palm tree fruit kernels purchased from producers located in the proximity of the Park.

Société Provinciale d'Eau et d'Electricité, North Kivu, (SPEE-NK)

SPEE-NK is a Congolese joint venture organisation, formed together with the provincial Governor for North Kivu to provide clean water to areas of Goma. This joint venture entity is 51% owned by Virunga Development SARL, (a 100% subsidiary of Virunga SRL), with the remainder held by the provincial government.

Virunga Origins SRL

Virunga Origins SRL is a Belgian limited liability company, established in 2022 and 40% owned by Virunga SRL. Virunga Origins was established to market cocoa products, grown and produced in the vicinity of the Park by local communities, predominantly to the European market.

Virunga Chocolate SARL

Virunga Chocolate SARL is a Congolese limited liability company, in which Virunga SRL has a 20% shareholding established in 2020. Virunga Chocolate SARL produces high quality chocolate products from cocoa grown by local farmers, which is marketed and sold, both domestically and in international markets.

Virunga Enzymes SARL

Virunga Enzymes SARL is a successful Congolese limited liability company, 20.7% owned by Virunga SRL, established in 2015. It produces the plant-based enzyme ("papain") extracted from the latex of Papaya trees which is exported primarily to Europe, where it is used in a wide range of pharmaceutical and healthfood products.

Related Entities

Fonds Virunga Belgique

Fonds Virunga Belgique is a non-profit association, (ASBL/VZW), based in Belgium. It undertakes fundraising and awareness campaigns for the benefit of the Park (through Virunga Foundation). While Fonds Virunga Belgique has no formal legal relationship with Virunga Foundation, it maintains strong co-operation with the Foundation and donates all the funds it raises to Virunga Foundation.

Congo Conservation Foundation Inc. & Conservation Aviation LLC

Congo Conservation Foundation Inc. & Conservation Aviation LLC, (formerly Virunga Foundation USA Inc. & Virunga Airwing LLC, prior to name changes), are two USA registered entities which own the aircraft leased to Virunga Foundation to support of its operations. Virunga Foundation retains US registration for the aircraft, which it leases from Conservation Aviation LLC, to ensure compliance with the highest international

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operating standards. These two USA registered entities are treated as one single entity from a US tax perspective, and are legally independent of Virunga Foundation.

Virunga Airwing (Pty)

Virunga Airwing (Pty) is a South African company which provides microlight aircraft to Virunga Foundation, used in reconnaissance and other monitoring activities. All of the operating and related management costs are born by Virunga Foundation.

Partnerships etc.

US CAF Friends Fund

In December 2019, a formal contract was established with CAF America, which manages a US Equivalency Determined, "Friends Fund", for the sole benefit of Virunga Foundation. This Fund enables tax effective donations from legal persons subject to US, (individual or corporate), to be made to Virunga Foundation.

Others

Virunga Foundation maintains close working relationships with nature conservation organisations such as the United Nations Education Science and Culture Organisation (UNESCO), the Ugandan Wildlife Authority, (UWA), the Zoological Society of London, the Frankfurt Zoological Society, the Wildlife Conservation Society, the International Union for the Conservation of Nature, (IUCN), Arcus Foundation, Meise Botanic Garden and the World Wildlife Fund, (WWF). The Foundation has also worked closely with the Farm Africa UK registered charity, particularly around improving coffee production techniques, to increase both product quality as well as local added value.

Governance

Virunga Foundation is a charity registered with the Charity Commission of England and Wales having the legal form of a company limited by guarantee. Virunga Foundation is managed by its trustees, in accordance with all relevant legislation and guidance published by the Charity Commission of England and Wales, (Charity Commission), as well as with UK corporate legislation governing the operation of limited companies. The Trustees are all members of the Board of Trustees of Virunga Foundation, the Board of Trustees being the governing body of the Charity.

Charity Governance Code

The revised charity governance code was updated in December 2020. The Trustees view is that the Board complies with the revised code. The Charity Governance Code, the Charity Commission Guidance CC3 and the Articles of Association have all been shared with Trustees. The Charity Governance Code requires that the Trustees Annual Report record and explain the background to any Trustees who have been in their Trustee role for in excess of nine years. Three of the Charity's Trustees have been in post for over nine years at the time of this report, Jan Bonde Nielsen and Francois de Donnea for over 17 years and Joanna Natasegara for over ten years. The Charity's Articles allow for Trustee terms to exceed 9 years in cases where it, "would be in the best interests of the Charity for a particular Director or Directors to continue to serve beyond that period and that Director is reappointed by a unanimous decision of the remaining Directors", due to the particular skills and experience of an individual, as is the case for the three Trustees listed here.

There are currently six board trustees, with a diverse range of professional skills and experience, enabling them to contribute substantively to the governance oversight of the wide range of activities undertaken by

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the Charity. Trustees continue to consider the composition of the Board in relation to ensuring the Board comprises individuals with appropriate experience across all key areas of the Charity's operations. A Finance and Audit Committee board sub-committee, includes an independent external representative to strengthen financial oversight, in particular from a UK Charity perspective.

The Committee meets regularly and maintains an overview of all material financial matters and key risks based on management reports, on which it reports back regularly to the Board. Summary notes and all papers presented at Committee meetings are shared with the Board subsequent to each Committee meeting. The Charity's Articles are kept updated in order to comply with good governance practice, including most recently to reference best practice implemented in relation to Indigenous Peoples interaction.

Strategic Report

The disclosure of strategic report activities as required under the Charities SORP (FRS 102) registered in England and Wales are met through various disclosures within this Trustees Report.

Management

The senior executive of the Virunga Foundation is its Chief Executive Officer, (CEO), who is appointed by and responsible to the Board. The CEO has executive responsibility and authority to manage and operate Virunga Foundation as defined in the articles of association, which were updated in 2024 to comply with all relevant legislative obligations and good governance practice. In order to deliver on the objectives of the Charity, the CEO oversees a team of managers, employed to manage and co-ordinate the wide-ranging operations of the Charity, both in and in the proximity of the Virunga National Park. The CEO reports to the Chairman of the Board. The CEO also holds a formal position with the ICCN, being that of the Chief Warden of the Virunga National Park. There is a potential conflict of interest related to holding positions of both, CEO of Virunga Foundation and Virunga Park Chief Warden, of which the Board and the Charity Commission are cognisant. A specific Board instruction is in place to manage this potential conflict of interest.

Employees

In 2024 Virunga Foundation employed an average of 512 staff on permanent contracts, (plus 618 on temporary contracts) and its main subsidiary Virunga Energies employed an average of 290 staff on permanent contracts, (plus 293 on temporary contracts), being a total of 802 staff on permanent contracts, (plus 911 on temporary contracts). In 2023 Virunga Foundation employed an average of 502 permanent staff and Virunga Energies an average of 280 permanent staff, a total average of 782 permanent staff. In the course of 2024 Virunga Energies employed between 300 and 1,500 daily/temporary workers on its ongoing projects, (construction and maintenance). These workers are employed in accordance with the national labour law, through local agreements, which support equitable sharing of the jobs within communities where the underlying level of unemployment is very high. These rotating 22-day contracts permit the provision of additional income to a much wider population base, than would otherwise be achievable.

Section 172 Statement

Virunga Foundation is governed by its charitable objects, as presented in the Public benefit section of this report. The activities of the charity are assessed on how they contribute to meeting its charitable objectives. Measurement of contribution ranges from metrics on conservation goals and achievements, to development goals such as employment creation, delivery of renewable energy and increasing the incomes of local farmers through a range of initiatives. As a charity with a wide ranging, but integrated, conservation, development and rule of law strategy, Virunga Foundation has a very broad range of stakeholders. Key stakeholders to whom the charity are accountable include, employees and local populations benefiting from the Charity's work, as well as local, regional and national authorities. Other key stakeholder groups include funders, who have a significant ongoing commitment in supporting the Charity's work, and who require and

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receive regular and detailed reporting on the Charity's projects, activities and outcomes. As one of the world's pre-eminent national parks and Africa's oldest, there is significant public interest in Virunga National Park. The Park's high profile, generates support, as well as creating communication obligations on the Charity, as the organisation responsible for managing the Park.

Managing and delivering on a wide ranging, but highly integrated strategy, requires the oversight of multiple interdependencies, political, financial, environmental and security. The Board is regularly appraised of developments across all areas, with specific updates being issued whenever particularly challenging situations arise. Challenges in recent years have included the high risk security situation due to the presence of illegal armed groups, most notably the M23 and Rwandan army, (RDF), which have expanded their control over in excess of 40% of the Park's land area, which since January 2025 now also includes the city of Goma.

Decisions taken by the Board in the course of 2024 and 2025 include responsive reactions to support management, at both national and international political levels, in relation particularly to the activities of the RDF and M23, as well as the approval of new development projects.

Trustees are aware of the complex range of relationships and partnerships which the Charity's management has to manage in order to deliver on its strategy. The Board composition reflects the need for a divergent set of skills, experience and contacts to be present among Board members, in order to support management in a variety of contexts, local, national and international, across a range of functional areas.

The Board has approved a set of organisation policies which help ensure it provides appropriate oversight, both directly, as well as through its Finance and Audit sub-committee. These policies include; Staff code of conduct and ethics policy, Anti-bribery and corruption policy, Conflicts of Interest policy, Procurement policy, Risk Management policy and Complaints and Whistleblowing policy (supported by confidential email and phone complaints access).

It is by means of these policies, as well as through regular reporting, both proactive and reactive, from senior management, that the Trustees fulfil their Section 172 obligations.

Public Benefit

In carrying out their activities, the Trustees ensure that Virunga Foundation activities are in accordance with the Charity Commission's guidance on public benefit.

As background to its public benefit objectives, Virunga Foundation has a contract with the ICCN to manage the Virunga National Park, which runs until May 2050. This management contract is central to Virunga Foundation's charitable public benefit objectives. Located in North Kivu in the east of the Democratic Republic of Congo, (DRC), Virunga National Park is Africa's oldest national park, founded in 1925 and was designated a World Heritage Site in 1979. In 1994, the Park was designated as a, 'World Heritage Site in Danger', by UNESCO, which indicated it was subject to the imminent threat of comprehensive destruction.

The loss of the flora and fauna of the Park would represent an irreversible loss to humanity, therefore actions taken to protect and restore the Park are for the public benefit. Virunga Foundation's primary purpose is the conservation of the Park, working with the Congolese authorities to do so. Virunga Foundation is the key organisation providing direct support for the management and protection of the Park and directly provides in excess of 95% of the Park's funding.

As part of its charitable objectives, Virunga Foundation also plays a key role in the economic and social development of the region, despite the catastrophic impact of decades of armed conflict. In 2013 Virunga Foundation launched the Virunga Alliance, an extensive multi-faceted programme dedicated to creating a healthy and peaceful post conflict economy through the sustainable development of resources in and around the Park. These activities include the generation of hydroelectricity, the distribution and delivery of this electricity, the active development of, agribusiness, fisheries and other sustainable business activities utilising the hydroelectricity generated.

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The Charity's Objects, all considered to be for the public benefit are set out in the Articles of Association as follows:

- i. the promotion for the benefit of the public of the conservation, protection and improvement of the physical and natural environment and biodiversity of the Protected Areas of Africa including Virunga National Park in the Democratic Republic of Congo, and the wildlife within the Protected Areas of Africa including Virunga National Park, including by means of the promotion of effective management;
- ii. the relief of financial need, hardship or poverty of people living and/or working in and around the Virunga National Park;
- iii. the promotion for the benefit of the public of sustainable development that supports the conservation of the physical and natural environment and biodiversity of the Virunga National Park including through,
- iv. the preservation, conservation and the protection of the environment and the sustainable use of natural resources;
- v. the relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities living in and around the Virunga National Park; and
- vi. the promotion of sustainable means of achieving economic growth and regeneration;
- vii. to facilitate the administration of the law and the preservation of public order for the benefit of the public;
- viii. to promote conflict resolution and reconciliation for the public benefit between institutions, organisations, groups and people in and around the Virunga National Park; and
- ix. the education of the public on environmental issues including biodiversity, conservation, sustainability, and management of the wildlife Parks, reserves and protected conservation areas of Africa and the wildlife within them, including Virunga National Park, and in subjects relating to sustainable development.

Objectives, Progress and Achievements

In order to deliver on its charitable objects Virunga Foundation has initiated and manages an extensive and diverse range of projects, which together have as their objective, the establishment of a sustainable social and natural environment in North Kivu, with the goal, among others, of supporting the conservation of the Virunga National Park.

The individual projects often contribute to simultaneously progressing several charitable objectives.

The project objectives are categorised under the headings of, conservation, security and rule of law, sustainable development, poverty reduction and education, (across all of the aforementioned objectives).

The following sections of the Report present a summary of Virunga Foundation's achievements during 2023 in line with agreed strategic objectives, as well as future objectives.

Conservation

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Virunga's conservation strategy has three core objectives as follows: preserving species diversity, restoring and maintaining healthy population numbers and ensuring that appropriate measures are in place to protect critically important and unique ecosystems.

The conservation strategy is delivered through two main processes: 1) the preservation of ecosystem integrity by maintaining effective boundaries and providing stability within those boundaries to guarantee stable or increasing populations and 2) with respect to maintaining the park's uniquely high levels of endemism, an EDGE (Ecologically Distinct Globally Endangered) approach is adopted in order to define the park's critically important species.

These critical species, include the park's population of great apes and other large mammals including lions, hippos and elephants, are considered keystone species and are the subject of "extreme conservation" strategies that seek to intensify protection, establish zero poaching regimes in areas of active restoration, improve veterinary support, and strengthen monitoring and surveillance.

Tracking

The tracking of the very wide range of species living in Virunga National Park, is a key tool for understanding the development of species' populations, which provides direct information on the effectiveness of conservation activities.

For many years there has existed a serious security challenge for those working in the Park, whether as ICCN Rangers or Virunga staff, and the last three years have seen a significant increase in the security risks which have curtailed the ability to track various species. This applies particularly to the significant, over 40% of the Park area, now controlled by the illegal M23 militia and RDF. Though the continued presence of ICCN Rangers and some Virunga staff has been negotiated, tracking of the mountain gorilla population has largely been maintained using local community trackers. Feedback from these teams indicates, an increase in the number of snares being laid, some deforestation from grazing of domestic animals as well as increased illegal human presence, all of which significantly increase the threat to the Mountain Gorilla groups. The work of the local community trackers and ICCN Rangers, indicates that the Mountain Gorilla populations have not suffered any unnatural losses and continue to increase at natural growth rates. Late in 2024 the first full scale assessment of the mountain gorilla population since 2021 was commenced. The results of this assessment were very positive, indicating that the population has increased at a rate of 3.5%, which is higher than the natural population growth rate.

Wildlife Monitoring Tools

The use of technology in the area of wildlife monitoring with two key tools plays a key role. These primary tools being the use of Camera traps and Collaring.

The use of strategically positioned camera traps continues to facilitate increased observations of key species, in particular savannah species, (lions, elephants, leopards, hyenas, hippos, large antelope species, pangolins and buffalo). Camera traps are also used to identify animals suffering from snares and/or other human induced injuries. The Park also relied heavily on camera traps to effectively monitor its population of eastern common chimpanzees residing in the gallery forest. In addition to wildlife monitoring, camera traps also play an important role in identifying areas of illegal human activity by revealing armed group movement, and poaching. Information gathered by these cameras enables rangers to organize operations more effectively in these areas.

In recent years Virunga has been working with a team from Microsoft AI for Good to develop machine learning algorithms to help the Park accelerate the process of analysing camera trap images for both overall species recognition, as well as for individual animal identification.

Poaching levels have increased and the threat to the lion population is critical. In order to develop better information on lion movements in the Park, with three adult lions, now having satellite tracked collars.

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The result of this initiative has been highly effective, providing near real time information, which has enabled the ongoing identification of a number of pride members and hierarchies. The increased frequency and sophistication of analysis of tracking information is expected to result in increased protection for the lion population. Based on observations and tracking information the population is estimated at between 30 and 50 individual lions.

Ishasha Valley

The Ishasha valley has been a focus of conservation for a number of years, due to the depletion of many key species and overall species population numbers after several decades of armed conflict in the area. Reintroduction and conservation work has had significant success in recent years both in the reintroduction of species and of population increases. The populations of all key species, including elephants are monitored and continue to grow, with losses to poaching relatively low and not significantly impacting on population growth. This impact has been in large part achieved through the creation of a "wildlife corridor" to the adjacent Queen Elizabeth National Park, (QENP), in neighbouring Uganda, which enables animals to migrate freely across the open national border which the two Parks share.

In addition to the poaching threat highlighted in previous paragraphs, there are various invasive plant species which are threatening the original natural vegetation of the Park. In order to address this threat Virunga works closely with QENP to undertake a scientific assessment of the threat, as well as testing methods to eradicate invasive species.

Mt. Tshiaberimu

Restoring and protecting Mt. Tshiaberimu's ecosystem and its critically important wildlife is a major priority for the Virunga over the next few years. This work includes, most notably, saving the only remaining Eastern Lowland Gorilla population in Virunga National Park, which had fallen to only seven individuals, a population level which is not viable without intervention. A project focussed on preserving this group made significant progress in 2024. Work associated with this project was significant and included, reinforcement of ranger positions, camera traps to monitor gorilla movement and any illegal human presence, habitat surveys, participatory demarcation and the construction of an airstrip, as well as an intermediate pre-release local familiarisation protected site. The project, in cooperation with the GRACE gorilla sanctuary, has involved the release of four additional females who late in 2024 joined the existing family group. Observations indicate the newly released females have rapidly integrated well with the existing group. It is hoped that the combination of recent actions and ongoing monitoring will greatly increase this Eastern Lowland Gorilla population's chances of survival and recovery in the Park.

Security / Rule of Law & Human Rights

ICCN Rangers are the key resource enforcing the rule of law within the Virunga Park boundaries, a task performed to very high standards, but also one with very high levels of personal risk. Since 2021 the insurgency into the southern sectors of the Park, and from 2024 also in the Northern sector and adjoining territory by the M23 illegal armed militia together with the Rwandan Army (RDF), has meant the Rangers have been unable to undertake their law enforcement activities in these areas. The M23 and RDF are a heavily armed military force which has killed thousands of the local population in those areas they have taken control of, as well as displacing hundreds of thousands more.

The illegal occupation has meant that Virunga staff have had to be very flexible and creative in finding ways of continuing to fulfil its conservation and development activities, at no small risk to their own personal safety. Virunga Foundation takes all measures possible to ensure the safety of its staff and where possible also of local populations, when planning and undertaking its work. The invasion by the M23 and RDF has also had a significant collateral impact in other sectors of the Park. The impact of the M23 and RDF taking control of Goma in late January 2025, cannot be predicted at this stage, but staff located in Goma continue to deliver on their work, despite the takeover by a hostile authority which now controls the city.

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The DRC Government supported a number of illegal armed militia groups in the hope and expectation that they would assist in their fight against the M23 and RDF, however, a number of these groups have used their increased arms to expand their illegal activities, which include terrorizing local populations to extort resources and exert control over already highly impoverished populations. Initiatives by international and regional groupings to provide support for the DRC government in tackling the M23 and RDF invasion has been largely ineffective, as the territory under their control has continued to expand in the course of 2024 and 2025. The UN MONUSCO force no longer functions and other African regional initiatives have been ineffective. The very complex and rapidly shifting security situation requires constant monitoring and appropriate reaction to protect Virunga's people and assets as best as the situation permits.

The UN describes the situation in North Kivu resulting from the invasion by M23 and the RDF as one of the major humanitarian disasters in the world today, but international awareness, attention and action remains limited. Media coverage has increased, but concrete action from the international community is largely absent despite common understanding that the M23 are Rwandan backed and that several thousand Rwandan army soldiers are active in the occupation. The human statistics underscore the scale of the disaster unfolding. UNHCR has stated that in Eastern DRC there are over 7 million internally displaced. The UN had two displacement camps located on the periphery of Goma with in the region of 1 million IDPs estimated to be in these camps, though after taking control of Goma in January 2025 the M23 and RDF have been forcing IDPs out of the camps, in an effort to force them to return to the areas from which they fled to escape from violence initiated by M23 and RDF. The US sponsored "Peace Agreement" signed by DRC and Rwanda in April, has not impacted on the ongoing repression of local population, nor provided any indication of a withdrawal of RDF forces, or M23 ceding control back to the DRC authorities.

In the face of multiple security challenges, Virunga and its partners continue to provide valuable support for communities and protection for much of the Park's flora and fauna. In 2024, the ICCN Rangers made well in excess of 1,000 arrests relating to illegal activities, ranging from illegal fishing and animal poaching to illegal cultivation in the Park's Territory. Rangers had multiple armed confrontations with illegal armed militia groups, however, due in part to increased security measures and protocols there were no Ranger deaths in the course of 2024. Efforts to prevent poaching of animals in the central sector have been increased to counter increasing incidences of poaching by the Mai Mai and FDLR militias. In the Northern section ICCN Rangers are providing civilian protection, supporting boundary protection and providing security at key Virunga project activity locations.

Virunga Foundation enforces high ethical standards for all of its staff, including at its subsidiaries, where all are required to sign the Foundation's code of conduct and ethics, which sets high standards for personal responsibility and behaviours. The code specifically precludes any acts of corruption, or breaches of the prevailing laws, as well as requiring compliance with Virunga Foundation's own rules and regulations. Virunga Foundation operates a complaints phone line and email address by which complaints about any aspect of the work of the organization or the behaviour of its employees can be reported. The number of this line and email address are highly publicized in all of the areas where Virunga Foundation is present, either directly or through partner organisations. In addition to this code for Virunga staff, there suppliers are also obliged to comply with minimum core labour and ethical standards as set out in contracts.

Human Rights training is provided to all Rangers on a regular basis, in accordance with UN guidelines and is a key element of Virunga Foundation's support for the Rangers. This training enables and ensures that their interventions comply with best practice with regard to observing and implementing best human rights practices. A new cohort of over 80 ICCN Rangers have undergone intensive training in 2024 and will join the existing Ranger force in early 2025, to significantly strengthen the existing Ranger force.

Sustainable Development & Poverty reduction

Virunga Energies

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Providing access to reliable and affordable energy to over 5 million people living in close proximity to Virunga National Park is one of Virunga Foundation's key development objectives. Virunga Foundation established Virunga Energies in 2013 and there has been over 155 million USD invested constructing Virunga Energies' network of hydro-electric generation and electricity distribution network with support from, the European Union, the World Bank, BII, USAID, The Howard Buffett Foundation, The Schmidt Family Foundation, and The World We Want Foundation. The provision of sustainable and reliable electricity directly supports one of Virunga Foundation's primary charitable objectives, that of development and poverty reduction. Virunga Energies' electricity provides a key resource which enables the drive and ingenuity of the local population to create new businesses. These businesses provide employment and raise living standards, creating a positive growth cycle.

A Congolese registered commercial subsidiary, Virunga Energies SAU, is run as a social enterprise, where dividends will eventually be re-invested to support both, the goal of poverty alleviation in the region and the conservation activities of the Park.

Revenue has grown significantly in recent years. In 2017 revenue was just over 1 million USD, but by 2024 has grown to 12.6 million USD, despite the major security issues experienced in the course of the year. Incidents included several occasions where the power lines to Goma were temporarily destroyed, most significantly for one week in January 2025 when the conflict in Goma resulted in the loss of all power delivery to Goma. In January 2025 the Virunga Energies transmission lines were damaged in 10 separate locations with technicians unable to access for a week due to fighting. However, when technicians were able to access the locations of the damage, power was restored in under 48 hours. The ability of Virunga Energies staff to operate and effect rapid repairs is testament to their commitment and professional ability.

Increasing revenue by over 17% year on year, (\$10.7m to \$12.6m), as was achieved in 2024, despite being a year dominated by major armed conflict, including intermittent destruction of power transmission infrastructure elements, provides a good indication of the potential for continued major sales growth.

The completion and commissioning of Rwanguba 1 in January of 2025 was a critical step for maintaining the growth in the sale of electricity, as it will deliver power to Goma, where the distribution network has been considerably expanded. With a population in excess of 2 million, demand is expected to continue to grow for the foreseeable future, both domestic and commercial/industrial. In the days immediately subsequent to the major conflict in Goma, demand had already returned to over 90% of pre-conflict levels. Rwanguba 1 will be capable of delivering 13 MW, and with the planned Rwanguba 2, increasing the generation capacity to 26 MW. One other key project essential for the delivery of increased power to Goma is the completion of the high voltage line project linking the Matebe and Rwanguba 1 powerplants to Goma. The installation of transformer sub stations on these lines in the course of 2025 will enable the transmission of the full power output of the Matebe and Rwanguba plants to Goma, including Rwanguba 2 when completed.

By the end of 2024, sustainably generated electricity was being supplied to 38,200 clients (both domestic and commercial clients), compared to 32,500 end 2023, an increase of 5,300, (over 16%), clients during 2024. The end of 2024 total comprised 35,700 domestic clients and 2,500 commercial clients, compared to 31,000 and 1,500 clients respectively in 2023.

In addition to commercial and domestic customers, free electricity is provided to thirty two public service institutions, including schools and hospitals. Free public street lighting makes a major contribution to public safety, particularly at this time of heightened security risk.

A project initiated in the course of 2023, funded by UNICEF, completed in the first half of 2024, saw the construction of a pipeline to deliver clean drinking water to thousands of internally displaced Congolese persons (IDPs), living on the outskirts of Goma, after having been displaced by the M23 illegal armed militia and the Rwandan Defence Forces. Phase one of the project was completed in the first half of 2024 and a second phase of the project completed later in 2024, with several hundred thousand people now having access to clean drinking water thanks to the hydro-engineering expertise of Virunga Energies staff. In February of 2025 the M23 destroyed UN IDP camps forcing the IDPs to flee, however, the pipeline continues to deliver water to local residents.

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Tourism

Tourism has historically played a key role in Virunga Foundation's work, providing an effective tool to communicate to an international audience the value of the Park, as well as historically being a source of income. Over the past five years, however, successive events have caused the suspension of most tourism activities in the Park. These events include in sequence, an Ebola outbreak, the COVID pandemic, followed by major security issues, largely caused by the insurgency of the M23 illegal armed group and the RDF. Tchegeza Island on Lake Kivu was the only tourism site that was able to remain active in 2024, due to the security situation having forced the closure of all other sites in 2022. Visitor numbers in 2024 were, 3,947 individuals, of whom 2,640 were Congolese, with 1,307 of other nationalities.

While the potential for tourist activity remains high, any return to earlier tourism numbers is totally dependent on a major improvement in the current security situation. No site will be reopened unless management is fully confident it is able to ensure the safety of visitors.

Virunga Development

Virunga Development, a wholly owned subsidiary of Virunga Foundation, undertakes a very wide range of development activities in the proximity of the Park. All of these development activities are fully aligned with the development and poverty reduction charitable objectives of Virunga Foundation. A summary of some of the key activities undertaken by Virunga Development in 2024 is presented in the following paragraphs. The number of jobs created by Virunga's sustainable development projects is now estimated at 20,000, which includes 7,000 jobs in SMEs enabled by Virunga Energies electricity and Virunga Development small business loans. Working with local farmer cooperatives is a key aspect of Virunga's development strategy for farmers. Several regional cooperatives, including Kawa Kanzururu (coffee & cocoa), COOPADE (coffee), Le Jardin (cocoa), and COAGES (cocoa), are receiving tailored support to strengthen governance, financial management, contract negotiations, and compliance with international traceability and certification standards.

Small Business Loans

The provision of loans to local entrepreneurs is a key initiative supporting development objectives. Loans issued in 2024 were provided by Equity bank, but backed with a guarantee from Virunga Foundation, with funding provided by the Schmidt Family Foundation. Loans are provided in an innovative manner whereby the borrower repays the loan via a small surcharge on their unit electricity cost, of electricity provided by Virunga Energies. This repayment technique means that businesses only repaying loans when they are consuming electricity, and therefore for seasonal, or other fluctuating activity businesses, repayments will be lower at times of low commercial activity.

The loans fund a very wide area of business activities, ranging across; milling, refrigeration, ovens, welding machinery, carpentry machinery, small scale manufacturing, oil presses and agricultural processing. Borrowers can access a range of development support services, including, training in marketing, communication, accounting and reporting. This training is given by local providers funded by Virunga Development using grant funding received specifically to develop sustainable local businesses. The value of loans provided at the end of 2024 was 1.5 million USD provided to in excess of 1,000 small and medium sustainable businesses. A key development in the loan area was the creation in early 2024 of a joint venture with Grameen Bank to create a much expanded microcredit operation. This joint venture was created with the involvement and support of Mohammad Yunus, the founder of Grameen Bank. Once Grameen Virunga SA receives a banking licence, it is planned that all Virunga small business loans will be provided from Grameen Virunga SA.

Business Parks

The establishment of business parks is a key activity of Virunga Development. The purpose of these business parks is to provide infrastructure to support and enable entrepreneurs to establish and grow their sustainable businesses in a secure and supported environment. There are currently three business parks,

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one in Mutwanga, Goma and Musienene. The business parks provide security, electricity, water and functional work spaces for a wide range of manufacturing and processing activities.

The most established business park being in Mutwanga, in the northern sector of the Park, which already houses successful and expanding companies, including most notably, coffee processing, chocolate production and soap manufacturing. The chocolate factory has significantly increased production capacity, as well as adding cocoa bean drying and sorting equipment. A new refinery for papain seeds has been constructed by Virunga Enzymes which will increase the value added locally. The second business park, located on the periphery of Goma was established in 2021. Despite the security challenges a new modular hangar of 800 square metres has been added to the Goma Park. The most recent addition to the business parks is a park located in Musienene, building on the success of the Mutwanga and Goma. Entrepreneurs in all locations are investing and establishing in these locations to take advantage of the security, services, logistics, as well as cost sharing benefits which these business parks provide.

Agriculture

Agriculture has an increasingly important role in Virunga's development agenda to create long term reliable employment for individuals, especially small-scale farmers, through the creation of a more stable and higher local value-added projects. A wide range of projects located adjacent to all the sectors of the Park benefit from Virunga Foundation interventions which range from the provision of education and training, the supply of seeds through to processing/production activities.

In total, over thirteen thousand households, 32 farmers' associations and six private companies in the agriculture sector benefit from Virunga's support. The project of increasing wheat production, to support local bakeries and reduce dependence on food imports is well underway. A flour mill project has been completed which will be in operation from the second half of 2025 and is capable of processing up to 50 tonnes per day. In addition to the flour mill a new biscuit factory has been constructed, as well as two industrial bakeries.

Sustainable Palm Oil

Virunga's project to revitalise old palm oil plantations through a sustainable palm oil project continues to make good progress. A new palm oil press in Mangina has been built and is operational, significantly increasing production capacity. As with the wheat project increasing local production and processing capacity reduces the requirement to import products and can provide finished products at more competitive prices than imports.

Capacity building programmes are in place for local farmers and their co-operatives, focussed among others on cooperative management and business skills to ensure the longer term sustainability of these businesses.

Coffee

The successful Virunga coffee project continues to develop and grow in sales. The project involves working closely with two partner cooperatives, with a combined total of over 10,000 participating farmers. Farmers involved in the project are provided with material and educational support, including around marketing of their products.

There are well established partnerships between the cooperatives and major international coffee buyers, Rombouts and Volcafé, facilitated with the assistance of Virunga. These partnerships have enabled small scale producers to mitigate risks through secured contracts and to capture more value by avoiding local middlemen, enabled by a 3-year agreement under the "Café des Virunga" label, which incorporates the Park's logo. The impact of training and new processing methods has resulted in international recognition of the quality of "Virunga" coffee, enabling the cooperatives to leverage their increased knowledge and proven product quality in securing improved terms with buyers, which translates to more income for farmers as well as for the creation of local jobs in the preparation process. The revenue to farmers is around 365 USD per 100kg of raw coffee beans. Once processing, marketing and export costs are included the total revenue per 100kg achieved is around 850 USD. In value added terms the total value added per 100kg is estimated at

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575 USD, of which 90 USD of value added is attributable to the farmers. The exact figures per 100kg vary dependent on current market prices.

Cocoa

The development of the “Virunga Origins”, Cocoa project which commenced commercial operations in September 2020, continued to grow its sales in 2024. The project is underpinned by working with the Sycoodep cooperative, which involves over 7,000 cacao producers in the Beni area. The project aim is to equip them with necessary skills and infrastructure to operate in a legal, transparent cacao supply chain. Virunga has established the region's first cacao fermentation centre in the Rwenzori sector for the cooperative's use. This facility allows for the immediate processing of fresh cacao, streamlining production and facilitating quicker payments for producers. Virunga has Eastern Congo's first, “from Bean to Bar” chocolate factory, adhering to international standards. This factory, featuring a fully operational solar-powered cocoa roaster with a 500-tonne annual capacity, positions it as the world's first chocolate production facility powered entirely by renewable energy. The factory also has a dedicated cocoa mass production line which will produce 600 tonnes of cocoa mass per year for the major chocolate producer Puratos.

A value-added economic study (VCA4D) found that local chocolate transformation generated 106 thousand USD in additional economic value last year. Efforts are also underway to align with the new EU ‘zero-deforestation’ regulations, to ensure that all Virunga Origins products meet sustainability criteria. Currently, 1,500 producers are registered in the iCOOP traceability system for batch production. Virunga has already supported over 1,500 cocoa farmers to obtain Rainforest Alliance certification and in excess of 7,000 becoming certified organic cocoa farmers. These certifications increase the incentive for cocoa farmers to adopt best environmental standards as certified farmers obtain materially higher prices for their products. Discussions are well advanced with the Colruyt Group (Everyday brand) and Interbio, to distribute 4–5 tonnes of chocolate in Belgium and the DRC, alongside potential exports of chia seeds and coffee.

Maize

Virunga's support provided to the maize farming sector in the Rutshuru area has transformed the local economy. The creation of 145 mills, many supported by loans from the Virunga Development loan scheme enables flour to be produced locally rather than requiring to be imported. In 2022 a 10% yield increase was achieved by farmers working with Virunga. With the war in Ukraine continuing to have a major adverse impact on food supply to Africa, causing major inflation of food process, improving the capacity to grow and process food locally is critical, and is a key objective of the EU funded food security project. Yield improvements continue to be achieved by optimisation and capacity building around processing and milling optimisation.

Fish

The fishing projects all relate to fish sourced from Lake Edward, largely focussed on enabling the creation of a “cold” value chain to increase the value of fish caught and reduce waste. The effective delivery of these projects will improve the socio-economic conditions of the local communities located adjacent to the Lake. Projects are aimed at developing the supply of fresh fish from legal fishing on the Lake, to major urban centres, notably Goma and Butembo.

A cold chain delivery logistics system including cold storage facilities, ice production and refrigerated transportation has been established. Stakeholders include, fishermen, processors, local sellers, and transporters. Virunga's collaborations have involved working with fishermen and fish processing and delivery associations. Increased conflict levels have prevented the delivery of fish to Goma, however, alternative distribution strategies are being explored to maintain access to markets.

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Fundraising

Strategy and approach

Virunga Foundation's long term funding strategy is for the Park to become self-sufficient through income generated from activities undertaken by its subsidiaries, notably Virunga Energies, rather than being dependent on external grant funding.

Significant resources, grant and loan funds are therefore invested in creating operations to generate long term reliable income sources. The major investment for income generation to date has been Virunga Energies where over 100 million USD has been invested in creating a fully vertically integrated hydro based power utility, which in 2024 generated gross revenue of 12.4 million USD, (2023 10.7 million USD).

Virunga Energies has the capacity to generate multiple times this revenue when, its 2021 commissioned plant, Luviro, significantly increases its existing customer base and as the January 2025 operationally commissioned plant Rwanguba 1 increases available capacity for Goma, removing any load shedding requirements.

Other sustainable sources of income include income generated by Virunga Development, as well as from investments in Sicovir, Chocolate and Chia seed companies, with all of these companies being customers of Virunga Energies. Recent major EU grants to support food processing under its food security programme have significant potential to significantly Virunga Development's revenues.

Fundraising Channels

While the long term strategy to achieve financial independence remains, in the medium term Virunga Foundation continues to invest in a range of fundraising activities. In recent years there has been increased investment in fundraising with additional resourcing, to support in particular, on-line giving channels. These online initiatives have generated significant increases in the level of public giving from smaller and medium donors. The increase in co-ordination of on-line giving actions with website content has proven to be an effective very low cost way of increasing online generated revenue.

Institutional and Foundation Donors

The major source of Virunga Foundation's income remains institutional and foundation donors. The composition of the large scale donor pool has developed over time and large institutional and foundation grants continue to comprise in excess of 90% of total income.

The European Union (EU) remains Virunga's principal donor, and is therefore the key partner in the supporting the charity's activities including the conservation and development of Virunga National Park. The EU supports major projects with a range of objectives including the preservation of the flora and fauna of the Park, as well as improving the quality of life for people living in the proximity of the Park. The EU support encompasses all programs: Park operations, tourism, electricity, agriculture, entrepreneurship support, etc. The level of EU support is a reflection of EU confidence in Virunga Foundation as a trusted reliable partner with a well proven track record of delivering on projects, in what is recognised internationally as a very challenging environment.

Other institutional donors include the World Bank and USAID. USAID signed its first grant contract with a value of 1.6 million USD in 2019. Due to the successful delivery on USAID project work in the first years of grant funding, USAID became the second largest Virunga donor with efforts made to ensure all their rigorous reporting requirements continued to be met. A new institutional donor INL, (a US state department body funding international initiatives,) provided over 1.5 million USD. Due to high level US political decisions

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on largely cancelling the provision of overseas aid funding the USAID funding has been withdrawn and future INL funding is at risk.

Major project funding is also raised from a number of Charitable Foundations. The pool of charitable funders includes among others, The World We Want, 11th Hour, The Schmidt Family Foundation, Re:wild and Last Chance for Animals, (LCA). Virunga Foundation holds an "Equivalency Determination" with the Schmidt Family Foundation, which recognises Virunga Foundation as being equivalent to a US charitable organisation from the perspective of a US donor, in relation to taxable deductibility of donations.

Public Fundraising

The proportion of funds raised from the general public, as indicated, is not a major fundraising mechanism but continues to generate a material revenue stream. As well as contributing unrestricted funds, public fundraising plays a major role in increasing public awareness of the unique nature of the Park and the impact of Virunga Foundation's work. In excess of 0.6 million USD was raised directly from public fundraising in 2024.

Individual donors give through a range of fundraising platforms, largely online, via providers such as Donorbox, The Giving Block, Just Giving and a Friends Fund with CAF America. The CAF Friends fund has a US charitable equivalency determination which provides individual US tax paying donors with tax deductibility for their gifts. Supporters also contribute to the Park via alternative channels such as workplace giving programs, Virunga's online stores and donating directly to Virunga Bank accounts in the UK and Belgium.

Fundraising Obligations

The Charity did not receive any complaints in the course of 2024, or up to the end of August 2025, relating to its fundraising activity. The only proactive fundraising undertaken is via a page on the website and occasional emergency appeals, also web based. Individual donations arise from general public awareness of the work of the Charity, which is created through both conventional and social media channels, as well as word of mouth. The charity does not make any unsolicited fundraising approaches to individuals via marketing tools such as, email, text, or cold calling by any method and does not engage third party fundraisers, or fundraising volunteers. Due to the international scope and nature of the Charity's operations, there are no fundraising staff employed in the UK.

Virunga Foundation is registered with the UK Fundraising Regulator. Due to the predominance of institutional and foundation grant funding, Virunga Foundation is very focussed on meeting the exacting reporting and review requirements of donors through the performance of frequent independent audits and the provision of tailored financial audit reports, as well as on generating monitoring and evaluation reports.

Investment Policy and Performance

In accordance with its Articles of Association, the charity has the power to invest funds in any manner the Trustees deem appropriate, but only after obtaining such advice, as the Trustees consider necessary, and having regard to the suitability of investments and the need for diversification.

The Trustees, taking into account liquidity required to operate the charity, have operated the practice of maintaining funds in current accounts in order to make funds available for operations at short notice. There are therefore no investments of cash made with a view to long term value growth. Available funds are rather allocated to covering operating costs and own investments in projects to increase long term sustainable income generation.

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Risk Management

Virunga Foundation's risk management approach is formalised in its Risk Management Policy approved by the Board of Trustees in 2019.

The Risk Management policy defines the risk management approach approved by the Trustees and implemented in the Foundation. The output from the risk management process is a risk register summarizing the key areas of organization risk, identifying current and proposed mitigations, to provide a post mitigation risk rating for identified risk categories. A risk appetite statement framing Virunga Foundation's risk management approach was adopted by the Foundation Board in June 2022 and reviewed most recently in April 2025.

Responsibility

Responsibility for risk management is shared among the Board of Trustees and the Management of the Foundation. The Board has the overall responsibility for reviewing risk management to ensure sound and effective risk management and internal control systems are in place.

Management's role is to design and implement these systems, and to report to the Board, and Finance & Audit Committee on the risks identified and how they are managed.

Virunga Foundation Risk Management Framework

The Finance & Audit Committee supports the Board in monitoring risk exposure and in providing input to the operating effectiveness of the underlying risk management and internal control systems. Acting on behalf of the Board, the Finance and Audit Committee oversees the following process on a regular basis;

Reviewing the principal organizational risks and control measures summary in order to mitigate or reduce such risks, assessing the strengths and weaknesses of the overall risk management and internal control systems and action plans, to address identified weaknesses or improve the assessment process,

Reviewing the business process and operations as reported by Internal Control, including action plans, to address identified control weaknesses, as well as status updates and monitoring the implementation of audit recommendations; and

Reviewing any reports from the external auditor on any control issues identified in the course of their work and discussing with the external auditor any areas of interest/concern.

The Finance & Audit Committee aims to report its findings to the Board, which then considers these findings in forming its own view on the effectiveness of the Foundation's risk management systems.

End 2024, Review of Risk Management

Virunga Foundation's activities take place in the North Kivu Province in the east of the Democratic Republic of Congo, which is a high-risk environment, both in terms of physical security, as well as for maintaining strong levels of financial control.

The critical risks to operational continuity and the measures in place to manage such risks are the following:

Security Risk

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As described throughout this Report, North Kivu is a region with an inherently high security risk due to the combination of limited law enforcement resources and a significant presence of illegal armed groups and occupying forces. These groups modus operandi comprise a range of illegal activities, including killing and terrorizing, extortion, poaching and kidnapping. Fatal attacks on the local population are frequent and ICCN Park Rangers are also sometimes directly targeted in attacks.

The allocation of resources to protect people and the Park from the activities of these illegal groups is a major element of the activity of the Park Rangers, who receive support from Virunga Foundation in their work.

On a much larger scale than all other illegal militia groups, the re-emergence in 2022 of the Rwandan backed M23 illegal militia group, and the RDF itself, has severely exacerbated the security situation, making operational activities difficult and hazardous. The M23 and RDF currently control extensive areas of the southern and central sector of the Park, (In excess of 40%). In January of 2025 the M23 and RDF took control of the city of Goma, replacing Congolese authorities. This relocation of FARDC soldiers to fight against M23 and RDF forces lead to the deployment of a significant increase in Park Rangers into the central sector, compensating for the withdrawal of FARDC. Throughout 2023, 2024 and into 2025 the M23 and RDF continue to increase the areas under their control.

There are extensive security risk mitigation measures in place including; regular intelligence gathering, co-operation with military forces, both national and the UN, and the implementation of detailed security procedures, which are regularly reviewed.

Forward operating bases have been constructed in the northern sector, which together with working with local communities and the FARDC, have increased security and hugely reduced incident response times. Emergency transmitters distributed to local communities have also contributed to reduced reaction times and significantly lower fatalities. There are a range of standard operating security procedures covering all aspects of operations, which are not static, but reviewed regularly to identify potential improvements. Despite the significant resources allocated to security and all the mitigations in place, security is and will remain the major risk facing the Charity's operations.

Political and Regulatory instability

The political and related regulatory instability prevailing in the DRC and North Kivu presents a significant risk for Virunga Foundation in its potential to influence operations in unpredictable ways. There is a relatively high degree of regulatory and legislative intervention which leads to significant compliance requirements, increasing costs, directly and indirectly, through new, or revised, legislation. Examples of specific risks include dependency on the support of the ICCN, exposure to shifting political agendas, as well as the Government regulation of the electricity sector. Electricity sales being the major future income source of Virunga Foundation from its sustainable energy subsidiary, Virunga Energies, where new taxes can and have been created and raised on Virunga Energies revenue in recent years and there is continuing potential for the implementation of new taxes.

While Virunga Foundation has 16 years of experience in managing these risks, changes in the political and regulatory environment cannot be predicted. Specific mitigation actions include integrating contracts and activities across a wide array of supportive and influential partners such as Congolese Government institutions, the European Union, United Nations agencies and development institutions in the UK, Belgium, US, and Netherlands. Senior management staff and trustees maintain regular contact with government authorities in Kinshasa and at the provincial level enabling it to maintain ongoing effective relationships. The most significant development in the past year has been the significant expansion of the area controlled by the M23 and RDF which in January 2025 included the capture of Goma with significant associated violence and ongoing persecution of local communities, which are intermittently reported by international media.

Solvency and Liquidity Risk

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The nature and location of Virunga Foundation's work, combined with its funding model (based largely on restricted project grants), means that accurately forecasting the scale and allocation of future funding much beyond a year in advance is challenging.

While the forecasting and securing of future funding has improved and sources of revenue have diversified, so the scale of activities has expanded and the level of security risk impacting on revenue generation capacity has similarly increased. Improvements to manage this risk have included a range of measures, including among others, the Finance and Audit Committee, established in 2020, which closely monitors cash flow projections and discusses with management the measures to address identified funds flow risks. Additionally, cash flow projections are now regularly updated with a future horizon of over two years, where contracted grants, plus conservatively forecast revenue from grants under negotiation, plus income from other sources, commonly represents in excess of 80% of two year forecast requirements.

There remains a strong focus on ensuring timely audits of projects to minimize any delay in receipt of subsequent funds, however, there are unavoidable timing differences between expenditure and receipt of funds in many instances. The increase in other sources of income such as, Virunga Energies income and internet donations, as well as short term financing facilities, are all key to increasing the levels of unrestricted funding to enable operational continuity.

Discussions at the Finance and Audit Committee have increased the focus at a governance level on the need to establish free reserves to manage better fluctuating fund flows from grants and loans. The requirement to establish free reserves as a priority has been identified at Board level. Establishing a level of free reserves being critical to reduce the frequency of adverse cashflow developments, which have negative impacts on the delivery of organization objectives. The creation of free reserves remains a significant challenge due to the majority of the Charity's funding being in the form of restricted grants, however, with increasing own revenue levels it is hoped that free reserve creation will become achievable in future.

Strengthening Underlying Systems

As the scale of operations expands Virunga Foundation is continually making improvements to its internal control systems. Internal control work identifies areas requiring attention and initiates appropriate mitigating actions. The resourcing of the Internal Control function is regularly reviewed in relation to the scale and scope of operations. There have been resourcing challenges in the internal control function, in part exacerbated by the security situation, however, recruitment is underway to increase the resourcing in 2025. A new ERP system was deployed in 2024 which will greatly increase the scope for establishing more effective integrated systems which will include strengthened internal control processes. While the new ERP system is now implemented, there will be ongoing work to ensure it is operating robustly and effectively, to increase operational and control performance

Financial Review

Total income from grants and donations for the year amounted to USD 36.8 million (2023: USD 48.4 million). The most material elements of this income was received in the form of grants from, EU, USAID, Re:wild, Schmidt Philanthropies and INL. The significant annual variance is due to the significant fluctuation in construction projects which are predominantly funded by grants.

Grants received are principally of a restricted nature, though all include a limited unrestricted percentage intended to cover the recognised need to contribute to general costs. Restrictions are, however, generally quite broad, for example EU grants covering Park operating costs. The EU is the largest single provider of donor funding to Virunga Foundation and has provided several large multi-year grants, across all key areas of operation and development, including, Park Support, Lake protection, Agricultural development, Wildlife trafficking, Transboundary conservation, as well as multiple grants to support the sustainable energy project managed by VE. These grants cover periods of between 2 and 7 years, with grants totalling in excess of 100 million USD having been awarded in recent years.

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USAID's first grant to Virunga Foundation was signed in 2019. The relationship with USAID had proven positive with a third grant for 2023 of 4.2 million USD obtained, however, a change in US Government policy on foreign aid meant funding was cut off early in 2025 with only amounts for already completed work being paid in the course of 2025.

The main source of income apart from charitable grants and donations is the commercial revenue generated by Virunga Energies, whose activities are described earlier in the report.

Revenue growth in Virunga Energies continues a strong upward trajectory, having increased to 12.4 million USD in 2024 from 10.7 million USD in 2023, an annual increase in excess of 15%.

The total spent on charitable activities in 2024 was USD 33.1 million (2023: USD 23.7 million) which relates primarily to the costs of protecting the Virunga National Park and expenditure on supporting ICCN Rangers. Expenditure on raising funds in 2024 amounted to USD 18.3 million (2023: USD 13.8 million), of which 76% was spent on the development and operation of the hydropower infrastructure of Virunga Energies.

Fixed assets comprise principally of the hydropower plants and electricity distribution networks. Total net tangible fixed assets at 31 December 2024 amounted to USD 125.9 million (2023: USD 119.0 million). In accordance with UK accounting standards construction costs have been capitalised and are disclosed as fixed assets.

The net surplus for the year 2024 was USD 3.1 million (2023: USD 26.3 million). The restricted and unrestricted funds at year-end 2024 amounted to USD 53.1 million and USD 50.9 million respectively (2023: USD 52.3 million and USD 48.6 million respectively).

In addition to grants and donations, Virunga Foundation uses short-term and long-term debt facilities to fund its operations. Creditors falling due within one year at 31 December 2024 amounted to USD 33.3 million (2023: USD 32.2 million). At year end 31 December 2024 long-term debt amounted to USD 15.2 million (2023: USD 20.1 million), with the largest lender, in excess of two thirds of total long term debt being the UK-based development bank, British International Investment plc, (BII), formerly known as CDC.

Virunga Energies has a significant USD 95.2 million intercompany debt to Virunga Foundation at the end of December 2024, based on loans provided to enable the creation of its vertically integrated energy operations (2023: USD 93.9 million). These operations cover the entire value chain, from power plant construction, through generation and distribution, to customer sales. With Virunga Energies operations now generating positive cashflows, it is expected that repayments towards this debt will commence in the short to medium term. However, there is no short term pressure on Virunga Foundation to receive material repayments on this debt, due to its ongoing effective external fundraising performance.

A prior year adjustment was made in respect of the aircraft. as recorded in the prior year adjustment note in the accounts. This adjustment was made to record aircraft acquired between 2015 and 2023 which were not previously recorded within fixed assets.

Reserves

Virunga Foundation receives very low levels of unrestricted funding in relation to its largely restricted grant income. This income pattern, together with the significant resources required for operational activities, typically not funded by unrestricted income, has made it very challenging to establish unrestricted reserves.

As background, all of the material projects and activities of Virunga Foundation require a substantial security infrastructure, the costs of which are not all covered by restricted project income, which effectively means a significant percentage of unrestricted income is required to support projects funded by restricted income.

While the Trustees continue to review how Virunga can in future generate unrestricted cash reserves, to a level acceptable to beneficiaries and partners, as well as in line with good practice, this remains a major challenge. 2023, 2024, and into 2025, have been dominated by the ongoing major security issues resulting

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from the invasion and occupation of large areas of North Kivu by the M23 and RDF, which has largely shut down Tourism operations and adversely impacted on multiple operations. The security situation, with its adverse impact on income generating activities, as well as on requiring additional expenditure, has limited the scope for the planned establishment of reserves. While the ultimate aim remains to develop free reserves over time for Virunga Foundation, sufficient to cover the value of at least half a year of operational costs, this will require an increase in the level of unrestricted funds raised and most likely require a period of greater security and stability.

In future, efforts to increase fundraising channels will be key to creating the opportunity for establishing reserves through unrestricted income, including specifically Virunga Energies, which, as described in this report, continue to achieve impressive revenue growth in spite of the current security situation and is expected to make substantial contributions towards group operating costs in the coming years.

As at 31 December 2024 the total consolidated funds held by the Group amounted to USD 104.0 million (2023: USD 100.9 million), comprising unrestricted funds of USD 50.9 million (2023: USD 52.3 million) and restricted funds of USD 53.1 million (2023: USD 48.6 million).

Going concern and uncertainties

Virunga Foundation operates in the North Kivu region of DRC, an area currently with very high inherent risks. The substantial re-emergence in 2022 of the M23 illegal armed militia and the RDF in North Kivu after an absence of 10 years, when Goma was last under illegal foreign occupation, represents the major constraint and risk to operations. With the M23 and RDF now in control of Goma, the impact on the southern sector of Virunga National Park and surrounding areas, including on Goma, has been catastrophic for the local population. The UN is describing the situation in Eastern DRC as a humanitarian catastrophe with millions of IDPs constantly having to move to try and escape from the expanding annexation by the M23 and RDF.

While severely challenging situations often arise which could have severe adverse impacts on the Charity's operating environment, the Charity has a long and well established record of being able to continue to operate and grow despite the challenges. Many of the Charity's large donors, institutional and charitable, regularly react to challenging situations which arise through additional support. Therefore, in assessing any going concern risk in the context of unforeseen adverse developments, it is important to take in to account the Charity's very well established record of being able to attract additional funding in emergency and crisis situations, as well as its ability to navigate complex political and operational situations.

From a financial liquidity perspective, a number of project activities require to be pre-financed before funding is received, often on the basis of the completion of an audit to confirm past expenditure was valid. The complex negotiation and approval processes often mean that even after initial agreement for new grants has been achieved, it can take several months to receive the funds, on dates which are difficult to forecast. For example, whilst Virunga's relationship with its largest funder, the EU is good, the EU is a complex organisation requiring the careful managing of relationships and co-ordination with representatives in both Brussels and Kinshasa.

Additionally, EU funding often requires approval by DRC authorities before remittance. While the process can be protracted and exact finalisation date of the various grants difficult to predict precisely, giving rise to short term funding challenges, the track record of attracting consistent and increased funding is well established and proven. Specific examples of methods to address these cash flow timing issues includes the use of both bridging loans and credit lines, which the Charity has shown to manage effectively over a number of years.

The forecast level of grants and other income is considered adequate to fund operational requirements for beyond the next two years, the exact timing of finalisation of agreements and receipt of funds can occasionally pose challenges for the Charity in terms of cash flow management. Experience clearly proves that Virunga is well able to manage short term cash flow issues as previously described, avoiding material impact on plans.

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From a governance perspective the Finance and Audit Committee is actively engaged with management on the approval of any short term funding “bridges”, which may be required to manage cash flows, which though adequate to fund operations on an annual basis, as described, may potentially face short term challenges.

The establishment of mechanisms to raise short term bridge funding, as described above, is in part to address the absence of any material free reserves, which is recognised as an ongoing challenge. The generation of unrestricted income from among others, as indicated, the sale of sustainably generated electricity is a key identified future mechanism to build up a level of free reserves. The creation of reserves remains a priority for the Board.

In the first half of 2024, two major new EU grants were finalised, NDICI-3, (which includes funding for Rwanguba 2) and Resilience grant, with a total value of approximately 77.5 million USD. The first tranches of these two grants, totalling 43.2 million USD, were received in first half of 2025. In addition, negotiations on an EU Global Gateway grant for the Green Corridor project are at an advanced stage and expected to be finalised in 2025. The value of the Global Gateway grant is expected to be 50 million USD, with an initial tranche of 25 million USD expected to be received in January of 2026.

Conservative revenue projections, based on secured and almost secured grants, public fundraising and own revenue generation, indicate that revenue levels are adequate to secure planned activities through to mid-2027. In addition to multiple major funding agreements and projected own income generation, management maintains contingency plans identifying where expenditure can be reduced with minimal operational impact, should projected income targets not be met.

While any material reduction in planned expenditure due to any unforeseen significant revenue flow reduction would impact on planned development objectives, management is confident of its ability to maintain core operations and ensure the viability of the Foundation.

The Trustees are therefore satisfied that under foreseeable scenarios the Group will have sufficient funds to continue with its operations for the foreseeable future, being the period of at least twelve months from the date of approval of these financial statements and therefore it is appropriate to prepare these financial statements on a going concern basis.

Disclosure of Information to Auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

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TRUSTEES' REPORT
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Trustees' Responsibilities Statement

The Trustees (who are also directors of Virunga Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In approving this report, the Board of Trustees is also approving the Strategic Report included here in their capacity as company directors. This report was approved by the Trustees on 25 September 2025 and signed on their behalf by:



Jan Bonde Nielsen,
Chairman.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIRUNGA FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2024

Opinion

We have audited the financial statements of Virunga Foundation ('the charitable company') and its subsidiaries ('the group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2024 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIRUNGA FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2024

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 27 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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 (UK) 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
VIRUNGA FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2024**

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members and significant component audit teams. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and taxation legislation, together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were the General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation and Employment legislation. We also considered compliance with local legislation for the group's overseas operating segments.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.


We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, and the Finance and Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, sample testing of grant income, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
VIRUNGA FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2024**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Naziar Hashemi
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London, UK
30 September 2025

VIRUNGA FOUNDATION
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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds	Endowment and Restricted Funds	2024	2023 as restated
		\$	\$	\$	\$
Income from:					
Grants and donations	2	823,935	35,953,025	36,776,960	48,389,033
Income from charitable activities	3	85,687	257	85,944	120,511
Other trading activities	4	17,216,356	-	17,216,356	14,428,278
Investment income		<u>489,511</u>	<u>-</u>	<u>489,511</u>	<u>398,596</u>
Total income		<u>18,615,489</u>	<u>35,953,282</u>	<u>54,568,771</u>	<u>63,336,418</u>
Expenditure on:					
Raising funds	5				
- operational costs of hydro power plants		13,876,362	-	13,876,362	9,890,187
- other trading activities		4,410,961	-	4,410,961	3,424,302
Charitable activities	6	<u>184,176</u>	<u>32,919,684</u>	<u>33,103,860</u>	<u>23,736,418</u>
Total expenditure		<u>18,471,499</u>	<u>32,919,684</u>	<u>51,391,183</u>	<u>37,050,907</u>
Net income	7	143,990	3,033,598	3,177,588	26,285,511
Transfers between funds	16	<u>(1,441,581)</u>	<u>1,441,581</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(1,297,591)</u>	<u>4,475,179</u>	<u>3,177,588</u>	<u>26,285,511</u>
Deficit / (Surplus) attributable to non-controlling Interest		<u>(33,678)</u>	<u>-</u>	<u>(33,678)</u>	<u>56,864</u>
Net movement in funds attributable to the Group		<u>(1,331,269)</u>	<u>4,475,179</u>	<u>3,143,910</u>	<u>26,342,375</u>
Reconciliation of funds:					
Total funds brought forward		<u>51,360,358</u>	<u>48,633,808</u>	<u>99,994,166</u>	<u>74,089,191</u>
Prior year adjustment – Capitalised aircraft		<u>914,100</u>	<u>-</u>	<u>914,100</u>	<u>476,700</u>
Total funds carried forward	16	<u>50,943,189</u>	<u>53,108,987</u>	<u>104,052,176</u>	<u>100,908,266</u>

All activities relate to continuing operations.

Included within endowments and restricted funds is \$26k relating to an endowment fund set up for Fallen Rangers (2023: \$26k).

The notes on pages 36 to 58 form part of these financial statements

VIRUNGA FOUNDATION
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CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	2023 as restated
		\$	\$
Fixed assets			
Intangible assets	9	1,901,221	2,116,283
Tangible assets	10	125,853,520	119,039,807
Investments	11	<u>44,293</u>	<u>46,080</u>
		127,799,034	121,202,170
Debtors: amounts falling due after more than one year	12	186,000	344,568
Current assets			
Stock		7,759,189	8,353,881
Debtors: amounts falling due within one year	13	17,490,316	17,915,906
Cash at bank and in hand		<u>879,870</u>	<u>6,903,511</u>
		26,129,375	33,173,298
Creditors: amounts falling due within one year	14	<u>(33,314,709)</u>	<u>(32,205,083)</u>
Net current assets / (liabilities)		<u>(7,185,334)</u>	<u>968,215</u>
Total assets less current liabilities		120,799,700	122,514,953
Creditors: amounts falling due after more than one year	14	(15,222,276)	<u>(20,115,117)</u>
Net assets		<u>105,577,424</u>	<u>102,399,836</u>
Group Funds			
Endowment funds	16	25,833	25,833
Restricted funds	16	53,083,154	48,607,975
Unrestricted funds	16	50,943,189	<u>52,274,458</u>
Total funds of the charitable group		<u>104,052,176</u>	<u>100,908,266</u>
Non-controlling interest		1,525,248	1,491,570
Total Funds		<u>105,577,424</u>	<u>102,399,836</u>

The financial statements were approved and authorised by the Trustees on 25 September 2025 and signed on their behalf by:



Jan Bonde Nielsen, Chairman

The notes on pages 36 to 58 form part of these financial statements

VIRUNGA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
COMPANY BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	2023 as restated
		\$	\$
Fixed assets			
Intangible fixed assets	9	-	-
Tangible assests	10	1,218,450	914,100
Investments	11	<u>294,667</u>	<u>294,667</u>
		1,513,117	1,208,767
Debtors: amounts falling due after more than one year	12	97,645,770	96,386,274
Current assets			
Debtors: amounts falling due within one year	13	27,771,643	24,813,986
Cash at bank and in hand		<u>190,625</u>	<u>5,624,862</u>
		27,962,268	30,438,848
Creditors: amounts falling due within one year	14	<u>(33,431,952)</u>	<u>(29,874,078)</u>
Net current assets		<u>(5,469,684)</u>	<u>564,770</u>
Total assets less current liabilities		<u>93,689,203</u>	<u>98,159,811</u>
Creditors: amounts falling due after more than one year	14	<u>(3,494,472)</u>	<u>(4,651,959)</u>
Net assets		<u>90,194,731</u>	<u>93,507,852</u>
Charity Funds			
Endowment funds	16	25,833	25,833
Restricted funds	16	32,470,020	31,048,441
Unrestricted funds	16	<u>57,698,878</u>	<u>62,433,578</u>
Total funds		<u>90,194,731</u>	<u>93,507,852</u>

The deficit for the financial year dealt with in the financial statements of the parent company was \$3,313,121 (2023: deficit \$8,549,674).

The financial statements were approved by the Trustees on 25 September 2025 and signed on their behalf, by:



Jan Bonde Nielsen, Chairman.

Company number: 05598718

The notes on pages 36 to 58 form part of these financial statements

VIRUNGA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	<i>2023 as restated</i>
		\$	\$
Cash flows from operating activities:			
Net cash provided by operating activities	18	4,824,976	<i>7,009,348</i>
Cash flows from investing activities:			
Interest received		489,511	<i>398,596</i>
Acquisition of subsidiary		-	<i>-</i>
Purchase of intangible fixed assets		(339,904)	<i>(227,843)</i>
Disposal of intangible fixed assets		639,379	<i>49,713</i>
Purchase of tangible fixed assets		<u>(13,139,687)</u>	<i><u>(18,334,007)</u></i>
Net cash used in investing activities		<u>(12,350,701)</u>	<i><u>(18,113,541)</u></i>
Cash flows from financing activities:			
Repayments of borrowings		(4,247,916)	<i>(1,283,955)</i>
Cash inflows from new borrowing		<u>5,750,000</u>	<i><u>-</u></i>
Net cash provided by financing activities		<u>1,502,084</u>	<i><u>(1,283,955)</u></i>
Change in cash and cash equivalents in the year		<u>(6,023,641)</u>	<i><u>(12,388,148)</u></i>
Cash and cash equivalents brought forward		<u>6,903,511</u>	<i><u>19,291,659</u></i>
Cash and cash equivalents carried forward	19	<u>879,870</u>	<i><u>6,903,511</u></i>

VIRUNGA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The company has adapted its balance sheet, as permitted by the regulations, to show debtors greater than one year as a separate line and not within current assets.

Virunga Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Going concern

Virunga Foundation operates in North Kivu, a region with very high inherent risks, specifically; physical security, political uncertainty, serious public health issues and geological threats of volcanic eruption and earthquakes. The combination of these risks regularly places unforeseen demands on the Group and its staff to react immediately in order to preserve lives. Unpredictable events therefore occur which create resource demands, as well as reducing income generating activities, however, it is the reality that when emergency situations arise, unbudgeted material donations from established funders are invariably received. The global food security crisis being one such example, where a major EU grant has been received to help alleviate the impact of global food shortages in the region by investing in the creation of significant local food production and processing capacity.

The operating risk environment of Virunga Foundation is recognised as one of the most challenging in the world and as such there are multiple risks outside the control of the Group, the mitigations for which are necessarily limited.

The physical and political risk environments overlap and interact with the financial and funding risk environments, though as indicated above, material unbudgeted funding is frequently received when unforeseen events arise, be they environmental, health or security related. Virunga Foundation is highly dependent on a limited, though increasing number of large grants to fund its operations. The timing of the initial receipt of these grants and subsequent tranches, is critical in ensuring there is adequate funding to support operations and to maintain ongoing operations, as well as to enable the implementation of key projects. Work has been done by management, with the support of the finance and audit committee, to increase the level of scrutiny and planning, to minimise risks of liquidity issues. This includes being able to access "bridge" funding, which one substantial lender has indicated a willingness to provide.

The key security challenges as described in the Trustees report relate to the significantly increased illegal armed group activities, in particular those of the M23 illegal armed group which has occupied large areas of North Kivu, including the southern sector of the Virunga National Park. The activities of M23 and other groups has lead to the displacement estimated at over 2.5 million persons, which exacerbates instability and extreme humanitarian suffering in the region, including high risks of disease outbreaks, such as cholera. As part of its charitable objective Virunga Foundation allocates resources when possible, in an effort to reduce suffering, such as the construction of a potable water drinking pipeline to the outskirts of Goma.

VIRUNGA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. Accounting Policies (continued)

1.2 Going concern (continued)

The forecast level of grants and other income is considered adequate to fund operational requirements for the coming two years, based on the already existing secured and almost secured grants. The forecast level of grant income is considered conservative, not including grants still to be negotiated in the course of the next two years. In addition management has prepared an austerity scenario budget which could be implemented with reduced expenditure, in case of an unforeseen emergency situation arising. The requirement to implement such a budget is considered unlikely, but provides confidence in the capacity of the Charity to survive an emergency event.

The establishment of mechanisms to raise short term bridge funding, as described above, is in part to address the absence of any material free reserves. The generation of unrestricted income from among others, the sale of sustainably generated electricity is one of the future mechanisms identified to build up a level of free reserves. However, to date unrestricted income has been required to fund ongoing operations. The creation of reserves remains a priority for the Trustees. The Trustees are satisfied that under foreseeable scenarios the Charity will have adequate funds to continue with its operations for the longer term, but specifically for the period of at least twelve months from the date of approval of these financial statements and therefore it is appropriate to prepare these financial statements on a going concern basis.

Management has also developed contingency plans identifying where expenditure can be reduced should projected income targets not be met. While reduction in planned expenditure would impact on planned development objectives, management is confident it would be able to maintain core operations and ensure the viability of the Foundation.

The Trustees are therefore satisfied that in most scenarios the Group will have sufficient funds to continue with its operations for the foreseeable future, being the period of at least twelve months from the date of approval of these financial statements and therefore it is appropriate to prepare these financial statements on the going concern basis.

1.3 Basis of consolidation

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

Virunga Energies SAU Limited, & Virunga Foundation Limited (Dormant Kenyan entities), Virunga Belgique SRL Limited, Société Provinciale d'Eau et d'Electricité du Nord-Kivu (SPEENK), Virunga Origins and Grameen Virunga have been excluded from the consolidation as their inclusion is not material for the purpose of giving a true and fair view individually and in aggregate as permitted by section 405 of the Companies Act 2006.

The nature and purpose of all related entities are included on pages 5 to 8 of the trustees' report.

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

The company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

1.4 Group status

The company is a company limited by guarantee. The members of the company are certain of the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 in total.

VIRUNGA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. Accounting Policies (continued)

1.5 Reporting Currency

The functional and reporting currency used by the charity and group is United States Dollars and hence these accounts are reported in this currency.

1.6 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent assets retained for the benefit of the charity as a capital fund. Details of the nature and purpose of each endowment fund is set out in note 16. The expendable endowment fund represents a fund from which capital and interest can be drawn down for unrestricted use.

1.7 Incoming resources

Income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations of cash, which include regular giving, public donations and appeals, are recognised as income once the company has the right to receive the donation, it is probable that the economic benefits will be received, and the amount of the donation can be measured reliably.

Incoming resources are deferred only when the donor has imposed preconditions on the expenditure of resources. Income from government and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

Trading and other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Income from the provision of electricity is recognised by Virunga Energies upon delivery of service, based on meter readings or prepaid sales, reflecting the transfer of control to the customer.

VIRUNGA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. Accounting Policies (continued)

1.8 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.9 Intangible and tangible fixed assets

Expenditure on capital items for the parent charity is generally written off to the SOFA on the basis that the items acquired/constructed are for the benefit of the community/specific project and therefore they will not generate any future economic benefit for the charity.

Intangible and tangible fixed assets in respect of the subsidiary entities are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Buildings	-	0-5% straight line
Plant, machinery and equipment	-	4% straight line
Motor vehicles (excl. Aircraft)	-	25% straight line
Motor vehicles- Aircraft	-	10-20% straight line
Computer equipment	-	20-33% straight line
Other fixed assets	-	20% straight line
Intangible fixed assets (excl. cryptocurrencies)	-	20%-33% straight line

Impairment reviews are conducted when events and changes in circumstances indicate that an impairment may have occurred. If any asset is found to have a carrying value materially higher than its recoverable amount, it is written down accordingly.

Cryptocurrencies are held on the balance sheet as intangible assets, and are accounted for under the revaluation model, and are initially recognised at cost. They are subsequently carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

VIRUNGA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. Accounting Policies (continued)

1.10 Investments

Investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment.
- (ii) **Associated undertakings**
Investments in associates are valued at cost less provision for impairment.
- (ii) **Social investments**
Social investments are initially recognised at cost, with the carrying amount adjusted each year to reflect additional amounts invested, any repayments and accrued interest, and are assessed for impairment on an annual basis.

1.11 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.13 Cash at Bank and In hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.15 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

VIRUNGA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. Accounting Policies (continued)

1.16 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

1.17 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into dollars at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into dollars at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

1.18 Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

1.19 Stocks

Stocks represents parts and consumables held in respect of the hydropower stations, and are measured at the lower of cost adjusted, when applicable, for any loss of service potential and replacement cost.

1.20 Accounting estimates and key judgements

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates, and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

The significant areas of estimate and judgement include the remaining useful life of assets, impairment of assets and the recognition of grant income. Related accounting policies for these items are noted above.

VIRUNGA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Voluntary income

	Unrestricted funds	Restricted and Endowment funds	Total funds	<i>Total funds</i>
	2024	2024	2024	<i>2023 as stated</i>
	\$	\$	\$	\$
Donations	616,731	68,836	685,567	2,759,595
Grants	<u>207,204</u>	<u>35,884,189</u>	<u>36,091,393</u>	<u>45,629,438</u>
	<u>823,935</u>	<u>35,953,025</u>	<u>36,776,960</u>	<u>48,389,033</u>

In 2023, of the total income from grants and donations, \$3,100,887 was to unrestricted funds and \$45,288,146 was to restricted funds.

3. Incoming resources from charitable activities

	Unrestricted funds	Restricted funds	Total funds	<i>Total funds</i>
	2024	2024	2024	<i>2023</i>
	\$	\$	\$	\$
Lodge income	75,504	-	75,504	116,229
Other income	<u>10,183</u>	<u>257</u>	<u>10,440</u>	<u>4,282</u>
	<u>85,687</u>	<u>257</u>	<u>85,944</u>	<u>120,511</u>

In 2023, of the total other incoming resources, \$120,012 was to unrestricted funds and \$499 was to restricted funds.

4. Trading income

	Unrestricted funds	Restricted funds	Total funds	<i>Total funds</i>
	2024	2024	2024	<i>2023</i>
	\$	\$	\$	\$
Royalty income	542	-	542	743
Provision of electricity	12,399,439	-	12,399,439	10,465,865
Rent received and other trading income	<u>4,816,375</u>	<u>-</u>	<u>4,816,375</u>	<u>3,961,670</u>
	<u>17,216,356</u>	<u>-</u>	<u>17,216,356</u>	<u>14,428,278</u>

In 2023, of the total income from other trading activities, \$14,428,278 was to unrestricted funds and \$nil was to restricted funds.

VIRUNGA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

5. Expenditure on raising funds

	Staff costs	Other direct costs	Total funds	<i>Total funds</i>
	2024	2024	2024	<i>2023</i>
	\$	\$	\$	\$
Hydro power plant operational costs	5,578,946	8,297,416	13,876,362	<i>9,890,187</i>
Other trading activities	-	4,410,961	4,410,961	<i>3,861,702</i>
	<u>5,578,946</u>	<u>12,708,377</u>	<u>18,287,323</u>	<i><u>13,751,889</u></i>

In 2023, of the total expenditure on raising funds, \$13,954,490 was for unrestricted funds and \$(202,601) was for restricted funds.

6. Analysis of expenditure on charitable activities

	Staff costs	Other direct costs	Support costs	Total	<i>Total</i>
	2024	2024	2024	2024	<i>2023</i>
	\$	\$	\$	\$	\$
Agriculture and development	1,151,549	9,309,696	42,571	10,503,816	<i>3,878,146</i>
Protection of Virunga National Park	<u>2,994,437</u>	<u>19,494,574</u>	<u>111,033</u>	<u>22,600,044</u>	<i><u>19,858,272</u></i>
	<u>4,145,986</u>	<u>28,804,270</u>	<u>153,604</u>	<u>33,103,860</u>	<i><u>23,736,418</u></i>

In 2023, of the total expenditure, \$3,440,936 was expenditure from unrestricted funds and \$20,295,482 was expenditure from restricted funds.

Included in support costs are foreign exchange losses of \$72,536 (2023: \$34,454) and governance costs of \$108,100 (2023: \$334,345).

VIRUNGA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

7. Net incoming resources

This is stated after charging:

	2024	<i>2023 as stated</i>
	\$	\$
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	76,536	<i>46,500</i>
Fees payable to the company's auditor and its associates in respect of:		
- Non-audit services	750	<i>-</i>
Depreciation of tangible fixed assets owned by the charitable group	5,534,983	<i>5,126,432</i>
Amortisation of intangible fixed assets owned by the charitable group	139,287	<i>223,700</i>

During the year, no Trustees received any remuneration for their services as a trustee (*2023: \$nil*).

During the year, no Trustees received any benefits in kind (*2023: \$nil*). No Trustee received reimbursement of expenses in the current year (*2023: No Trustees - \$nil*). Other transactions with Trustees are detailed in Note 21.

VIRUNGA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

8. Staff costs

Staff costs were as follows:

	2024	<i>2023</i>
	\$	\$
Wages and salaries	<u>16,633,280</u>	<i><u>14,561,492</u></i>

The average number of persons employed by the company during the year was as follows:

	2024	<i>2023</i>
	No	<i>No</i>
Charitable activities	547	<i>546</i>
Other trading activities	172	<i>135</i>
Hydropower	<u>290</u>	<i><u>280</u></i>
	1,009	<i>961</i>

Staff costs above are inclusive of amounts paid by the Charity to the Park Rangers, who are employed by ICCN (the DRC governmental department in charge of the Park). As they are not employees of the Charity the Rangers are not included in the average number of staff figures above.

The number of higher paid employees was:

	2024	<i>2023</i>
	No	<i>No</i>
In the band £60,001 - £70,000 (\$76,723 - \$89,509)	1	<i>3</i>
In the band £70,001 - £80,000 (\$89,510 - \$102,296)	0	<i>0</i>
In the band £80,001 - £90,000 (\$102,297 - \$115,083)	1	<i>1</i>
In the band £90,001 - £100,000 (\$115,084 - \$127,870)	0	<i>0</i>
In the band £100,001 - £110,000 (\$127,871 - \$140,657)	0	<i>0</i>
In the band £110,001 - £120,000 (\$140,658 - \$153,444)	0	<i>0</i>
In the band £120,001 - £130,000 (\$153,445 - \$166,231)	1	<i>1</i>

The key management personnel of the charity comprise the trustees and the senior management team. The total amount of employee benefits received by the senior management team for their services to the charity was \$1,193,269 (2023: \$1,146,653). The trustees receive no remuneration or benefit from the charity for acting as trustees.

Included within wages and salaries above is \$NIL (2023: \$NIL) in respect of redundancy payments.

VIRUNGA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

9. Intangible fixed assets

	Group Goodwill	Group Computer software	Group Other fixed assets	Group Total
Group	\$	\$	\$	\$
Cost				
At 1 January 2024	54,708	1,683,913	3,510,256	5,248,877
Additions	-	38,899	301,005	339,904
Disposals	-	-	(639,379)	(639,379)
At 31 December 2024	<u>54,708</u>	<u>1,722,812</u>	<u>3,171,882</u>	<u>4,949,402</u>
Depreciation				
At 1 January 2024	-	239,883	2,892,711	3,132,594
Charge for the year	-	-	139,287	139,287
Depreciation on Disposals	-	-	(223,700)	(223,700)
At 31 December 2024	=	<u>239,883</u>	<u>2,808,298</u>	<u>3,048,181</u>
Net book value				
At 31 December 2024	<u>54,708</u>	<u>1,482,929</u>	<u>363,584</u>	<u>1,901,221</u>
At 31 December 2023	<u>54,708</u>	<u>1,444,030</u>	<u>617,545</u>	<u>2,116,283</u>

Other Intangible assets comprise engineering and stability studies, as well as the design, site management, and commissioning of substations in Goma and Matebe. These assets support the long-term development of the region's energy infrastructure.

VIRUNGA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

10. Tangible fixed assets

	Land and buildings	Plant and machinery	Motor vehicles	Computer equipment	Motor vehicles- Aircraft as restated	Other fixed assets	Total as restated
Group	\$	\$	\$	\$	\$	\$	\$
Cost as restated							
At 1 January 2024	89,967,883	49,636,517	5,727,532	1,415,760	1,188,500	317,147	148,253,339
Additions	8,764,100	3,754,674	27,905	157,858	403,000	32,150	13,139,687
Disposals	(876,168)	-	(81,715)	(4,668)	-	-	(962,551)
Foreign exchange movement	(27,810)	(113)	-	(105)	-	-	(28,028)
At 31 December 2024	<u>97,828,005</u>	<u>53,391,078</u>	<u>5,673,722</u>	<u>1,568,845</u>	<u>1,591,500</u>	<u>349,297</u>	<u>160,402,447</u>
Depreciation							
At 1 January 2024	12,021,159	10,723,153	5,038,618	1,005,707	274,400	150,495	29,213,532
Additions	3,242,559	1,705,797	123,207	364,770	98,650	-	5,534,983
Disposals	(196,291)	-	-	-	-	-	(196,291)
Foreign exchange	(3,082)	(113)	-	(102)	-	-	(3,297)
At 31 December 2024	<u>15,064,345</u>	<u>12,428,837</u>	<u>5,161,825</u>	<u>1,370,375</u>	<u>373,050</u>	<u>150,495</u>	<u>34,548,927</u>
Net book value							
At 31 December 2023 as restated	<u>77,946,724</u>	<u>38,913,364</u>	<u>688,914</u>	<u>410,053</u>	<u>914,100</u>	<u>166,652</u>	<u>119,039,807</u>
At 31 December 2024	<u>82,763,660</u>	<u>40,962,241</u>	<u>511,897</u>	<u>198,470</u>	<u>1,218,450</u>	<u>198,802</u>	<u>125,853,520</u>

Included in the above are fixed assets under the course of construction of \$21,856,372 (2023: \$27,138,120).

Included in land and buildings is freehold land at cost of \$1,288,219 (2023: \$1,250,766) which is not depreciated.

Other fixed assets primarily relate to technical installations supporting the expansion of the Goma hydropower network. These include infrastructure and equipment investments aimed at improving energy generation and distribution capacity.

The cost and depreciation brought forward has been restated owing to the prior year adjustment disclosed in Note 22 to these financial statements.

VIRUNGA FOUNDATION
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11. Fixed asset investments

Group	Other investments \$
Cost	
At 1 January 2024	46,080
Foreign exchange movement	<u>(1,787)</u>
At 31 December 2024	<u>44,293</u>

Group investments at cost comprise:

	2024 \$	2023 \$
Listed investments at market value		-
Other fixed asset investments	<u>44,293</u>	<u>46,080</u>
	<u>44,293</u>	<u>46,080</u>

All the other fixed asset investments are held in Belgium by Virunga SRL, the fully owned subsidiary of Virunga Foundation.

	Shares in group undertakings \$
Company	
Cost	
At 1 January 2024 and 31 December 2024	<u>294,667</u>

Company investments at cost comprise:

	2024 \$	2023 \$
Investment in subsidiaries	<u>294,667</u>	<u>294,667</u>

Details of the principal subsidiaries and associates can be found under note number 21.

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12. Debtors due after more than one year

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Deferred tax asset	-	344,568	-	-
Other Debtors	186,000	-	-	-
Virunga SRL	-	-	2,057,663	1,959,679
Virunga Energies SAU	-	-	95,185,438	93,875,344
Sicovir SARL	-	-	402,669	551,251
	<u>186,000</u>	<u>344,568</u>	<u>97,645,770</u>	<u>96,386,274</u>

The movement in value for the year was as follows:

	\$
Value at 1 January 2024	96,386,274
Additional loans	1,791,158
Repayments	(639,284)
Accrued interest	<u>107,622</u>
Value at 31 December 2024	<u>97,645,770</u>

13(a). Current Assets – Stocks

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Raw materials and consumables	7,535,915	8,032,544	-	-
Finished goods and goods for resale	<u>223,274</u>	<u>321,337</u>	-	-
	<u>7,759,189</u>	<u>8,353,881</u>	<u>-</u>	<u>-</u>

13(b). Current Assets - Debtors

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Due within one year				
Trade debtors	3,391,022	2,048,837	-	-
Amounts owed by group undertakings	484,553	184,669	14,757,935	12,562,322
Other debtors	3,046,167	5,342,831	2,406,588	1,449,136
Prepayments and accrued income	<u>10,568,574</u>	<u>10,339,569</u>	<u>10,607,120</u>	<u>10,802,528</u>
	<u>17,490,316</u>	<u>17,915,906</u>	<u>27,771,643</u>	<u>24,813,986</u>

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14. Creditors:
Amounts falling due within one year

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Bank loan and overdrafts	8,459,556	3,828,694	-	-
Other loans	2,162,903	249,221	2,162,903	249,221
Trade creditors	4,112,776	4,316,153	451,186	63,789
Social security and other taxes	148,230	694,981	137,887	120,737
Amounts owed to group undertakings	-	-	15,652,822	9,522,233
Taxation	2,338,491	-	-	-
Other creditors	2,092,154	1,170,003	1,033,917	1,035,649
Accruals and deferred income	<u>14,000,599</u>	<u>21,946,031</u>	<u>13,993,237</u>	<u>18,882,449</u>
	<u>33,314,709</u>	<u>32,205,083</u>	<u>33,431,952</u>	<u>29,874,078</u>

Amounts falling due after one year

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Deferred income	-	-	-	-
Other loans	3,634,091	4,651,959	3,494,472	4,641,959
Bank loans	<u>11,588,185</u>	<u>15,463,158</u>	<u>-</u>	<u>-</u>
	<u>15,222,276</u>	<u>20,115,117</u>	<u>3,494,472</u>	<u>4,641,959</u>

Analysis of loans -

Amounts falling due within 1 year	10,622,459	4,317,986	2,162,903	249,221
Amounts falling due within 1-2 years	5,525,486	6,116,933	1,753,856	1,157,487
Amounts falling due within 2-5 years	7,089,017	9,414,091	1,880,235	3,494,471
Amounts falling due after more than 5 years	<u>2,607,772</u>	<u>4,344,022</u>	<u>-</u>	<u>-</u>
	<u>25,844,734</u>	<u>24,193,032</u>	<u>5,796,994</u>	<u>4,901,179</u>

Bank and other loans comprise the following -

- A \$9m loan from BII repayable over the period ending 31 December 2026. Interest is charged at 5% per annum interest plus an additional 1% per annum commitment fee interest. At 31 December 2024, \$5.2m of this loan is outstanding.
- A \$2.5m loan from Illeros Limited repayable over the period ending 31 December 2026. Interest is charged at 2% per annum. At 31 December 2024, \$1.2m of this loan is outstanding.
- A \$4.9m loan from Schmidt Family Foundation repayable over the period ending 31 December 2028. Interest is charged at 0.25% per annum. At 31 December 2024, \$4.7m of this loan is outstanding.
- A \$10.3m loan from BII repayable over the period ending 30 June 2031. Interest is charged at 6% per annum. At 31 December 2024, \$10.1m of this loan is outstanding.
- A total of \$2.25m in short term unsecured loans from Maskrosen Invest AB. Interest is charged at 2% per annum. At 31 December 2024, \$1m of this loan is outstanding.
- A \$3.5m loan from BII repayable over the period ending 31 December 2031. Interest is charged at 7% per annum. At 31 December 2024, \$3.5m of this loan is outstanding.

Virunga Foundation has also provided a guarantee to Equity Bank in respect of development loans previously issued by Virunga Developments which were purchased by Equity Bank in 2020. At 31 December 2024 the guarantee amounted to \$272k, for which a corresponding amount is held in a separate bank account.

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15. Deferred taxation

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
At beginning of year	344,568	<i>385,690</i>	-	-
Added/(released) during the year (P&L)	<u>(344,568)</u>	<i><u>(41,122)</u></i>	-	-
At end of year	<u>-</u>	<i><u>344,568</u></i>	<u>-</u>	<i><u>-</u></i>

The deferred taxation balance is made up as follows:

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Accelerated capital allowances	<u>-</u>	<i><u>344,568</u></i>	<u>-</u>	<i><u>-</u></i>

16. Statement of funds

	Brought forward as restated	Income	Expenditure	Transfers & other gains	Carried forward
	\$	\$	\$	\$	\$
Unrestricted funds					
General funds	<u>52,274,458</u>	<u>16,540,936</u>	<u>(16,430,624)</u>	<u>(1,441,581)</u>	<u>50,943,189</u>
Restricted funds					
Protection of Virunga National Park	<i>13,369,740</i>	<i>21,407,583</i>	<i>(22,615,187)</i>	<i>1,375,238</i>	<i>13,537,374</i>
Agriculture and development	<i>4,317,803</i>	<i>11,492,096</i>	<i>(10,304,497)</i>	<i>66,343</i>	<i>5,571,745</i>
Hydro power plant construction	<u>30,920,432</u>	<u>3,053,603</u>	<u>-</u>	<u>-</u>	<u>33,974,035</u>
	<u>48,607,975</u>	<u>35,953,282</u>	<u>(32,919,684)</u>	<u>1,441,581</u>	<u>53,083,154</u>
Expendable endowment funds					
Fallen rangers fund	<i>25,833</i>	<i>-</i>	<i>-</i>	<i>-</i>	<u>25,833</u>
Total Restricted and Endowment funds	<u>48,633,808</u>	<u>35,953,282</u>	<u>(32,919,684)</u>	<u>1,441,581</u>	<u>53,108,987</u>
TOTAL GROUP FUNDS	<u>100,908,266</u>	<u>52,494,218</u>	<u>(49,350,309)</u>	<u>-</u>	<u>104,052,176</u>
NON-CONTROLLING INTERESTS	<u>1,491,570</u>	<u>2,074,552</u>	<u>(2,040,874)</u>	<u>=</u>	<u>1,525,248</u>
TOTAL	<u>102,399,836</u>	<u>54,568,771</u>	<u>(51,391,183)</u>	<u>=</u>	<u>105,577,424</u>

VIRUNGA FOUNDATION
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16. Statement of funds (continued)

<i>2023 comparatives as restated</i>	<i>Brought forward</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Carried forward</i>
	\$	\$	\$	\$	\$
<i>Unrestricted funds</i>					
<i>General funds</i>	<u>52,763,319</u>	<u>16,301,959</u>	<u>(15,188,313)</u>	<u>(1,602,507)</u>	<u>52,274,458</u>
<i>Restricted funds</i>					
<i>Protection of Virunga National Park</i>	1,039,280	27,330,217	(16,235,844)	1,236,087	13,369,740
<i>Agriculture and development</i>	(77,658)	8,088,679	(4,059,638)	366,420	4,317,803
<i>Hydro power plant construction</i>	<u>20,815,117</u>	<u>9,902,714</u>	<u>(202,601)</u>	-	<u>30,920,432</u>
	<u>21,776,739</u>	<u>45,321,610</u>	<u>(20,092,881)</u>	<u>1,602,507</u>	<u>48,607,975</u>
<i>Expendable endowment funds</i>					
<i>Fallen rangers fund</i>	<u>25,833</u>	-	-	-	<u>25,833</u>
<i>Total Restricted and Endowment funds</i>	<u>21,802,572</u>	<u>45,321,610</u>	<u>(20,092,881)</u>	<u>1,602,507</u>	<u>48,633,808</u>
TOTAL GROUP FUNDS	<u>74,565,891</u>	<u>61,623,569</u>	<u>(35,281,194)</u>	-	<u>100,908,266</u>
NON-CONTROLLING INTERESTS	<u>1,548,433</u>	<u>1,712,849</u>	<u>(1,769,712)</u>	-	<u>1,491,570</u>
TOTAL	<u>76,114,324</u>	<u>63,336,418</u>	<u>(37,050,906)</u>	-	<u>102,399,836</u>

UNRESTRICTED FUNDS

The unrestricted funds in these consolidated accounts are, as can be seen above, an amalgamation of the individual charity's unrestricted funds plus those of its subsidiaries.

RESTRICTED FUNDS

- 1) **Agriculture and development** – This consists of funding received for agricultural development around the Park, including the construction of feeder roads and cold storage facilities, as well as facilities to produce and sell, amongst others, coffee, chocolate and chia seeds. The fund is currently in deficit as expenditure has been incurred for which the charity is not currently entitled to recognise the income. Income is expected to be recognised in the subsequent financial year. Transfers represent projects for which the restriction has been fulfilled and the funds have been released to unrestricted funds.
- 2) **Protection of Virunga National Park (PVNP)** -This consists of protecting and conserving the wildlife and natural resources of the Virunga National Park and emergency support for rangers by means of providing food and shelter to Park rangers and their families who have been displaced by the current civil conflict in the Democratic Republic of Congo. Another part is the charity developing their websites for marketing purposes to increase public awareness and online donation income. Transfers represent projects for which the restriction has been fulfilled and the funds have been released to unrestricted funds, or for projects which have overspent and the deficit is funded by unrestricted funds.

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16. Statement of funds (continued)

- 3) **Hydro Power Plants** - Funding was received for the design and building of hydro power plants to provide electricity to villages surrounding Virunga National Park. Transfers from the fund during the year relate to the completed hydro power plants being transferred into unrestricted funds as the restriction on the associated income has been extinguished.

ENDOWMENT FUNDS

Fallen Ranger fund – an expendable endowment created to secure the future of the rangers and their families for years to come. Fallen rangers leave behind families who relied on them as the main breadwinners, and an injured ranger poses a financial burden on a family. The fund will be used to not only pay for pensions for those widows and retired rangers, but also help pay for medical treatment for rangers injured in the line of duty.

17. Analysis of net assets between funds

	Endowment funds 2024 \$	Restricted funds 2024 \$	Unrestricted funds 2024 \$	Total funds 2024 \$
Intangible fixed assets	-	-	1,901,221	1,901,221
Tangible fixed assets	-	21,856,372	103,997,148	125,853,520
Fixed asset investments	-	-	44,293	44,293
Debtors due after more than 1 year	-	-	186,000	186,000
Net current assets / (liabilities)	25,833	33,820,149	(41,031,316)	(7,185,334)
Creditors due in more than one year	-	-	(15,222,276)	(15,222,276)
	<u>25,833</u>	<u>55,676,520</u>	<u>49,875,070</u>	<u>105,577,423</u>
	<i>Endowment funds 2023 as restated \$</i>	<i>Restricted funds 2023 as restated \$</i>	<i>Unrestricted funds 2023 as restated \$</i>	<i>Total funds 2023 as restated \$</i>
Intangible fixed assets	-	-	2,116,283	2,116,283
Tangible fixed assets	-	27,535,942	91,503,865	119,039,807
Fixed asset investments	-	-	46,080	46,080
Debtors due after more than 1 year	-	-	344,568	344,568
Net current assets / (liabilities)	25,833	21,072,034	(20,129,652)	968,215
Creditors due in more than one year	-	-	(20,115,117)	(20,115,117)
	<u>25,833</u>	<u>48,607,976</u>	<u>53,766,027</u>	<u>102,399,836</u>

VIRUNGA FOUNDATION
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18. Reconciliation of net movement in funds to net cash flow from operating activities

	2024	<i>2023 as restated</i>
	\$	\$
Net income for the year (as per Statement of financial activities)	3,177,588	<i>26,285,511</i>
Adjustment for:		
Investment income	(489,511)	<i>(398,596)</i>
Depreciation of tangibles fixed assets	5,534,983	<i>5,201,532</i>
Amortisation of intangible fixed assets	139,287	<i>223,700</i>
Loss on disposal of tangible fixed assets	119,221	<i>223,699</i>
Loss on disposal of intangible fixed assets	416,179	<i>-</i>
Impairment of intangible fixed assets	-	<i>-</i>
Servicing of finance	151,647	<i>248,572</i>
Decrease/(increase) in stock	594,692	<i>(2,861,040)</i>
Decrease/(increase) in debtors	584,636	<i>(6,974,353)</i>
Increase/(decrease) in creditors	<u>(5,403,746)</u>	<i><u>(14,939,677)</u></i>
Net cash provided by operating activities	<u>4,824,976</u>	<i><u>7,009,348</u></i>

19. Analysis of cash and cash equivalents

	2024	<i>2023 as restated</i>
	\$	\$
Cash in hand	879,870	<i>6,903,511</i>
Bank overdraft	<u>-</u>	<i><u>-</u></i>
Total	<u>879,870</u>	<i><u>6,903,511</u></i>

20. Analysis of changes in net debt

	At 1 January 2024	Cash flows	Other non-cash changes	At 31 December 2024
	\$	\$	\$	\$
Cash and cash equivalents				
Cash in hand	6,903,511	(6,023,641)	-	879,870
Bank overdraft	-	-	-	-
	6,903,511	(6,023,641)	-	879,870
Borrowings				
Debt due within one year	(4,317,986)		(6,304,473)	(10,622,459)
Debt due after one year	(19,875,046)		4,652,771	(15,222,275)
	(24,193,032)		(1,651,702)	(25,844,734)
TOTAL	<u>(17,289,521)</u>	<u>(6,023,641)</u>	<u>(1,651,702)</u>	<u>(24,964,864)</u>

VIRUNGA FOUNDATION
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21. Related party transactions

In order to fulfil VF's mandate as manager of Virunga National Park, Emmanuel de Merode has been appointed as the director of the Virunga National Park (in which role he is sworn in as a Public official), which is distinct from his role as CEO of the Charity. Emmanuel holds a senior rank within the ICCN as Park Director in order to be able to command the ICCN Rangers, as well as being the CEO of VF. The ICCN Rangers, who Emmanuel oversees in his role as Park Director, are fundamental to the protection of the Park, as well as to the provision of security to the civilian population living in the vicinity of the Park, and to the staff and operations of VF. Though not a financial transaction, as no remuneration is provided by ICCN, this related party relationship is highlighted due to its significance for the operation of VF. In the event of conflicts arising from holding these two roles, Emmanuel will recuse himself from any discussions.

In 2017 The World We Want Foundation of which Paul Leander Engström, a Virunga Foundation trustee, is founder and Chairman, provided Virunga Energies SAU with a loan of \$2.5m with a 10-year duration, at a 2% per annum interest rate. As at 31 December 2024 the outstanding amount on this loan was \$1.17m (2023: \$1.69m). Furthermore, in the course of 2024 Paul Leander Engström, through one of his companies, Maskrosen Invest AB, provided short term loan financing totalling \$2.25m in the course of 2024, at an interest rate of 2% per annum, with a balance of \$1m remaining at 31 December 2024. This balance of \$1m was fully repaid in February 2025.

Jan Bonde Nielsen was a Trustee of Farm Africa until 6 September 2024. During the year 2024 no work was undertaken for Virunga Foundation by Farm Africa, and no payments were made to Farm Africa. No amounts were outstanding at the year end.

Subsidiary Entities

Company name	Country of registration	Percentage Shareholding
Virunga Productions CIC	United Kingdom	100%
Virunga SRL	Belgium	100%
Virunga Energies SAU*	Democratic Republic of Congo	100%
Virunga Development SARL*	Democratic Republic of Congo	100%
Virunga Energies SAU Limited*	Kenya	100%
Virunga Belgique SRL Limited#	Kenya	100%
Virunga Foundation Limited	Kenya	100%
SICOVIR SARL*	Democratic Republic of Congo	56.72%
Société Provinciale d'Eau et d'Electricité du Nord-Kivu**	Democratic Republic of Congo	51%
Grameen Virunga SA	Democratic Republic of Congo	67%

* held through Virunga SRL

^ dormant

Formally dissolved 4 January 2024

VIRUNGA FOUNDATION
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21. Related party transactions (continued)

Virunga SRL

During the year, Virunga Foundation provided Virunga SRL with further funding to cover the additional investment in SICOVIR SARL, running costs and paid for expenses on its behalf amounting to \$25,992 (2023 - \$26,056).

Virunga Foundation has advanced a long term loan to Virunga SRL. The main terms of this loan are that interest will be paid on an annual basis, with capital repayment only required if the conditions regarding repayment occur. Interest is accruing at 5% per annum on this loan and interest received in the year amounted to \$211,065 (2023 - \$204,774).

Virunga Energies SAU

During the year, Virunga Foundation has advanced short-term loans and paid for expenses on behalf of Virunga Energies SAU amounting to \$1,177,094 (2023- \$6,422,516). Repayments of \$89,241 were made during the period. An amount \$9,177,195 (2023 - of \$8,089,343) was outstanding at the year end.

Virunga Foundation has advanced a long term loan to Virunga Energies SAU. The main terms of this loan are that interest will be paid on an annual basis, with capital repayment only required if the conditions regarding repayment occur. Interest is accruing at 3% per annum on this loan and interest received in the year amounted to \$9,638 (2023 - \$25,215). Additional funds were loaned during the period and repayments of \$5,206 were received. The Board has resolved to waive interest charges on the loans until 31 December 2024.

During the year Virunga Energies SAU charged for electricity to Virunga Foundation and Sicovir SARL totalling \$195,903 (2023: \$239,477). At the year end \$38,385 (2023: \$ 63,020) was owed by Virunga Foundation and \$3,476 (2023: \$3,309) by Sicovir SARL.

Virunga Development SARL

Virunga Foundation has advanced a short term loan to Virunga Development SARL of \$966,070 (2023: \$2,339,226). Interest is accruing at 3% per annum on \$375,000 of this loan and interest received in the year amounted to \$25,622 (2023 - \$6,913). The remaining loan balance is interest free. Repayments of \$271,405 were made during the period. An amount of \$2,292,689 (2023 \$1,572,143) was outstanding at the year end.

Sicovir SARL

Virunga Foundation has advanced a loan to SICOVIR SARL of \$64,334 (2023: \$NIL). Interest is charged at 5% per annum, with capital repayment due by 31 December 2024. Interest accrued in the year amounted to \$12,922 (2023 - \$828). Repayments of \$212,916 were made during the period. An amount of \$402,662 (2023 - \$551,251) was outstanding at the year end.

During the year Sicovir SARL made internal sales of \$4,267 (2023: \$19,323) to Virunga Foundation.

Virunga Productions CIC

During the year expenses of \$NIL (2023 \$1,190) were paid on behalf of Virunga Productions C.I.C., to fund media related costs.

Virunga Foundation has advanced a loan to Virunga Productions CIC of \$375,311 (2023: \$375,311). Repayment is only required if the conditions regarding repayment occur.

Virunga Foundation Limited

During the year \$2,823 (2023: \$433) was provided by Virunga Foundation

VIRUNGA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

21. Related party transactions (continued)

At the year end the following amounts were due from/(to) the subsidiaries:

	2024	2023
	\$	\$
Virunga SRL – long term loan	2,057,663	1,959,679
Virunga Energies SAU – long term loan	95,185,438	93,875,345
Virunga Energies SAU – short term loan	9,177,697	8,089,343
Virunga Development SARL	2,292,689	1,572,403
Virunga Productions C.I.C	375,311	375,311
Virunga SRL – short term loan	2,427,685	2,304,596
Virunga Foundation Limited	2,823	433
SICOVIR SARL	402,669	551,251

Subsidiary results for the year	2024		2023	
Company name	Net Assets	Result of the year	Net Assets	Result for the year
	\$	\$	\$	\$
Virunga Productions CIC	(395,398)	(4,357)	(391,041)	(28,935)
Virunga SRL	(939,255)	(204,612)	(734,643)	90,258
Virunga Energies SAU	(37,025,678)	(1,215,350)	(35,810,328)	(1,127,172)
Virunga Development SARL	(629,490)	(604,737)	(24,753)	56,058
Virunga Energies SAU Limited	448	-	448	-
Virunga Belgique SRL Limited#	2,453	-	2,453	-
Virunga Foundation Limited	128	-	128	31
SICOVIR SARL	3,524,139	77,813	3,446,326	59,640
Société Provinciale d'Eau et d'Electricité du Nord-Kivu	20,000	-	20,000	-

Other participating interests

Company name	Country of registration	Percentage Shareholding
Virunga Enzymes SARL*	Democratic Republic of Congo	20.7%
Virunga Origins SRL*	Belgium	40%
Virunga Chocolat SARL*	Democratic Republic of Congo	20%

*held through Virunga SRL

Formally dissolved 4 January 2024

VIRUNGA FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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22. Prior year adjustment

A full review of the agreements in place for the use of aircraft was carried out in 2024.

This review identified that the aircraft used by the charity should be capitalised as fixed assets, whereby historically the Charity had expensed the running costs only. As a result, the charity has historically understated the fixed assets and associated depreciation charges.

Aircraft purchased in the year ended 31st December 2024 were correctly capitalised, however aircraft acquired between 2015 and 2023 were not recorded within fixed assets. Therefore, a prior year adjustment has been included to recognise aircraft omitted historically.

As a result of this adjustment, the cost of fixed assets in the previous year increased by \$1,188,500, with depreciation brought forward of \$274,400 leading to an increase in overall net assets and closing reserves as at 31st December 2023 of \$914,100.

Therefore, this adjustment led to opening reserves in the current year increasing by £914,100.

The aircraft and adjustments noted above are all within the unrestricted general fund.

23. Post Balance Sheet Event

A change in US Government policy on foreign aid in 2025 meant USAID funding was cut off early in 2025, with only amount due for work already completed at the time of the unilateral USAID cancellation of the contract being paid in the course of 2025.