

THE OKAPI FUND FOR NATURE CONSERVATION IN THE DEMOCRATIC REPUBLIC OF CONGO

England & Wales · Charity number 1157294

Details

Other names	FOCON
Status	Registered
Legal form	Charitable company
Company number	08794664
Registered	2014-06-03
Register	View on the Charity Commission register

Contact

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Activities

Objects: TO PROMOTE FOR THE BENEFIT OF THE PUBLIC, THE CONSERVATION, PROTECTION AND IMPROVEMENT OF THE NATURAL ENVIRONMENT AND BIODIVERSITY OF THE DEMOCRATIC REPUBLIC OF THE CONGO (DRC), WITH PRIORITY FOCUS ON DRCS NATIONAL SYSTEM OF PROTECTED AREAS. TO PROMOTE, FOR THE BENEFIT OF THE PUBLIC, SUSTAINABLE DEVELOPMENT THAT SUPPORTS THE CONSERVATION OF BIODIVERSITY IN DRC, IN PARTICULAR THE PROTECTED AREAS AND/OR OTHER CONSERVATION AREAS OF SIGNIFICANT ECOLOGICAL VALUE AND/OR SIGNIFICANT BIOLOGICAL IMPORTANCE INCLUDING: (A) THE PRESERVATION, CONSERVATION AND THE PROTECTION OF THE ENVIRONMENT AND THE SUSTAINABLE USE OF NATURAL RESOURCES; AND (B) THE RELIEF OF POVERTY AND THE IMPROVEMENT OF THE CONDITIONS OF LIFE FOR THE BENEFIT OF POPULATIONS LIVING IN AND AROUND PROTECTED AREAS AND OTHER AREAS OF SIGNIFICANT ECOLOGICAL CONSERVATION AND/OR SIGNIFICANT BIOLOGICAL IMPORTANCE. AND TO ADVANCE THE EDUCATION OF THE PUBLIC ON ENVIRONMENTAL ISSUES INCLUDING THE BIODIVERSITY, CONSERVATION, SUSTAINABILITY AND MANAGEMENT OF DRCS PROTECTED AREAS AND/OR OTHER AREAS OF SIGNIFICANT ECOLOGICAL CONSERVATION AND/OR SIGNIFICANT BIOLOGICAL IMPORTANCE. SUSTAINABLE DEVELOPMENT IS DEFINED AS DEVELOPMENT WHICH MEETS THE NEEDS OF THE PRESENT WITHOUT COMPROMISING THE ABILITY OF FUTURE GENERATIONS TO MEET THEIR OWN NEEDS.

Activities: THE CONSERVATION, PROTECTION AND IMPROVEMENT OF THE NATURAL ENVIRONMENT AND BIODIVERSITY OF THE DEMOCRATIC REPUBLIC OF THE CONGO, WITH PRIORITY FOCUS ON DRCS NATIONAL SYSTEM OF PROTECTED AREAS. THE PROMOTION OF SUSTAINABLE DEVELOPMENT THAT SUPPORTS THE CONSERVATION OF BIODIVERSITY IN DRC.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** Education/training, The Prevention Or Relief Of Poverty, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** The General Public/mankind

Geography

- Congo (Democratic Republic)

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,188,567	£1,034,978	£51,075,384	3
2023-12-31	£22,304,900	£975,935	£46,284,844	3
2022-12-31	£3,673,046	£705,933	£22,412,108	3
2021-12-31	£573,559	£443,326	£20,947,060	2
2020-12-31	£6,230,850	£658,929	£19,166,688	2

Trustees

Name	Role	Appointed
Agnes Kasongo		2022-11-28
Beto Nyongolo		2022-11-28
Dieudonne Athanase Musibono Eyul Anki-Ayorwu		2018-05-21
Gloria Assimbo		2022-11-28
Kerstin Laabs		2024-12-17
Robert CRAIG		2024-10-20
Samy Mankoto Mambaelele		2018-05-21
Victor Kabengele wa Kadilu		2022-11-28

THE OKAPI FUND FOR NATURE CONSERVATION IN THE DEMOCRATIC REPUBLIC OF CONGO

England & Wales - Charity number 1157294

Accounts

Company Number: 08794664

Charity Number: 1157294

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Report and financial statements

For the year ended 31 December 2024

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

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The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Reference and administrative information

For the year ended 31 December 2024

Company number 08794664

Charity number 1157294

Registered office and operational address Office 605, Albert House, 256–260 Old St, London EC1V 9DD

Country of registration England & Wales

Country of incorporation United Kingdom

Trustees Trustees (who are also directors of The Okapi fund for nature conservation in the Democratic Republic of Congo for the purposes of company law) who served during 2024 were as follows:

Victor Kabengele wa Kadilu (Chair)

Patrick Welby (until 20th October 2024)

Robert Craig (as of 20th October 2024)

Yvette Shabani (resigned the 5th September 2024)

Britta Oltmann (until 5 September 2024)

Kerstin Laabs (as of 17 december 2024)

Samy Mankoto

Dieudonné Musibono

Agnès Kasongo

Gloria Assimbo

Beto Nyongolo

Executive Director Guillaume Gervais de Rouville

Administrative Assistant Karen Kibanga

Solicitors Sedulo, Office 605, Albert House,
256–260 Old St, London EC1V 9DD

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Reference and administrative information

For the year ended 31 December 2024

Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors 110 Golden Lane LONDON EC1Y 0TG
Investment Manager	Evelyn Partner Investment (formerly named “Smith & Williamson Investment Management”) 25 Moorgate LONDON EC2R 6AY

Trustees' annual report

For the year ended 31 December 2024

The trustees present their report and the audited financial statements for the year ended 31 December 2024.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and Activities

Purposes and aims

As set out in the Charity's Articles of Association, its purposes are to promote for the benefit of the public, the conservation, protection and improvement of the natural environment and biodiversity of the Democratic Republic of the Congo (DRC), with priority focus on DRC's national system of protected areas. Specifically, it aims to:

- i) Promote, for the benefit of the public, sustainable development that supports the conservation of biodiversity in DRC, in particular the protected areas and/or other conservation areas of significant ecological value and/or significant biological importance including:
 - (a) The preservation, conservation and the protection of the environment and the sustainable use of natural resources; and
 - (b) The relief of poverty and the improvement of the conditions of life for the benefit of populations living in and around protected areas and other areas of significant ecological conservation and/or significant biological importance.
- ii) Advance the education of the public on environmental issues including the

Trustees' annual report

For the year ended 31 December 2024

biodiversity, conservation, sustainability and management of DRC's protected areas and/or other areas of significant ecological conservation and/or significant biological importance.

The trustees periodically review the aims, objectives and activities of the charity and have always reaffirmed the purpose and aims as noted here. It is additionally affirmed that the trustees have had regard to the Charity Commission's guidance on public benefit.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees have considered how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance

The Charity's activities and achievements during 2024 have been concentrated on the following items : (i) continue efforts to increase the Okapi Fund's endowment funds, (ii) prepare and carry out new disbursements in favor of the Protected Areas while monitoring previous financing, (iii) selection of new protected areas eligible for support from the Okapi Fund, (iv) opening of a Carbon Desk and a Community Forestry Desk, (v) launch of the recruitment process for a new Executive Director, (vi) carry out field missions and participate in international events to strengthen our knowledge and capacities and reinforce links with the various biodiversity stakeholders, (vii) monitor financial markets in a particularly volatile period.

Fundraising

In early 2024, the **Fonds Français pour l'Environnement Mondial (FFEM)** joined forces with AFD to co-finance an additional 2 to 3 million euros. A Project Information Note (PIN) was drawn up in April 2024 to initiate the procedure with the FFEM.

The dossier was examined by consultants in June/July 2024 who assessed its relevance. The consultants' final report is very positive and recommends that the maximum amount of funding be allocated to the Okapi Fund.

However, the final decision will be more political than technical, as AFD/FFEM funding is earmarked for the Kahuzi-Biega National Park. The situation within the park since January 2025 is particularly difficult due to the presence of M23 rebels in or near the park. In this context, the AFD has decided to postpone its final decision until the end of September 2025.

At the same time, the Fonds Okapi strengthened its role in the development of the IPLC Forest Facility (IFF), a new funding initiative led by Rainforest Foundation Norway and financed by the Bezos Earth Fund. The Fund participated in multiple working sessions, culminating in its official designation in November 2024 as the preferred financial mechanism to channel IFF funds to local forest communities. This decision was validated by the Fonds Okapi Board in December 2024 and

Trustees' annual report

For the year ended 31 December 2024

marks a turning point in expanding the Fund's reach beyond traditional protected area support (see below next section for more details). The idea behind this new desk is to attract private and public funding for community forestry and position the Okapi Fund as the natural funding channel for this type of project.

Furthermore, discussions with the Rawbank culminated in the drafting of a concept note for the creation of a dedicated 'Carbon Desk' within the Fonds Okapi (see below next section for more details). This unit, envisioned as a financing conduit for carbon credit projects aligned with biodiversity goals, received approval from the Board in December 2024. Initial responses to questions from Rawbank's risk department were provided in October 2024, and both parties aim to identify pilot projects in 2025. The idea behind this new desk is to attract CSR funds from private sector companies in the DRC to finance carbon projects with a high social and environmental impact.

Relations with the Bezos Earth Fund remained active throughout the year. The Fund submitted a concept note in Q1 and held several meetings in Kinshasa and Cali (Colombia) to present its potential role in regional conservation finance architecture. Further engagements with the Fund's U.S.-based leadership are planned before the end of 2025.

Funding of Protected Areas

In 2024, only one national park received financial support from the Okapi Fund: The Garamba National Park (GNP). The Kahuzi-Biega National Park (KBNP) was unable to receive funds from us for reasons that will be explained below.

In March 2024, the Board of Trustees adopted the grant program for 2024, which includes: (i) a grant of US\$300,000 to GNP and (ii) US\$500,000 to KBNP. Funding are granted once all eligibility conditions have been met. The GNP received its funds in July 2024.

The Board of Directors authorized a second disbursement of US\$200,000 to the Garamba National Park to cover unexpected funding gaps. This brings the total amount disbursed to the Garamba National Park in 2024 to US\$500,000.

The Garamba national Park

As a reminder, the Okapi Fund disbursed US\$220,000 in favor of the PNG in December 2022.

In 2023 we disbursed US\$250,000 to the PNG.

In 2024, a further US\$500,000 was provided. The funds were disbursed once the audit had been carried out by KPMG and deemed satisfactory by Fonds Okapi. The Executive Director went to Garamba in March 2024 for a follow-up visit to see what had been achieved on the ground following the Okapi Fund financing. It emerged from this visit that the GNP is carrying out its activities satisfactorily and in accordance with the requirements of our grant agreement.

The Kahuzi-Biega National Park

The first funds (US\$ 350 000) were disbursed in December 2023, and were received by the beneficiary (Wildelife Conservation Society – “WCS”) in January 2024, but to cover expenses for 2023.

We carried out a due diligence mission at WCS's regional headquarters in Kigali and at PNKB (Bukavu and Tshivanga) between November 8 and 15, 2023.

On several occasions prior to our mission, we had deplored a lack of communication, responsiveness and transparency in exchanges with WCS teams. This observation had also been made by the KfW teams who had visited the PNKB a few months earlier.

In the absence of satisfactory reporting (lack of information and average quality) from the PNKB, we were unable to disburse the amounts allocated to the park for 2024 (US\$500,000).

We finally obtained the missing information, although its quality was still not up to the standard we would expect from an organization such as WCS. The report submitted by WCS on environmental, social, and human rights actions is merely an Excel document providing a timeline of actions implemented with very little detail on what has already been accomplished.

Discussions on funding for 2024 were nevertheless resumed in December 2024: we have offered WCS the choice between (i) funding actions already undertaken in 2024 but for which funds have not yet been disbursed, or (ii) no longer dealing with funding for 2024 and instead examining the funding required for 2025.

Just as discussions were about to lead to a funding opportunity, unfortunately the security situation deteriorated considerably in the park due to an offensive by the M23 armed group in the town of Bukavu and in the vicinity of the park. The park had to suspend its activities, which had not resumed normal operations at the time of writing this report.

As things stand, it is therefore not possible to finance the PNKB's activities. However, recent peace agreements signed under the auspices of the United States could pave the way for a resumption of activities before the end of 2025. The Okapi Fund continues to monitor the situation and is ready to resume its funding if the security situation allows.

If funding for the PNKB proves impossible in the near future, the Okapi Fund has already considered extending its funding to other protected areas in order to continue its biodiversity financing activities in the DRC (see next section on the selection of new parks).

The positive aspect of the Okapi Fund's operations in relation to PNKB is that we have demonstrated a rigorous process for disbursing funds: the Okapi Fund does not disburse funds if it believes that the conditions are not met, either for reasons related to the governance of the potential beneficiary or due to the security situation in which the beneficiary operates. This demonstrates the seriousness of the Okapi Fund's disbursement process.

Selection of new protected areas

Selection of a Third Protected Area: A Strategic Expansion

During 2024, the Okapi Fund embarked on a comprehensive process to identify and select a third protected area for our conservation portfolio. This strategic expansion reflects both our growing financial capacity and our commitment to maximizing conservation impact across the Democratic Republic of Congo.

The Selection Journey

The Board of Directors initially identified three promising candidates for potential support: the Salonga, Lomami, and Maïko National Parks. Each represented unique conservation opportunities and challenges within the DRC's vast protected area network.

Our Grant Allocation Committee (COS) undertook a thorough due diligence process throughout the year, engaging directly with park management teams and conducting detailed assessments of each candidate's eligibility and funding requirements. All three areas demonstrated strong conservation value and met our formal eligibility criteria.

A Challenging Choice

The selection process revealed the complexity of conservation funding decisions. While Salonga National Park showed promise, our analysis determined that it already enjoys substantial funding commitments for the coming years, leaving no significant funding gaps where the Okapi Fund could add meaningful value.

This left us with a compelling but difficult choice between Lomami and Maïko National Parks. Lomami presented a more stable operational environment with established management structures and fewer security concerns, though its funding needs were more modest. Maïko, by contrast, offered an exceptional landscape with enormous conservation potential but faced significant security challenges and required substantial capacity building support.

An Innovative Solution

Rather than limiting ourselves to a single choice, our strong financial position—with over \$11 million in realized gains since inception—enabled us to pursue a more ambitious approach. In December 2024, the Board approved an innovative dual-track strategy that will see both parks join our portfolio:

Lomami National Park has received support, with an initial allocation of \$250,000 in June 2025. This rapid deployment reflects the park's readiness to effectively utilize funding and our confidence in its management capacity.

Maïko National Park has also received funding support in September 2025 with an initial allocation of US\$ 140,000.

Looking Forward

This strategic expansion positions the Okapi Fund to support four protected areas simultaneously, significantly amplifying our conservation impact. The phased implementation approach ensures we maintain our rigorous standards for environmental, social, and human rights safeguards while responding to the urgent conservation needs across the DRC.

This selection process exemplifies our commitment to evidence-based decision-making and strategic patience—choosing long-term conservation impact over expedient solutions. As we enter 2025, we look forward to deepening our partnerships with these exceptional protected areas and advancing our shared conservation mission.

Carbon Desk and a Community Forestry Desk

Development of New Specialized Windows: Expanding Our Conservation Impact

In 2024, the Okapi Fund embarked on an ambitious expansion strategy, developing two specialized funding windows that represent a significant evolution in our approach to conservation financing in the Democratic Republic of Congo.

Carbon Window: Bridging Climate Action and Conservation

The Carbon Window emerged from extensive discussions with Rawbank and represents our strategic entry into the carbon finance sector. This initiative aims to attract diversified investors to carbon credit projects while maintaining our rigorous ESG standards and expanding our assets under management to \$100 million within three years.

The window is designed to appeal to two distinct investor categories: philanthropic foundations seeking high-impact projects without direct financial returns, and corporations utilizing CSR budgets to offset emissions and enhance their environmental credentials. Projects financed through this window will deliver significant co-benefits for local communities, including job creation,

infrastructure development, and improved food security, while simultaneously advancing biodiversity conservation and climate resilience.

Community Forestry Window: Empowering Indigenous Peoples and Local Communities

The Community Forestry Window represents perhaps our most significant strategic development, emerging from our selection as the preferred vehicle for implementing the IPLC Forests Facility by Rainforest Foundation Norway and other international partners. This designation came following our successful participation in COP 16 Biodiversity in Cali, where we demonstrated our capacity to channel funding directly to Indigenous Peoples and Local Communities (IPLCs) for forest conservation.

The window addresses a critical gap in conservation financing: supporting the Indigenous Peoples in the DRC who have historically been the most effective guardians of the country's high-integrity forests. Recent legal advances, including President Tshisekedi's historic 2022 law protecting indigenous peoples' rights, have created unprecedented opportunities for scaling community-based conservation.

Through a comprehensive Memorandum of Understanding with the Community Forest Fund (FCF), we have established a dedicated "FCF Window" within the Okapi Fund that maintains clear financial separation while leveraging our institutional infrastructure. This arrangement preserves FCF's autonomy in selecting beneficiaries while ensuring rigorous governance and transparency standards.

The framework addresses two urgent parallel needs: protecting remaining blocks of high-integrity forests and supporting land tenure regimes that empower local communities. Activities include direct assistance for sustainable development projects, strengthening IPLC involvement in protected area management, and providing advocacy support for more effective engagement in land-use planning.

Operational Excellence and Future Vision

Both windows benefit from shared infrastructure and expertise while maintaining distinct governance structures and funding streams. Both Windows leverages our existing investment management platform through Evelyn Partners.

These developments position the Okapi Fund at the forefront of innovative conservation finance, creating pathways for diverse funding sources to support conservation while maintaining our commitment to environmental and social safeguards. The windows represent a natural evolution of our mission, enabling us to serve as both an endowment fund for protected areas and a sophisticated intermediary for specialized conservation finance mechanisms.

Looking ahead, these windows provide the foundation for achieving our ambitious goal of managing \$100 million in assets while directly supporting Indigenous Peoples and Local Communities who serve as the primary guardians of the DRC's irreplaceable ecosystems. This multi-faceted approach exemplifies our commitment to scalable, sustainable conservation finance that honors both environmental imperatives and social justice principles.

In order to implement these two new desks, the Okapi Fund plans to recruit consultants in 2025 to support their development.

Recruitment process for a new Executive Director

In 2024–2025, the Okapi Fund undertook a thorough and methodical process to identify and select a new Executive Director, demonstrating our commitment to transparent governance and strategic leadership continuity.

The Succession Journey

The process began in August 2024 when our current Executive Director, Guillaume Gervais de Rouville, announced his intention to conclude his mandate during the second half of 2025. Recognizing the critical importance of executive leadership to our mission, the Board of Directors initiated a comprehensive recruitment process at its September 19, 2024 session.

Professional Search Partnership

The Board entrusted the Executive Committee with selecting a specialized recruitment agency through a competitive tender process. Four firms were invited to submit proposals—two local Kinshasa-based agencies (Hodari and Bensizwe) and two international firms (Michael Page and Vidal Associates). Following a rigorous evaluation, Michael Page was selected for their international reach,

Trustees' annual report

For the year ended 31 December 2024

proven track record in executive placements, and understanding of our sector's unique requirements.

The recruitment brief specifically required the inclusion of at least two Congolese candidates with international experience, reflecting our commitment to local leadership development while maintaining global standards of excellence.

Structured Selection Process

A dedicated Recruitment Committee was established, expanding the Executive Committee to include Board member Samy Mankoto. The final committee comprised the Fund President, the Executive Director, and four Board members (Agnès Kasongo, Samy Mankoto, Kerstin Laabs, and Robert Craig), ensuring diverse perspectives and rigorous evaluation standards.

The initial candidate pool yielded a shortlist of ten qualified applicants by January 2025. However, the committee's high standards led to the decision to extend the search period until February 28, 2025, ultimately expanding the candidate pool to sixteen applicants.

Rigorous Evaluation Framework

Six exceptional candidates advanced to the final interview stage, conducted via videoconference over three days in March 2025. Each candidate participated in hour-long structured interviews using standardized evaluation grids and question frameworks developed collaboratively by committee members.

This systematic approach ensured consistent, objective assessment across all candidates while allowing for comprehensive evaluation of technical competencies, leadership capabilities, and cultural fit with our mission and values.

Final Selection and Validation

Rather than conducting second interviews, the committee organized an in-person meeting in Kinshasa between the leading candidate, Christian Miasuekama, and available committee members. This informal yet substantive discussion allowed for deeper assessment of interpersonal dynamics and cultural alignment.

The positive outcomes of this meeting reinforced the committee's confidence in their selection. Following contractual negotiations on March 26, 2025, the committee unanimously endorsed Christian Miasuekama's appointment, pending Board approval and KfW non-objection.

Excellence in Governance

This recruitment process exemplifies our commitment to governance excellence, demonstrating several key principles that guide our operations:

Transparency and Accountability: Every stage was documented, with comprehensive records maintained for Board and donor oversight, including evaluation grids, interview frameworks, and detailed progress reports.

Inclusive Decision-Making: The expanded committee structure ensured diverse perspectives while maintaining efficient decision-making processes.

Professional Standards: Engaging international recruitment expertise while prioritizing local capacity development reflects our commitment to both global best practices and regional leadership.

Strategic Patience: The decision to extend the search timeline demonstrates our priority for finding the right candidate over expedient closure.

The appointment of **Christian Miasuekama** represents a strategic investment in leadership continuity that will guide the Okapi Fund through its next phase of growth. His selection through this rigorous process ensures that our new Executive Director possesses not only the technical competencies required for the role but also the leadership vision necessary to advance our conservation mission in an increasingly complex operating environment.

This succession process positions the Okapi Fund for continued excellence in conservation finance and protected area support throughout the Democratic Republic of Congo.

Fields missions & International Engagement : Strengthening Conservation Networks in 2024

Throughout 2024, the Okapi Fund pursued an active program of field missions and international participation, demonstrating our commitment to hands-on conservation support and strategic network building within the global biodiversity community.

Field Missions – Direct Conservation Support:

Our most significant field mission took us to Garamba National Park (March 20–30, 2024), where we conducted comprehensive monitoring of our grant allocations and conservation impact. This ten-day mission served multiple strategic purposes: verifying implementation of funded activities on the ground, assessing overall park management effectiveness, and engaging with new leadership teams following recent management transitions.

The mission revealed satisfactory progress despite weather-related delays that had postponed expert deployments by two months due to late 2023 flooding. We were able to accompany and engage extensively with two key consultants implementing our Environmental and Social Action Plan: Baptiste Martin, who was establishing an effective grievance mechanism for the park, and Thomas Mantete, who was developing comprehensive environmental, social, and human rights action plans.

This field engagement allowed us to finalize the third grant convention covering Garamba's 2024 operational expenses while ensuring our funding aligned with demonstrated conservation needs and management capacity. The mission exemplified our commitment to evidence-based grantmaking through direct field verification rather than relying solely on desk-based reporting.

International Conference Participation:

COP 16 Biodiversity – Cali, Colombia (October 21–24, 2024)

Our participation in COP 16 represented a strategic milestone in positioning the Okapi Fund within global conservation finance networks. The mission achieved two critical objectives that would shape our future development.

First, we participated in a high-profile panel alongside Rainforest Foundation Norway, Earth Bezos Fund, WCS, ICCN, and the World Bank, focusing on community forestry and the Indigenous Peoples and Local Communities (IPLC) Forest Facility. This panel allowed us to articulate our role in supporting community-based conservation while demonstrating our capacity to operate at international scales.

Second, we held targeted meetings with the Director of Rainforest Foundation Norway and representatives from the Earth Bezos Fund, clarifying our potential role in implementing the IPLC Forests Facility. These discussions proved pivotal, as we were subsequently informed in November 2024 of our selection as the preferred vehicle for implementing this major international initiative.

Additionally, we engaged with Global Environment Facility representatives regarding potential endowment fund financing, exploring opportunities to diversify our funding base through multilateral channels.

CAFE Network Annual Assembly – Namibia (August/September 2024)

As active members of the Conservation Trust Funds network (CAFE), we participated in the annual assembly in Namibia, contributing to strategic planning and knowledge sharing among African conservation trust funds. This engagement reinforced our position within the regional conservation finance community while allowing us to share experiences and learn from peer institutions across the continent.

Bridge Steering Committee – Paris (June 12–14, 2024)

Our participation in the Bridge project steering committee meetings in Paris demonstrated our engagement with innovative conservation finance mechanisms. These sessions involved reviewing project progress, making strategic decisions, and reporting to the French Global Environment Facility (FFEM), reinforcing our relationships with key European funders.

Strategic Network Building:

London and Paris Mission (November 18–22, 2024)

This comprehensive mission across two European capitals exemplified our systematic approach to stakeholder engagement and fundraising. In London, we held productive discussions with Rawbank's Board of Directors regarding our Carbon Desk initiative, explored fundraising event possibilities with Evelyn Partners, and met with potential new board members including Robert Craig and representatives from Tribe Impact Capital.

The Tribe Impact Capital meeting proved particularly strategic, introducing opportunities to develop an **impact-focused endowment fund** that could attract different types of donors through corporate social responsibility channels, expanding our funding base beyond traditional conservation donors.

In Paris, we advanced multiple strategic relationships simultaneously: finalizing discussions with AFD/FFEM regarding our feasibility study, exploring collaboration opportunities with Véolia Foundation and Amundi for our Carbon Desk initiative, and potentially securing FFEM support for organizing the CAFE Annual Assembly in Kinshasa.

Knowledge Building and Capacity Enhancement:

Evelyn Partners Portfolio Review – Kinshasa (April 28–29, 2024)

We hosted our investment management partners for an intensive two-day session in Kinshasa, combining portfolio review with strategic planning. This unique approach of bringing international expertise to our operational base allowed for comprehensive evaluation of our investment strategy while demonstrating our commitment to local presence and regional engagement.

The sessions covered macroeconomic updates, asset class education, portfolio performance analysis, and ESG considerations, while exploring opportunities for African market investments and policy adjustments. This direct engagement enhanced our financial management capabilities while maintaining our focus on conservation outcomes.

Strategic Impact and Future Positioning:

These field missions and international engagements achieved several critical outcomes that positioned the Okapi Fund for enhanced impact:

- **Enhanced Credibility:** Our field presence and international participation demonstrated our operational capacity and strategic vision to both beneficiaries and funders, establishing us as a serious player in conservation finance.
- **Network Expansion:** Systematic engagement with diverse stakeholders—from park managers to international donors—expanded our influence and created new partnership opportunities.
- **Knowledge Integration:** Direct field experience informed our grantmaking while international exposure brought global best practices to our local operations.
- **Strategic Positioning:** Our selection as the preferred vehicle for implementing the IPLC Forests Facility represents the culmination of sustained relationship building and demonstrated competence.

Looking forward, these activities have established the foundation for the Okapi Fund's evolution from a specialized endowment fund supporting protected areas to a sophisticated conservation finance intermediary capable of managing complex, multi-stakeholder initiatives while maintaining our commitment to rigorous field-based impact assessment.

Financial review

Source of capitalisation & financial resources

No new additional Endowment Funds were received in 2024.

We continued to receive operational funds (to cover our running costs) from KfW in 2024.

As a reminder, 1 million euros as funds to support operational costs of the Okapi Funds from 2023 to end of 2024 were made available at the end of 2022 through the procedure of renewed demands.

In 2024, the Charity received support from KfW as follows:

Trustees' annual report

For the year ended 31 December 2024

- 127 022,80 euros, March 13, 2024 to cover the period from January to June 2024 (under the Second Separated Convention between KfW and Fonds Okapi).
- 236 193,69 euros, July 17, 2024 to cover the period from July to December 2024 (under the Second Separated Convention between KfW and Fonds Okapi).
- USD 157 537 received in November 2023 recognised as deferred income at year-end.

The 2024 financial accounts therefore report the Charity receiving funding in 2024 from one source:

- KfW (The German Development Bank).

Resource utilisation framework

The investment policy followed by the Okapi Fund has been developed to be fully compliant with the recommended Practice Standards for Asset Management (standards 1–9) as set out by the Conservation Finance Alliance and best practice guidance in the annual Conservation Trust Investment Survey published by WCS. Furthermore, the Okapi Fund follows the World Bank's Environmental and Social Framework and the World Bank Group's general and sector-specific Environmental, Health and Safety Guidelines.

As the Okapi Fund is a charitable entity dedicated to environmental conservation, the investments made by the investment manager must not be inconsistent with the objectives of the charity. The investment of the funds, inclusive of all investment instruments, are subject to SRI (Socially Responsible Investing) sectoral filtering and compliance with the ESG and responsible investing policies and detailed exclusions listed in the Investment Policy statement.

The capitalisation funds received from KfW at the end of 2019 and from The World bank in January 2020 were transfer to our Endowment Fund. These funds have been progressively invested in the financial markets by our portfolio manager, Smith & Williamson (now Evelyn Partners), in accordance with our Investment Policy Statement and under the supervision of our Investment Committee.

Trustees' annual report

For the year ended 31 December 2024

The Endowment Fund holds Okapi Fund's longer-term investment assets and the returns from these assets provide resources that the Okapi Fund can deploy in furtherance of its charitable aims.

The totality of the funds received from the World Bank (US\$ 7.4 million) are treated as Permanent Endowment Funds according to the wishes expressed by the donor.

Following the wishes of the donor, the funds received from KfW, namely Euro 14 million received in December 2019, are treated as:

- Permanent Endowment funds for the value of US\$ 7.4 million (based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).
- Expendable Endowment Funds for the value of EURO 14 million less the amount mentioned above (14M euros less the 7.4M US\$ based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).

The additional endowment funds received from KfW in December 2022 and in December 2023 are treated as Permanent Endowment Funds.

The Portfolio in 2024

The portfolio has seen (i) a **performance of +12.48% in 2024** and (iii) a performance of +31% since the receipt of the endowment funds in December 2019.

The portfolio's average annual return over the last five years is +6.2%.

At the time of writing, the total potential capital gain is + 16 million US\$ (since December 2019).

This amount is sufficient to ensure both :

1. A conservative reserve policy and
2. Increased disbursements to protected areas over the next few years.

Trustees' annual report

For the year ended 31 December 2024

- Overall, our portfolio's performance over the last five years places us in the Top 5 of Nature Conservancy Trust Funds in Africa.

Assets under management amounted to US\$ 64.78m at December 31, 2024.

At December 31, 2024, the portfolio was broken down as follows:

- 0.1% Cash and cash equivalents
- 29.2% bonds,
- 67.7% equities
- 1.7% other investments.

The portfolio's currency exposure was as follows (at December 31, 2024):

- 82.67% to US\$ assets
- 3.20% in Euros (mainly cash not yet converted)
- 10.71% to Sterling assets
- 3.42% in other currencies

Generally speaking, these were not very significant movements in terms of the composition of our portfolio during the year 2024.

The year 2024 in review :

- Overall, our portfolio had a very positive year (+12.4% growth).
- It was a solid year, with US dominance (particularly in megacap and technology) as a major theme, although there were some divergences between the Magnificent 7 stocks (the winners being notably Apple and Amazon, with Microsoft lagging relatively behind and Tesla eventually recovering, albeit after considerable volatility).
- Gold gained almost 30% over the year, although it cannot be held in the portfolio. Conversely, the energy sector was not very interesting in 2024.
- 2024 was a very mixed year for European markets and sectors, with luxury goods (a Chinese story) and some healthcare stocks struggling, although German company SAP (Germany) has had solid results since our purchase last year.
- Asia remains unattractive, with China struggling to implement its fiscal rescue plans and revive its economy.

- In bonds, we have kept a relatively short maturity, given concerns about Trump's impact on US debt levels. With the risk of inflation remaining high, our TIPS continue to play an important role in offsetting potential inflation.

Outlook for 2025:

1. Financial markets:

- Post-US election outlook: generally positive, with lower taxes and signs that US companies are best placed to continue growing while preserving, or even increasing, their profit margins.
- The profit margins of major US companies are likely to continue to be seen as very positive, driving the equity market higher.
- The general outlook for the equity sector looks rather encouraging.
- With Trump, however, there is a risk of inflation if tariff policy towards other countries (Mexico, Canada, China, Europe, etc.) is not brought under control.
- To counter the risk of inflation: maintain significant positions in TIPS (Treasury inflation-protected securities).
- AI is a sector to watch for the opportunities it could offer, but it is still in a consolidation phase and market reversals in this sector are likely in the short term.
- Asia continues to show signs of fragility.
- In view of the tariff war that Trump may want to wage, we must remain cautious in our investments with regard to the Asian market.

2. Impact Funds:

We have begun to discuss with members of the IC and EC the possibility of opening an Endowment Fund oriented towards impact financial investments.

For the moment, our endowment funds are invested according to an investment policy that gives us a great deal of latitude as to the nature of the activities of the companies whose shares we acquire.

These companies, for the most part, while having a good overall ESG rating, are not companies with an environmental or social impact.

It would be interesting for the Okapi Fund to explore the possibility of opening, alongside its current endowment fund, an impact fund that could attract other types of donors (notably through corporate CSR funds).

Total Return Approach Adopted

In the first half of 2021, the Okapi Fund decided to adopt the Total Return Approach, by taking the following resolution voted unanimously by the members present:

- *The Board of Trustees of the Okapi Fund has fully considered the Total Return Report and has resolved to adopt a resolution under Section 104(A) of the Charities Act 2011 to apply a total return approach to investment in accordance with the relevant regulations as follows:*

Total return for the Okapi Fund Permanent Endowment Fund investment.

This resolution identifies the Permanent Endowment Fund as the relevant fund that will be subject to total return investment. As of 31 December 2020, the value of the relevant fund consists of:

- 1. The Investment Fund consisting of original capital contributions from donors of USD 14,793,588*
- 2. The unapplied total return of USD 1,941,892.*

This is based on the valuation of the endowment capital contributions received and the total unapplied return retained in the relevant fund, as at 31 December 2020.

The Total Return Report was written and submitted to the Board members by a recognized expert in the field, James Money-Kyrle. It was on the basis of this report that the Trustees made their informed decision regarding the adoption of the Total Return approach.

No changes in our approach were made in 2024.

Principal risks and uncertainties

The Trustees have considered the risks that the Charity faces as of the date of this trustees' report. Having reviewed these risks and the steps being taken, the trustees are confident that these risks are being managed appropriately.

In 2020, a risk register was set up. This risk register records risks as they arise and indicates the measures that are taken to mitigate or eliminate them. This register is kept up to date at all times and is available in our office. It is shared with the trustees at each meeting of the Board of Directors who review the Risk Assessment Report.

In 2023, two Risk Assessment Reports were compiled by the Executive Director, discussed, reviewed and approved by the trustees before and during the Board meetings.

In 2024, another Risk Assessment Report was sent to the Trustees in early January: it also covers part of the year 2023.

Following this 2024 report, it was deemed appropriate to include the risk report in the Executive Director's activity reports in order to share information more regularly and in a broader context. As a result, risk information is now included in each of the Executive Director's quarterly reports.

In 2024

The main risks faced during the Year 2024, and mitigating measures being taken, are described in the following sections.

The main risks reported and reviewed in (or in relation to) 2024 were as follows:

- Operational risks;
- Governance risks;
- Financial Risks;
- Fiscal Risks;
- Fraud Risks;
- Reputational Risks.

Operational risks

The most significant operational risks identified were the following:

1. the implementation of its fund disbursement activities to finance projects in accordance with its purpose.
2. the continuity of the Okapi Fund's operational management following the announcement by the Executive Director in August 2024 of his wish to step down.

Regarding point 1.:

The main risk in this respect concerned funding for the PNKB. As mentioned above, we had encountered difficulties in obtaining important information prior to our support for the Park. It was deemed necessary to take the time to assess the risks of our support for the PNKB and to define our terms of engagement and the activities we would be willing to fund: it is better to take the time to consider these aspects than to rush into funding that could cause us further problems (see below in the section on reputational risks).

As mentioned earlier, we were unable to finance the PNKB in 2024 due to structural governance issues within the park. However, as also indicated, we have expanded the number of parks eligible for Okapi Fund financing, which will enable us to continue our activities as planned.

In addition, we are working closely with KfW to find a solution for financing the PNKB. The security situation locally is also the subject of particular attention on our part.

Regarding point 2.:

As mentioned above, a recruitment process for a new Executive Director was launched in October 2024, resulting in the selection of a new Executive Director who took up his duties on July 7, 2025. The outgoing Executive Director has agreed to provide a three-month transition period and will therefore conclude his activities with the Okapi Fund at the end of September 2025.

Governance risks

Board Member Replacement Challenge

The replacement of Board member Yvette Shabani remained an ongoing administrative process throughout 2024. Despite regular follow-ups with stakeholder Azarias Ruberwa, progress remained limited. However, this situation posed no significant operational consequences, as we continued functioning effectively with eight Board members instead of nine, maintaining full decision-making capacity and governance oversight.

During the year, we adopted a pragmatic approach by requesting authorization to contact the Ministry of Finance directly for candidate nominations, reversing the traditional selection process to expedite resolution. We will therefore ask the Ministry of Finance to propose names, which will then be approved by Mr. Ruberwa (and not the other way around).

Investment Committee Participation

Low participation from our external Investment Committee member presented governance challenges due to conflicting professional commitments. While we actively sought replacement candidates, including outreach to qualified professionals like Edwige Takassi, the non-remunerated nature of the position limited candidate interest.

This risk was effectively mitigated through rigorous daily portfolio monitoring and close collaboration with our investment management partner, Evelyn Partners, ensuring no compromise in our financial oversight capabilities.

Financial risks

The main financial risk identified in 2024 is the risk of a decrease in the value of our portfolio.

It represents the main risk identified during the year 2024 and the beginning of 2025.

There were three main factors which affected the financial markets and therefore had the potential to affect the value of our portfolio in 2023:

1. The election of the President Trump in the USA.
2. Inflation.

3. The wars in the Middle East.

However:

- The tensions linked to the trade wars initiated by President Trump seem to have been absorbed by the financial markets.
- Since beginning of 2024 we did not see real signs of inflation.
- The market is digesting the situation in the Middle East well for the time being.

In order to reduce the risk of a decline in portfolio value affecting our ability to fulfill our core mission – to disburse funds in favor of protected areas – we pursue a rigorous reserves policy to ensure that we have access to sufficient liquidity to honor our commitments to protected areas and also to finance the operating costs of the Okapi Fund (see reserves policy below).

Fiscal risks

As we explained in all of our Quarterly Activity Reports to the Trustees (*Rapports d'Activités Trimestriels*), we decided to make a provision in our accounts for the payment of the IER (the exceptional tax on the income of expatriate staff), but not to pay it to the tax authorities as proposed by our accountants.

Indeed, our lawyer, in his tax analysis of the Asbls (Not-for-profit organisations), had clearly indicated to us that this tax was not applicable to our situation. The tax rate of the IER is 25% on the remuneration (after deduction of those parts of the remuneration which are not subject to taxation) and monthly the additional cost of this tax would be in the order of US\$3,000.

We therefore decided to provision the amounts corresponding to the IER until we had a clear answer from the tax authorities.

In order to resolve this recurring issue we have undertaken two parallel approaches:

1. During the bilateral discussions between Germany and the DRC on biodiversity funding, it was written into the final minutes that the DRC would recognize the Okapi Fund's rights to the tax exemptions that charities normally enjoy;

2. We were able to meet with the Minister of Finance in December 2023, who should make it possible to move the file forward in a favorable manner.

However, these measures were insufficient and did not prevent the Okapi Fund from receiving a letter of adjustment from the tax authorities on this matter in March 2025.

IER Tax Settlement: Resolution of Fiscal Compliance Issues

The tax administration claimed outstanding IER arrears accompanied by penalties and late payment interest dating back to 2020. While awaiting the interministerial decree (from the Ministry of Planning and Ministry of Finance) that would formally recognize our right to fiscal exemptions, we had prudently provisioned the corresponding amounts in our accounting since 2020.

The original claim totaled \$256,000 USD, representing a significant financial exposure that threatened our operational capacity and conservation mission.

Our approach centered on demonstrating our good faith efforts and the administrative obstacles beyond our control. We presented compelling arguments to the tax administration:

Documented Due Diligence: We provided evidence of our continuous efforts with the Ministries of Planning and Finance since 2020, including regular documented follow-ups that demonstrated our commitment to resolving the matter.

Bilateral Recognition: We highlighted that our fiscal challenges had been raised twice during Germany–DRC bilateral discussions, where the DRC had agreed to support us in obtaining these legal exemptions, demonstrating the international dimension of our status.

Administrative Responsibility: We emphasized our lack of responsibility for the administrative delays that prevented timely resolution of our exemption status.

After multiple exchanges with fiscal authorities, we achieved a significant breakthrough in our negotiations. The tax administration agreed to abandon their demands concerning penalties and late payment interest—the most punitive aspects of their original claim.

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In exchange, we committed to promptly settle the base IER taxes that were the subject of the tax assessment, demonstrating our willingness to cooperate within reasonable parameters.

The negotiated resolution reduced our total payment obligation from \$256,000 USD to \$122,000 —a reduction of more than 50% that saved the organization \$134,000 USD. This outcome validated our strategy of principled engagement while protecting organizational resources.

This resolution demonstrates several important principles:

- **Principled Negotiation:** Our approach of acknowledging legitimate obligations while challenging unreasonable penalties proved effective in achieving a balanced outcome.
- **Institutional Protection:** The significant reduction in our financial exposure preserved resources for our conservation mission while maintaining compliance with fiscal obligations.
- **Precedent Setting:** This settlement establishes important precedents for how international conservation organizations can navigate complex fiscal environments while protecting their operational capacity.

The successful resolution of this matter eliminates a major financial uncertainty that had affected our operations since 2020. The \$134,000 USD in savings represents resources that can now be dedicated directly to conservation activities rather than administrative penalties.

This outcome also demonstrates the effectiveness of patient, strategic engagement with regulatory authorities, showing that persistence and principled advocacy can yield significant results even in challenging administrative environments.

The resolution provides closure to a complex matter while reinforcing our commitment to fiscal compliance and responsible organizational management in the DRC's evolving regulatory landscape.

Fraud risks

We have identified three levels of fraud risk:

1. Risks at the level of the funds managed by the Okapi Fund
2. Risks at the level of the funds managed by the portfolio manager
3. Risks at the level of the funds managed by the beneficiaries of the funds received from the Okapi Fund

1. Risks at the level of funds managed by the Okapi Fund

The risks of misappropriation of funds are limited because of the disbursement procedure that we follow: 1. For electronic transfers: For each disbursement, the ED must enter the amounts on the bank's platform and two trustees must approve the disbursement. Each payment must be supported by a document (invoice, fee, etc.). 2. Regarding cash disbursements: Each disbursement must be pre-approved by the ED, documented by the DAA and reported in a cash tracking document.

In addition, we have both a post-payment audit performed by accountants under Ohada law (the Organization for the Harmonization of Business Law in Africa), by BMCG and under UK accounting law by Sayer Vincent.

Finally, two types of audits are carried out each year: (i) one to control the expenses made from the budget coming from KfW (carried out by JMB in DRC and required by KfW) and (ii) the other one carried out by a special team of Sayer Vincent for a statutory audit on the accounts.

2. Risks at the level of the funds managed by the portfolio manager

Fraud risks at this level are managed by Evelyn Partners' internal procedures. We have not conducted an audit of their procedures, but to date the UK supervisory authorities have not, to our knowledge, raised any concerns about the possibility of fraud.

3. Risks at the level of funds managed by recipients of Okapi Fund funds

In order to limit the possibility of fraud in the funds disbursed to the Protected Areas, we have put in place the following two principles:

1. Disburse funds according to planned instalments that reflect needs for a couple of months – rather than one single payment for the full year;

2. The grants are transferred to a reputable international NGO that implements projects on the ground: this is the case with Garamba NP, where the funds and management of the PA are the direct responsibility of the NGO African Parks Congo, a subsidiary of African Parks Networks from South Africa;
3. Conduct an audit of disbursed funds by an internationally recognized auditor. The Garamba NP funds were audited by KPMG in March 2023 (first disbursement) and in May 2024 (second disbursement).

In addition, in the grant agreement with the grantee, we are imposing strict financial reporting requirements to limit the possibility of fraud. Finally, at least once a year, we will conduct an audit of the use of funds in the field with the recipient's accounting and financial departments.

Proposed solution: (i) funds transferred to a reputable international NGO; (ii) audit by a reputable international firm; (iii) audit by us on site.

Reputational risks

The main reputational risks we face in the DRC are related to the management of Protected Areas by our grantees in relation to the following main issues:

1. Embezzlement of granted funds
2. Conflicts with local populations and indigenous peoples
3. Human rights abuses in the context of anti-poaching operations

On the first point, we can refer to the discussion above on the Risks of Fraud.

Regarding conflicts with indigenous people and local populations, we have identified two types of potential conflicts that could affect our reputation as a funder of PA managers:

1. Conflicts between populations and/or uncontrolled indigenous people
2. Conflicts between the PA and indigenous populations and/or people

On the first point: the risk is indirect insofar as, in principal, the responsibility of the PA is not engaged. If this is nevertheless the case, the risk is that of the consequences of conflicts on the image of the PA manager and, as a result, on our own reputation.

On the second point: This risk exists and is quite high insofar as PAs are generally not very isolated from the activities of indigenous populations and/or people. There can be all sorts of conflicts: human–wildlife conflicts, conflicts over economic activities developed in the buffer zones, conflicts over the park's boundaries, over access to park resources, etc.

Within each PA, procedures are put in place to limit the consequences of these conflicts and to try to find an adequate and early response. In particular, a grievance mechanism is put in place, which is normally mandatory. When this is not the case, the Okapi Fund imposes the establishment of such a mechanism with a precise implementation schedule.

Regarding human rights abuses in Anti-Poaching operations, the reputational risk is very high:

- Such risks have been raised and documented for the PNKB by several NGOs
- The consequences for donors have been very serious, particularly in terms of their reputation with the general public

To address this risk, but more importantly to improve the situation and ensure that these events no longer happen in the future, the Okapi Fund has mandated that environmental, social and human rights due diligence be conducted before any disbursement to a PA. In addition, the due diligence requires a very specific environmental, social, and human rights action plan from the potential recipient of our grants. The Okapi Fund is responsible for monitoring the recipient's compliance with this plan. Finally, a significant portion of our grants are directly aimed at addressing human rights issues in and around the target PA.

Adopted solution: (i) Approve funding that addresses and mitigates these risks; (ii) Implement strict environmental, social, and human rights safeguards in PAs; (iii) Ensure regular and thorough human rights monitoring; and (iv) Make successive disbursements contingent on progress on these issues by recipients.

In 2025

More generally, the risks faced by the Okapi Fund in the coming months are mainly threefold:

1. A financial risk due to the volatile nature of financial markets. Due to this permanent situation, the Okapi Fund, in particular through its Investment Committee and thanks to very regular communication with its portfolio manager (Evelyn Partners), is particularly attentive to financial risks and closely follows the evolution of financial indices on a daily basis.
2. A country risk, as the DRC is a highly unstable country, both politically and economically. The members of the Okapi Fund (Trustees & the executive direction) are therefore very attentive to political and economic developments in the country in order to be able to anticipate as far as possible any risk that might arise for its activities or its members or partners. In particular, the Okapi Fund closely monitors the situation in the Protected Areas, which are sometimes located in low security zones, by checking very regularly with its partners or the various stakeholders with whom the Okapi Fund is in contact to find out what the health and safety situation is on the ground.
3. Reputational risk: Due to accusations of human rights abuses in some protected areas against park officials, including Kahuzi-Biega-Biega National Park, there is a risk that if we fund this park, we will be associated with the accusations against the park if the issues raised have not been resolved and significant human rights safeguards have not been implemented in the park. On these points, the Okapi Fund is particularly vigilant and monitors the implementation of environmental, social and human rights measures recommended by the due diligence carried out at its request in December 2022 by the international consulting firm IBIS. Prior to any new disbursement, we check that the initial grant conditions are still met.

Regarding Point 1 above, in order to mitigate its potential impact:

- a. We maintain a significant position in liquid money market securities as long as the prospects of a financial and economic crisis are high;
- b. We will maintain an adequate financial reserve policy to enable us to meet our financial commitments over 2025 and 2026.

Reserves policy and going concern

The first capitalization funds (endowment funds) received by the Okapi Fund were invested in the financial markets in the first half of 2020 and the first disbursements in favor of a protected area took place in December 2022.

Since 2019, KfW has provided funding for the operational running of the Okapi Fund of EUR 2 millions.

Depending on our needs, and based on the forecast financial statements, we can draw on these funds for periods of 6 months by making a duly documented application to KfW (by showing, in particular, that expenditures during the previous period were spent in accordance with the financial forecasts).

The first 1 million was committed by KfW in 2019 and was exhausted in June of 2022.

The second 1 million was committed by KfW in October 2022 with a view to covering operational costs of the Okapi Funds starting in January 2023 (until the end of 2024). In the interval (from June 2022 to December 2022) the Okapi Fund used funding from revenues generated by the Endowment Funds (in two instalments of 160 000 US\$ each).

The KfW's operational budget has not yet been exhausted and can be used in 2025 if necessary. From 2025 onwards, the Okapi Fund could also draw on its own resources (income generated by the Endowment Funds) to finance its operating costs. At the date of this report, the excellent condition of our portfolio allows us to envisage financing from our own resources without difficulty and without compromising our commitments to protected areas.

The Okapi Fund needs to maintain sufficient free reserves to match this long-term funding commitment. The reserves policy is set to ensure we can deliver on our vision and mission and ensure our work is protected from the risk of disruption at short notice due to a lack of available funds, whilst at the same time ensuring we do not retain income for longer than required.

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As part of effective financial management, the Okapi Fund holds reserves to ensure we can:

- Manage financial risk. There are a range of risks we face, including the risk of an unforeseen drop in income due to unpredictable investment returns or unbudgeted increases in expenditure.
- Meet our long-term grant commitments and funding plans.

We have calculated that an appropriate reserves range for the Okapi Fund is USD \$2.5 to 3 million, which is broken down as follows:

Reserves range	US \$m
Financial risk	0.5
Grant commitments and long-term plans	2
Minimum level	2.5
Range	0.5
Maximum level	3

This equates to between 12- and 18-months charitable activities (such as funding of commitments to national parks) and operating and administration expenses.

The Okapi Fund's Reserves for the Year ended 31st December is:

Okapi Funds Statement	2024
	US \$000
Unrestricted Funds	-102
Restricted Funds	0
Designated Funds	0
Permanent Endowment	45,940
Unapplied Total Return	8,348
Expendable Endowment	10,587
Total Funds ¹	64,681

¹ Total Funds include Unrestricted, Restricted, Designated and both Permanent and Expendable endowment.

Okapi Fund 'Free' Reserves for the Year to 31st December	2024
	US \$000
Free Reserves ²	8,243
Ratio of Free Reserves to Annual Operating Expenditure ³	0.3

The Okapi Fund reserves provide financial stability and the means for the long-term development and delivery of the Okapi Fund's charitable activity.

We intend to target our reserves at a level which is equivalent to 18th months of operating expenditure (covering grants and operational costs) due to the long-term nature of the Okapi Fund's activity and the volatility of investment returns that provide the Okapi Fund's principal source of income.

The amount of Free Reserves at the end of 2024 is sufficient to meet the requirements of our reserves policy.

In addition, at the end of September 2025, the date of writing of this report, our portfolio has appreciated significantly since the beginning of the year, which reinforces our current capacity to meet our reserve requirements.

The Board will regularly review the amount of reserves that are required to ensure that they are able to meet all the Okapi Fund's continuing obligations and plans. The Okapi Fund has access to expendable endowment of over USD \$10.587 million, and therefore has more than adequate reserves to meet all operational and grants commitments for the foreseeable future.

When a transfer from the UTR to the Income Fund is approved by the Board, the sum transferred remains part of the Free reserves as Unrestricted Funds until spent.

² Free Reserves are composed of Unrestricted Funds and Unapplied Total Return less tangible fixed assets US\$ and any designated grant commitments (not yet determined for 2026).

³ Operating expenditure covers charitable activities and administration expenses.

Plans for the future

Looking forward to 2025, the main goals and activities of the Charity for 2025 are as follows (an Annual Activity Plan for 2025 has been developed by the management team and approved by the Trustees in December 2024):

- **Pursuing Financing:** Among our main activities in 2025, there are the disbursements in favor of the Garamba National Park (US\$500,000 already disbursed as of the date of this report), in favor of the Salonga National Park (US\$300,000 disbursed in March 2025), for the Lomami PN (US\$250,000 disbursed in June 2025) and for the Maïko PN (US\$140,000 US\$ to be disbursed in July 2025).
- **Fundraising:** In 2025 we will continue our efforts to broaden our donor base. We will follow the guidelines of the ambitious scenario of our fundraising strategy, which aims to reach a portfolio of assets under management of US\$ 86 million by 2027. Among the most promising avenues are discussions with the AFD and the FFEM on the one hand, and those with the private sector through the Rawbank and the Bezos Earth Fund (through Rainforest Foundation Norway and the Forestry Community Desk) on the other.
- **The new Executive Director:** The new Executive Director took up his duties on July 7, 2025, and will be supported by the former Executive Director until the end of September 2025. A transition program has been developed and approved by the Board of Directors, which will oversee its implementation.
- **The effective establishment of new Desks:** Carbon Desk and Community Forestry Desk. These two activities will require the recruitment of new resources during the second half of 2025.
- **Impact fund:** Explore the opportunity to create an impact fund. Alongside the endowment fund, the Okapi Fund will explore the opportunity to open an impact fund whose financing, in addition to disbursements, could have an environmental and social impact.

➤ **Other:**

- Determine the Grant Program for the year 2026 (With the support of the Grant Awarding Committee).
- Develop a Fraud Prevention Policy in accordance with the requirements of the Charity Commission.
- Evaluate the relevance and practicability of our environmental procedures and our operational manual.
- Evaluate the impact of our financial support on the achievement of our purpose.

Small fundraising statement

We do not raise funds from the general public. However, we plan to increase the base of our endowment funds and restricted funds over the next few years and plan to meet with potential institutional and private donors in the coming months (this process has started in September 2020). Our fundraising strategy for the coming years was approved by the Trustees in June 2023.

We did not conduct fundraising activities with the general public in 2024 and incurred no expenditure in raising income. As we have not conducted any fundraising activities with the general public in 2024, we have not been confronted with any compliance issues or complaints of any kind.

Structure, governance and management

The Charity is a charitable company limited by guarantee, incorporated on 28 November 2013 and registered as a charity on 3 June 2014.

The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed by its Articles of Association.

All trustees give their time voluntarily and receive no benefits from the charity. The Charity reimburses trustees for expenses incurred in carrying out their trustee duties, providing such expenses are reasonable and properly incurred. Please see note five to the accounts for more information.

In accordance with its Articles of Association, the Okapi Fund has delegated its day-to-day management to the Executive Committee and the Executive Director:

9.2 Subject to the Articles, the Directors may delegate the implementation of their decisions or day to day management of the affairs of the Charity to any person or committee.

11. Delegation of day to day management powers

In the case of delegation of the day to day management of the Charity to a chief executive or other manager or managers:

11.1 The delegated power shall be to manage the Charity by implementing the policy and strategy adopted by and within a budget approved by the Directors and (if applicable) to advise the Directors in relation to such policy, strategy and budget;

11.2 The Directors shall provide any manager with a description of his or her role and the extent of his or her authority; and

11.3 Any manager must report regularly to the Directors on the activities undertaken in managing the Charity and provide them regularly with management accounts which are sufficient to explain the financial position of the Charity.

The functioning of the Executive Committee and its powers are detailed in the Internal Regulations of the Okapi Fund (*Règlement Intérieur*) adopted by the Board of Trustees:

Article 12: Duties of the Executive Committee.

12.1 The Executive Committee intervenes to take decisions on immediate operational matters, which require urgency, for which the orientations of the Board of Directors are normally necessary, but which do not necessarily require the Board of Directors to be held. The Executive Committee shall not be responsible for any of the functions or powers that cannot be delegated to the Committees by the Board of Directors in accordance with Article 9.3 of the Articles of Association.

The remuneration of the Executive Director is set by the Board of Trustees. The main factors taken into account for the remuneration of the Executive Director were the following:

1. The international and particular profile of the candidate.
2. The very high cost of living in the DRC.
3. Risks associated with the position, due to the political and economic instability of the country.

The amount of the compensation and benefits were determined in consultation with Michael Page, the company mandated to select the Executive Director, based on the remuneration of equivalent positions for international profiles that evolve in a difficult context and where the cost of living is one of the highest in the world. The amount of the remuneration is also justified by the political and economic instability of the DRC, particularly in the regions where the Protected Areas under the focus of the Okapi Fund are located (the Executive Director will visit them from time to time).

The current Executive Director was appointed by the Board of Trustees. His duties are detailed in his employment contract and in the Manual of Administrative and Accounting Procedures Manual, both approved by the Board of Trustees.

Appointment of Trustees

The appointment of Trustees is covered in detail in the Charity's Articles of Association (see Articles 25–28). The Articles allow for the Charity to have a minimum of 7 and a maximum of 9 trustees (or directors, as they are called in the Articles). At the end of 2024 there were 8 (2023: 9) Trustees in office.

As mentioned above, the Okapi Fund replaced a number of Trustees in November 2022. Two Trustees were replaced in October and December 2024.

Related parties and relationships with other organisations

The Okapi Fund has no formally established relationship with any organisation outside of KfW, the World Bank and the ICCN. Details on related parties with KfW and ICCN are provided in Note 7 of the accounts.

KfW provided some funds and has one of its employees as a member of the Board in the person of Britta Oltmann (she is both the Director of the KfW Office in Kinshasa and a Trustee for the Fund).

Statement of responsibilities of the trustees

The Trustees (who are also directors of The Okapi Fund for Nature Conservation in the Democratic Republic of Congo for the purposes of company law) are responsible for preparing the trustees' annual 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.

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For the year ended 31 December 2024

- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The Trustees' annual report has been approved by the trustees on 29 September 2025 and signed on their behalf by

Victor Kabengele Wa Kadilu,
Chairman of the Okapi Trust Fund's Board of Trustees

Independent auditor's report

For the year ended 31 December 2024

Opinion

We have audited the financial statements of The Okapi Fund for Nature Conservation in the Democratic Republic of Congo (the 'charitable company') for the year ended 31 December 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 FRS 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 charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 charitable company 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.

Independent auditor's report

For the year ended 31 December 2024

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 Okapi Fund for Nature Conservation in the Democratic Republic of Congo'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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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.

Independent auditor's report

For the year ended 31 December 2024

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Independent auditor's report

For the year ended 31 December 2024

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding

Independent auditor's report

For the year ended 31 December 2024

irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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.

Noelia Serrano (Senior statutory auditor)

Date: 29 September 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Statement of financial activities

For the year ended 31 December 2024

		Unrestricted	Endowment	2024 Total	Unrestricted	Endowment	2023 Total
	Note	\$	\$	\$	\$	\$	\$
Income from:							
Donations	2	551,502	–	551,502	347,580	27,056,125	27,403,705
Other income		–	–	–	21,504	–	21,504
Investment income	3	–	953,699	953,699	–	455,916	455,916
Total income		551,502	953,699	1,505,201	369,084	27,512,041	27,881,125
Expenditure on:							
Cost of raising funds	4	61,912	253,565	315,477	48,983	129,343	178,326
Charitable activities							
Project expenses	4	995,219	–	995,219	1,041,593	–	1,041,593
Total expenditure		1,057,132	253,565	1,310,697	1,090,576	129,343	1,219,919
Net income for the year	5	(505,630)	700,134	194,505	(721,492)	27,382,698	26,661,206
Transfers between funds		500,000	(500,000)	–	600,000	(600,000)	–
Net income before gains and (losses)		(5,630)	200,134	194,505	(121,492)	26,782,698	26,661,206
Gains on investments	9	–	6,618,237	6,618,237	–	3,282,042	3,282,042
Gains/ (losses) on foreign exchange		1,669	11,400	13,069	(2,568)	(99,761)	(102,329)
Net movement in funds		(3,961)	6,829,771	6,825,811	(124,060)	29,964,979	29,840,919
Reconciliation of funds:							
Total funds brought forward		(98,139)	57,954,194	57,856,055	25,921	27,989,215	28,015,136
Total funds carried forward		(102,100)	64,783,966	64,681,866	(98,139)	57,954,194	57,856,055

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Balance sheet

Company number: 08794664

As at 31 December 2024

	Note	2024 \$	2023 \$
Non current assets:			
Tangible assets	10	3,132	8,691
Investments	9	64,783,427	58,303,655
		64,786,559	58,312,346
Current assets:			
Debtors	11	14,644	33,881
Cash at bank and in hand		79,174	83,544
		93,818	117,425
Liabilities:			
Creditors: amounts falling due within one year	12	(77,641)	(573,716)
Net current assets		16,177	(456,291)
Provisions for liabilities	15	(120,870)	–
Total net assets		64,681,866	57,856,055
The funds of the charity:	16		
Restricted funds:			
Endowment Fund		64,783,966	57,954,194
Unrestricted funds		(102,100)	(98,139)
Total charity funds		64,681,866	57,856,055

Approved by the trustees on 29 September 2025 and signed on their behalf by

Victor Kabengele Wa Kadilu,
Chairman of the Okapi Trust Fund's Board of Trustees

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Statement of cash flows

For the year ended 31 December 2024

	Note	2024	2023
		\$	\$
Cash flows from operating activities			
Net income for the reporting period (as per the statement of financial activities)		6,825,811	29,840,919
Depreciation charges		5,559	6,832
(Gains) on investments		(6,618,237)	(3,282,042)
Income from investments		(953,699)	(455,916)
Decrease / (Increase) in debtors		19,237	(2,253)
(Decrease) / Increase in creditors		(496,075)	224,082
Increase in provisions		120,870	-
Net cash (used in)/provided by operating activities		(1,096,535)	26,331,622
Cash flows from investing activities:			
Purchase of investments		(28,855,746)	(56,631,344)
Proceeds from sale of investments		28,888,723	27,651,221
Income from investments		953,699	455,916
Movement in cash held by investment manager		105,488	1,947,725
Net cash provided by / (used in) investing activities		1,092,164	(26,576,482)
Change in cash and cash equivalents in the year		(4,370)	(244,860)
Cash and cash equivalents at the beginning of the year		83,544	328,404
Cash and cash equivalents at the end of the year		79,174	83,544

Notes to the financial statements

For the year ended 31 December 2024

1 Accounting policies

a) Statutory information

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 10 Queen Street Place, London, EC4R 1BE.

b) Basis of preparation

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) – (Charities SORP FRS 102). The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Since 2019, KfW has provided funding for the operational running of the Okapi Fund of EUR 2 million.

Depending on our needs, and based on the forecast financial statements, we can draw on these funds for periods of 6 months by making a duly documented application to KfW (by showing, in particular, that expenditures during the previous period were spent in accordance with the financial forecasts).

The first EUR 1 million was committed by KfW in 2019 and was exhausted in June of 2022. The second EUR 1 million was committed by KfW in October 2022 with a view to covering operational costs of the Okapi Funds starting in January 2023 (until the beginning of 2025). In the interval (from June 2022 to December 2022) the Okapi Fund used funding from revenues generated by the Endowment Funds (in two instalments of 160 000 US\$ each).

Finally, (i) our operating expenses (annual budget) are well controlled and known (they do not vary significantly from one year to the next) and (ii) we adopt a conservative reserve policy each year to ensure that we have sufficient liquid assets available at all times should the need arise.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' 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.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Expenditure and irrecoverable VAT

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

Notes to the financial statements

For the year ended 31 December 2024

1 Accounting policies (continued)

g) Grants payable

Grants payable are made to third parties in accordance with the charity's governing documents. These grants are charged to the statement of financial activities in the year in which the offer is conveyed to the recipient.

h) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Trustees adopt a total return approach, under which the target is to achieve total return (net of fees) of 4% above RPI inflation, allowing the fund to withdraw from the portfolio to either income funds or trust for investment to contribute to its running costs each year. Investment income is allocated to the endowment funds when receivable. Withdrawals from the endowment funds are shown as transfers between funds. Within the year annualised total return (net of fees) of 10.9% was achieved.

i) Debtors

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

j) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

k) Fixed assets

Items of equipment are capitalised where purchased. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

The depreciation rates of fixed assets are as follows:

- Computer equipment – 3 years straight line
- Fixtures and Fittings – 4 years straight line
- Motor Vehicles – 4 years straight line

l) Financial instruments

The charity 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.

m) Foreign exchange policy

Transactions in foreign currencies are translated at the average rate for the year using HMRC rates. All exchange gains/losses are charged to the statement of financial activities and separately disclosed.

n) Presentational currency

The financial statements are presented in United States Dollars. The functional currency is between United States Dollars, Euros and Congolese Franc.

o) Funds

The restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

The unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

The endowment funds include permanent endowment funds, where the capital must be retained, and expendable endowment funds, which can be converted into income at the discretion of the Trustees. The totality of the funds received from the World Bank (US\$ 7.4 million) are treated as Permanent Endowment Funds according to the wishes expressed by the donor.

Following the wishes of the donor, the funds received from KfW, namely EUR 14 million received in December 2019, are treated as:

- Permanent Endowment funds for the value of US\$ 7.4 million (based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).
- Expendable Endowment Funds for the value of EUR 14 million less the amount mentioned above (EUR 14M – 7.4M US\$ based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).

The Okapi Fund received no new permanent endowments in 2024 (2023: EUR 25 million).

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Notes to the financial statements

For the year ended 31 December 2024

2 Income from donations and legacies

	Unrestricted	Endowment	2024 Total	2023 Total
	\$	\$	\$	\$
Donations:				
KfW	551,502	–	551,502	27,403,705
	551,502	–	551,502	27,403,705

In 2023, \$27,056,125 of donations were endowment funds and \$347,580 were unrestricted.

3 Income from investments

	Unrestricted	Endowment	2024 Total	2023 Total
	\$	\$	\$	\$
Dividends	–	953,699	953,699	455,916
	–	953,699	953,699	455,916

All income from the prior year was related to the endowment funds.

4 Grants payable

		2024	2023
	\$	\$	\$
Reconciliations of grants payable:			
Commitments at 1 January 2024		350,000	–
Grants approved in the year			
African Parks Conqo	500,000	250,000	
WCS	–	350,000	
Grants payable for the year		500,000	600,000
Grants paid during the year		(850,000)	(250,000)
Commitments at 31 December 2024		–	350,000

5a Analysis of expenditure (current year)

	Cost of raising funds	Charitable activities – project expenses	Support costs	Governance costs	2024 Total	2023 Total
	\$	\$	\$	\$	\$	\$
Staff Costs (note 7)	24,102	96,408	72,306	48,204	241,019	256,281
Grants (note 4)	–	500,000	–	–	500,000	600,000
Consultancy	–	–	–	–	–	8,999
Legal fees	–	–	–	3,394	3,394	2,984
Admin and Rent	9,686	–	75,690	–	85,375	89,997
Accountancy and audit	–	–	–	50,009	50,009	71,627
Depreciation expense	–	–	5,559	–	5,559	6,832
Investment manager's fees	253,564	–	–	–	253,564	129,343
Other expenses	3,943	15,771	11,828	128,755	160,296	45,820
Trustees' expenses	–	–	–	11,480	11,480	8,036
	291,294	612,178	165,382	241,842	1,310,696	1,219,919
Support and Governance costs	24,184	383,041	(165,382)	(241,842)	–	–
Total expenditure 2024	315,477	995,219	–	–	1,310,696	1,219,919

Notes to the financial statements

For the year ended 31 December 2024

5b Analysis of expenditure (prior year)

	Cost of raising funds	Charitable activities – project expenses	Support costs	Governance costs	2023 Total
	\$	\$	\$	\$	\$
Staff Costs (note 7)	26,432	105,727	71,259	52,863	256,281
Grants (note 4)	–	600,000	–	–	600,000
Consultancy	–	–	8,999	–	8,999
Legal fees	–	–	–	2,984	2,984
Admin and Rent	9,000	–	80,997	–	89,997
Accountancy and audit	–	–	–	71,627	71,627
IT Costs	–	–	–	–	–
Depreciation expense	–	–	6,832	–	6,832
Investment manager's fees	129,343	–	–	–	129,343
Other expenses	–	–	45,820	–	45,820
Trustees' expenses	–	–	–	8,036	8,036
	164,775	705,727	213,907	135,510	1,219,919
Support and Governance costs	13,551	335,866	(213,907)	(135,510)	–
Total expenditure 2023	178,326	1,041,593	–	–	1,219,919

6 Net income for the year

This is stated after charging:

	2024	2023
	\$	\$
Trustees' reimbursed expenses	11,480	8,036
Foreign exchange (gain)/loss	(13,069)	102,329
Auditor's remuneration (excluding VAT):		
Audit	19,948	18,908
Other services	6,394	6,112

Notes to the financial statements

For the year ended 31 December 2024

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024	2023
	\$	\$
Salaries and wages	218,249	244,286
Social security costs	22,770	11,995
	241,019	256,281

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2024 No.	2023 No.
\$193,842 – \$206,628	1	–
\$206,629 – \$220,403	–	1

Gross salaries, social security, and employer pension contributions for key management personnel this year were \$237,618 (2023: \$209,334).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2023: \$nil). No charity trustee received payment for professional or other services supplied to the charity (2023: \$nil).

Trustee expenses of \$11,480 were incurred in 2024 by 1 trustee (2023: \$8,036 by 2 trustees) in relation to travel and subsistence costs.

The average number of employees (head count based on number of staff employed) during the year was 3 (2023: 3).

8 Related party transactions

Britta Oltmann is the head of the KfW bureau in Kinshasa and a Trustee for the Fund. During the year 2024, Okapi received \$551k from KfW. The Okapi Fund also received 25 million euros in permanent endowments in December 2023.

Jean-Philippe Waterschoot, who was a trustee (until December 2022), is the CEO of TEXAF. TEXAF is the parent company of COTEX, from whom the Okapi Fund is leasing their office. The lease was agreed on an arm's length basis and Jean-Philippe Waterschoot is not a signatory on the lease. A total of US\$ 25,672 was paid by the Okapi Fund to COTEX in the year (2023: \$23,096).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Notes to the financial statements

For the year ended 31 December 2024

10a Listed investments (current year)

	2024 \$	2023 \$
Fair value at the start of the year	58,123,021	25,860,856
Additions at cost	28,855,746	56,631,344
Disposal proceeds	(28,888,723)	(27,651,221)
Net gain on change in fair value	6,618,237	3,282,042
	64,708,281	58,123,021
Cash held by investment broker pending reinvestment	75,146	180,634
Fair value at the end of the year	64,783,427	58,303,655

As of 19 September 2025, the total value of the investment portfolio is approximately \$69.1.m.

	Permanent Endowment \$	Unapplied Total Return \$	Total \$
At beginning of the reporting period or date of resolution:			
Gift component permanent endowment	45,939,953	–	45,939,953
Unapplied total return	–	2,671,125	2,671,125
Total	45,939,953	2,671,125	48,611,078
Movements in the reporting period:			
Investment return: dividends and interest	–	804,958	804,958
Investment return: realised and unrealised gains	–	5,586,042	5,586,042
Less: Investment management costs	–	(214,018)	(214,018)
Total	–	6,176,982	6,176,982
Unapplied total return allocated to income in the reporting period	–	(500,000)	(500,000)
Net movements in reporting period	–	5,676,982	5,676,982
At end of the reporting period:			
Gift component permanent endowment	45,939,953	–	45,939,953
Unapplied total return	–	8,348,107	8,348,107
Total	45,939,953	8,348,107	54,288,060

Notes to the financial statements

For the year ended 31 December 2024

10b Listed investments (prior year)

	2023 \$	2022 \$
Fair value at the start of the year	25,860,856	27,999,362
Additions at cost	56,631,344	11,966,566
Disposal proceeds	(27,651,221)	(10,076,863)
Net gain on change in fair value	3,282,042	(4,028,209)
	58,123,021	25,860,856
Cash held by investment broker pending reinvestment	180,634	2,128,359
Fair value at the end of the year	58,303,655	27,989,215

	Permanent Endowment \$	Unapplied Total Return \$	Total \$
At beginning of the reporting period or date of resolution:			
Gift component permanent endowment	18,883,828	–	18,883,828
Unapplied total return	–	217,449	217,449
Total	18,883,828	217,449	19,101,277
Movements in the reporting period:			
Gift of endowment funds	27,056,125	–	27,056,125
Investment return: dividends and interest	–	385,481	385,481
Investment return: realised and unrealised gains and (losses)	–	2,777,555	2,777,555
Less: Investment management costs	–	(109,360)	(109,360)
Total	27,056,125	3,053,676	30,109,801
Unapplied total return allocated to income in the reporting period	–	(600,000)	(600,000)
Net movements in reporting period	27,056,125	2,453,676	29,509,801
At end of the reporting period:			
Gift component permanent endowment	45,939,953	–	45,939,953
Unapplied total return	–	2,671,125	2,671,125
Total	45,939,953	2,671,125	48,611,078

Notes to the financial statements

For the year ended 31 December 2024

11 Tangible fixed assets

	Motor vehicles	Fixtures and fittings	Computer equipment	Total
Cost	\$	\$	\$	\$
At the start of the year	25,418	4,135	2,953	32,506
Additions in year	–	–	–	–
At the end of the year	25,418	4,135	2,953	32,506
Depreciation				
At the start of the year	17,931	3,129	2,755	23,815
Charge for the year	4,665	696	198	5,559
At the end of the year	22,596	3,825	2,953	29,374
Net book value				
At the end of the year	2,822	310	–	3,132
At the start of the year	7,487	1,006	198	8,691

All of the above assets are used for charitable purposes.

12 Debtors

	2024	2023
	\$	\$
Trade debtor	7,456	5,650
Prepayments	7,188	28,231
	14,644	33,881

Notes to the financial statements

For the year ended 31 December 2024

13 Creditors: amounts falling due within one year

	2024	2023
	\$	\$
Payroll creditor	–	24,156
Trade creditors	58,438	16,324
Accruals	19,203	25,699
Grants payable	–	350,000
Deferred income (note 14)	–	157,537
	77,641	573,716

14 Deferred income

Deferred income comprises funds received in advance from KFW for activity to take place in 2024.

	2024	2023
	\$	\$
Balance at the beginning of the year	157,537	293,272
Amount released to income in the year	(157,537)	(293,272)
Amount deferred in the year	–	157,537
Balance at the end of the year	–	157,537

15 Provisions for liabilities

Provisions for liabilities comprises the balance of the agreement with tax authorities for IER tax.

	2024	2023
	£	£
Balance at the beginning of the year	–	–
Increase in provision in the year	120,870	–
Balance at the end of the year	120,870	–

16a Analysis of net assets between funds (current year)

	General unrestricted	Endowment	Total funds
	\$	\$	\$
Fixed assets	3,132	–	3,132
Investments	–	64,783,427	64,783,427
Net current assets	(105,232)	540	(104,692)
Net assets at 31 December 2024	(102,100)	64,783,966	64,681,866

16b Analysis of net assets between funds (prior year)

	General unrestricted	Endowment	Total funds
	\$	\$	\$
Fixed assets	8,691	–	8,691
Investments	–	58,303,655	58,303,655
Net current assets	(106,830)	(349,461)	(456,291)
Net assets at 31 December 2023	(98,139)	57,954,194	57,856,055

Notes to the financial statements

For the year ended 31 December 2024

17a Movements in funds (current year)

	At 1 January 2024	Incoming resources & gains	Outgoing resources & losses	Transfers	At 31 December 2024
	\$	\$	\$	\$	\$
Restricted funds:					
Permanent Endowment	48,611,078	6,391,000	(214,018)	(500,000)	54,288,060
Expendable Endowment	9,343,117	1,192,336	(39,546)	–	10,495,907
	57,954,194	7,583,336	(253,564)	(500,000)	64,783,966
Unrestricted funds:					
General funds	(98,139)	551,502	(1,055,463)	500,000	(102,100)
Total funds	57,856,055	8,134,838	(1,309,027)	–	64,681,866

17b Movements in funds (prior year)

	At 1 January 2023	Incoming resources & gains	Outgoing resources & losses	Transfers	At 31 December 2023
		\$	\$	\$	\$
Restricted funds:					
Permanent Endowment	19,101,277	30,219,161	(109,360)	(600,000)	48,611,078
Expendable Endowment	8,887,938	574,922	(119,743)	–	9,343,117
	27,989,215	30,794,083	(229,104)	(600,000)	57,954,194
Unrestricted funds:					
General funds	25,921	369,084	(1,093,144)	600,000	(98,139)
Total funds	28,015,136	31,163,167	(1,322,248)	–	57,856,055

Purposes of Endowment funds

The Okapi Fund has received funding from KfW and the World Bank to support the pursuit of its charitable objectives. The endowment fund is intended to generate significant, stable and predictable financial resources for the management of selected protected areas in the DRC, with a focus on sustainably financing the management costs of Parc National Kahuzi-Biega (PNKB) and the Parc National Garamba (PNG). The totality of the funds received from the World Bank (US\$ 7.4 million) are treated as Permanent Endowment Funds according to the wishes expressed by the donor.

Following the wishes of the donor, the funds received from KfW, namely EUR 14 million received in December 2019, are treated as:

Permanent Endowment funds for the value of US\$ 7.4 million (based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).

Expendable Endowment Funds for the value of EUR 14 million less the amount mentioned above (EUR 14 million – 7.4million US\$ based on the conversion rate in effect on the date of receipt of funds in the accounts held with Evelyn Partners). We also received an additional EUR 4 million from KfW in December 2022, and EUR 25 million from KfW in 2023, which are to be treated as Permanent Endowment Funds.

Notes to the financial statements

For the year ended 31 December 2024

18 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property	
	2024	2023
	\$	\$
Less than one year	11,754	11,728
	<u>11,754</u>	<u>11,728</u>

19 Contingent Liability

There are additional taxes for Expatriate employees within the DRC. Okapi should not have to pay these taxes due to its charitable status, however the charity has chosen to book these costs each year.

It is important to mention that we also have a commitment on the part of the DRC to officially recognize the exemption, this commitment appearing in two minutes resulting from bilateral discussions between the DRC and Germany which took place in 2022 and 2023.

Accounting provisions for 2024 amount to \$120,870.

20 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to \$1.28.

Company Number: 08794664

Charity Number: 1157294

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Report and financial statements

For the year ended 31 December 2024

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

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The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Reference and administrative information

For the year ended 31 December 2024

Company number 08794664

Charity number 1157294

Registered office and operational address Office 605, Albert House, 256–260 Old St, London EC1V 9DD

Country of registration England & Wales

Country of incorporation United Kingdom

Trustees Trustees (who are also directors of The Okapi fund for nature conservation in the Democratic Republic of Congo for the purposes of company law) who served during 2024 were as follows:

Victor Kabengele wa Kadilu (Chair)

Patrick Welby (until 20th October 2024)

Robert Craig (as of 20th October 2024)

Yvette Shabani (resigned the 5th September 2024)

Britta Oltmann (until 5 September 2024)

Kerstin Laabs (as of 17 december 2024)

Samy Mankoto

Dieudonné Musibono

Agnès Kasongo

Gloria Assimbo

Beto Nyongolo

Executive Director Guillaume Gervais de Rouville

Administrative Assistant Karen Kibanga

Solicitors Sedulo, Office 605, Albert House,
256–260 Old St, London EC1V 9DD

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Reference and administrative information

For the year ended 31 December 2024

Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors 110 Golden Lane LONDON EC1Y 0TG
Investment Manager	Evelyn Partner Investment (formerly named “Smith & Williamson Investment Management”) 25 Moorgate LONDON EC2R 6AY

Trustees' annual report

For the year ended 31 December 2024

The trustees present their report and the audited financial statements for the year ended 31 December 2024.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and Activities

Purposes and aims

As set out in the Charity's Articles of Association, its purposes are to promote for the benefit of the public, the conservation, protection and improvement of the natural environment and biodiversity of the Democratic Republic of the Congo (DRC), with priority focus on DRC's national system of protected areas. Specifically, it aims to:

- i) Promote, for the benefit of the public, sustainable development that supports the conservation of biodiversity in DRC, in particular the protected areas and/or other conservation areas of significant ecological value and/or significant biological importance including:
 - (a) The preservation, conservation and the protection of the environment and the sustainable use of natural resources; and
 - (b) The relief of poverty and the improvement of the conditions of life for the benefit of populations living in and around protected areas and other areas of significant ecological conservation and/or significant biological importance.
- ii) Advance the education of the public on environmental issues including the

Trustees' annual report

For the year ended 31 December 2024

biodiversity, conservation, sustainability and management of DRC's protected areas and/or other areas of significant ecological conservation and/or significant biological importance.

The trustees periodically review the aims, objectives and activities of the charity and have always reaffirmed the purpose and aims as noted here. It is additionally affirmed that the trustees have had regard to the Charity Commission's guidance on public benefit.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees have considered how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance

The Charity's activities and achievements during 2024 have been concentrated on the following items : (i) continue efforts to increase the Okapi Fund's endowment funds, (ii) prepare and carry out new disbursements in favor of the Protected Areas while monitoring previous financing, (iii) selection of new protected areas eligible for support from the Okapi Fund, (iv) opening of a Carbon Desk and a Community Forestry Desk, (v) launch of the recruitment process for a new Executive Director, (vi) carry out field missions and participate in international events to strengthen our knowledge and capacities and reinforce links with the various biodiversity stakeholders, (vii) monitor financial markets in a particularly volatile period.

Fundraising

In early 2024, the **Fonds Français pour l'Environnement Mondial (FFEM)** joined forces with AFD to co-finance an additional 2 to 3 million euros. A Project Information Note (PIN) was drawn up in April 2024 to initiate the procedure with the FFEM.

The dossier was examined by consultants in June/July 2024 who assessed its relevance. The consultants' final report is very positive and recommends that the maximum amount of funding be allocated to the Okapi Fund.

However, the final decision will be more political than technical, as AFD/FFEM funding is earmarked for the Kahuzi-Biega National Park. The situation within the park since January 2025 is particularly difficult due to the presence of M23 rebels in or near the park. In this context, the AFD has decided to postpone its final decision until the end of September 2025.

At the same time, the Fonds Okapi strengthened its role in the development of the IPLC Forest Facility (IFF), a new funding initiative led by Rainforest Foundation Norway and financed by the Bezos Earth Fund. The Fund participated in multiple working sessions, culminating in its official designation in November 2024 as the preferred financial mechanism to channel IFF funds to local forest communities. This decision was validated by the Fonds Okapi Board in December 2024 and

Trustees' annual report

For the year ended 31 December 2024

marks a turning point in expanding the Fund's reach beyond traditional protected area support (see below next section for more details). The idea behind this new desk is to attract private and public funding for community forestry and position the Okapi Fund as the natural funding channel for this type of project.

Furthermore, discussions with the Rawbank culminated in the drafting of a concept note for the creation of a dedicated 'Carbon Desk' within the Fonds Okapi (see below next section for more details). This unit, envisioned as a financing conduit for carbon credit projects aligned with biodiversity goals, received approval from the Board in December 2024. Initial responses to questions from Rawbank's risk department were provided in October 2024, and both parties aim to identify pilot projects in 2025. The idea behind this new desk is to attract CSR funds from private sector companies in the DRC to finance carbon projects with a high social and environmental impact.

Relations with the Bezos Earth Fund remained active throughout the year. The Fund submitted a concept note in Q1 and held several meetings in Kinshasa and Cali (Colombia) to present its potential role in regional conservation finance architecture. Further engagements with the Fund's U.S.-based leadership are planned before the end of 2025.

Funding of Protected Areas

In 2024, only one national park received financial support from the Okapi Fund: The Garamba National Park (GNP). The Kahuzi-Biega National Park (KBNP) was unable to receive funds from us for reasons that will be explained below.

In March 2024, the Board of Trustees adopted the grant program for 2024, which includes: (i) a grant of US\$300,000 to GNP and (ii) US\$500,000 to KBNP. Funding are granted once all eligibility conditions have been met. The GNP received its funds in July 2024.

The Board of Directors authorized a second disbursement of US\$200,000 to the Garamba National Park to cover unexpected funding gaps. This brings the total amount disbursed to the Garamba National Park in 2024 to US\$500,000.

The Garamba national Park

As a reminder, the Okapi Fund disbursed US\$220,000 in favor of the PNG in December 2022.

In 2023 we disbursed US\$250,000 to the PNG.

In 2024, a further US\$500,000 was provided. The funds were disbursed once the audit had been carried out by KPMG and deemed satisfactory by Fonds Okapi. The Executive Director went to Garamba in March 2024 for a follow-up visit to see what had been achieved on the ground following the Okapi Fund financing. It emerged from this visit that the GNP is carrying out its activities satisfactorily and in accordance with the requirements of our grant agreement.

The Kahuzi-Biega National Park

The first funds (US\$ 350 000) were disbursed in December 2023, and were received by the beneficiary (Wildelife Conservation Society – “WCS”) in January 2024, but to cover expenses for 2023.

We carried out a due diligence mission at WCS's regional headquarters in Kigali and at PNKB (Bukavu and Tshivanga) between November 8 and 15, 2023.

On several occasions prior to our mission, we had deplored a lack of communication, responsiveness and transparency in exchanges with WCS teams. This observation had also been made by the KfW teams who had visited the PNKB a few months earlier.

In the absence of satisfactory reporting (lack of information and average quality) from the PNKB, we were unable to disburse the amounts allocated to the park for 2024 (US\$500,000).

We finally obtained the missing information, although its quality was still not up to the standard we would expect from an organization such as WCS. The report submitted by WCS on environmental, social, and human rights actions is merely an Excel document providing a timeline of actions implemented with very little detail on what has already been accomplished.

Discussions on funding for 2024 were nevertheless resumed in December 2024: we have offered WCS the choice between (i) funding actions already undertaken in 2024 but for which funds have not yet been disbursed, or (ii) no longer dealing with funding for 2024 and instead examining the funding required for 2025.

Just as discussions were about to lead to a funding opportunity, unfortunately the security situation deteriorated considerably in the park due to an offensive by the M23 armed group in the town of Bukavu and in the vicinity of the park. The park had to suspend its activities, which had not resumed normal operations at the time of writing this report.

As things stand, it is therefore not possible to finance the PNKB's activities. However, recent peace agreements signed under the auspices of the United States could pave the way for a resumption of activities before the end of 2025. The Okapi Fund continues to monitor the situation and is ready to resume its funding if the security situation allows.

If funding for the PNKB proves impossible in the near future, the Okapi Fund has already considered extending its funding to other protected areas in order to continue its biodiversity financing activities in the DRC (see next section on the selection of new parks).

The positive aspect of the Okapi Fund's operations in relation to PNKB is that we have demonstrated a rigorous process for disbursing funds: the Okapi Fund does not disburse funds if it believes that the conditions are not met, either for reasons related to the governance of the potential beneficiary or due to the security situation in which the beneficiary operates. This demonstrates the seriousness of the Okapi Fund's disbursement process.

Selection of new protected areas

Selection of a Third Protected Area: A Strategic Expansion

During 2024, the Okapi Fund embarked on a comprehensive process to identify and select a third protected area for our conservation portfolio. This strategic expansion reflects both our growing financial capacity and our commitment to maximizing conservation impact across the Democratic Republic of Congo.

The Selection Journey

The Board of Directors initially identified three promising candidates for potential support: the Salonga, Lomami, and Maïko National Parks. Each represented unique conservation opportunities and challenges within the DRC's vast protected area network.

Our Grant Allocation Committee (COS) undertook a thorough due diligence process throughout the year, engaging directly with park management teams and conducting detailed assessments of each candidate's eligibility and funding requirements. All three areas demonstrated strong conservation value and met our formal eligibility criteria.

A Challenging Choice

The selection process revealed the complexity of conservation funding decisions. While Salonga National Park showed promise, our analysis determined that it already enjoys substantial funding commitments for the coming years, leaving no significant funding gaps where the Okapi Fund could add meaningful value.

This left us with a compelling but difficult choice between Lomami and Maïko National Parks. Lomami presented a more stable operational environment with established management structures and fewer security concerns, though its funding needs were more modest. Maïko, by contrast, offered an exceptional landscape with enormous conservation potential but faced significant security challenges and required substantial capacity building support.

An Innovative Solution

Rather than limiting ourselves to a single choice, our strong financial position—with over \$11 million in realized gains since inception—enabled us to pursue a more ambitious approach. In December 2024, the Board approved an innovative dual-track strategy that will see both parks join our portfolio:

Lomami National Park has received support, with an initial allocation of \$250,000 in June 2025. This rapid deployment reflects the park's readiness to effectively utilize funding and our confidence in its management capacity.

Maïko National Park has also received funding support in September 2025 with an initial allocation of US\$ 140,000.

Looking Forward

This strategic expansion positions the Okapi Fund to support four protected areas simultaneously, significantly amplifying our conservation impact. The phased implementation approach ensures we maintain our rigorous standards for environmental, social, and human rights safeguards while responding to the urgent conservation needs across the DRC.

This selection process exemplifies our commitment to evidence-based decision-making and strategic patience—choosing long-term conservation impact over expedient solutions. As we enter 2025, we look forward to deepening our partnerships with these exceptional protected areas and advancing our shared conservation mission.

Carbon Desk and a Community Forestry Desk

Development of New Specialized Windows: Expanding Our Conservation Impact

In 2024, the Okapi Fund embarked on an ambitious expansion strategy, developing two specialized funding windows that represent a significant evolution in our approach to conservation financing in the Democratic Republic of Congo.

Carbon Window: Bridging Climate Action and Conservation

The Carbon Window emerged from extensive discussions with Rawbank and represents our strategic entry into the carbon finance sector. This initiative aims to attract diversified investors to carbon credit projects while maintaining our rigorous ESG standards and expanding our assets under management to \$100 million within three years.

The window is designed to appeal to two distinct investor categories: philanthropic foundations seeking high-impact projects without direct financial returns, and corporations utilizing CSR budgets to offset emissions and enhance their environmental credentials. Projects financed through this window will deliver significant co-benefits for local communities, including job creation,

infrastructure development, and improved food security, while simultaneously advancing biodiversity conservation and climate resilience.

Community Forestry Window: Empowering Indigenous Peoples and Local Communities

The Community Forestry Window represents perhaps our most significant strategic development, emerging from our selection as the preferred vehicle for implementing the IPLC Forests Facility by Rainforest Foundation Norway and other international partners. This designation came following our successful participation in COP 16 Biodiversity in Cali, where we demonstrated our capacity to channel funding directly to Indigenous Peoples and Local Communities (IPLCs) for forest conservation.

The window addresses a critical gap in conservation financing: supporting the Indigenous Peoples in the DRC who have historically been the most effective guardians of the country's high-integrity forests. Recent legal advances, including President Tshisekedi's historic 2022 law protecting indigenous peoples' rights, have created unprecedented opportunities for scaling community-based conservation.

Through a comprehensive Memorandum of Understanding with the Community Forest Fund (FCF), we have established a dedicated "FCF Window" within the Okapi Fund that maintains clear financial separation while leveraging our institutional infrastructure. This arrangement preserves FCF's autonomy in selecting beneficiaries while ensuring rigorous governance and transparency standards.

The framework addresses two urgent parallel needs: protecting remaining blocks of high-integrity forests and supporting land tenure regimes that empower local communities. Activities include direct assistance for sustainable development projects, strengthening IPLC involvement in protected area management, and providing advocacy support for more effective engagement in land-use planning.

Operational Excellence and Future Vision

Both windows benefit from shared infrastructure and expertise while maintaining distinct governance structures and funding streams. Both Windows leverages our existing investment management platform through Evelyn Partners.

These developments position the Okapi Fund at the forefront of innovative conservation finance, creating pathways for diverse funding sources to support conservation while maintaining our commitment to environmental and social safeguards. The windows represent a natural evolution of our mission, enabling us to serve as both an endowment fund for protected areas and a sophisticated intermediary for specialized conservation finance mechanisms.

Looking ahead, these windows provide the foundation for achieving our ambitious goal of managing \$100 million in assets while directly supporting Indigenous Peoples and Local Communities who serve as the primary guardians of the DRC's irreplaceable ecosystems. This multi-faceted approach exemplifies our commitment to scalable, sustainable conservation finance that honors both environmental imperatives and social justice principles.

In order to implement these two new desks, the Okapi Fund plans to recruit consultants in 2025 to support their development.

Recruitment process for a new Executive Director

In 2024–2025, the Okapi Fund undertook a thorough and methodical process to identify and select a new Executive Director, demonstrating our commitment to transparent governance and strategic leadership continuity.

The Succession Journey

The process began in August 2024 when our current Executive Director, Guillaume Gervais de Rouville, announced his intention to conclude his mandate during the second half of 2025. Recognizing the critical importance of executive leadership to our mission, the Board of Directors initiated a comprehensive recruitment process at its September 19, 2024 session.

Professional Search Partnership

The Board entrusted the Executive Committee with selecting a specialized recruitment agency through a competitive tender process. Four firms were invited to submit proposals—two local Kinshasa-based agencies (Hodari and Bensizwe) and two international firms (Michael Page and Vidal Associates). Following a rigorous evaluation, Michael Page was selected for their international reach,

Trustees' annual report

For the year ended 31 December 2024

proven track record in executive placements, and understanding of our sector's unique requirements.

The recruitment brief specifically required the inclusion of at least two Congolese candidates with international experience, reflecting our commitment to local leadership development while maintaining global standards of excellence.

Structured Selection Process

A dedicated Recruitment Committee was established, expanding the Executive Committee to include Board member Samy Mankoto. The final committee comprised the Fund President, the Executive Director, and four Board members (Agnès Kasongo, Samy Mankoto, Kerstin Laabs, and Robert Craig), ensuring diverse perspectives and rigorous evaluation standards.

The initial candidate pool yielded a shortlist of ten qualified applicants by January 2025. However, the committee's high standards led to the decision to extend the search period until February 28, 2025, ultimately expanding the candidate pool to sixteen applicants.

Rigorous Evaluation Framework

Six exceptional candidates advanced to the final interview stage, conducted via videoconference over three days in March 2025. Each candidate participated in hour-long structured interviews using standardized evaluation grids and question frameworks developed collaboratively by committee members.

This systematic approach ensured consistent, objective assessment across all candidates while allowing for comprehensive evaluation of technical competencies, leadership capabilities, and cultural fit with our mission and values.

Final Selection and Validation

Rather than conducting second interviews, the committee organized an in-person meeting in Kinshasa between the leading candidate, Christian Miasuekama, and available committee members. This informal yet substantive discussion allowed for deeper assessment of interpersonal dynamics and cultural alignment.

The positive outcomes of this meeting reinforced the committee's confidence in their selection. Following contractual negotiations on March 26, 2025, the committee unanimously endorsed Christian Miasuekama's appointment, pending Board approval and KfW non-objection.

Excellence in Governance

This recruitment process exemplifies our commitment to governance excellence, demonstrating several key principles that guide our operations:

Transparency and Accountability: Every stage was documented, with comprehensive records maintained for Board and donor oversight, including evaluation grids, interview frameworks, and detailed progress reports.

Inclusive Decision-Making: The expanded committee structure ensured diverse perspectives while maintaining efficient decision-making processes.

Professional Standards: Engaging international recruitment expertise while prioritizing local capacity development reflects our commitment to both global best practices and regional leadership.

Strategic Patience: The decision to extend the search timeline demonstrates our priority for finding the right candidate over expedient closure.

The appointment of **Christian Miasuekama** represents a strategic investment in leadership continuity that will guide the Okapi Fund through its next phase of growth. His selection through this rigorous process ensures that our new Executive Director possesses not only the technical competencies required for the role but also the leadership vision necessary to advance our conservation mission in an increasingly complex operating environment.

This succession process positions the Okapi Fund for continued excellence in conservation finance and protected area support throughout the Democratic Republic of Congo.

Fields missions & International Engagement : Strengthening Conservation Networks in 2024

Throughout 2024, the Okapi Fund pursued an active program of field missions and international participation, demonstrating our commitment to hands-on conservation support and strategic network building within the global biodiversity community.

Field Missions – Direct Conservation Support:

Our most significant field mission took us to Garamba National Park (March 20–30, 2024), where we conducted comprehensive monitoring of our grant allocations and conservation impact. This ten-day mission served multiple strategic purposes: verifying implementation of funded activities on the ground, assessing overall park management effectiveness, and engaging with new leadership teams following recent management transitions.

The mission revealed satisfactory progress despite weather-related delays that had postponed expert deployments by two months due to late 2023 flooding. We were able to accompany and engage extensively with two key consultants implementing our Environmental and Social Action Plan: Baptiste Martin, who was establishing an effective grievance mechanism for the park, and Thomas Mantete, who was developing comprehensive environmental, social, and human rights action plans.

This field engagement allowed us to finalize the third grant convention covering Garamba's 2024 operational expenses while ensuring our funding aligned with demonstrated conservation needs and management capacity. The mission exemplified our commitment to evidence-based grantmaking through direct field verification rather than relying solely on desk-based reporting.

International Conference Participation:

COP 16 Biodiversity – Cali, Colombia (October 21–24, 2024)

Our participation in COP 16 represented a strategic milestone in positioning the Okapi Fund within global conservation finance networks. The mission achieved two critical objectives that would shape our future development.

First, we participated in a high-profile panel alongside Rainforest Foundation Norway, Earth Bezos Fund, WCS, ICCN, and the World Bank, focusing on community forestry and the Indigenous Peoples and Local Communities (IPLC) Forest Facility. This panel allowed us to articulate our role in supporting community-based conservation while demonstrating our capacity to operate at international scales.

Second, we held targeted meetings with the Director of Rainforest Foundation Norway and representatives from the Earth Bezos Fund, clarifying our potential role in implementing the IPLC Forests Facility. These discussions proved pivotal, as we were subsequently informed in November 2024 of our selection as the preferred vehicle for implementing this major international initiative.

Additionally, we engaged with Global Environment Facility representatives regarding potential endowment fund financing, exploring opportunities to diversify our funding base through multilateral channels.

CAFE Network Annual Assembly – Namibia (August/September 2024)

As active members of the Conservation Trust Funds network (CAFE), we participated in the annual assembly in Namibia, contributing to strategic planning and knowledge sharing among African conservation trust funds. This engagement reinforced our position within the regional conservation finance community while allowing us to share experiences and learn from peer institutions across the continent.

Bridge Steering Committee – Paris (June 12–14, 2024)

Our participation in the Bridge project steering committee meetings in Paris demonstrated our engagement with innovative conservation finance mechanisms. These sessions involved reviewing project progress, making strategic decisions, and reporting to the French Global Environment Facility (FFEM), reinforcing our relationships with key European funders.

Strategic Network Building:

London and Paris Mission (November 18–22, 2024)

This comprehensive mission across two European capitals exemplified our systematic approach to stakeholder engagement and fundraising. In London, we held productive discussions with Rawbank's Board of Directors regarding our Carbon Desk initiative, explored fundraising event possibilities with Evelyn Partners, and met with potential new board members including Robert Craig and representatives from Tribe Impact Capital.

The Tribe Impact Capital meeting proved particularly strategic, introducing opportunities to develop an **impact-focused endowment fund** that could attract different types of donors through corporate social responsibility channels, expanding our funding base beyond traditional conservation donors.

In Paris, we advanced multiple strategic relationships simultaneously: finalizing discussions with AFD/FFEM regarding our feasibility study, exploring collaboration opportunities with Véolia Foundation and Amundi for our Carbon Desk initiative, and potentially securing FFEM support for organizing the CAFE Annual Assembly in Kinshasa.

Knowledge Building and Capacity Enhancement:

Evelyn Partners Portfolio Review – Kinshasa (April 28–29, 2024)

We hosted our investment management partners for an intensive two-day session in Kinshasa, combining portfolio review with strategic planning. This unique approach of bringing international expertise to our operational base allowed for comprehensive evaluation of our investment strategy while demonstrating our commitment to local presence and regional engagement.

The sessions covered macroeconomic updates, asset class education, portfolio performance analysis, and ESG considerations, while exploring opportunities for African market investments and policy adjustments. This direct engagement enhanced our financial management capabilities while maintaining our focus on conservation outcomes.

Strategic Impact and Future Positioning:

These field missions and international engagements achieved several critical outcomes that positioned the Okapi Fund for enhanced impact:

- **Enhanced Credibility:** Our field presence and international participation demonstrated our operational capacity and strategic vision to both beneficiaries and funders, establishing us as a serious player in conservation finance.
- **Network Expansion:** Systematic engagement with diverse stakeholders—from park managers to international donors—expanded our influence and created new partnership opportunities.
- **Knowledge Integration:** Direct field experience informed our grantmaking while international exposure brought global best practices to our local operations.
- **Strategic Positioning:** Our selection as the preferred vehicle for implementing the IPLC Forests Facility represents the culmination of sustained relationship building and demonstrated competence.

Looking forward, these activities have established the foundation for the Okapi Fund's evolution from a specialized endowment fund supporting protected areas to a sophisticated conservation finance intermediary capable of managing complex, multi-stakeholder initiatives while maintaining our commitment to rigorous field-based impact assessment.

Financial review

Source of capitalisation & financial resources

No new additional Endowment Funds were received in 2024.

We continued to receive operational funds (to cover our running costs) from KfW in 2024.

As a reminder, 1 million euros as funds to support operational costs of the Okapi Funds from 2023 to end of 2024 were made available at the end of 2022 through the procedure of renewed demands.

In 2024, the Charity received support from KfW as follows:

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- 127 022,80 euros, March 13, 2024 to cover the period from January to June 2024 (under the Second Separated Convention between KfW and Fonds Okapi).
- 236 193,69 euros, July 17, 2024 to cover the period from July to December 2024 (under the Second Separated Convention between KfW and Fonds Okapi).
- USD 157 537 received in November 2023 recognised as deferred income at year-end.

The 2024 financial accounts therefore report the Charity receiving funding in 2024 from one source:

- KfW (The German Development Bank).

Resource utilisation framework

The investment policy followed by the Okapi Fund has been developed to be fully compliant with the recommended Practice Standards for Asset Management (standards 1–9) as set out by the Conservation Finance Alliance and best practice guidance in the annual Conservation Trust Investment Survey published by WCS. Furthermore, the Okapi Fund follows the World Bank's Environmental and Social Framework and the World Bank Group's general and sector-specific Environmental, Health and Safety Guidelines.

As the Okapi Fund is a charitable entity dedicated to environmental conservation, the investments made by the investment manager must not be inconsistent with the objectives of the charity. The investment of the funds, inclusive of all investment instruments, are subject to SRI (Socially Responsible Investing) sectoral filtering and compliance with the ESG and responsible investing policies and detailed exclusions listed in the Investment Policy statement.

The capitalisation funds received from KfW at the end of 2019 and from The World bank in January 2020 were transfer to our Endowment Fund. These funds have been progressively invested in the financial markets by our portfolio manager, Smith & Williamson (now Evelyn Partners), in accordance with our Investment Policy Statement and under the supervision of our Investment Committee.

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The Endowment Fund holds Okapi Fund's longer-term investment assets and the returns from these assets provide resources that the Okapi Fund can deploy in furtherance of its charitable aims.

The totality of the funds received from the World Bank (US\$ 7.4 million) are treated as Permanent Endowment Funds according to the wishes expressed by the donor.

Following the wishes of the donor, the funds received from KfW, namely Euro 14 million received in December 2019, are treated as:

- Permanent Endowment funds for the value of US\$ 7.4 million (based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).
- Expendable Endowment Funds for the value of EURO 14 million less the amount mentioned above (14M euros less the 7.4M US\$ based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).

The additional endowment funds received from KfW in December 2022 and in December 2023 are treated as Permanent Endowment Funds.

The Portfolio in 2024

The portfolio has seen (i) a **performance of +12.48% in 2024** and (iii) a performance of +31% since the receipt of the endowment funds in December 2019.

The portfolio's average annual return over the last five years is +6.2%.

At the time of writing, the total potential capital gain is + 16 million US\$ (since December 2019).

This amount is sufficient to ensure both :

1. A conservative reserve policy and
2. Increased disbursements to protected areas over the next few years.

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- Overall, our portfolio's performance over the last five years places us in the Top 5 of Nature Conservancy Trust Funds in Africa.

Assets under management amounted to US\$ 64.78m at December 31, 2024.

At December 31, 2024, the portfolio was broken down as follows:

- 0.1% Cash and cash equivalents
- 29.2% bonds,
- 67.7% equities
- 1.7% other investments.

The portfolio's currency exposure was as follows (at December 31, 2024):

- 82.67% to US\$ assets
- 3.20% in Euros (mainly cash not yet converted)
- 10.71% to Sterling assets
- 3.42% in other currencies

Generally speaking, these were not very significant movements in terms of the composition of our portfolio during the year 2024.

The year 2024 in review :

- Overall, our portfolio had a very positive year (+12.4% growth).
- It was a solid year, with US dominance (particularly in megacap and technology) as a major theme, although there were some divergences between the Magnificent 7 stocks (the winners being notably Apple and Amazon, with Microsoft lagging relatively behind and Tesla eventually recovering, albeit after considerable volatility).
- Gold gained almost 30% over the year, although it cannot be held in the portfolio. Conversely, the energy sector was not very interesting in 2024.
- 2024 was a very mixed year for European markets and sectors, with luxury goods (a Chinese story) and some healthcare stocks struggling, although German company SAP (Germany) has had solid results since our purchase last year.
- Asia remains unattractive, with China struggling to implement its fiscal rescue plans and revive its economy.

- In bonds, we have kept a relatively short maturity, given concerns about Trump's impact on US debt levels. With the risk of inflation remaining high, our TIPS continue to play an important role in offsetting potential inflation.

Outlook for 2025:

1. Financial markets:

- Post-US election outlook: generally positive, with lower taxes and signs that US companies are best placed to continue growing while preserving, or even increasing, their profit margins.
- The profit margins of major US companies are likely to continue to be seen as very positive, driving the equity market higher.
- The general outlook for the equity sector looks rather encouraging.
- With Trump, however, there is a risk of inflation if tariff policy towards other countries (Mexico, Canada, China, Europe, etc.) is not brought under control.
- To counter the risk of inflation: maintain significant positions in TIPS (Treasury inflation-protected securities).
- AI is a sector to watch for the opportunities it could offer, but it is still in a consolidation phase and market reversals in this sector are likely in the short term.
- Asia continues to show signs of fragility.
- In view of the tariff war that Trump may want to wage, we must remain cautious in our investments with regard to the Asian market.

2. Impact Funds:

We have begun to discuss with members of the IC and EC the possibility of opening an Endowment Fund oriented towards impact financial investments.

For the moment, our endowment funds are invested according to an investment policy that gives us a great deal of latitude as to the nature of the activities of the companies whose shares we acquire.

These companies, for the most part, while having a good overall ESG rating, are not companies with an environmental or social impact.

It would be interesting for the Okapi Fund to explore the possibility of opening, alongside its current endowment fund, an impact fund that could attract other types of donors (notably through corporate CSR funds).

Total Return Approach Adopted

In the first half of 2021, the Okapi Fund decided to adopt the Total Return Approach, by taking the following resolution voted unanimously by the members present:

- *The Board of Trustees of the Okapi Fund has fully considered the Total Return Report and has resolved to adopt a resolution under Section 104(A) of the Charities Act 2011 to apply a total return approach to investment in accordance with the relevant regulations as follows:*

Total return for the Okapi Fund Permanent Endowment Fund investment.

This resolution identifies the Permanent Endowment Fund as the relevant fund that will be subject to total return investment. As of 31 December 2020, the value of the relevant fund consists of:

- 1. The Investment Fund consisting of original capital contributions from donors of USD 14,793,588*
- 2. The unapplied total return of USD 1,941,892.*

This is based on the valuation of the endowment capital contributions received and the total unapplied return retained in the relevant fund, as at 31 December 2020.

The Total Return Report was written and submitted to the Board members by a recognized expert in the field, James Money-Kyrle. It was on the basis of this report that the Trustees made their informed decision regarding the adoption of the Total Return approach.

No changes in our approach were made in 2024.

Principal risks and uncertainties

The Trustees have considered the risks that the Charity faces as of the date of this trustees' report. Having reviewed these risks and the steps being taken, the trustees are confident that these risks are being managed appropriately.

In 2020, a risk register was set up. This risk register records risks as they arise and indicates the measures that are taken to mitigate or eliminate them. This register is kept up to date at all times and is available in our office. It is shared with the trustees at each meeting of the Board of Directors who review the Risk Assessment Report.

In 2023, two Risk Assessment Reports were compiled by the Executive Director, discussed, reviewed and approved by the trustees before and during the Board meetings.

In 2024, another Risk Assessment Report was sent to the Trustees in early January: it also covers part of the year 2023.

Following this 2024 report, it was deemed appropriate to include the risk report in the Executive Director's activity reports in order to share information more regularly and in a broader context. As a result, risk information is now included in each of the Executive Director's quarterly reports.

In 2024

The main risks faced during the Year 2024, and mitigating measures being taken, are described in the following sections.

The main risks reported and reviewed in (or in relation to) 2024 were as follows:

- Operational risks;
- Governance risks;
- Financial Risks;
- Fiscal Risks;
- Fraud Risks;
- Reputational Risks.

Operational risks

The most significant operational risks identified were the following:

1. the implementation of its fund disbursement activities to finance projects in accordance with its purpose.
2. the continuity of the Okapi Fund's operational management following the announcement by the Executive Director in August 2024 of his wish to step down.

Regarding point 1.:

The main risk in this respect concerned funding for the PNKB. As mentioned above, we had encountered difficulties in obtaining important information prior to our support for the Park. It was deemed necessary to take the time to assess the risks of our support for the PNKB and to define our terms of engagement and the activities we would be willing to fund: it is better to take the time to consider these aspects than to rush into funding that could cause us further problems (see below in the section on reputational risks).

As mentioned earlier, we were unable to finance the PNKB in 2024 due to structural governance issues within the park. However, as also indicated, we have expanded the number of parks eligible for Okapi Fund financing, which will enable us to continue our activities as planned.

In addition, we are working closely with KfW to find a solution for financing the PNKB. The security situation locally is also the subject of particular attention on our part.

Regarding point 2.:

As mentioned above, a recruitment process for a new Executive Director was launched in October 2024, resulting in the selection of a new Executive Director who took up his duties on July 7, 2025. The outgoing Executive Director has agreed to provide a three-month transition period and will therefore conclude his activities with the Okapi Fund at the end of September 2025.

Governance risks

Board Member Replacement Challenge

The replacement of Board member Yvette Shabani remained an ongoing administrative process throughout 2024. Despite regular follow-ups with stakeholder Azarias Ruberwa, progress remained limited. However, this situation posed no significant operational consequences, as we continued functioning effectively with eight Board members instead of nine, maintaining full decision-making capacity and governance oversight.

During the year, we adopted a pragmatic approach by requesting authorization to contact the Ministry of Finance directly for candidate nominations, reversing the traditional selection process to expedite resolution. We will therefore ask the Ministry of Finance to propose names, which will then be approved by Mr. Ruberwa (and not the other way around).

Investment Committee Participation

Low participation from our external Investment Committee member presented governance challenges due to conflicting professional commitments. While we actively sought replacement candidates, including outreach to qualified professionals like Edwige Takassi, the non-remunerated nature of the position limited candidate interest.

This risk was effectively mitigated through rigorous daily portfolio monitoring and close collaboration with our investment management partner, Evelyn Partners, ensuring no compromise in our financial oversight capabilities.

Financial risks

The main financial risk identified in 2024 is the risk of a decrease in the value of our portfolio.

It represents the main risk identified during the year 2024 and the beginning of 2025.

There were three main factors which affected the financial markets and therefore had the potential to affect the value of our portfolio in 2023:

1. The election of the President Trump in the USA.
2. Inflation.

3. The wars in the Middle East.

However:

- The tensions linked to the trade wars initiated by President Trump seem to have been absorbed by the financial markets.
- Since beginning of 2024 we did not see real signs of inflation.
- The market is digesting the situation in the Middle East well for the time being.

In order to reduce the risk of a decline in portfolio value affecting our ability to fulfill our core mission – to disburse funds in favor of protected areas – we pursue a rigorous reserves policy to ensure that we have access to sufficient liquidity to honor our commitments to protected areas and also to finance the operating costs of the Okapi Fund (see reserves policy below).

Fiscal risks

As we explained in all of our Quarterly Activity Reports to the Trustees (*Rapports d'Activités Trimestriels*), we decided to make a provision in our accounts for the payment of the IER (the exceptional tax on the income of expatriate staff), but not to pay it to the tax authorities as proposed by our accountants.

Indeed, our lawyer, in his tax analysis of the Asbls (Not-for-profit organisations), had clearly indicated to us that this tax was not applicable to our situation. The tax rate of the IER is 25% on the remuneration (after deduction of those parts of the remuneration which are not subject to taxation) and monthly the additional cost of this tax would be in the order of US\$3,000.

We therefore decided to provision the amounts corresponding to the IER until we had a clear answer from the tax authorities.

In order to resolve this recurring issue we have undertaken two parallel approaches:

1. During the bilateral discussions between Germany and the DRC on biodiversity funding, it was written into the final minutes that the DRC would recognize the Okapi Fund's rights to the tax exemptions that charities normally enjoy;

2. We were able to meet with the Minister of Finance in December 2023, who should make it possible to move the file forward in a favorable manner.

However, these measures were insufficient and did not prevent the Okapi Fund from receiving a letter of adjustment from the tax authorities on this matter in March 2025.

IER Tax Settlement: Resolution of Fiscal Compliance Issues

The tax administration claimed outstanding IER arrears accompanied by penalties and late payment interest dating back to 2020. While awaiting the interministerial decree (from the Ministry of Planning and Ministry of Finance) that would formally recognize our right to fiscal exemptions, we had prudently provisioned the corresponding amounts in our accounting since 2020.

The original claim totaled \$256,000 USD, representing a significant financial exposure that threatened our operational capacity and conservation mission.

Our approach centered on demonstrating our good faith efforts and the administrative obstacles beyond our control. We presented compelling arguments to the tax administration:

Documented Due Diligence: We provided evidence of our continuous efforts with the Ministries of Planning and Finance since 2020, including regular documented follow-ups that demonstrated our commitment to resolving the matter.

Bilateral Recognition: We highlighted that our fiscal challenges had been raised twice during Germany–DRC bilateral discussions, where the DRC had agreed to support us in obtaining these legal exemptions, demonstrating the international dimension of our status.

Administrative Responsibility: We emphasized our lack of responsibility for the administrative delays that prevented timely resolution of our exemption status.

After multiple exchanges with fiscal authorities, we achieved a significant breakthrough in our negotiations. The tax administration agreed to abandon their demands concerning penalties and late payment interest—the most punitive aspects of their original claim.

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In exchange, we committed to promptly settle the base IER taxes that were the subject of the tax assessment, demonstrating our willingness to cooperate within reasonable parameters.

The negotiated resolution reduced our total payment obligation from \$256,000 USD to \$122,000 —a reduction of more than 50% that saved the organization \$134,000 USD. This outcome validated our strategy of principled engagement while protecting organizational resources.

This resolution demonstrates several important principles:

- **Principled Negotiation:** Our approach of acknowledging legitimate obligations while challenging unreasonable penalties proved effective in achieving a balanced outcome.
- **Institutional Protection:** The significant reduction in our financial exposure preserved resources for our conservation mission while maintaining compliance with fiscal obligations.
- **Precedent Setting:** This settlement establishes important precedents for how international conservation organizations can navigate complex fiscal environments while protecting their operational capacity.

The successful resolution of this matter eliminates a major financial uncertainty that had affected our operations since 2020. The \$134,000 USD in savings represents resources that can now be dedicated directly to conservation activities rather than administrative penalties.

This outcome also demonstrates the effectiveness of patient, strategic engagement with regulatory authorities, showing that persistence and principled advocacy can yield significant results even in challenging administrative environments.

The resolution provides closure to a complex matter while reinforcing our commitment to fiscal compliance and responsible organizational management in the DRC's evolving regulatory landscape.

Fraud risks

We have identified three levels of fraud risk:

1. Risks at the level of the funds managed by the Okapi Fund
2. Risks at the level of the funds managed by the portfolio manager
3. Risks at the level of the funds managed by the beneficiaries of the funds received from the Okapi Fund

1. Risks at the level of funds managed by the Okapi Fund

The risks of misappropriation of funds are limited because of the disbursement procedure that we follow: 1. For electronic transfers: For each disbursement, the ED must enter the amounts on the bank's platform and two trustees must approve the disbursement. Each payment must be supported by a document (invoice, fee, etc.). 2. Regarding cash disbursements: Each disbursement must be pre-approved by the ED, documented by the DAA and reported in a cash tracking document.

In addition, we have both a post-payment audit performed by accountants under Ohada law (the Organization for the Harmonization of Business Law in Africa), by BMCG and under UK accounting law by Sayer Vincent.

Finally, two types of audits are carried out each year: (i) one to control the expenses made from the budget coming from KfW (carried out by JMB in DRC and required by KfW) and (ii) the other one carried out by a special team of Sayer Vincent for a statutory audit on the accounts.

2. Risks at the level of the funds managed by the portfolio manager

Fraud risks at this level are managed by Evelyn Partners' internal procedures. We have not conducted an audit of their procedures, but to date the UK supervisory authorities have not, to our knowledge, raised any concerns about the possibility of fraud.

3. Risks at the level of funds managed by recipients of Okapi Fund funds

In order to limit the possibility of fraud in the funds disbursed to the Protected Areas, we have put in place the following two principles:

1. Disburse funds according to planned instalments that reflect needs for a couple of months – rather than one single payment for the full year;

2. The grants are transferred to a reputable international NGO that implements projects on the ground: this is the case with Garamba NP, where the funds and management of the PA are the direct responsibility of the NGO African Parks Congo, a subsidiary of African Parks Networks from South Africa;
3. Conduct an audit of disbursed funds by an internationally recognized auditor. The Garamba NP funds were audited by KPMG in March 2023 (first disbursement) and in May 2024 (second disbursement).

In addition, in the grant agreement with the grantee, we are imposing strict financial reporting requirements to limit the possibility of fraud. Finally, at least once a year, we will conduct an audit of the use of funds in the field with the recipient's accounting and financial departments.

Proposed solution: (i) funds transferred to a reputable international NGO; (ii) audit by a reputable international firm; (iii) audit by us on site.

Reputational risks

The main reputational risks we face in the DRC are related to the management of Protected Areas by our grantees in relation to the following main issues:

1. Embezzlement of granted funds
2. Conflicts with local populations and indigenous peoples
3. Human rights abuses in the context of anti-poaching operations

On the first point, we can refer to the discussion above on the Risks of Fraud.

Regarding conflicts with indigenous people and local populations, we have identified two types of potential conflicts that could affect our reputation as a funder of PA managers:

1. Conflicts between populations and/or uncontrolled indigenous people
2. Conflicts between the PA and indigenous populations and/or people

On the first point: the risk is indirect insofar as, in principal, the responsibility of the PA is not engaged. If this is nevertheless the case, the risk is that of the consequences of conflicts on the image of the PA manager and, as a result, on our own reputation.

On the second point: This risk exists and is quite high insofar as PAs are generally not very isolated from the activities of indigenous populations and/or people. There can be all sorts of conflicts: human–wildlife conflicts, conflicts over economic activities developed in the buffer zones, conflicts over the park's boundaries, over access to park resources, etc.

Within each PA, procedures are put in place to limit the consequences of these conflicts and to try to find an adequate and early response. In particular, a grievance mechanism is put in place, which is normally mandatory. When this is not the case, the Okapi Fund imposes the establishment of such a mechanism with a precise implementation schedule.

Regarding human rights abuses in Anti-Poaching operations, the reputational risk is very high:

- Such risks have been raised and documented for the PNKB by several NGOs
- The consequences for donors have been very serious, particularly in terms of their reputation with the general public

To address this risk, but more importantly to improve the situation and ensure that these events no longer happen in the future, the Okapi Fund has mandated that environmental, social and human rights due diligence be conducted before any disbursement to a PA. In addition, the due diligence requires a very specific environmental, social, and human rights action plan from the potential recipient of our grants. The Okapi Fund is responsible for monitoring the recipient's compliance with this plan. Finally, a significant portion of our grants are directly aimed at addressing human rights issues in and around the target PA.

Adopted solution: (i) Approve funding that addresses and mitigates these risks; (ii) Implement strict environmental, social, and human rights safeguards in PAs; (iii) Ensure regular and thorough human rights monitoring; and (iv) Make successive disbursements contingent on progress on these issues by recipients.

In 2025

More generally, the risks faced by the Okapi Fund in the coming months are mainly threefold:

1. A financial risk due to the volatile nature of financial markets. Due to this permanent situation, the Okapi Fund, in particular through its Investment Committee and thanks to very regular communication with its portfolio manager (Evelyn Partners), is particularly attentive to financial risks and closely follows the evolution of financial indices on a daily basis.
2. A country risk, as the DRC is a highly unstable country, both politically and economically. The members of the Okapi Fund (Trustees & the executive direction) are therefore very attentive to political and economic developments in the country in order to be able to anticipate as far as possible any risk that might arise for its activities or its members or partners. In particular, the Okapi Fund closely monitors the situation in the Protected Areas, which are sometimes located in low security zones, by checking very regularly with its partners or the various stakeholders with whom the Okapi Fund is in contact to find out what the health and safety situation is on the ground.
3. Reputational risk: Due to accusations of human rights abuses in some protected areas against park officials, including Kahuzi-Biega-Biega National Park, there is a risk that if we fund this park, we will be associated with the accusations against the park if the issues raised have not been resolved and significant human rights safeguards have not been implemented in the park. On these points, the Okapi Fund is particularly vigilant and monitors the implementation of environmental, social and human rights measures recommended by the due diligence carried out at its request in December 2022 by the international consulting firm IBIS. Prior to any new disbursement, we check that the initial grant conditions are still met.

Regarding Point 1 above, in order to mitigate its potential impact:

- a. We maintain a significant position in liquid money market securities as long as the prospects of a financial and economic crisis are high;
- b. We will maintain an adequate financial reserve policy to enable us to meet our financial commitments over 2025 and 2026.

Reserves policy and going concern

The first capitalization funds (endowment funds) received by the Okapi Fund were invested in the financial markets in the first half of 2020 and the first disbursements in favor of a protected area took place in December 2022.

Since 2019, KfW has provided funding for the operational running of the Okapi Fund of EUR 2 millions.

Depending on our needs, and based on the forecast financial statements, we can draw on these funds for periods of 6 months by making a duly documented application to KfW (by showing, in particular, that expenditures during the previous period were spent in accordance with the financial forecasts).

The first 1 million was committed by KfW in 2019 and was exhausted in June of 2022.

The second 1 million was committed by KfW in October 2022 with a view to covering operational costs of the Okapi Funds starting in January 2023 (until the end of 2024). In the interval (from June 2022 to December 2022) the Okapi Fund used funding from revenues generated by the Endowment Funds (in two instalments of 160 000 US\$ each).

The KfW's operational budget has not yet been exhausted and can be used in 2025 if necessary. From 2025 onwards, the Okapi Fund could also draw on its own resources (income generated by the Endowment Funds) to finance its operating costs. At the date of this report, the excellent condition of our portfolio allows us to envisage financing from our own resources without difficulty and without compromising our commitments to protected areas.

The Okapi Fund needs to maintain sufficient free reserves to match this long-term funding commitment. The reserves policy is set to ensure we can deliver on our vision and mission and ensure our work is protected from the risk of disruption at short notice due to a lack of available funds, whilst at the same time ensuring we do not retain income for longer than required.

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As part of effective financial management, the Okapi Fund holds reserves to ensure we can:

- Manage financial risk. There are a range of risks we face, including the risk of an unforeseen drop in income due to unpredictable investment returns or unbudgeted increases in expenditure.
- Meet our long-term grant commitments and funding plans.

We have calculated that an appropriate reserves range for the Okapi Fund is USD \$2.5 to 3 million, which is broken down as follows:

Reserves range	US \$m
Financial risk	0.5
Grant commitments and long-term plans	2
Minimum level	2.5
Range	0.5
Maximum level	3

This equates to between 12- and 18-months charitable activities (such as funding of commitments to national parks) and operating and administration expenses.

The Okapi Fund's Reserves for the Year ended 31st December is:

Okapi Funds Statement	2024
	US \$000
Unrestricted Funds	-102
Restricted Funds	0
Designated Funds	0
Permanent Endowment	45,940
Unapplied Total Return	8,348
Expendable Endowment	10,587
Total Funds ¹	64,681

¹ Total Funds include Unrestricted, Restricted, Designated and both Permanent and Expendable endowment.

Okapi Fund 'Free' Reserves for the Year to 31st December	2024
	US \$000
Free Reserves ²	8,243
Ratio of Free Reserves to Annual Operating Expenditure ³	0.3

The Okapi Fund reserves provide financial stability and the means for the long-term development and delivery of the Okapi Fund's charitable activity.

We intend to target our reserves at a level which is equivalent to 18th months of operating expenditure (covering grants and operational costs) due to the long-term nature of the Okapi Fund's activity and the volatility of investment returns that provide the Okapi Fund's principal source of income.

The amount of Free Reserves at the end of 2024 is sufficient to meet the requirements of our reserves policy.

In addition, at the end of September 2025, the date of writing of this report, our portfolio has appreciated significantly since the beginning of the year, which reinforces our current capacity to meet our reserve requirements.

The Board will regularly review the amount of reserves that are required to ensure that they are able to meet all the Okapi Fund's continuing obligations and plans. The Okapi Fund has access to expendable endowment of over USD \$10.587 million, and therefore has more than adequate reserves to meet all operational and grants commitments for the foreseeable future.

When a transfer from the UTR to the Income Fund is approved by the Board, the sum transferred remains part of the Free reserves as Unrestricted Funds until spent.

² Free Reserves are composed of Unrestricted Funds and Unapplied Total Return less tangible fixed assets US\$ and any designated grant commitments (not yet determined for 2026).

³ Operating expenditure covers charitable activities and administration expenses.

Plans for the future

Looking forward to 2025, the main goals and activities of the Charity for 2025 are as follows (an Annual Activity Plan for 2025 has been developed by the management team and approved by the Trustees in December 2024):

- **Pursuing Financing:** Among our main activities in 2025, there are the disbursements in favor of the Garamba National Park (US\$500,000 already disbursed as of the date of this report), in favor of the Salonga National Park (US\$300,000 disbursed in March 2025), for the Lomami PN (US\$250,000 disbursed in June 2025) and for the Maïko PN (US\$140,000 US\$ to be disbursed in July 2025).
- **Fundraising:** In 2025 we will continue our efforts to broaden our donor base. We will follow the guidelines of the ambitious scenario of our fundraising strategy, which aims to reach a portfolio of assets under management of US\$ 86 million by 2027. Among the most promising avenues are discussions with the AFD and the FFEM on the one hand, and those with the private sector through the Rawbank and the Bezos Earth Fund (through Rainforest Foundation Norway and the Forestry Community Desk) on the other.
- **The new Executive Director:** The new Executive Director took up his duties on July 7, 2025, and will be supported by the former Executive Director until the end of September 2025. A transition program has been developed and approved by the Board of Directors, which will oversee its implementation.
- **The effective establishment of new Desks:** Carbon Desk and Community Forestry Desk. These two activities will require the recruitment of new resources during the second half of 2025.
- **Impact fund:** Explore the opportunity to create an impact fund. Alongside the endowment fund, the Okapi Fund will explore the opportunity to open an impact fund whose financing, in addition to disbursements, could have an environmental and social impact.

➤ **Other:**

- Determine the Grant Program for the year 2026 (With the support of the Grant Awarding Committee).
- Develop a Fraud Prevention Policy in accordance with the requirements of the Charity Commission.
- Evaluate the relevance and practicability of our environmental procedures and our operational manual.
- Evaluate the impact of our financial support on the achievement of our purpose.

Small fundraising statement

We do not raise funds from the general public. However, we plan to increase the base of our endowment funds and restricted funds over the next few years and plan to meet with potential institutional and private donors in the coming months (this process has started in September 2020). Our fundraising strategy for the coming years was approved by the Trustees in June 2023.

We did not conduct fundraising activities with the general public in 2024 and incurred no expenditure in raising income. As we have not conducted any fundraising activities with the general public in 2024, we have not been confronted with any compliance issues or complaints of any kind.

Structure, governance and management

The Charity is a charitable company limited by guarantee, incorporated on 28 November 2013 and registered as a charity on 3 June 2014.

The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed by its Articles of Association.

All trustees give their time voluntarily and receive no benefits from the charity. The Charity reimburses trustees for expenses incurred in carrying out their trustee duties, providing such expenses are reasonable and properly incurred. Please see note five to the accounts for more information.

In accordance with its Articles of Association, the Okapi Fund has delegated its day-to-day management to the Executive Committee and the Executive Director:

9.2 Subject to the Articles, the Directors may delegate the implementation of their decisions or day to day management of the affairs of the Charity to any person or committee.

11. Delegation of day to day management powers

In the case of delegation of the day to day management of the Charity to a chief executive or other manager or managers:

11.1 The delegated power shall be to manage the Charity by implementing the policy and strategy adopted by and within a budget approved by the Directors and (if applicable) to advise the Directors in relation to such policy, strategy and budget;

11.2 The Directors shall provide any manager with a description of his or her role and the extent of his or her authority; and

11.3 Any manager must report regularly to the Directors on the activities undertaken in managing the Charity and provide them regularly with management accounts which are sufficient to explain the financial position of the Charity.

The functioning of the Executive Committee and its powers are detailed in the Internal Regulations of the Okapi Fund (*Règlement Intérieur*) adopted by the Board of Trustees:

Article 12: Duties of the Executive Committee.

12.1 The Executive Committee intervenes to take decisions on immediate operational matters, which require urgency, for which the orientations of the Board of Directors are normally necessary, but which do not necessarily require the Board of Directors to be held. The Executive Committee shall not be responsible for any of the functions or powers that cannot be delegated to the Committees by the Board of Directors in accordance with Article 9.3 of the Articles of Association.

Trustees' annual report

For the year ended 31 December 2024

The remuneration of the Executive Director is set by the Board of Trustees. The main factors taken into account for the remuneration of the Executive Director were the following:

1. The international and particular profile of the candidate.
2. The very high cost of living in the DRC.
3. Risks associated with the position, due to the political and economic instability of the country.

The amount of the compensation and benefits were determined in consultation with Michael Page, the company mandated to select the Executive Director, based on the remuneration of equivalent positions for international profiles that evolve in a difficult context and where the cost of living is one of the highest in the world. The amount of the remuneration is also justified by the political and economic instability of the DRC, particularly in the regions where the Protected Areas under the focus of the Okapi Fund are located (the Executive Director will visit them from time to time).

The current Executive Director was appointed by the Board of Trustees. His duties are detailed in his employment contract and in the Manual of Administrative and Accounting Procedures Manual, both approved by the Board of Trustees.

Appointment of Trustees

The appointment of Trustees is covered in detail in the Charity's Articles of Association (see Articles 25–28). The Articles allow for the Charity to have a minimum of 7 and a maximum of 9 trustees (or directors, as they are called in the Articles). At the end of 2024 there were 8 (2023: 9) Trustees in office.

As mentioned above, the Okapi Fund replaced a number of Trustees in November 2022. Two Trustees were replaced in October and December 2024.

Related parties and relationships with other organisations

The Okapi Fund has no formally established relationship with any organisation outside of KfW, the World Bank and the ICCN. Details on related parties with KfW and ICCN are provided in Note 7 of the accounts.

Trustees' annual report

For the year ended 31 December 2024

KfW provided some funds and has one of its employees as a member of the Board in the person of Britta Oltmann (she is both the Director of the KfW Office in Kinshasa and a Trustee for the Fund).

Statement of responsibilities of the trustees

The Trustees (who are also directors of The Okapi Fund for Nature Conservation in the Democratic Republic of Congo for the purposes of company law) are responsible for preparing the trustees' annual 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.

Trustees' annual report

For the year ended 31 December 2024

- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The Trustees' annual report has been approved by the trustees on 29 September 2025 and signed on their behalf by

Victor Kabengele Wa Kadilu,
Chairman of the Okapi Trust Fund's Board of Trustees

Independent auditor's report

For the year ended 31 December 2024

Opinion

We have audited the financial statements of The Okapi Fund for Nature Conservation in the Democratic Republic of Congo (the 'charitable company') for the year ended 31 December 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 FRS 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 charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 charitable company 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.

Independent auditor's report

For the year ended 31 December 2024

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 Okapi Fund for Nature Conservation in the Democratic Republic of Congo'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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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.

Independent auditor's report

For the year ended 31 December 2024

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding

Independent auditor's report

For the year ended 31 December 2024

irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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.

Noelia Serrano (Senior statutory auditor)

Date: 29 September 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Statement of financial activities

For the year ended 31 December 2024

		Unrestricted	Endowment	2024 Total	Unrestricted	Endowment	2023 Total
	Note	\$	\$	\$	\$	\$	\$
Income from:							
Donations	2	551,502	–	551,502	347,580	27,056,125	27,403,705
Other income		–	–	–	21,504	–	21,504
Investment income	3	–	953,699	953,699	–	455,916	455,916
Total income		551,502	953,699	1,505,201	369,084	27,512,041	27,881,125
Expenditure on:							
Cost of raising funds	4	61,912	253,565	315,477	48,983	129,343	178,326
Charitable activities							
Project expenses	4	995,219	–	995,219	1,041,593	–	1,041,593
Total expenditure		1,057,132	253,565	1,310,697	1,090,576	129,343	1,219,919
Net income for the year	5	(505,630)	700,134	194,505	(721,492)	27,382,698	26,661,206
Transfers between funds		500,000	(500,000)	–	600,000	(600,000)	–
Net income before gains and (losses)		(5,630)	200,134	194,505	(121,492)	26,782,698	26,661,206
Gains on investments	9	–	6,618,237	6,618,237	–	3,282,042	3,282,042
Gains/ (losses) on foreign exchange		1,669	11,400	13,069	(2,568)	(99,761)	(102,329)
Net movement in funds		(3,961)	6,829,771	6,825,811	(124,060)	29,964,979	29,840,919
Reconciliation of funds:							
Total funds brought forward		(98,139)	57,954,194	57,856,055	25,921	27,989,215	28,015,136
Total funds carried forward		(102,100)	64,783,966	64,681,866	(98,139)	57,954,194	57,856,055

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Balance sheet

Company number: 08794664

As at 31 December 2024

	Note	2024 \$	2023 \$
Non current assets:			
Tangible assets	10	3,132	8,691
Investments	9	64,783,427	58,303,655
		64,786,559	58,312,346
Current assets:			
Debtors	11	14,644	33,881
Cash at bank and in hand		79,174	83,544
		93,818	117,425
Liabilities:			
Creditors: amounts falling due within one year	12	(77,641)	(573,716)
Net current assets		16,177	(456,291)
Provisions for liabilities	15	(120,870)	–
Total net assets		64,681,866	57,856,055
The funds of the charity:	16		
Restricted funds:			
Endowment Fund		64,783,966	57,954,194
Unrestricted funds		(102,100)	(98,139)
Total charity funds		64,681,866	57,856,055

Approved by the trustees on 29 September 2025 and signed on their behalf by

Victor Kabengele Wa Kadilu,
Chairman of the Okapi Trust Fund's Board of Trustees

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Statement of cash flows

For the year ended 31 December 2024

		2024		2023
	Note	\$	\$	\$
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)		6,825,811		29,840,919
Depreciation charges		5,559		6,832
(Gains) on investments		(6,618,237)		(3,282,042)
Income from investments		(953,699)		(455,916)
Decrease / (Increase) in debtors		19,237		(2,253)
(Decrease) / Increase in creditors		(496,075)		224,082
Increase in provisions		120,870		-
Net cash (used in)/provided by operating activities		(1,096,535)		26,331,622
Cash flows from investing activities:				
Purchase of investments		(28,855,746)		(56,631,344)
Proceeds from sale of investments		28,888,723		27,651,221
Income from investments		953,699		455,916
Movement in cash held by investment manager		105,488		1,947,725
Net cash provided by / (used in) investing activities		1,092,164		(26,576,482)
Change in cash and cash equivalents in the year		(4,370)		(244,860)
Cash and cash equivalents at the beginning of the year		83,544		328,404
Cash and cash equivalents at the end of the year		79,174		83,544

Notes to the financial statements

For the year ended 31 December 2024

1 Accounting policies

a) Statutory information

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 10 Queen Street Place, London, EC4R 1BE.

b) Basis of preparation

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) – (Charities SORP FRS 102). The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Since 2019, KfW has provided funding for the operational running of the Okapi Fund of EUR 2 million.

Depending on our needs, and based on the forecast financial statements, we can draw on these funds for periods of 6 months by making a duly documented application to KfW (by showing, in particular, that expenditures during the previous period were spent in accordance with the financial forecasts).

The first EUR 1 million was committed by KfW in 2019 and was exhausted in June of 2022. The second EUR 1 million was committed by KfW in October 2022 with a view to covering operational costs of the Okapi Funds starting in January 2023 (until the beginning of 2025). In the interval (from June 2022 to December 2022) the Okapi Fund used funding from revenues generated by the Endowment Funds (in two instalments of 160 000 US\$ each).

Finally, (i) our operating expenses (annual budget) are well controlled and known (they do not vary significantly from one year to the next) and (ii) we adopt a conservative reserve policy each year to ensure that we have sufficient liquid assets available at all times should the need arise.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' 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.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Expenditure and irrecoverable VAT

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

Notes to the financial statements

For the year ended 31 December 2024

1 Accounting policies (continued)

g) Grants payable

Grants payable are made to third parties in accordance with the charity's governing documents. These grants are charged to the statement of financial activities in the year in which the offer is conveyed to the recipient.

h) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Trustees adopt a total return approach, under which the target is to achieve total return (net of fees) of 4% above RPI inflation, allowing the fund to withdraw from the portfolio to either income funds or trust for investment to contribute to its running costs each year. Investment income is allocated to the endowment funds when receivable. Withdrawals from the endowment funds are shown as transfers between funds. Within the year annualised total return (net of fees) of 10.9% was achieved.

i) Debtors

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

j) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

k) Fixed assets

Items of equipment are capitalised where purchased. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

The depreciation rates of fixed assets are as follows:

- Computer equipment – 3 years straight line
- Fixtures and Fittings – 4 years straight line
- Motor Vehicles – 4 years straight line

l) Financial instruments

The charity 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.

m) Foreign exchange policy

Transactions in foreign currencies are translated at the average rate for the year using HMRC rates. All exchange gains/losses are charged to the statement of financial activities and separately disclosed.

n) Presentational currency

The financial statements are presented in United States Dollars. The functional currency is between United States Dollars, Euros and Congolese Franc.

o) Funds

The restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

The unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

The endowment funds include permanent endowment funds, where the capital must be retained, and expendable endowment funds, which can be converted into income at the discretion of the Trustees. The totality of the funds received from the World Bank (US\$ 7.4 million) are treated as Permanent Endowment Funds according to the wishes expressed by the donor.

Following the wishes of the donor, the funds received from KfW, namely EUR 14 million received in December 2019, are treated as:

- Permanent Endowment funds for the value of US\$ 7.4 million (based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).
- Expendable Endowment Funds for the value of EUR 14 million less the amount mentioned above (EUR 14M – 7.4M US\$ based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).

The Okapi Fund received no new permanent endowments in 2024 (2023: EUR 25 million).

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Notes to the financial statements

For the year ended 31 December 2024

2 Income from donations and legacies

	Unrestricted	Endowment	2024 Total	2023 Total
	\$	\$	\$	\$
Donations:				
KfW	551,502	–	551,502	27,403,705
	551,502	–	551,502	27,403,705

In 2023, \$27,056,125 of donations were endowment funds and \$347,580 were unrestricted.

3 Income from investments

	Unrestricted	Endowment	2024 Total	2023 Total
	\$	\$	\$	\$
Dividends	–	953,699	953,699	455,916
	–	953,699	953,699	455,916

All income from the prior year was related to the endowment funds.

4 Grants payable

		2024	2023
	\$	\$	\$
Reconciliations of grants payable:			
Commitments at 1 January 2024		350,000	–
Grants approved in the year			
African Parks Conqo	500,000	250,000	
WCS	–	350,000	
Grants payable for the year		500,000	600,000
Grants paid during the year		(850,000)	(250,000)
Commitments at 31 December 2024		–	350,000

5a Analysis of expenditure (current year)

	Cost of raising funds	Charitable activities – project expenses	Support costs	Governance costs	2024 Total	2023 Total
	\$	\$	\$	\$	\$	\$
Staff Costs (note 7)	24,102	96,408	72,306	48,204	241,019	256,281
Grants (note 4)	–	500,000	–	–	500,000	600,000
Consultancy	–	–	–	–	–	8,999
Legal fees	–	–	–	3,394	3,394	2,984
Admin and Rent	9,686	–	75,690	–	85,375	89,997
Accountancy and audit	–	–	–	50,009	50,009	71,627
Depreciation expense	–	–	5,559	–	5,559	6,832
Investment manager's fees	253,564	–	–	–	253,564	129,343
Other expenses	3,943	15,771	11,828	128,755	160,296	45,820
Trustees' expenses	–	–	–	11,480	11,480	8,036
	291,294	612,178	165,382	241,842	1,310,696	1,219,919
Support and Governance costs	24,184	383,041	(165,382)	(241,842)	–	–
Total expenditure 2024	315,477	995,219	–	–	1,310,696	1,219,919

Notes to the financial statements

For the year ended 31 December 2024

5b Analysis of expenditure (prior year)

	Cost of raising funds	Charitable activities – project expenses	Support costs	Governance costs	2023 Total
	\$	\$	\$	\$	\$
Staff Costs (note 7)	26,432	105,727	71,259	52,863	256,281
Grants (note 4)	–	600,000	–	–	600,000
Consultancy	–	–	8,999	–	8,999
Legal fees	–	–	–	2,984	2,984
Admin and Rent	9,000	–	80,997	–	89,997
Accountancy and audit	–	–	–	71,627	71,627
IT Costs	–	–	–	–	–
Depreciation expense	–	–	6,832	–	6,832
Investment manager's fees	129,343	–	–	–	129,343
Other expenses	–	–	45,820	–	45,820
Trustees' expenses	–	–	–	8,036	8,036
	164,775	705,727	213,907	135,510	1,219,919
Support and Governance costs	13,551	335,866	(213,907)	(135,510)	–
Total expenditure 2023	178,326	1,041,593	–	–	1,219,919

6 Net income for the year

This is stated after charging:

	2024	2023
	\$	\$
Trustees' reimbursed expenses	11,480	8,036
Foreign exchange (gain)/loss	(13,069)	102,329
Auditor's remuneration (excluding VAT):		
Audit	19,948	18,908
Other services	6,394	6,112

Notes to the financial statements

For the year ended 31 December 2024

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024	2023
	\$	\$
Salaries and wages	218,249	244,286
Social security costs	22,770	11,995
	241,019	256,281

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2024 No.	2023 No.
\$193,842 – \$206,628	1	–
\$206,629 – \$220,403	–	1

Gross salaries, social security, and employer pension contributions for key management personnel this year were \$237,618 (2023: \$209,334).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2023: \$nil). No charity trustee received payment for professional or other services supplied to the charity (2023: \$nil).

Trustee expenses of \$11,480 were incurred in 2024 by 1 trustee (2023: \$8,036 by 2 trustees) in relation to travel and subsistence costs.

The average number of employees (head count based on number of staff employed) during the year was 3 (2023: 3).

8 Related party transactions

Britta Oltmann is the head of the KfW bureau in Kinshasa and a Trustee for the Fund. During the year 2024, Okapi received \$551k from KfW. The Okapi Fund also received 25 million euros in permanent endowments in December 2023.

Jean-Philippe Waterschoot, who was a trustee (until December 2022), is the CEO of TEXAF. TEXAF is the parent company of COTEX, from whom the Okapi Fund is leasing their office. The lease was agreed on an arm's length basis and Jean-Philippe Waterschoot is not a signatory on the lease. A total of US\$ 25,672 was paid by the Okapi Fund to COTEX in the year (2023: \$23,096).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Notes to the financial statements

For the year ended 31 December 2024

10a Listed investments (current year)

	2024 \$	2023 \$
Fair value at the start of the year	58,123,021	25,860,856
Additions at cost	28,855,746	56,631,344
Disposal proceeds	(28,888,723)	(27,651,221)
Net gain on change in fair value	6,618,237	3,282,042
	64,708,281	58,123,021
Cash held by investment broker pending reinvestment	75,146	180,634
Fair value at the end of the year	64,783,427	58,303,655

As of 19 September 2025, the total value of the investment portfolio is approximately \$69.1.m.

	Permanent Endowment \$	Unapplied Total Return \$	Total \$
At beginning of the reporting period or date of resolution:			
Gift component permanent endowment	45,939,953	–	45,939,953
Unapplied total return	–	2,671,125	2,671,125
Total	45,939,953	2,671,125	48,611,078
Movements in the reporting period:			
Investment return: dividends and interest	–	804,958	804,958
Investment return: realised and unrealised gains	–	5,586,042	5,586,042
Less: Investment management costs	–	(214,018)	(214,018)
Total	–	6,176,982	6,176,982
Unapplied total return allocated to income in the reporting period	–	(500,000)	(500,000)
Net movements in reporting period	–	5,676,982	5,676,982
At end of the reporting period:			
Gift component permanent endowment	45,939,953	–	45,939,953
Unapplied total return	–	8,348,107	8,348,107
Total	45,939,953	8,348,107	54,288,060

Notes to the financial statements

For the year ended 31 December 2024

10b Listed investments (prior year)

	2023 \$	2022 \$
Fair value at the start of the year	25,860,856	27,999,362
Additions at cost	56,631,344	11,966,566
Disposal proceeds	(27,651,221)	(10,076,863)
Net gain on change in fair value	3,282,042	(4,028,209)
	58,123,021	25,860,856
Cash held by investment broker pending reinvestment	180,634	2,128,359
Fair value at the end of the year	58,303,655	27,989,215

	Permanent Endowment \$	Unapplied Total Return \$	Total \$
At beginning of the reporting period or date of resolution:			
Gift component permanent endowment	18,883,828	–	18,883,828
Unapplied total return	–	217,449	217,449
Total	18,883,828	217,449	19,101,277
Movements in the reporting period:			
Gift of endowment funds	27,056,125	–	27,056,125
Investment return: dividends and interest	–	385,481	385,481
Investment return: realised and unrealised gains and (losses)	–	2,777,555	2,777,555
Less: Investment management costs	–	(109,360)	(109,360)
Total	27,056,125	3,053,676	30,109,801
Unapplied total return allocated to income in the reporting period	–	(600,000)	(600,000)
Net movements in reporting period	27,056,125	2,453,676	29,509,801
At end of the reporting period:			
Gift component permanent endowment	45,939,953	–	45,939,953
Unapplied total return	–	2,671,125	2,671,125
Total	45,939,953	2,671,125	48,611,078

Notes to the financial statements

For the year ended 31 December 2024

11 Tangible fixed assets

	Motor vehicles	Fixtures and fittings	Computer equipment	Total
Cost	\$	\$	\$	\$
At the start of the year	25,418	4,135	2,953	32,506
Additions in year	–	–	–	–
At the end of the year	25,418	4,135	2,953	32,506
Depreciation				
At the start of the year	17,931	3,129	2,755	23,815
Charge for the year	4,665	696	198	5,559
At the end of the year	22,596	3,825	2,953	29,374
Net book value				
At the end of the year	2,822	310	–	3,132
At the start of the year	7,487	1,006	198	8,691

All of the above assets are used for charitable purposes.

12 Debtors

	2024	2023
	\$	\$
Trade debtor	7,456	5,650
Prepayments	7,188	28,231
	14,644	33,881

Notes to the financial statements

For the year ended 31 December 2024

13 Creditors: amounts falling due within one year

	2024	2023
	\$	\$
Payroll creditor	–	24,156
Trade creditors	58,438	16,324
Accruals	19,203	25,699
Grants payable	–	350,000
Deferred income (note 14)	–	157,537
	77,641	573,716

14 Deferred income

Deferred income comprises funds received in advance from KFW for activity to take place in 2024.

	2024	2023
	\$	\$
Balance at the beginning of the year	157,537	293,272
Amount released to income in the year	(157,537)	(293,272)
Amount deferred in the year	–	157,537
Balance at the end of the year	–	157,537

15 Provisions for liabilities

Provisions for liabilities comprises the balance of the agreement with tax authorities for IER tax.

	2024	2023
	£	£
Balance at the beginning of the year	–	–
Increase in provision in the year	120,870	–
Balance at the end of the year	120,870	–

16a Analysis of net assets between funds (current year)

	General unrestricted	Endowment	Total funds
	\$	\$	\$
Fixed assets	3,132	–	3,132
Investments	–	64,783,427	64,783,427
Net current assets	(105,232)	540	(104,692)
Net assets at 31 December 2024	(102,100)	64,783,966	64,681,866

16b Analysis of net assets between funds (prior year)

	General unrestricted	Endowment	Total funds
	\$	\$	\$
Fixed assets	8,691	–	8,691
Investments	–	58,303,655	58,303,655
Net current assets	(106,830)	(349,461)	(456,291)
Net assets at 31 December 2023	(98,139)	57,954,194	57,856,055

Notes to the financial statements

For the year ended 31 December 2024

17a Movements in funds (current year)

	At 1 January 2024	Incoming resources & gains	Outgoing resources & losses	Transfers	At 31 December 2024
	\$	\$	\$	\$	\$
Restricted funds:					
Permanent Endowment	48,611,078	6,391,000	(214,018)	(500,000)	54,288,060
Expendable Endowment	9,343,117	1,192,336	(39,546)	–	10,495,907
	57,954,194	7,583,336	(253,564)	(500,000)	64,783,966
Unrestricted funds:					
General funds	(98,139)	551,502	(1,055,463)	500,000	(102,100)
Total funds	57,856,055	8,134,838	(1,309,027)	–	64,681,866

17b Movements in funds (prior year)

	At 1 January 2023	Incoming resources & gains	Outgoing resources & losses	Transfers	At 31 December 2023
		\$	\$	\$	\$
Restricted funds:					
Permanent Endowment	19,101,277	30,219,161	(109,360)	(600,000)	48,611,078
Expendable Endowment	8,887,938	574,922	(119,743)	–	9,343,117
	27,989,215	30,794,083	(229,104)	(600,000)	57,954,194
Unrestricted funds:					
General funds	25,921	369,084	(1,093,144)	600,000	(98,139)
Total funds	28,015,136	31,163,167	(1,322,248)	–	57,856,055

Purposes of Endowment funds

The Okapi Fund has received funding from KfW and the World Bank to support the pursuit of its charitable objectives. The endowment fund is intended to generate significant, stable and predictable financial resources for the management of selected protected areas in the DRC, with a focus on sustainably financing the management costs of Parc National Kahuzi-Biega (PNKB) and the Parc National Garamba (PNG). The totality of the funds received from the World Bank (US\$ 7.4 million) are treated as Permanent Endowment Funds according to the wishes expressed by the donor.

Following the wishes of the donor, the funds received from KfW, namely EUR 14 million received in December 2019, are treated as:

Permanent Endowment funds for the value of US\$ 7.4 million (based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).

Expendable Endowment Funds for the value of EUR 14 million less the amount mentioned above (EUR 14 million – 7.4million US\$ based on the conversion rate in effect on the date of receipt of funds in the accounts held with Evelyn Partners). We also received an additional EUR 4 million from KfW in December 2022, and EUR 25 million from KfW in 2023, which are to be treated as Permanent Endowment Funds.

Notes to the financial statements

For the year ended 31 December 2024

18 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property	
	2024	2023
	\$	\$
Less than one year	11,754	11,728
	<u>11,754</u>	<u>11,728</u>

19 Contingent Liability

There are additional taxes for Expatriate employees within the DRC. Okapi should not have to pay these taxes due to its charitable status, however the charity has chosen to book these costs each year.

It is important to mention that we also have a commitment on the part of the DRC to officially recognize the exemption, this commitment appearing in two minutes resulting from bilateral discussions between the DRC and Germany which took place in 2022 and 2023.

Accounting provisions for 2024 amount to \$120,870.

20 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to \$1.28.

Company Number: 08794664

Charity Number: 1157294

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Report and financial statements

For the year ended 31 December 2024

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

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The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Reference and administrative information

For the year ended 31 December 2024

Company number 08794664

Charity number 1157294

Registered office and operational address Office 605, Albert House, 256–260 Old St, London EC1V 9DD

Country of registration England & Wales

Country of incorporation United Kingdom

Trustees Trustees (who are also directors of The Okapi fund for nature conservation in the Democratic Republic of Congo for the purposes of company law) who served during 2024 were as follows:

Victor Kabengele wa Kadilu (Chair)

Patrick Welby (until 20th October 2024)

Robert Craig (as of 20th October 2024)

Yvette Shabani (resigned the 5th September 2024)

Britta Oltmann (until 5 September 2024)

Kerstin Laabs (as of 17 december 2024)

Samy Mankoto

Dieudonné Musibono

Agnès Kasongo

Gloria Assimbo

Beto Nyongolo

Executive Director Guillaume Gervais de Rouville

Administrative Assistant Karen Kibanga

Solicitors Sedulo, Office 605, Albert House,
256–260 Old St, London EC1V 9DD

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Reference and administrative information

For the year ended 31 December 2024

Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors 110 Golden Lane LONDON EC1Y 0TG
Investment Manager	Evelyn Partner Investment (formerly named “Smith & Williamson Investment Management”) 25 Moorgate LONDON EC2R 6AY

Trustees' annual report

For the year ended 31 December 2024

The trustees present their report and the audited financial statements for the year ended 31 December 2024.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and Activities

Purposes and aims

As set out in the Charity's Articles of Association, its purposes are to promote for the benefit of the public, the conservation, protection and improvement of the natural environment and biodiversity of the Democratic Republic of the Congo (DRC), with priority focus on DRC's national system of protected areas. Specifically, it aims to:

- i) Promote, for the benefit of the public, sustainable development that supports the conservation of biodiversity in DRC, in particular the protected areas and/or other conservation areas of significant ecological value and/or significant biological importance including:
 - (a) The preservation, conservation and the protection of the environment and the sustainable use of natural resources; and
 - (b) The relief of poverty and the improvement of the conditions of life for the benefit of populations living in and around protected areas and other areas of significant ecological conservation and/or significant biological importance.
- ii) Advance the education of the public on environmental issues including the

Trustees' annual report

For the year ended 31 December 2024

biodiversity, conservation, sustainability and management of DRC's protected areas and/or other areas of significant ecological conservation and/or significant biological importance.

The trustees periodically review the aims, objectives and activities of the charity and have always reaffirmed the purpose and aims as noted here. It is additionally affirmed that the trustees have had regard to the Charity Commission's guidance on public benefit.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees have considered how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance

The Charity's activities and achievements during 2024 have been concentrated on the following items : (i) continue efforts to increase the Okapi Fund's endowment funds, (ii) prepare and carry out new disbursements in favor of the Protected Areas while monitoring previous financing, (iii) selection of new protected areas eligible for support from the Okapi Fund, (iv) opening of a Carbon Desk and a Community Forestry Desk, (v) launch of the recruitment process for a new Executive Director, (vi) carry out field missions and participate in international events to strengthen our knowledge and capacities and reinforce links with the various biodiversity stakeholders, (vii) monitor financial markets in a particularly volatile period.

Fundraising

In early 2024, the **Fonds Français pour l'Environnement Mondial (FFEM)** joined forces with AFD to co-finance an additional 2 to 3 million euros. A Project Information Note (PIN) was drawn up in April 2024 to initiate the procedure with the FFEM.

The dossier was examined by consultants in June/July 2024 who assessed its relevance. The consultants' final report is very positive and recommends that the maximum amount of funding be allocated to the Okapi Fund.

However, the final decision will be more political than technical, as AFD/FFEM funding is earmarked for the Kahuzi-Biega National Park. The situation within the park since January 2025 is particularly difficult due to the presence of M23 rebels in or near the park. In this context, the AFD has decided to postpone its final decision until the end of September 2025.

At the same time, the Fonds Okapi strengthened its role in the development of the IPLC Forest Facility (IFF), a new funding initiative led by Rainforest Foundation Norway and financed by the Bezos Earth Fund. The Fund participated in multiple working sessions, culminating in its official designation in November 2024 as the preferred financial mechanism to channel IFF funds to local forest communities. This decision was validated by the Fonds Okapi Board in December 2024 and

Trustees' annual report

For the year ended 31 December 2024

marks a turning point in expanding the Fund's reach beyond traditional protected area support (see below next section for more details). The idea behind this new desk is to attract private and public funding for community forestry and position the Okapi Fund as the natural funding channel for this type of project.

Furthermore, discussions with the Rawbank culminated in the drafting of a concept note for the creation of a dedicated 'Carbon Desk' within the Fonds Okapi (see below next section for more details). This unit, envisioned as a financing conduit for carbon credit projects aligned with biodiversity goals, received approval from the Board in December 2024. Initial responses to questions from Rawbank's risk department were provided in October 2024, and both parties aim to identify pilot projects in 2025. The idea behind this new desk is to attract CSR funds from private sector companies in the DRC to finance carbon projects with a high social and environmental impact.

Relations with the Bezos Earth Fund remained active throughout the year. The Fund submitted a concept note in Q1 and held several meetings in Kinshasa and Cali (Colombia) to present its potential role in regional conservation finance architecture. Further engagements with the Fund's U.S.-based leadership are planned before the end of 2025.

Funding of Protected Areas

In 2024, only one national park received financial support from the Okapi Fund: The Garamba National Park (GNP). The Kahuzi-Biega National Park (KBNP) was unable to receive funds from us for reasons that will be explained below.

In March 2024, the Board of Trustees adopted the grant program for 2024, which includes: (i) a grant of US\$300,000 to GNP and (ii) US\$500,000 to KBNP. Funding are granted once all eligibility conditions have been met. The GNP received its funds in July 2024.

The Board of Directors authorized a second disbursement of US\$200,000 to the Garamba National Park to cover unexpected funding gaps. This brings the total amount disbursed to the Garamba National Park in 2024 to US\$500,000.

The Garamba national Park

As a reminder, the Okapi Fund disbursed US\$220,000 in favor of the PNG in December 2022.

In 2023 we disbursed US\$250,000 to the PNG.

In 2024, a further US\$500,000 was provided. The funds were disbursed once the audit had been carried out by KPMG and deemed satisfactory by Fonds Okapi. The Executive Director went to Garamba in March 2024 for a follow-up visit to see what had been achieved on the ground following the Okapi Fund financing. It emerged from this visit that the GNP is carrying out its activities satisfactorily and in accordance with the requirements of our grant agreement.

The Kahuzi-Biega National Park

The first funds (US\$ 350 000) were disbursed in December 2023, and were received by the beneficiary (Wildelife Conservation Society – “WCS”) in January 2024, but to cover expenses for 2023.

We carried out a due diligence mission at WCS's regional headquarters in Kigali and at PNKB (Bukavu and Tshivanga) between November 8 and 15, 2023.

On several occasions prior to our mission, we had deplored a lack of communication, responsiveness and transparency in exchanges with WCS teams. This observation had also been made by the KfW teams who had visited the PNKB a few months earlier.

In the absence of satisfactory reporting (lack of information and average quality) from the PNKB, we were unable to disburse the amounts allocated to the park for 2024 (US\$500,000).

We finally obtained the missing information, although its quality was still not up to the standard we would expect from an organization such as WCS. The report submitted by WCS on environmental, social, and human rights actions is merely an Excel document providing a timeline of actions implemented with very little detail on what has already been accomplished.

Discussions on funding for 2024 were nevertheless resumed in December 2024: we have offered WCS the choice between (i) funding actions already undertaken in 2024 but for which funds have not yet been disbursed, or (ii) no longer dealing with funding for 2024 and instead examining the funding required for 2025.

Just as discussions were about to lead to a funding opportunity, unfortunately the security situation deteriorated considerably in the park due to an offensive by the M23 armed group in the town of Bukavu and in the vicinity of the park. The park had to suspend its activities, which had not resumed normal operations at the time of writing this report.

As things stand, it is therefore not possible to finance the PNKB's activities. However, recent peace agreements signed under the auspices of the United States could pave the way for a resumption of activities before the end of 2025. The Okapi Fund continues to monitor the situation and is ready to resume its funding if the security situation allows.

If funding for the PNKB proves impossible in the near future, the Okapi Fund has already considered extending its funding to other protected areas in order to continue its biodiversity financing activities in the DRC (see next section on the selection of new parks).

The positive aspect of the Okapi Fund's operations in relation to PNKB is that we have demonstrated a rigorous process for disbursing funds: the Okapi Fund does not disburse funds if it believes that the conditions are not met, either for reasons related to the governance of the potential beneficiary or due to the security situation in which the beneficiary operates. This demonstrates the seriousness of the Okapi Fund's disbursement process.

Selection of new protected areas

Selection of a Third Protected Area: A Strategic Expansion

During 2024, the Okapi Fund embarked on a comprehensive process to identify and select a third protected area for our conservation portfolio. This strategic expansion reflects both our growing financial capacity and our commitment to maximizing conservation impact across the Democratic Republic of Congo.

The Selection Journey

The Board of Directors initially identified three promising candidates for potential support: the Salonga, Lomami, and Maïko National Parks. Each represented unique conservation opportunities and challenges within the DRC's vast protected area network.

Our Grant Allocation Committee (COS) undertook a thorough due diligence process throughout the year, engaging directly with park management teams and conducting detailed assessments of each candidate's eligibility and funding requirements. All three areas demonstrated strong conservation value and met our formal eligibility criteria.

A Challenging Choice

The selection process revealed the complexity of conservation funding decisions. While Salonga National Park showed promise, our analysis determined that it already enjoys substantial funding commitments for the coming years, leaving no significant funding gaps where the Okapi Fund could add meaningful value.

This left us with a compelling but difficult choice between Lomami and Maïko National Parks. Lomami presented a more stable operational environment with established management structures and fewer security concerns, though its funding needs were more modest. Maïko, by contrast, offered an exceptional landscape with enormous conservation potential but faced significant security challenges and required substantial capacity building support.

An Innovative Solution

Rather than limiting ourselves to a single choice, our strong financial position—with over \$11 million in realized gains since inception—enabled us to pursue a more ambitious approach. In December 2024, the Board approved an innovative dual-track strategy that will see both parks join our portfolio:

Lomami National Park has received support, with an initial allocation of \$250,000 in June 2025. This rapid deployment reflects the park's readiness to effectively utilize funding and our confidence in its management capacity.

Maïko National Park has also received funding support in September 2025 with an initial allocation of US\$ 140,000.

Looking Forward

This strategic expansion positions the Okapi Fund to support four protected areas simultaneously, significantly amplifying our conservation impact. The phased implementation approach ensures we maintain our rigorous standards for environmental, social, and human rights safeguards while responding to the urgent conservation needs across the DRC.

This selection process exemplifies our commitment to evidence-based decision-making and strategic patience—choosing long-term conservation impact over expedient solutions. As we enter 2025, we look forward to deepening our partnerships with these exceptional protected areas and advancing our shared conservation mission.

Carbon Desk and a Community Forestry Desk

Development of New Specialized Windows: Expanding Our Conservation Impact

In 2024, the Okapi Fund embarked on an ambitious expansion strategy, developing two specialized funding windows that represent a significant evolution in our approach to conservation financing in the Democratic Republic of Congo.

Carbon Window: Bridging Climate Action and Conservation

The Carbon Window emerged from extensive discussions with Rawbank and represents our strategic entry into the carbon finance sector. This initiative aims to attract diversified investors to carbon credit projects while maintaining our rigorous ESG standards and expanding our assets under management to \$100 million within three years.

The window is designed to appeal to two distinct investor categories: philanthropic foundations seeking high-impact projects without direct financial returns, and corporations utilizing CSR budgets to offset emissions and enhance their environmental credentials. Projects financed through this window will deliver significant co-benefits for local communities, including job creation,

infrastructure development, and improved food security, while simultaneously advancing biodiversity conservation and climate resilience.

Community Forestry Window: Empowering Indigenous Peoples and Local Communities

The Community Forestry Window represents perhaps our most significant strategic development, emerging from our selection as the preferred vehicle for implementing the IPLC Forests Facility by Rainforest Foundation Norway and other international partners. This designation came following our successful participation in COP 16 Biodiversity in Cali, where we demonstrated our capacity to channel funding directly to Indigenous Peoples and Local Communities (IPLCs) for forest conservation.

The window addresses a critical gap in conservation financing: supporting the Indigenous Peoples in the DRC who have historically been the most effective guardians of the country's high-integrity forests. Recent legal advances, including President Tshisekedi's historic 2022 law protecting indigenous peoples' rights, have created unprecedented opportunities for scaling community-based conservation.

Through a comprehensive Memorandum of Understanding with the Community Forest Fund (FCF), we have established a dedicated "FCF Window" within the Okapi Fund that maintains clear financial separation while leveraging our institutional infrastructure. This arrangement preserves FCF's autonomy in selecting beneficiaries while ensuring rigorous governance and transparency standards.

The framework addresses two urgent parallel needs: protecting remaining blocks of high-integrity forests and supporting land tenure regimes that empower local communities. Activities include direct assistance for sustainable development projects, strengthening IPLC involvement in protected area management, and providing advocacy support for more effective engagement in land-use planning.

Operational Excellence and Future Vision

Both windows benefit from shared infrastructure and expertise while maintaining distinct governance structures and funding streams. Both Windows leverages our existing investment management platform through Evelyn Partners.

These developments position the Okapi Fund at the forefront of innovative conservation finance, creating pathways for diverse funding sources to support conservation while maintaining our commitment to environmental and social safeguards. The windows represent a natural evolution of our mission, enabling us to serve as both an endowment fund for protected areas and a sophisticated intermediary for specialized conservation finance mechanisms.

Looking ahead, these windows provide the foundation for achieving our ambitious goal of managing \$100 million in assets while directly supporting Indigenous Peoples and Local Communities who serve as the primary guardians of the DRC's irreplaceable ecosystems. This multi-faceted approach exemplifies our commitment to scalable, sustainable conservation finance that honors both environmental imperatives and social justice principles.

In order to implement these two new desks, the Okapi Fund plans to recruit consultants in 2025 to support their development.

Recruitment process for a new Executive Director

In 2024–2025, the Okapi Fund undertook a thorough and methodical process to identify and select a new Executive Director, demonstrating our commitment to transparent governance and strategic leadership continuity.

The Succession Journey

The process began in August 2024 when our current Executive Director, Guillaume Gervais de Rouville, announced his intention to conclude his mandate during the second half of 2025. Recognizing the critical importance of executive leadership to our mission, the Board of Directors initiated a comprehensive recruitment process at its September 19, 2024 session.

Professional Search Partnership

The Board entrusted the Executive Committee with selecting a specialized recruitment agency through a competitive tender process. Four firms were invited to submit proposals—two local Kinshasa-based agencies (Hodari and Bensizwe) and two international firms (Michael Page and Vidal Associates). Following a rigorous evaluation, Michael Page was selected for their international reach,

Trustees' annual report

For the year ended 31 December 2024

proven track record in executive placements, and understanding of our sector's unique requirements.

The recruitment brief specifically required the inclusion of at least two Congolese candidates with international experience, reflecting our commitment to local leadership development while maintaining global standards of excellence.

Structured Selection Process

A dedicated Recruitment Committee was established, expanding the Executive Committee to include Board member Samy Mankoto. The final committee comprised the Fund President, the Executive Director, and four Board members (Agnès Kasongo, Samy Mankoto, Kerstin Laabs, and Robert Craig), ensuring diverse perspectives and rigorous evaluation standards.

The initial candidate pool yielded a shortlist of ten qualified applicants by January 2025. However, the committee's high standards led to the decision to extend the search period until February 28, 2025, ultimately expanding the candidate pool to sixteen applicants.

Rigorous Evaluation Framework

Six exceptional candidates advanced to the final interview stage, conducted via videoconference over three days in March 2025. Each candidate participated in hour-long structured interviews using standardized evaluation grids and question frameworks developed collaboratively by committee members.

This systematic approach ensured consistent, objective assessment across all candidates while allowing for comprehensive evaluation of technical competencies, leadership capabilities, and cultural fit with our mission and values.

Final Selection and Validation

Rather than conducting second interviews, the committee organized an in-person meeting in Kinshasa between the leading candidate, Christian Miasuekama, and available committee members. This informal yet substantive discussion allowed for deeper assessment of interpersonal dynamics and cultural alignment.

The positive outcomes of this meeting reinforced the committee's confidence in their selection. Following contractual negotiations on March 26, 2025, the committee unanimously endorsed Christian Miasuekama's appointment, pending Board approval and KfW non-objection.

Excellence in Governance

This recruitment process exemplifies our commitment to governance excellence, demonstrating several key principles that guide our operations:

Transparency and Accountability: Every stage was documented, with comprehensive records maintained for Board and donor oversight, including evaluation grids, interview frameworks, and detailed progress reports.

Inclusive Decision-Making: The expanded committee structure ensured diverse perspectives while maintaining efficient decision-making processes.

Professional Standards: Engaging international recruitment expertise while prioritizing local capacity development reflects our commitment to both global best practices and regional leadership.

Strategic Patience: The decision to extend the search timeline demonstrates our priority for finding the right candidate over expedient closure.

The appointment of **Christian Miasuekama** represents a strategic investment in leadership continuity that will guide the Okapi Fund through its next phase of growth. His selection through this rigorous process ensures that our new Executive Director possesses not only the technical competencies required for the role but also the leadership vision necessary to advance our conservation mission in an increasingly complex operating environment.

This succession process positions the Okapi Fund for continued excellence in conservation finance and protected area support throughout the Democratic Republic of Congo.

Fields missions & International Engagement : Strengthening Conservation Networks in 2024

Throughout 2024, the Okapi Fund pursued an active program of field missions and international participation, demonstrating our commitment to hands-on conservation support and strategic network building within the global biodiversity community.

Field Missions – Direct Conservation Support:

Our most significant field mission took us to Garamba National Park (March 20–30, 2024), where we conducted comprehensive monitoring of our grant allocations and conservation impact. This ten-day mission served multiple strategic purposes: verifying implementation of funded activities on the ground, assessing overall park management effectiveness, and engaging with new leadership teams following recent management transitions.

The mission revealed satisfactory progress despite weather-related delays that had postponed expert deployments by two months due to late 2023 flooding. We were able to accompany and engage extensively with two key consultants implementing our Environmental and Social Action Plan: Baptiste Martin, who was establishing an effective grievance mechanism for the park, and Thomas Mantete, who was developing comprehensive environmental, social, and human rights action plans.

This field engagement allowed us to finalize the third grant convention covering Garamba's 2024 operational expenses while ensuring our funding aligned with demonstrated conservation needs and management capacity. The mission exemplified our commitment to evidence-based grantmaking through direct field verification rather than relying solely on desk-based reporting.

International Conference Participation:

COP 16 Biodiversity – Cali, Colombia (October 21–24, 2024)

Our participation in COP 16 represented a strategic milestone in positioning the Okapi Fund within global conservation finance networks. The mission achieved two critical objectives that would shape our future development.

First, we participated in a high-profile panel alongside Rainforest Foundation Norway, Earth Bezos Fund, WCS, ICCN, and the World Bank, focusing on community forestry and the Indigenous Peoples and Local Communities (IPLC) Forest Facility. This panel allowed us to articulate our role in supporting community-based conservation while demonstrating our capacity to operate at international scales.

Second, we held targeted meetings with the Director of Rainforest Foundation Norway and representatives from the Earth Bezos Fund, clarifying our potential role in implementing the IPLC Forests Facility. These discussions proved pivotal, as we were subsequently informed in November 2024 of our selection as the preferred vehicle for implementing this major international initiative.

Additionally, we engaged with Global Environment Facility representatives regarding potential endowment fund financing, exploring opportunities to diversify our funding base through multilateral channels.

CAFE Network Annual Assembly – Namibia (August/September 2024)

As active members of the Conservation Trust Funds network (CAFE), we participated in the annual assembly in Namibia, contributing to strategic planning and knowledge sharing among African conservation trust funds. This engagement reinforced our position within the regional conservation finance community while allowing us to share experiences and learn from peer institutions across the continent.

Bridge Steering Committee – Paris (June 12–14, 2024)

Our participation in the Bridge project steering committee meetings in Paris demonstrated our engagement with innovative conservation finance mechanisms. These sessions involved reviewing project progress, making strategic decisions, and reporting to the French Global Environment Facility (FFEM), reinforcing our relationships with key European funders.

Strategic Network Building:

London and Paris Mission (November 18–22, 2024)

This comprehensive mission across two European capitals exemplified our systematic approach to stakeholder engagement and fundraising. In London, we held productive discussions with Rawbank's Board of Directors regarding our Carbon Desk initiative, explored fundraising event possibilities with Evelyn Partners, and met with potential new board members including Robert Craig and representatives from Tribe Impact Capital.

The Tribe Impact Capital meeting proved particularly strategic, introducing opportunities to develop an **impact-focused endowment fund** that could attract different types of donors through corporate social responsibility channels, expanding our funding base beyond traditional conservation donors.

In Paris, we advanced multiple strategic relationships simultaneously: finalizing discussions with AFD/FFEM regarding our feasibility study, exploring collaboration opportunities with Véolia Foundation and Amundi for our Carbon Desk initiative, and potentially securing FFEM support for organizing the CAFE Annual Assembly in Kinshasa.

Knowledge Building and Capacity Enhancement:

Evelyn Partners Portfolio Review – Kinshasa (April 28–29, 2024)

We hosted our investment management partners for an intensive two-day session in Kinshasa, combining portfolio review with strategic planning. This unique approach of bringing international expertise to our operational base allowed for comprehensive evaluation of our investment strategy while demonstrating our commitment to local presence and regional engagement.

The sessions covered macroeconomic updates, asset class education, portfolio performance analysis, and ESG considerations, while exploring opportunities for African market investments and policy adjustments. This direct engagement enhanced our financial management capabilities while maintaining our focus on conservation outcomes.

Strategic Impact and Future Positioning:

These field missions and international engagements achieved several critical outcomes that positioned the Okapi Fund for enhanced impact:

- **Enhanced Credibility:** Our field presence and international participation demonstrated our operational capacity and strategic vision to both beneficiaries and funders, establishing us as a serious player in conservation finance.
- **Network Expansion:** Systematic engagement with diverse stakeholders—from park managers to international donors—expanded our influence and created new partnership opportunities.
- **Knowledge Integration:** Direct field experience informed our grantmaking while international exposure brought global best practices to our local operations.
- **Strategic Positioning:** Our selection as the preferred vehicle for implementing the IPLC Forests Facility represents the culmination of sustained relationship building and demonstrated competence.

Looking forward, these activities have established the foundation for the Okapi Fund's evolution from a specialized endowment fund supporting protected areas to a sophisticated conservation finance intermediary capable of managing complex, multi-stakeholder initiatives while maintaining our commitment to rigorous field-based impact assessment.

Financial review

Source of capitalisation & financial resources

No new additional Endowment Funds were received in 2024.

We continued to receive operational funds (to cover our running costs) from KfW in 2024.

As a reminder, 1 million euros as funds to support operational costs of the Okapi Funds from 2023 to end of 2024 were made available at the end of 2022 through the procedure of renewed demands.

In 2024, the Charity received support from KfW as follows:

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- 127 022,80 euros, March 13, 2024 to cover the period from January to June 2024 (under the Second Separated Convention between KfW and Fonds Okapi).
- 236 193,69 euros, July 17, 2024 to cover the period from July to December 2024 (under the Second Separated Convention between KfW and Fonds Okapi).
- USD 157 537 received in November 2023 recognised as deferred income at year-end.

The 2024 financial accounts therefore report the Charity receiving funding in 2024 from one source:

- KfW (The German Development Bank).

Resource utilisation framework

The investment policy followed by the Okapi Fund has been developed to be fully compliant with the recommended Practice Standards for Asset Management (standards 1–9) as set out by the Conservation Finance Alliance and best practice guidance in the annual Conservation Trust Investment Survey published by WCS. Furthermore, the Okapi Fund follows the World Bank's Environmental and Social Framework and the World Bank Group's general and sector-specific Environmental, Health and Safety Guidelines.

As the Okapi Fund is a charitable entity dedicated to environmental conservation, the investments made by the investment manager must not be inconsistent with the objectives of the charity. The investment of the funds, inclusive of all investment instruments, are subject to SRI (Socially Responsible Investing) sectoral filtering and compliance with the ESG and responsible investing policies and detailed exclusions listed in the Investment Policy statement.

The capitalisation funds received from KfW at the end of 2019 and from The World bank in January 2020 were transfer to our Endowment Fund. These funds have been progressively invested in the financial markets by our portfolio manager, Smith & Williamson (now Evelyn Partners), in accordance with our Investment Policy Statement and under the supervision of our Investment Committee.

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The Endowment Fund holds Okapi Fund's longer-term investment assets and the returns from these assets provide resources that the Okapi Fund can deploy in furtherance of its charitable aims.

The totality of the funds received from the World Bank (US\$ 7.4 million) are treated as Permanent Endowment Funds according to the wishes expressed by the donor.

Following the wishes of the donor, the funds received from KfW, namely Euro 14 million received in December 2019, are treated as:

- Permanent Endowment funds for the value of US\$ 7.4 million (based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).
- Expendable Endowment Funds for the value of EURO 14 million less the amount mentioned above (14M euros less the 7.4M US\$ based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).

The additional endowment funds received from KfW in December 2022 and in December 2023 are treated as Permanent Endowment Funds.

The Portfolio in 2024

The portfolio has seen (i) a **performance of +12.48% in 2024** and (iii) a performance of +31% since the receipt of the endowment funds in December 2019.

The portfolio's average annual return over the last five years is +6.2%.

At the time of writing, the total potential capital gain is + 16 million US\$ (since December 2019).

This amount is sufficient to ensure both :

1. A conservative reserve policy and
2. Increased disbursements to protected areas over the next few years.

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- Overall, our portfolio's performance over the last five years places us in the Top 5 of Nature Conservancy Trust Funds in Africa.

Assets under management amounted to US\$ 64.78m at December 31, 2024.

At December 31, 2024, the portfolio was broken down as follows:

- 0.1% Cash and cash equivalents
- 29.2% bonds,
- 67.7% equities
- 1.7% other investments.

The portfolio's currency exposure was as follows (at December 31, 2024):

- 82.67% to US\$ assets
- 3.20% in Euros (mainly cash not yet converted)
- 10.71% to Sterling assets
- 3.42% in other currencies

Generally speaking, these were not very significant movements in terms of the composition of our portfolio during the year 2024.

The year 2024 in review :

- Overall, our portfolio had a very positive year (+12.4% growth).
- It was a solid year, with US dominance (particularly in megacap and technology) as a major theme, although there were some divergences between the Magnificent 7 stocks (the winners being notably Apple and Amazon, with Microsoft lagging relatively behind and Tesla eventually recovering, albeit after considerable volatility).
- Gold gained almost 30% over the year, although it cannot be held in the portfolio. Conversely, the energy sector was not very interesting in 2024.
- 2024 was a very mixed year for European markets and sectors, with luxury goods (a Chinese story) and some healthcare stocks struggling, although German company SAP (Germany) has had solid results since our purchase last year.
- Asia remains unattractive, with China struggling to implement its fiscal rescue plans and revive its economy.

- In bonds, we have kept a relatively short maturity, given concerns about Trump's impact on US debt levels. With the risk of inflation remaining high, our TIPS continue to play an important role in offsetting potential inflation.

Outlook for 2025:

1. Financial markets:

- Post-US election outlook: generally positive, with lower taxes and signs that US companies are best placed to continue growing while preserving, or even increasing, their profit margins.
- The profit margins of major US companies are likely to continue to be seen as very positive, driving the equity market higher.
- The general outlook for the equity sector looks rather encouraging.
- With Trump, however, there is a risk of inflation if tariff policy towards other countries (Mexico, Canada, China, Europe, etc.) is not brought under control.
- To counter the risk of inflation: maintain significant positions in TIPS (Treasury inflation-protected securities).
- AI is a sector to watch for the opportunities it could offer, but it is still in a consolidation phase and market reversals in this sector are likely in the short term.
- Asia continues to show signs of fragility.
- In view of the tariff war that Trump may want to wage, we must remain cautious in our investments with regard to the Asian market.

2. Impact Funds:

We have begun to discuss with members of the IC and EC the possibility of opening an Endowment Fund oriented towards impact financial investments.

For the moment, our endowment funds are invested according to an investment policy that gives us a great deal of latitude as to the nature of the activities of the companies whose shares we acquire.

These companies, for the most part, while having a good overall ESG rating, are not companies with an environmental or social impact.

It would be interesting for the Okapi Fund to explore the possibility of opening, alongside its current endowment fund, an impact fund that could attract other types of donors (notably through corporate CSR funds).

Total Return Approach Adopted

In the first half of 2021, the Okapi Fund decided to adopt the Total Return Approach, by taking the following resolution voted unanimously by the members present:

- *The Board of Trustees of the Okapi Fund has fully considered the Total Return Report and has resolved to adopt a resolution under Section 104(A) of the Charities Act 2011 to apply a total return approach to investment in accordance with the relevant regulations as follows:*

Total return for the Okapi Fund Permanent Endowment Fund investment.

This resolution identifies the Permanent Endowment Fund as the relevant fund that will be subject to total return investment. As of 31 December 2020, the value of the relevant fund consists of:

- 1. The Investment Fund consisting of original capital contributions from donors of USD 14,793,588*
- 2. The unapplied total return of USD 1,941,892.*

This is based on the valuation of the endowment capital contributions received and the total unapplied return retained in the relevant fund, as at 31 December 2020.

The Total Return Report was written and submitted to the Board members by a recognized expert in the field, James Money-Kyrle. It was on the basis of this report that the Trustees made their informed decision regarding the adoption of the Total Return approach.

No changes in our approach were made in 2024.

Principal risks and uncertainties

The Trustees have considered the risks that the Charity faces as of the date of this trustees' report. Having reviewed these risks and the steps being taken, the trustees are confident that these risks are being managed appropriately.

In 2020, a risk register was set up. This risk register records risks as they arise and indicates the measures that are taken to mitigate or eliminate them. This register is kept up to date at all times and is available in our office. It is shared with the trustees at each meeting of the Board of Directors who review the Risk Assessment Report.

In 2023, two Risk Assessment Reports were compiled by the Executive Director, discussed, reviewed and approved by the trustees before and during the Board meetings.

In 2024, another Risk Assessment Report was sent to the Trustees in early January: it also covers part of the year 2023.

Following this 2024 report, it was deemed appropriate to include the risk report in the Executive Director's activity reports in order to share information more regularly and in a broader context. As a result, risk information is now included in each of the Executive Director's quarterly reports.

In 2024

The main risks faced during the Year 2024, and mitigating measures being taken, are described in the following sections.

The main risks reported and reviewed in (or in relation to) 2024 were as follows:

- Operational risks;
- Governance risks;
- Financial Risks;
- Fiscal Risks;
- Fraud Risks;
- Reputational Risks.

Operational risks

The most significant operational risks identified were the following:

1. the implementation of its fund disbursement activities to finance projects in accordance with its purpose.
2. the continuity of the Okapi Fund's operational management following the announcement by the Executive Director in August 2024 of his wish to step down.

Regarding point 1.:

The main risk in this respect concerned funding for the PNKB. As mentioned above, we had encountered difficulties in obtaining important information prior to our support for the Park. It was deemed necessary to take the time to assess the risks of our support for the PNKB and to define our terms of engagement and the activities we would be willing to fund: it is better to take the time to consider these aspects than to rush into funding that could cause us further problems (see below in the section on reputational risks).

As mentioned earlier, we were unable to finance the PNKB in 2024 due to structural governance issues within the park. However, as also indicated, we have expanded the number of parks eligible for Okapi Fund financing, which will enable us to continue our activities as planned.

In addition, we are working closely with KfW to find a solution for financing the PNKB. The security situation locally is also the subject of particular attention on our part.

Regarding point 2.:

As mentioned above, a recruitment process for a new Executive Director was launched in October 2024, resulting in the selection of a new Executive Director who took up his duties on July 7, 2025. The outgoing Executive Director has agreed to provide a three-month transition period and will therefore conclude his activities with the Okapi Fund at the end of September 2025.

Governance risks

Board Member Replacement Challenge

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The replacement of Board member Yvette Shabani remained an ongoing administrative process throughout 2024. Despite regular follow-ups with stakeholder Azarias Ruberwa, progress remained limited. However, this situation posed no significant operational consequences, as we continued functioning effectively with eight Board members instead of nine, maintaining full decision-making capacity and governance oversight.

During the year, we adopted a pragmatic approach by requesting authorization to contact the Ministry of Finance directly for candidate nominations, reversing the traditional selection process to expedite resolution. We will therefore ask the Ministry of Finance to propose names, which will then be approved by Mr. Ruberwa (and not the other way around).

Investment Committee Participation

Low participation from our external Investment Committee member presented governance challenges due to conflicting professional commitments. While we actively sought replacement candidates, including outreach to qualified professionals like Edwige Takassi, the non-remunerated nature of the position limited candidate interest.

This risk was effectively mitigated through rigorous daily portfolio monitoring and close collaboration with our investment management partner, Evelyn Partners, ensuring no compromise in our financial oversight capabilities.

Financial risks

The main financial risk identified in 2024 is the risk of a decrease in the value of our portfolio.

It represents the main risk identified during the year 2024 and the beginning of 2025.

There were three main factors which affected the financial markets and therefore had the potential to affect the value of our portfolio in 2023:

1. The election of the President Trump in the USA.
2. Inflation.

3. The wars in the Middle East.

However:

- The tensions linked to the trade wars initiated by President Trump seem to have been absorbed by the financial markets.
- Since beginning of 2024 we did not see real signs of inflation.
- The market is digesting the situation in the Middle East well for the time being.

In order to reduce the risk of a decline in portfolio value affecting our ability to fulfill our core mission – to disburse funds in favor of protected areas – we pursue a rigorous reserves policy to ensure that we have access to sufficient liquidity to honor our commitments to protected areas and also to finance the operating costs of the Okapi Fund (see reserves policy below).

Fiscal risks

As we explained in all of our Quarterly Activity Reports to the Trustees (*Rapports d'Activités Trimestriels*), we decided to make a provision in our accounts for the payment of the IER (the exceptional tax on the income of expatriate staff), but not to pay it to the tax authorities as proposed by our accountants.

Indeed, our lawyer, in his tax analysis of the Asbls (Not-for-profit organisations), had clearly indicated to us that this tax was not applicable to our situation. The tax rate of the IER is 25% on the remuneration (after deduction of those parts of the remuneration which are not subject to taxation) and monthly the additional cost of this tax would be in the order of US\$3,000.

We therefore decided to provision the amounts corresponding to the IER until we had a clear answer from the tax authorities.

In order to resolve this recurring issue we have undertaken two parallel approaches:

1. During the bilateral discussions between Germany and the DRC on biodiversity funding, it was written into the final minutes that the DRC would recognize the Okapi Fund's rights to the tax exemptions that charities normally enjoy;

2. We were able to meet with the Minister of Finance in December 2023, who should make it possible to move the file forward in a favorable manner.

However, these measures were insufficient and did not prevent the Okapi Fund from receiving a letter of adjustment from the tax authorities on this matter in March 2025.

IER Tax Settlement: Resolution of Fiscal Compliance Issues

The tax administration claimed outstanding IER arrears accompanied by penalties and late payment interest dating back to 2020. While awaiting the interministerial decree (from the Ministry of Planning and Ministry of Finance) that would formally recognize our right to fiscal exemptions, we had prudently provisioned the corresponding amounts in our accounting since 2020.

The original claim totaled \$256,000 USD, representing a significant financial exposure that threatened our operational capacity and conservation mission.

Our approach centered on demonstrating our good faith efforts and the administrative obstacles beyond our control. We presented compelling arguments to the tax administration:

Documented Due Diligence: We provided evidence of our continuous efforts with the Ministries of Planning and Finance since 2020, including regular documented follow-ups that demonstrated our commitment to resolving the matter.

Bilateral Recognition: We highlighted that our fiscal challenges had been raised twice during Germany–DRC bilateral discussions, where the DRC had agreed to support us in obtaining these legal exemptions, demonstrating the international dimension of our status.

Administrative Responsibility: We emphasized our lack of responsibility for the administrative delays that prevented timely resolution of our exemption status.

After multiple exchanges with fiscal authorities, we achieved a significant breakthrough in our negotiations. The tax administration agreed to abandon their demands concerning penalties and late payment interest—the most punitive aspects of their original claim.

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In exchange, we committed to promptly settle the base IER taxes that were the subject of the tax assessment, demonstrating our willingness to cooperate within reasonable parameters.

The negotiated resolution reduced our total payment obligation from \$256,000 USD to \$122,000 —a reduction of more than 50% that saved the organization \$134,000 USD. This outcome validated our strategy of principled engagement while protecting organizational resources.

This resolution demonstrates several important principles:

- **Principled Negotiation:** Our approach of acknowledging legitimate obligations while challenging unreasonable penalties proved effective in achieving a balanced outcome.
- **Institutional Protection:** The significant reduction in our financial exposure preserved resources for our conservation mission while maintaining compliance with fiscal obligations.
- **Precedent Setting:** This settlement establishes important precedents for how international conservation organizations can navigate complex fiscal environments while protecting their operational capacity.

The successful resolution of this matter eliminates a major financial uncertainty that had affected our operations since 2020. The \$134,000 USD in savings represents resources that can now be dedicated directly to conservation activities rather than administrative penalties.

This outcome also demonstrates the effectiveness of patient, strategic engagement with regulatory authorities, showing that persistence and principled advocacy can yield significant results even in challenging administrative environments.

The resolution provides closure to a complex matter while reinforcing our commitment to fiscal compliance and responsible organizational management in the DRC's evolving regulatory landscape.

Fraud risks

We have identified three levels of fraud risk:

1. Risks at the level of the funds managed by the Okapi Fund
2. Risks at the level of the funds managed by the portfolio manager
3. Risks at the level of the funds managed by the beneficiaries of the funds received from the Okapi Fund

1. Risks at the level of funds managed by the Okapi Fund

The risks of misappropriation of funds are limited because of the disbursement procedure that we follow: 1. For electronic transfers: For each disbursement, the ED must enter the amounts on the bank's platform and two trustees must approve the disbursement. Each payment must be supported by a document (invoice, fee, etc.). 2. Regarding cash disbursements: Each disbursement must be pre-approved by the ED, documented by the DAA and reported in a cash tracking document.

In addition, we have both a post-payment audit performed by accountants under Ohada law (the Organization for the Harmonization of Business Law in Africa), by BMCG and under UK accounting law by Sayer Vincent.

Finally, two types of audits are carried out each year: (i) one to control the expenses made from the budget coming from KfW (carried out by JMB in DRC and required by KfW) and (ii) the other one carried out by a special team of Sayer Vincent for a statutory audit on the accounts.

2. Risks at the level of the funds managed by the portfolio manager

Fraud risks at this level are managed by Evelyn Partners' internal procedures. We have not conducted an audit of their procedures, but to date the UK supervisory authorities have not, to our knowledge, raised any concerns about the possibility of fraud.

3. Risks at the level of funds managed by recipients of Okapi Fund funds

In order to limit the possibility of fraud in the funds disbursed to the Protected Areas, we have put in place the following two principles:

1. Disburse funds according to planned instalments that reflect needs for a couple of months – rather than one single payment for the full year;

2. The grants are transferred to a reputable international NGO that implements projects on the ground: this is the case with Garamba NP, where the funds and management of the PA are the direct responsibility of the NGO African Parks Congo, a subsidiary of African Parks Networks from South Africa;
3. Conduct an audit of disbursed funds by an internationally recognized auditor. The Garamba NP funds were audited by KPMG in March 2023 (first disbursement) and in May 2024 (second disbursement).

In addition, in the grant agreement with the grantee, we are imposing strict financial reporting requirements to limit the possibility of fraud. Finally, at least once a year, we will conduct an audit of the use of funds in the field with the recipient's accounting and financial departments.

Proposed solution: (i) funds transferred to a reputable international NGO; (ii) audit by a reputable international firm; (iii) audit by us on site.

Reputational risks

The main reputational risks we face in the DRC are related to the management of Protected Areas by our grantees in relation to the following main issues:

1. Embezzlement of granted funds
2. Conflicts with local populations and indigenous peoples
3. Human rights abuses in the context of anti-poaching operations

On the first point, we can refer to the discussion above on the Risks of Fraud.

Regarding conflicts with indigenous people and local populations, we have identified two types of potential conflicts that could affect our reputation as a funder of PA managers:

1. Conflicts between populations and/or uncontrolled indigenous people
2. Conflicts between the PA and indigenous populations and/or people

On the first point: the risk is indirect insofar as, in principal, the responsibility of the PA is not engaged. If this is nevertheless the case, the risk is that of the consequences of conflicts on the image of the PA manager and, as a result, on our own reputation.

On the second point: This risk exists and is quite high insofar as PAs are generally not very isolated from the activities of indigenous populations and/or people. There can be all sorts of conflicts: human–wildlife conflicts, conflicts over economic activities developed in the buffer zones, conflicts over the park's boundaries, over access to park resources, etc.

Within each PA, procedures are put in place to limit the consequences of these conflicts and to try to find an adequate and early response. In particular, a grievance mechanism is put in place, which is normally mandatory. When this is not the case, the Okapi Fund imposes the establishment of such a mechanism with a precise implementation schedule.

Regarding human rights abuses in Anti-Poaching operations, the reputational risk is very high:

- Such risks have been raised and documented for the PNKB by several NGOs
- The consequences for donors have been very serious, particularly in terms of their reputation with the general public

To address this risk, but more importantly to improve the situation and ensure that these events no longer happen in the future, the Okapi Fund has mandated that environmental, social and human rights due diligence be conducted before any disbursement to a PA. In addition, the due diligence requires a very specific environmental, social, and human rights action plan from the potential recipient of our grants. The Okapi Fund is responsible for monitoring the recipient's compliance with this plan. Finally, a significant portion of our grants are directly aimed at addressing human rights issues in and around the target PA.

Adopted solution: (i) Approve funding that addresses and mitigates these risks; (ii) Implement strict environmental, social, and human rights safeguards in PAs; (iii) Ensure regular and thorough human rights monitoring; and (iv) Make successive disbursements contingent on progress on these issues by recipients.

In 2025

More generally, the risks faced by the Okapi Fund in the coming months are mainly threefold:

1. A financial risk due to the volatile nature of financial markets. Due to this permanent situation, the Okapi Fund, in particular through its Investment Committee and thanks to very regular communication with its portfolio manager (Evelyn Partners), is particularly attentive to financial risks and closely follows the evolution of financial indices on a daily basis.
2. A country risk, as the DRC is a highly unstable country, both politically and economically. The members of the Okapi Fund (Trustees & the executive direction) are therefore very attentive to political and economic developments in the country in order to be able to anticipate as far as possible any risk that might arise for its activities or its members or partners. In particular, the Okapi Fund closely monitors the situation in the Protected Areas, which are sometimes located in low security zones, by checking very regularly with its partners or the various stakeholders with whom the Okapi Fund is in contact to find out what the health and safety situation is on the ground.
3. Reputational risk: Due to accusations of human rights abuses in some protected areas against park officials, including Kahuzi-Biega-Biega National Park, there is a risk that if we fund this park, we will be associated with the accusations against the park if the issues raised have not been resolved and significant human rights safeguards have not been implemented in the park. On these points, the Okapi Fund is particularly vigilant and monitors the implementation of environmental, social and human rights measures recommended by the due diligence carried out at its request in December 2022 by the international consulting firm IBIS. Prior to any new disbursement, we check that the initial grant conditions are still met.

Regarding Point 1 above, in order to mitigate its potential impact:

- a. We maintain a significant position in liquid money market securities as long as the prospects of a financial and economic crisis are high;
- b. We will maintain an adequate financial reserve policy to enable us to meet our financial commitments over 2025 and 2026.

Reserves policy and going concern

The first capitalization funds (endowment funds) received by the Okapi Fund were invested in the financial markets in the first half of 2020 and the first disbursements in favor of a protected area took place in December 2022.

Since 2019, KfW has provided funding for the operational running of the Okapi Fund of EUR 2 millions.

Depending on our needs, and based on the forecast financial statements, we can draw on these funds for periods of 6 months by making a duly documented application to KfW (by showing, in particular, that expenditures during the previous period were spent in accordance with the financial forecasts).

The first 1 million was committed by KfW in 2019 and was exhausted in June of 2022.

The second 1 million was committed by KfW in October 2022 with a view to covering operational costs of the Okapi Funds starting in January 2023 (until the end of 2024). In the interval (from June 2022 to December 2022) the Okapi Fund used funding from revenues generated by the Endowment Funds (in two instalments of 160 000 US\$ each).

The KfW's operational budget has not yet been exhausted and can be used in 2025 if necessary. From 2025 onwards, the Okapi Fund could also draw on its own resources (income generated by the Endowment Funds) to finance its operating costs. At the date of this report, the excellent condition of our portfolio allows us to envisage financing from our own resources without difficulty and without compromising our commitments to protected areas.

The Okapi Fund needs to maintain sufficient free reserves to match this long-term funding commitment. The reserves policy is set to ensure we can deliver on our vision and mission and ensure our work is protected from the risk of disruption at short notice due to a lack of available funds, whilst at the same time ensuring we do not retain income for longer than required.

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As part of effective financial management, the Okapi Fund holds reserves to ensure we can:

- Manage financial risk. There are a range of risks we face, including the risk of an unforeseen drop in income due to unpredictable investment returns or unbudgeted increases in expenditure.
- Meet our long-term grant commitments and funding plans.

We have calculated that an appropriate reserves range for the Okapi Fund is USD \$2.5 to 3 million, which is broken down as follows:

Reserves range	US \$m
Financial risk	0.5
Grant commitments and long-term plans	2
Minimum level	2.5
Range	0.5
Maximum level	3

This equates to between 12- and 18-months charitable activities (such as funding of commitments to national parks) and operating and administration expenses.

The Okapi Fund's Reserves for the Year ended 31st December is:

Okapi Funds Statement	2024
	US \$000
Unrestricted Funds	-102
Restricted Funds	0
Designated Funds	0
Permanent Endowment	45,940
Unapplied Total Return	8,348
Expendable Endowment	10,587
Total Funds ¹	64,681

¹ Total Funds include Unrestricted, Restricted, Designated and both Permanent and Expendable endowment.

Okapi Fund 'Free' Reserves for the Year to 31st December	2024
	US \$000
Free Reserves ²	8,243
Ratio of Free Reserves to Annual Operating Expenditure ³	0.3

The Okapi Fund reserves provide financial stability and the means for the long-term development and delivery of the Okapi Fund's charitable activity.

We intend to target our reserves at a level which is equivalent to 18th months of operating expenditure (covering grants and operational costs) due to the long-term nature of the Okapi Fund's activity and the volatility of investment returns that provide the Okapi Fund's principal source of income.

The amount of Free Reserves at the end of 2024 is sufficient to meet the requirements of our reserves policy.

In addition, at the end of September 2025, the date of writing of this report, our portfolio has appreciated significantly since the beginning of the year, which reinforces our current capacity to meet our reserve requirements.

The Board will regularly review the amount of reserves that are required to ensure that they are able to meet all the Okapi Fund's continuing obligations and plans. The Okapi Fund has access to expendable endowment of over USD \$10.587 million, and therefore has more than adequate reserves to meet all operational and grants commitments for the foreseeable future.

When a transfer from the UTR to the Income Fund is approved by the Board, the sum transferred remains part of the Free reserves as Unrestricted Funds until spent.

² Free Reserves are composed of Unrestricted Funds and Unapplied Total Return less tangible fixed assets US\$ and any designated grant commitments (not yet determined for 2026).

³ Operating expenditure covers charitable activities and administration expenses.

Plans for the future

Looking forward to 2025, the main goals and activities of the Charity for 2025 are as follows (an Annual Activity Plan for 2025 has been developed by the management team and approved by the Trustees in December 2024):

- **Pursuing Financing:** Among our main activities in 2025, there are the disbursements in favor of the Garamba National Park (US\$500,000 already disbursed as of the date of this report), in favor of the Salonga National Park (US\$300,000 disbursed in March 2025), for the Lomami PN (US\$250,000 disbursed in June 2025) and for the Maïko PN (US\$140,000 US\$ to be disbursed in July 2025).
- **Fundraising:** In 2025 we will continue our efforts to broaden our donor base. We will follow the guidelines of the ambitious scenario of our fundraising strategy, which aims to reach a portfolio of assets under management of US\$ 86 million by 2027. Among the most promising avenues are discussions with the AFD and the FFEM on the one hand, and those with the private sector through the Rawbank and the Bezos Earth Fund (through Rainforest Foundation Norway and the Forestry Community Desk) on the other.
- **The new Executive Director:** The new Executive Director took up his duties on July 7, 2025, and will be supported by the former Executive Director until the end of September 2025. A transition program has been developed and approved by the Board of Directors, which will oversee its implementation.
- **The effective establishment of new Desks:** Carbon Desk and Community Forestry Desk. These two activities will require the recruitment of new resources during the second half of 2025.
- **Impact fund:** Explore the opportunity to create an impact fund. Alongside the endowment fund, the Okapi Fund will explore the opportunity to open an impact fund whose financing, in addition to disbursements, could have an environmental and social impact.

➤ **Other:**

- Determine the Grant Program for the year 2026 (With the support of the Grant Awarding Committee).
- Develop a Fraud Prevention Policy in accordance with the requirements of the Charity Commission.
- Evaluate the relevance and practicability of our environmental procedures and our operational manual.
- Evaluate the impact of our financial support on the achievement of our purpose.

Small fundraising statement

We do not raise funds from the general public. However, we plan to increase the base of our endowment funds and restricted funds over the next few years and plan to meet with potential institutional and private donors in the coming months (this process has started in September 2020). Our fundraising strategy for the coming years was approved by the Trustees in June 2023.

We did not conduct fundraising activities with the general public in 2024 and incurred no expenditure in raising income. As we have not conducted any fundraising activities with the general public in 2024, we have not been confronted with any compliance issues or complaints of any kind.

Structure, governance and management

The Charity is a charitable company limited by guarantee, incorporated on 28 November 2013 and registered as a charity on 3 June 2014.

The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed by its Articles of Association.

All trustees give their time voluntarily and receive no benefits from the charity. The Charity reimburses trustees for expenses incurred in carrying out their trustee duties, providing such expenses are reasonable and properly incurred. Please see note five to the accounts for more information.

In accordance with its Articles of Association, the Okapi Fund has delegated its day-to-day management to the Executive Committee and the Executive Director:

9.2 Subject to the Articles, the Directors may delegate the implementation of their decisions or day to day management of the affairs of the Charity to any person or committee.

11. Delegation of day to day management powers

In the case of delegation of the day to day management of the Charity to a chief executive or other manager or managers:

11.1 The delegated power shall be to manage the Charity by implementing the policy and strategy adopted by and within a budget approved by the Directors and (if applicable) to advise the Directors in relation to such policy, strategy and budget;

11.2 The Directors shall provide any manager with a description of his or her role and the extent of his or her authority; and

11.3 Any manager must report regularly to the Directors on the activities undertaken in managing the Charity and provide them regularly with management accounts which are sufficient to explain the financial position of the Charity.

The functioning of the Executive Committee and its powers are detailed in the Internal Regulations of the Okapi Fund (*Règlement Intérieur*) adopted by the Board of Trustees:

Article 12: Duties of the Executive Committee.

12.1 The Executive Committee intervenes to take decisions on immediate operational matters, which require urgency, for which the orientations of the Board of Directors are normally necessary, but which do not necessarily require the Board of Directors to be held. The Executive Committee shall not be responsible for any of the functions or powers that cannot be delegated to the Committees by the Board of Directors in accordance with Article 9.3 of the Articles of Association.

Trustees' annual report

For the year ended 31 December 2024

The remuneration of the Executive Director is set by the Board of Trustees. The main factors taken into account for the remuneration of the Executive Director were the following:

1. The international and particular profile of the candidate.
2. The very high cost of living in the DRC.
3. Risks associated with the position, due to the political and economic instability of the country.

The amount of the compensation and benefits were determined in consultation with Michael Page, the company mandated to select the Executive Director, based on the remuneration of equivalent positions for international profiles that evolve in a difficult context and where the cost of living is one of the highest in the world. The amount of the remuneration is also justified by the political and economic instability of the DRC, particularly in the regions where the Protected Areas under the focus of the Okapi Fund are located (the Executive Director will visit them from time to time).

The current Executive Director was appointed by the Board of Trustees. His duties are detailed in his employment contract and in the Manual of Administrative and Accounting Procedures Manual, both approved by the Board of Trustees.

Appointment of Trustees

The appointment of Trustees is covered in detail in the Charity's Articles of Association (see Articles 25–28). The Articles allow for the Charity to have a minimum of 7 and a maximum of 9 trustees (or directors, as they are called in the Articles). At the end of 2024 there were 8 (2023: 9) Trustees in office.

As mentioned above, the Okapi Fund replaced a number of Trustees in November 2022. Two Trustees were replaced in October and December 2024.

Related parties and relationships with other organisations

The Okapi Fund has no formally established relationship with any organisation outside of KfW, the World Bank and the ICCN. Details on related parties with KfW and ICCN are provided in Note 7 of the accounts.

KfW provided some funds and has one of its employees as a member of the Board in the person of Britta Oltmann (she is both the Director of the KfW Office in Kinshasa and a Trustee for the Fund).

Statement of responsibilities of the trustees

The Trustees (who are also directors of The Okapi Fund for Nature Conservation in the Democratic Republic of Congo for the purposes of company law) are responsible for preparing the trustees' annual 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.

Trustees' annual report

For the year ended 31 December 2024

- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The Trustees' annual report has been approved by the trustees on 29 September 2025 and signed on their behalf by

Victor Kabengele Wa Kadilu,
Chairman of the Okapi Trust Fund's Board of Trustees

Independent auditor's report

For the year ended 31 December 2024

Opinion

We have audited the financial statements of The Okapi Fund for Nature Conservation in the Democratic Republic of Congo (the 'charitable company') for the year ended 31 December 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 FRS 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 charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 charitable company 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.

Independent auditor's report

For the year ended 31 December 2024

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 Okapi Fund for Nature Conservation in the Democratic Republic of Congo'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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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.

Independent auditor's report

For the year ended 31 December 2024

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Independent auditor's report

For the year ended 31 December 2024

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding

Independent auditor's report

For the year ended 31 December 2024

irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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.

Noelia Serrano (Senior statutory auditor)

Date: 29 September 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Statement of financial activities

For the year ended 31 December 2024

		Unrestricted	Endowment	2024 Total	Unrestricted	Endowment	2023 Total
	Note	\$	\$	\$	\$	\$	\$
Income from:							
Donations	2	551,502	–	551,502	347,580	27,056,125	27,403,705
Other income		–	–	–	21,504	–	21,504
Investment income	3	–	953,699	953,699	–	455,916	455,916
Total income		551,502	953,699	1,505,201	369,084	27,512,041	27,881,125
Expenditure on:							
Cost of raising funds	4	61,912	253,565	315,477	48,983	129,343	178,326
Charitable activities							
Project expenses	4	995,219	–	995,219	1,041,593	–	1,041,593
Total expenditure		1,057,132	253,565	1,310,697	1,090,576	129,343	1,219,919
Net income for the year	5	(505,630)	700,134	194,505	(721,492)	27,382,698	26,661,206
Transfers between funds		500,000	(500,000)	–	600,000	(600,000)	–
Net income before gains and (losses)		(5,630)	200,134	194,505	(121,492)	26,782,698	26,661,206
Gains on investments	9	–	6,618,237	6,618,237	–	3,282,042	3,282,042
Gains/ (losses) on foreign exchange		1,669	11,400	13,069	(2,568)	(99,761)	(102,329)
Net movement in funds		(3,961)	6,829,771	6,825,811	(124,060)	29,964,979	29,840,919
Reconciliation of funds:							
Total funds brought forward		(98,139)	57,954,194	57,856,055	25,921	27,989,215	28,015,136
Total funds carried forward		(102,100)	64,783,966	64,681,866	(98,139)	57,954,194	57,856,055

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Balance sheet

Company number: 08794664

As at 31 December 2024

	Note	2024 \$	2023 \$
Non current assets:			
Tangible assets	10	3,132	8,691
Investments	9	64,783,427	58,303,655
		64,786,559	58,312,346
Current assets:			
Debtors	11	14,644	33,881
Cash at bank and in hand		79,174	83,544
		93,818	117,425
Liabilities:			
Creditors: amounts falling due within one year	12	(77,641)	(573,716)
Net current assets		16,177	(456,291)
Provisions for liabilities	15	(120,870)	–
Total net assets		64,681,866	57,856,055
The funds of the charity:	16		
Restricted funds:			
Endowment Fund		64,783,966	57,954,194
Unrestricted funds		(102,100)	(98,139)
Total charity funds		64,681,866	57,856,055

Approved by the trustees on 29 September 2025 and signed on their behalf by

Victor Kabengele Wa Kadilu,
Chairman of the Okapi Trust Fund's Board of Trustees

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Statement of cash flows

For the year ended 31 December 2024

		2024		2023
	Note	\$	\$	\$
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)		6,825,811		29,840,919
Depreciation charges		5,559		6,832
(Gains) on investments		(6,618,237)		(3,282,042)
Income from investments		(953,699)		(455,916)
Decrease / (Increase) in debtors		19,237		(2,253)
(Decrease) / Increase in creditors		(496,075)		224,082
Increase in provisions		120,870		-
Net cash (used in)/provided by operating activities		(1,096,535)		26,331,622
Cash flows from investing activities:				
Purchase of investments		(28,855,746)		(56,631,344)
Proceeds from sale of investments		28,888,723		27,651,221
Income from investments		953,699		455,916
Movement in cash held by investment manager		105,488		1,947,725
Net cash provided by / (used in) investing activities		1,092,164		(26,576,482)
Change in cash and cash equivalents in the year		(4,370)		(244,860)
Cash and cash equivalents at the beginning of the year		83,544		328,404
Cash and cash equivalents at the end of the year		79,174		83,544

Notes to the financial statements

For the year ended 31 December 2024

1 Accounting policies

a) Statutory information

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 10 Queen Street Place, London, EC4R 1BE.

b) Basis of preparation

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) – (Charities SORP FRS 102). The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Since 2019, KfW has provided funding for the operational running of the Okapi Fund of EUR 2 million.

Depending on our needs, and based on the forecast financial statements, we can draw on these funds for periods of 6 months by making a duly documented application to KfW (by showing, in particular, that expenditures during the previous period were spent in accordance with the financial forecasts).

The first EUR 1 million was committed by KfW in 2019 and was exhausted in June of 2022. The second EUR 1 million was committed by KfW in October 2022 with a view to covering operational costs of the Okapi Funds starting in January 2023 (until the beginning of 2025). In the interval (from June 2022 to December 2022) the Okapi Fund used funding from revenues generated by the Endowment Funds (in two instalments of 160 000 US\$ each).

Finally, (i) our operating expenses (annual budget) are well controlled and known (they do not vary significantly from one year to the next) and (ii) we adopt a conservative reserve policy each year to ensure that we have sufficient liquid assets available at all times should the need arise.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' 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.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Expenditure and irrecoverable VAT

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

Notes to the financial statements

For the year ended 31 December 2024

1 Accounting policies (continued)

g) Grants payable

Grants payable are made to third parties in accordance with the charity's governing documents. These grants are charged to the statement of financial activities in the year in which the offer is conveyed to the recipient.

h) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Trustees adopt a total return approach, under which the target is to achieve total return (net of fees) of 4% above RPI inflation, allowing the fund to withdraw from the portfolio to either income funds or trust for investment to contribute to its running costs each year. Investment income is allocated to the endowment funds when receivable. Withdrawals from the endowment funds are shown as transfers between funds. Within the year annualised total return (net of fees) of 10.9% was achieved.

i) Debtors

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

j) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

k) Fixed assets

Items of equipment are capitalised where purchased. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

The depreciation rates of fixed assets are as follows:

- Computer equipment – 3 years straight line
- Fixtures and Fittings – 4 years straight line
- Motor Vehicles – 4 years straight line

l) Financial instruments

The charity 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.

m) Foreign exchange policy

Transactions in foreign currencies are translated at the average rate for the year using HMRC rates. All exchange gains/losses are charged to the statement of financial activities and separately disclosed.

n) Presentational currency

The financial statements are presented in United States Dollars. The functional currency is between United States Dollars, Euros and Congolese Franc.

o) Funds

The restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

The unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

The endowment funds include permanent endowment funds, where the capital must be retained, and expendable endowment funds, which can be converted into income at the discretion of the Trustees. The totality of the funds received from the World Bank (US\$ 7.4 million) are treated as Permanent Endowment Funds according to the wishes expressed by the donor.

Following the wishes of the donor, the funds received from KfW, namely EUR 14 million received in December 2019, are treated as:

- Permanent Endowment funds for the value of US\$ 7.4 million (based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).
- Expendable Endowment Funds for the value of EUR 14 million less the amount mentioned above (EUR 14M – 7.4M US\$ based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).

The Okapi Fund received no new permanent endowments in 2024 (2023: EUR 25 million).

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Notes to the financial statements

For the year ended 31 December 2024

2 Income from donations and legacies

	Unrestricted \$	Endowment \$	2024 Total \$	2023 Total \$
Donations:				
KfW	551,502	–	551,502	27,403,705
	551,502	–	551,502	27,403,705

In 2023, \$27,056,125 of donations were endowment funds and \$347,580 were unrestricted.

3 Income from investments

	Unrestricted \$	Endowment \$	2024 Total \$	2023 Total \$
Dividends	–	953,699	953,699	455,916
	–	953,699	953,699	455,916

All income from the prior year was related to the endowment funds.

4 Grants payable

		2024 \$	2023 \$
Reconciliations of grants payable:			
Commitments at 1 January 2024		350,000	–
Grants approved in the year			
African Parks Conqo	500,000	250,000	
WCS	–	350,000	
Grants payable for the year		500,000	600,000
Grants paid during the year		(850,000)	(250,000)
Commitments at 31 December 2024		–	350,000

5a Analysis of expenditure (current year)

	Cost of raising funds \$	Charitable activities – project expenses \$	Support costs \$	Governance costs \$	2024 Total \$	2023 Total \$
Staff Costs (note 7)	24,102	96,408	72,306	48,204	241,019	256,281
Grants (note 4)	–	500,000	–	–	500,000	600,000
Consultancy	–	–	–	–	–	8,999
Legal fees	–	–	–	3,394	3,394	2,984
Admin and Rent	9,686	–	75,690	–	85,375	89,997
Accountancy and audit	–	–	–	50,009	50,009	71,627
Depreciation expense	–	–	5,559	–	5,559	6,832
Investment manager's fees	253,564	–	–	–	253,564	129,343
Other expenses	3,943	15,771	11,828	128,755	160,296	45,820
Trustees' expenses	–	–	–	11,480	11,480	8,036
	291,294	612,178	165,382	241,842	1,310,696	1,219,919
Support and Governance costs	24,184	383,041	(165,382)	(241,842)	–	–
Total expenditure 2024	315,477	995,219	–	–	1,310,696	1,219,919

Notes to the financial statements

For the year ended 31 December 2024

5b Analysis of expenditure (prior year)

	Cost of raising funds	Charitable activities – project expenses	Support costs	Governance costs	2023 Total
	\$	\$	\$	\$	\$
Staff Costs (note 7)	26,432	105,727	71,259	52,863	256,281
Grants (note 4)	–	600,000	–	–	600,000
Consultancy	–	–	8,999	–	8,999
Legal fees	–	–	–	2,984	2,984
Admin and Rent	9,000	–	80,997	–	89,997
Accountancy and audit	–	–	–	71,627	71,627
IT Costs	–	–	–	–	–
Depreciation expense	–	–	6,832	–	6,832
Investment manager's fees	129,343	–	–	–	129,343
Other expenses	–	–	45,820	–	45,820
Trustees' expenses	–	–	–	8,036	8,036
	164,775	705,727	213,907	135,510	1,219,919
Support and Governance costs	13,551	335,866	(213,907)	(135,510)	–
Total expenditure 2023	178,326	1,041,593	–	–	1,219,919

6 Net income for the year

This is stated after charging:

	2024	2023
	\$	\$
Trustees' reimbursed expenses	11,480	8,036
Foreign exchange (gain)/loss	(13,069)	102,329
Auditor's remuneration (excluding VAT):		
Audit	19,948	18,908
Other services	6,394	6,112

Notes to the financial statements

For the year ended 31 December 2024

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024	2023
	\$	\$
Salaries and wages	218,249	244,286
Social security costs	22,770	11,995
	241,019	256,281

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2024 No.	2023 No.
\$193,842 – \$206,628	1	–
\$206,629 – \$220,403	–	1

Gross salaries, social security, and employer pension contributions for key management personnel this year were \$237,618 (2023: \$209,334).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2023: \$nil). No charity trustee received payment for professional or other services supplied to the charity (2023: \$nil).

Trustee expenses of \$11,480 were incurred in 2024 by 1 trustee (2023: \$8,036 by 2 trustees) in relation to travel and subsistence costs.

The average number of employees (head count based on number of staff employed) during the year was 3 (2023: 3).

8 Related party transactions

Britta Oltmann is the head of the KfW bureau in Kinshasa and a Trustee for the Fund. During the year 2024, Okapi received \$551k from KfW. The Okapi Fund also received 25 million euros in permanent endowments in December 2023.

Jean-Philippe Waterschoot, who was a trustee (until December 2022), is the CEO of TEXAF. TEXAF is the parent company of COTEX, from whom the Okapi Fund is leasing their office. The lease was agreed on an arm's length basis and Jean-Philippe Waterschoot is not a signatory on the lease. A total of US\$ 25,672 was paid by the Okapi Fund to COTEX in the year (2023: \$23,096).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Notes to the financial statements

For the year ended 31 December 2024

10a Listed investments (current year)

	2024 \$	2023 \$
Fair value at the start of the year	58,123,021	25,860,856
Additions at cost	28,855,746	56,631,344
Disposal proceeds	(28,888,723)	(27,651,221)
Net gain on change in fair value	6,618,237	3,282,042
	64,708,281	58,123,021
Cash held by investment broker pending reinvestment	75,146	180,634
Fair value at the end of the year	64,783,427	58,303,655

As of 19 September 2025, the total value of the investment portfolio is approximately \$69.1.m.

	Permanent Endowment \$	Unapplied Total Return \$	Total \$
At beginning of the reporting period or date of resolution:			
Gift component permanent endowment	45,939,953	–	45,939,953
Unapplied total return	–	2,671,125	2,671,125
Total	45,939,953	2,671,125	48,611,078
Movements in the reporting period:			
Investment return: dividends and interest	–	804,958	804,958
Investment return: realised and unrealised gains	–	5,586,042	5,586,042
Less: Investment management costs	–	(214,018)	(214,018)
Total	–	6,176,982	6,176,982
Unapplied total return allocated to income in the reporting period	–	(500,000)	(500,000)
Net movements in reporting period	–	5,676,982	5,676,982
At end of the reporting period:			
Gift component permanent endowment	45,939,953	–	45,939,953
Unapplied total return	–	8,348,107	8,348,107
Total	45,939,953	8,348,107	54,288,060

Notes to the financial statements

For the year ended 31 December 2024

10b Listed investments (prior year)

	2023 \$	2022 \$
Fair value at the start of the year	25,860,856	27,999,362
Additions at cost	56,631,344	11,966,566
Disposal proceeds	(27,651,221)	(10,076,863)
Net gain on change in fair value	3,282,042	(4,028,209)
	58,123,021	25,860,856
Cash held by investment broker pending reinvestment	180,634	2,128,359
Fair value at the end of the year	58,303,655	27,989,215

	Permanent Endowment \$	Unapplied Total Return \$	Total \$
At beginning of the reporting period or date of resolution:			
Gift component permanent endowment	18,883,828	–	18,883,828
Unapplied total return	–	217,449	217,449
Total	18,883,828	217,449	19,101,277
Movements in the reporting period:			
Gift of endowment funds	27,056,125	–	27,056,125
Investment return: dividends and interest	–	385,481	385,481
Investment return: realised and unrealised gains and (losses)	–	2,777,555	2,777,555
Less: Investment management costs	–	(109,360)	(109,360)
Total	27,056,125	3,053,676	30,109,801
Unapplied total return allocated to income in the reporting period	–	(600,000)	(600,000)
Net movements in reporting period	27,056,125	2,453,676	29,509,801
At end of the reporting period:			
Gift component permanent endowment	45,939,953	–	45,939,953
Unapplied total return	–	2,671,125	2,671,125
Total	45,939,953	2,671,125	48,611,078

Notes to the financial statements

For the year ended 31 December 2024

11 Tangible fixed assets

	Motor vehicles	Fixtures and fittings	Computer equipment	Total
Cost	\$	\$	\$	\$
At the start of the year	25,418	4,135	2,953	32,506
Additions in year	–	–	–	–
At the end of the year	25,418	4,135	2,953	32,506
Depreciation				
At the start of the year	17,931	3,129	2,755	23,815
Charge for the year	4,665	696	198	5,559
At the end of the year	22,596	3,825	2,953	29,374
Net book value				
At the end of the year	2,822	310	–	3,132
At the start of the year	7,487	1,006	198	8,691

All of the above assets are used for charitable purposes.

12 Debtors

	2024	2023
	\$	\$
Trade debtor	7,456	5,650
Prepayments	7,188	28,231
	14,644	33,881

Notes to the financial statements

For the year ended 31 December 2024

13 Creditors: amounts falling due within one year

	2024	2023
	\$	\$
Payroll creditor	–	24,156
Trade creditors	58,438	16,324
Accruals	19,203	25,699
Grants payable	–	350,000
Deferred income (note 14)	–	157,537
	77,641	573,716

14 Deferred income

Deferred income comprises funds received in advance from KFW for activity to take place in 2024.

	2024	2023
	\$	\$
Balance at the beginning of the year	157,537	293,272
Amount released to income in the year	(157,537)	(293,272)
Amount deferred in the year	–	157,537
Balance at the end of the year	–	157,537

15 Provisions for liabilities

Provisions for liabilities comprises the balance of the agreement with tax authorities for IER tax.

	2024	2023
	£	£
Balance at the beginning of the year	–	–
Increase in provision in the year	120,870	–
Balance at the end of the year	120,870	–

16a Analysis of net assets between funds (current year)

	General unrestricted	Endowment	Total funds
	\$	\$	\$
Fixed assets	3,132	–	3,132
Investments	–	64,783,427	64,783,427
Net current assets	(105,232)	540	(104,692)
Net assets at 31 December 2024	(102,100)	64,783,966	64,681,866

16b Analysis of net assets between funds (prior year)

	General unrestricted	Endowment	Total funds
	\$	\$	\$
Fixed assets	8,691	–	8,691
Investments	–	58,303,655	58,303,655
Net current assets	(106,830)	(349,461)	(456,291)
Net assets at 31 December 2023	(98,139)	57,954,194	57,856,055

Notes to the financial statements

For the year ended 31 December 2024

17a Movements in funds (current year)

	At 1 January 2024	Incoming resources & gains	Outgoing resources & losses	Transfers	At 31 December 2024
	\$	\$	\$	\$	\$
Restricted funds:					
Permanent Endowment	48,611,078	6,391,000	(214,018)	(500,000)	54,288,060
Expendable Endowment	9,343,117	1,192,336	(39,546)	–	10,495,907
	57,954,194	7,583,336	(253,564)	(500,000)	64,783,966
Unrestricted funds:					
General funds	(98,139)	551,502	(1,055,463)	500,000	(102,100)
Total funds	57,856,055	8,134,838	(1,309,027)	–	64,681,866

17b Movements in funds (prior year)

	At 1 January 2023	Incoming resources & gains	Outgoing resources & losses	Transfers	At 31 December 2023
		\$	\$	\$	\$
Restricted funds:					
Permanent Endowment	19,101,277	30,219,161	(109,360)	(600,000)	48,611,078
Expendable Endowment	8,887,938	574,922	(119,743)	–	9,343,117
	27,989,215	30,794,083	(229,104)	(600,000)	57,954,194
Unrestricted funds:					
General funds	25,921	369,084	(1,093,144)	600,000	(98,139)
Total funds	28,015,136	31,163,167	(1,322,248)	–	57,856,055

Purposes of Endowment funds

The Okapi Fund has received funding from KfW and the World Bank to support the pursuit of its charitable objectives. The endowment fund is intended to generate significant, stable and predictable financial resources for the management of selected protected areas in the DRC, with a focus on sustainably financing the management costs of Parc National Kahuzi-Biega (PNKB) and the Parc National Garamba (PNG). The totality of the funds received from the World Bank (US\$ 7.4 million) are treated as Permanent Endowment Funds according to the wishes expressed by the donor.

Following the wishes of the donor, the funds received from KfW, namely EUR 14 million received in December 2019, are treated as:

Permanent Endowment funds for the value of US\$ 7.4 million (based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).

Expendable Endowment Funds for the value of EUR 14 million less the amount mentioned above (EUR 14 million – 7.4million US\$ based on the conversion rate in effect on the date of receipt of funds in the accounts held with Evelyn Partners). We also received an additional EUR 4 million from KfW in December 2022, and EUR 25 million from KfW in 2023, which are to be treated as Permanent Endowment Funds.

Notes to the financial statements

For the year ended 31 December 2024

18 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property	
	2024	2023
	\$	\$
Less than one year	11,754	11,728
	<u>11,754</u>	<u>11,728</u>

19 Contingent Liability

There are additional taxes for Expatriate employees within the DRC. Okapi should not have to pay these taxes due to its charitable status, however the charity has chosen to book these costs each year.

It is important to mention that we also have a commitment on the part of the DRC to officially recognize the exemption, this commitment appearing in two minutes resulting from bilateral discussions between the DRC and Germany which took place in 2022 and 2023.

Accounting provisions for 2024 amount to \$120,870.

20 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to \$1.28.

THE OKAPI FUND FOR NATURE CONSERVATION IN THE DEMOCRATIC REPUBLIC OF CONGO

England & Wales - Charity number 1157294

Accounts

Company Number: 08794664

Charity Number: 1157294

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Report and financial statements

For the year ended 31 December 2023

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

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The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Reference and administrative information

For the year ended 31 December 2023

Company number 08794664

Charity number 1157294

Registered office and operational address 10 Queen Street Place, London, EC4R 1BE

Country of registration England & Wales

Country of incorporation United Kingdom

Trustees Trustees (who are also directors of The Okapi fund for nature conservation in the Democratic Republic of Congo for the purposes of company law) who served during 2023 were as follows:
Victor Kabengele wa Kadilu (Chair)
Patrick Welby
Yvette Shabani Mwangi Barhashishwa
Britta Oltmann
Samy Mankoto
Dieudonné Musibono
Agnès Kasongo
Gloria Assimbo
Betto Nyongolo

Executive Director Guillaume Gervais de Rouville
Administrative Assistant Karen Kibanga

Solicitors Bates Wells
10 Queen Street Place
LONDON
EC4R 1BE

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Reference and administrative information

For the year ended 31 December 2023

Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors 110 Golden Lane LONDON EC1Y 0TG
Investment Manager	Evelyn Partner Investment (formerly named “Smith & Williamson Investment Management”) 25 Moorgate LONDON EC2R 6AY

Trustees' annual report

For the year ended 31 December 2023

The trustees present their report and the audited financial statements for the year ended 31 December 2023.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and Activities

Purposes and aims

As set out in the Charity's Articles of Association, its purposes are to promote for the benefit of the public, the conservation, protection and improvement of the natural environment and biodiversity of the Democratic Republic of the Congo (DRC), with priority focus on DRC's national system of protected areas. Specifically, it aims to:

- i) Promote, for the benefit of the public, sustainable development that supports the conservation of biodiversity in DRC, in particular the protected areas and/or other conservation areas of significant ecological value and/or significant biological importance including:
 - (a) The preservation, conservation and the protection of the environment and the sustainable use of natural resources; and
 - (b) The relief of poverty and the improvement of the conditions of life for the benefit of populations living in and around protected areas and other areas of significant ecological conservation and/or significant biological importance.
- ii) Advance the education of the public on environmental issues including the biodiversity, conservation, sustainability and management of DRC's protected areas and/or other areas of significant ecological conservation and/or significant biological importance.

The trustees periodically review the aims, objectives and activities of the charity and have always reaffirmed the purpose and aims as noted here. It is additionally affirmed that the trustees have had regard to the Charity Commission's guidance on public benefit.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees have considered how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance

The Charity's activities and achievements during 2023 have been concentrated on the following items : (i) elaborate and adopt a new fundraising strategy, (ii) continue efforts to increase the Okapi Fund's endowment funds, (iii) prepare and carry out new disbursements in favor of the Protected Areas while monitoring previous financing, (iv) implement the environmental and social management system, (v) carry out field missions and participate in international events to strengthen our knowledge and capacities and reinforce links with the various biodiversity stakeholders, (vi) strengthen the CAFÉ and Bridge networks in which we actively participate and (vii) monitor financial markets in a particularly volatile period.

Elaboration and Adoption of a New Fundraising Strategy

We have drawn up a Fundraising Strategy Paper which was submitted to the Executive Committee for review in March 2023 and was approved by the Board in June 2023.

The purpose of the Paper was to summarize our fundraising strategy over the next five years (2023–2027), explaining our objectives and the basis on which these objectives were determined.

We started from an annual distribution target, which was itself determined on the basis of the needs of the Protected Areas we are focusing on in the first few years (i.e., PNKB and Garamba) and the need to extend the scope of the Okapi Fund in order to gradually become the tool par excellence for financing Protected Areas and biodiversity in the DRC.

Two different scenarios were adopted:

1. A conservative scenario:

- Over the period 2023–2027, we would raise a total of :
 - o US\$ 35 million for the Endowment Fund
 - o US\$ 1.2 million for the Sinking Fund
 - o US\$ 5 million for the Restricted Funds sub-fund
 - o US\$ 41.2 million for all sub-funds combined.
- In 2027, we would have just over US\$60 million in assets under management in the Endowment Fund.
- We will disburse US\$ 3.5 million in 2027

2. An ambitious scenario:

- Over the period 2023–2027, we would raise a total of :
 - o US\$ 58 million for the Endowment Fund
 - o US\$ 2 million for the Sinking Fund
 - o US\$ 7 million for the Restricted Funds sub-fund
 - o US\$ 67 million for all sub-funds combined.
- In 2027, we would have just over US\$ 86 million in assets under management in the Endowment Fund.
- We will disburse US\$ 5.3 million in 2027

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Trustees' annual report

For the year ended 31 December 2023

The Paper also details our strategy for raising funds from both institutional and private-sector players. An important part of the Okapi Fund's activities in the coming months and years will be to implement this strategy, with the idea of having assets under management of the order of US\$ 86 million by 2027 (which would give us significant distribution power in the donor landscape in favor of biodiversity in the DRC).

Fundraising

Regarding fundraising, we received additional funds (Permanent Endowment Funds) from the German Cooperation through KfW in December 2023. We received 25 million Euros for the Permanent Endowment Fund.

Discussions with **AFD** – the French aid agency – resumed after the resumption of the process in November 2023. The procedure should take another 8 to 10 months and should result in a contribution to the Okapi Fund endowment fund of a minimum of 1,5 million Euros for financing the PNKB.

In early 2024, the **Fonds Français pour l'Environnement Mondial (FFEM)** joined forces with AFD to co-finance an additional 2 to 3 million euros. A Project Information Note (PIN) was drawn up in April 2024 to initiate the procedure with the FFEM. The procedure will follow that of the AFD in parallel, and the eventual agreement of the FFEM for co-financing (intended to finance the PNKB through the Fonds Okapi as well) will depend on the AFD dossier.

We have also initiated discussions with the private sector:

- (i) With the Congolese bank **Rawbank** (for a possible contribution to the endowment fund) and
- (ii) With the **Bezos Earth Fund** for a contribution to the Okapi Fund endowment fund. Discussions will continue throughout the first half of 2024, and we hope to see a favorable outcome early in the second half of 2024.

Funding of Protected Areas

In 2023, two national parks received financial support from the Okapi Fund: The Garamba National Park (GNP) and the Kahuzi-Biega National Park (KBNP).

In March 2024, the Board of Trustees adopted the grant program for 2024, which includes: (i) a grant of US\$300,000 to GNP and (ii) US\$500,000 to KBNP. Funding are granted once all eligibility conditions have been met. The GNP has received its funds in July 2024. If the procedure proceeds smoothly, the funds in favor of KBNP should be disbursed during the second half of 2024.

The Garamba national Park

As a reminder, the Okapi Fund disbursed US\$220,000 in favor of the PNG in December 2022.

In 2023 we disbursed US\$250,000 to the PNG.

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Trustees' annual report

For the year ended 31 December 2023

In 2024, a further US\$300,000 in funding is scheduled for disbursement before the end of the first half of 2024. The funds will be disbursed once the audit has been carried out by KPMG and deemed satisfactory by Fonds Okapi. The Executive Director went to Garamba in March 2024 for a follow-up visit to see what had been achieved on the ground following the Okapi Fund financing. It emerged from this visit that the GNP is carrying out its activities satisfactorily and in accordance with the requirements of our grant agreement. A follow-up mission will be carried out again by the Executive Director before the end of 2024.

The Kahuzi-Biega National Park

The first funds (US\$ 350 000) were disbursed in December 2023, and were received by the beneficiary (Wildlife Conservation Society – “WCS”) in January 2024, but to cover expenses for 2023.

We carried out a due diligence mission at WCS's regional headquarters in Kigali and at PNKB (Bukavu and Tshivanga) between November 8 and 15, 2023.

On several occasions prior to our mission, we had deplored a lack of communication, responsiveness and transparency in exchanges with WCS teams. This observation had also been made by the KfW teams who had visited the PNKB a few months earlier.

Before granting a significant subsidy to the PNKB, it was therefore necessary to verify on site a number of important points which had not yet been clarified.

More specifically, the objectives of this mission were to:

1. Assess the ability of WCS operational teams to accomplish their mission;
2. To specifically ensure that human rights issues are taken seriously at all levels of the PNKB hierarchy, and to assess WCS's ability to meet its commitments in this area;
3. To obtain the documents requested in our various exchanges with WCS over more than a year (answers to questions on human rights; minutes of meetings of the various governance bodies; activity reports; eco-guard training documents, etc.);
4. Improve communication between WCS and ourselves;
5. Finalize the Grant Agreement to enable disbursement before the end of the year.

At the end of this mission, we can say that we were generally reassured about WCS's short-term ability to carry out its missions. However, we need to remain cautious and vigilant, and to monitor WCS's activities in the PNKB in depth, regularly noting the progress made over time.

We have agreed with KfW to:

- Continue the rigorous monitoring of PNKB's activities, particularly on issues of human rights and community activities;
- Visit the site regularly to monitor implementation of the social, environmental and human rights action plan, which is part of the Grant Agreement with WCS: the idea is for Okapi Fund to alternate visits with KfW teams throughout the year, so that no more than 3 to 4 months go by without a visit from either Okapi Fund or KfW teams.

Trustees' annual report

For the year ended 31 December 2023

Implementation of the environmental and social management system (ESMS)

Financial Institutions like the Okapi Fund are required to adopt and maintain systems, procedures, and capacity in the form of an Environmental and Social Management System (ESMS) to assess, manage, and monitor the environmental and social risks and impacts of Projects, and to manage overall portfolio risk in a responsible manner.

The final version of the ESMS has been provided in mid-April 2022 and was approved by the Board on 13th July 2022.

The ESMS guidelines were adhered to when implementing disbursements for the Garamba NP and whilst assessing PNKB's request for support.

Each year the Executive Director shall prepare a report on the implementation of the procedures. This report was submitted to the Okapi Fund Board of Directors' meeting which took place in June 2023.

This report details how the procedures were implemented, any difficulties encountered and the solutions proposed to remedy the problems.

At the end of the first half of 2024, the Executive Director and the KfW team in charge of environmental, social and human rights procedures will jointly assess whether or not there is a need for a permanent or temporary procedures officer within the Okapi Fund.

Networks and Events

Events :

1. Bilateral discussions DRC-Germany

February 22, 2023: Presentation of the Okapi Fund during bilateral discussions between Germany and the DRC on biodiversity.

At this meeting, Mr. Simon Koppers, Head of the German Delegation, announced the willingness of the German Cooperation, through KfW, to contribute an additional 25 million euros, starting in 2023, to the Okapi Fund endowment fund (section 2.3.2.17). The funds were received in December 2023 by the Okapi Fund.

2. Second International Conference on Biodiversity in the Congo Basin (March 6–10, 2023 in Kisangani)

We attended the conference as an observer. This conference was an opportunity for us to:

- Enhance our knowledge of biodiversity issues in the Congo Basin: we attended conferences on scientific aspects, carbon finance, the flow tower, environmental governance, the role of regional institutions in preserving biodiversity, etc. Participation in this event thus completed our training on subjects of importance to the Okapi Fund.

Trustees' annual report

For the year ended 31 December 2023

- Several meetings with the Secretary General of the Ministry of the Environment, Mr. Benjamin Toirambe, the Site Director of the Lomami NP, Mr. Radar Nishuli, the Director of The Diane Fossey Gorilla Fund International, Mr. Urbaon Ngobobo, Mr. Guillaume Gillard of the Belgian Embassy, etc.
- The meetings with Mr. Benjamin Toirambe were particularly fruitful in a context where the Ministry of the Environment views Fonds Okapi with a critical eye (mainly because we are an institution independent of the Ministry and ICCN). These meetings and discussions enabled us to establish a cordial relationship with the Secretary General of the MEDD.
- Meet one of our new trustees, Madame Gloria Assimbo, who currently works for CIFOR, and discuss with her the role of a trustee and the latest news from the Okapi Fund.

3. COP 28 in Dubai between November 30 and December 8, 2023.

The objectives of this mission were:

- As part of our fund-raising strategy, to meet with institutional and private-sector players to explore financing opportunities for the Okapi Fund;
- As part of the ED's training: to deepen his knowledge of the various environmental issues; to strengthen his knowledge of the major institutional players in the environmental sector; to attend conferences on relevant subjects; to exchange experiences with players involved in similar subjects, etc. ;
- As part of strengthening the Okapi Fund's network and communication: present and publicise the Okapi Fund to multiple stakeholders; maintain and strengthen links with members of the CAFÉ network; extend the Okapi Fund's network, etc.

We have had meetings with Rawbank and the Equity-BCDC Foundation to discuss possible contributions to the Okapi Fund. We will pursue in 2024 the avenues opened up on that occasion, particularly as regards fund-raising. Some of these contacts will only have a positive impact on the Okapi Fund in the medium to long term.

4. Other events (non-exhaustive list)

We also took part in the following events: (i) Meeting of the CCI Franco-Congolaise on energy and sustainable development (March 30); (ii) Table Verte on the theme: "Restitution de la COP27 : Que pouvons-on retenir des travaux de Sharm El Cheikh?" (February 8, 2023); (iii) USAID on the following theme: "Table ronde avec l'US Development Finance Corporation" (March 28).

We also took part in a meeting with the Adam Smith Group (Mr. Kevin Kiffer) and Kibali Gold Mine (Mr. Jerry Zozo, Environment), who are working together on development projects in the Garamba NP landscape. The meeting enabled us to reinforce our knowledge of the various projects underway with or around Garamba NP.

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Networks

The Annual General Meeting of the CAFÉ network was held in Arusha from August 27 to September 1, 2023. The Chairman of the Board of Directors of Okapi Fund was present, along with the Executive Director.

The Executive Director led and moderated the debates, notably on the two important points discussed at the General Assembly Meeting (GAM):

1. The revision of the 5-year Strategic Plan, the outlines of which were presented by the Executive Director (a final version will be presented to network members at the end of the year or early next year, for adoption by a virtual GAM in the first quarter of 2024).
2. The network's strategic positioning vis-à-vis the AFACT Pan-African Trust Fund project.

The Executive Director also proposed the drafting of a declaration by the network's members (the "Arusha Declaration") in order to establish a common vision vis-à-vis third parties and to be able to put forward our vision of conservation, particularly to the network's potential donors and its members.

During this GA, Okapi Fund committed to hosting and organizing the network's General Assembly in the DRC in 2025 (around August/September): indeed, the centenary of Africa's first park (Virunga) will be celebrated on this occasion, and many donors could be invited to the various events we could plan. During 2024, Okapi Fund will propose a plan for the organization of the AGM 2025 and related events.

Training:

The executive administrative assistant attended two training courses in 2024:

1. *Training on Guidelines for procurement/finance for KfW projects in Kinshasa/ Thursday September 14, 2023 (KfW/Kinshasa office)*

This training was given by the KfW office in Kinshasa with the aim of harmonizing understanding of procurement procedures.

It was held over two one-day sessions:

- a.m.: Procurement Guidelines – Ms Zimmermann (on site in Kinshasa)
- Afternoon: Finance and other issues – Ms Le Duigou Bernig (hybrid) / Ms Michaela Pawliczek (on site in Kinshasa)

2. *Professional HR training workshop from September 11 to 15, 2023 (Complexe Congo-Japon / Kinshasa-Gombe)*

This training was provided by Justice Conseil, a local firm specializing in capacity-building for employees of SMEs and VSEs.

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The modules offered were as follows and spread over 5 days:

- Personnel administration
- Recruitment
- Training
- Office automation salary payment
- Practical exercises (calculating wages in DRC, Final Settlement, drawing up pay slips, social security and tax declarations)

Miscellaneous:

1. During this period, we prepared three Risk Assessment Reports which were submitted to the members of the Executive Committee and sent to all members of the Board of Trustees after incorporating the comments received from the members of the Executive Committee. At Sayer Vincent's request, and in line with the Charity Commission's recommendations in this area, we have added two new risk categories to the reports this year:
 - 1. Fraud risk
 - 2. Reputational risk
2. An assessment of the work carried out in 2023 by the Executive Administrative Assistant has been carried out and shared with the Executive Committee and the Board of Directors.

Financial review

Source of capitalisation & financial resources

Additional Endowment Funds and operational funds were received in 2023.

In 2023, the Charity received support from:

- KfW through the third Separate Agreement (*Convention Séparée*) between KfW and the Okapi Fund signed in December 2023:
 - 25 millions euros as Permanent Endowment Funds

At the end of 2023 we received the new capitalization funds from the German Cooperation through KfW for an amount of 25 million euros.

We discussed with Evelyn Partners the investment strategy to be adopted for the placement of these new funds. The question arose as to whether we should maintain part of the funds received in euros, so as not to take all the risk in US\$ while the funds are placed on the financial markets over the next few months (placing such a large sum on the markets takes several months to evaluate the opportunities and take the time to balance the risks within our portfolio).

After an exchange between the members of the CI and Evelyn Partners, it was decided that 15 million euros would be converted into US\$ upon receipt, and that the remainder would be held in Euros while we took the pulse of the financial markets and identified investment opportunities.

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The new endowment funds were invested slowly and cautiously, to put the new capital to work in the equity portfolio.

As a reminder, 1 million euros as funds to support operational costs of the Okapi Funds from 2023 to end of 2024 were made available at the end of 2022 through the procedure of renewed demands.

The 2023 financial accounts therefore report the Charity receiving funding in 2023 from one source:

- KfW (The German Development Bank).

Resource utilisation framework

The investment policy followed by the Okapi Fund has been developed to be fully compliant with the recommended Practice Standards for Asset Management (standards 1–9) as set out by the Conservation Finance Alliance and best practice guidance in the annual Conservation Trust Investment Survey published by WCS. Furthermore, the Okapi Fund follows the World Bank's Environmental and Social Framework and the World Bank Group's general and sector-specific Environmental, Health and Safety Guidelines.

As the Okapi Fund is a charitable entity dedicated to environmental conservation, the investments made by the investment manager must not be inconsistent with the objectives of the charity. The investment of the funds, inclusive of all investment instruments, are subject to SRI (Socially Responsible Investing) sectoral filtering and compliance with the ESG and responsible investing policies and detailed exclusions listed in the Investment Policy statement.

The capitalisation funds received from KfW at the end of 2019 and from The World Bank in January 2020 were transferred to our Endowment Fund. These funds have been progressively invested in the financial markets by our portfolio manager, Smith & Williamson (now Evelyn Partners), in accordance with our Investment Policy Statement and under the supervision of our Investment Committee.

The Endowment Fund holds Okapi Fund's longer-term investment assets and the returns from these assets provide resources that the Okapi Fund can deploy in furtherance of its charitable aims.

The totality of the funds received from the World Bank (US\$ 7.4 million) are treated as Permanent Endowment Funds according to the wishes expressed by the donor.

Following the wishes of the donor, the funds received from KfW, namely Euro 14 million received in December 2019, are treated as:

- Permanent Endowment funds for the value of US\$ 7.4 million (based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).

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- Expendable Endowment Funds for the value of EURO 14 million less the amount mentioned above (14M euros less the 7.4M US\$ based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).

The additional endowment funds received from KfW in December 2022 and in December 2023 are treated as Permanent Endowment Funds.

The Portfolio in 2023

The portfolio achieved : (i) +13% since the beginning of the year, and (i) a performance of +18% since the receipt of the endowment funds in December 2019.

On performance since inception (December 2019): We have met, and even exceeded, the objectives assigned in the Investment Policy of an annual return of 4% over the entire period (if we do not take inflation into account).

At December 31, 2023, the portfolio broke down as follows:

- 27.4% in cash and cash equivalents*.
- 30% in Bonds, US Treasury Bills
- 42.6% in equities

* There is an over-representation of cash at the end of 2023 due to the arrival of new endowment funds not yet invested in the Equities category.

The portfolio's currency exposure was as follows:

- 69.6% to US\$ assets
- 18.9% to Euro-denominated assets (mainly cash not yet converted)
- 8.4% to Sterling assets
- 3.6% in other currencies

Total Return Approach Adopted

In the first half of 2021, the Okapi Fund decided to adopt the Total Return Approach, by taking the following resolution voted unanimously by the members present:

- *The Board of Trustees of the Okapi Fund has fully considered the Total Return Report and has resolved to adopt a resolution under Section 104(A) of the Charities Act 2011 to apply a total return approach to investment in accordance with the relevant regulations as follows:*

Total return for the Okapi Fund Permanent Endowment Fund investment.

This resolution identifies the Permanent Endowment Fund as the relevant fund that will be subject to total return investment. As of 31 December 2020, the value of the relevant fund consists of:

- 1. The Investment Fund consisting of original capital contributions from donors of USD 14,793,588*
- 2. The unapplied total return of USD 1,941,892.*

This is based on the valuation of the endowment capital contributions received and the total unapplied return retained in the relevant fund, as at 31 December 2020.

The Total Return Report was written and submitted to the Board members by a recognized expert in the field, James Money-Kyrle. It was on the basis of this report that the Trustees made their informed decision regarding the adoption of the Total Return approach.

No changes in our approach were made in 2023.

Principal risks and uncertainties

The Trustees have considered the risks that the Charity faces as of the date of this trustees' report. Having reviewed these risks and the steps being taken, the trustees are confident that these risks are being managed appropriately.

In 2020, a risk register was set up. This risk register records risks as they arise and indicates the measures that are taken to mitigate or eliminate them. This register is kept up to date at all times and is available in our office. It is shared with the trustees at each meeting of the Board of Directors who review the Risk Assessment Report.

In 2023, two Risk Assessment Reports were compiled by the Executive Director, discussed, reviewed and approved by the trustees before and during the Board meetings.

In 2024, another Risk Assessment Report was sent to the Trustees in early January: it also covers part of the year 2023.

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In 2023

The main risks faced during the Year 2023, and mitigating measures being taken, are described in the following sections.

The main risks reported and reviewed in (or in relation to) 2023 were as follows:

- Operational risks;
- Financial Risks;
- Fiscal Risks;
- Fraud Risks;
- Reputational Risks.

Operational risks

The most significant operational risk identified was the following:

1. the implementation of its fund disbursement activities to finance projects in accordance with its purpose.

The main risk in this respect concerned funding for the PNKB. As mentioned above, we had encountered difficulties in obtaining important information prior to our support for the Park. It was deemed necessary to take the time to assess the risks of our support for the PNKB and to define our terms of engagement and the activities we would be willing to fund: it is better to take the time to consider these aspects than to rush into funding that could cause us further problems (see below in the section on reputational risks).

Financial risks

The main financial risk identified in 2023 is the risk of a decrease in the value of our portfolio.

It represents the main risk identified during the year 2023 and the beginning of 2024.

There were three main factors which affected the financial markets and therefore had the potential to affect the value of our portfolio in 2023:

1. The banking crisis at the beginning of 2023.
2. Inflation.
3. The war in the Middle East.

However:

- The Silicon Valley Bank crisis has been contained with limited contagion to the wider banking sector.
- Since November 2023 we saw real signs of a slowdown in inflation.
- The market is digesting the situation in the Middle East well for the time being.

In order to reduce the risk of a decline in portfolio value affecting our ability to fulfill our core mission – to disburse funds in favor of protected areas – we pursue a rigorous reserves policy to ensure that we have access to sufficient liquidity to honor our commitments to protected areas and also to finance the operating costs of the Okapi Fund (see reserves policy below).

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Fiscal risks

As we explained in all of our Quarterly Activity Reports to the Trustees (*Rapports d'Activités Trimestriels*), we decided to make a provision in our accounts for the payment of the IER (the exceptional tax on the income of expatriate staff), but not to pay it to the tax authorities as proposed by our accountants.

Indeed, our lawyer, in his tax analysis of the Asbls (Not-for-profit organisations), had clearly indicated to us that this tax was not applicable to our situation. The tax rate of the IER is 25% on the remuneration (after deduction of those parts of the remuneration which are not subject to taxation) and monthly the additional cost of this tax would be in the order of US\$3,000.

We have therefore decided to provision the amounts corresponding to the IER until we have a clear answer from the tax authorities.

In order to resolve this recurring issue we have undertaken two parallel approaches:

1. During the bilateral discussions between Germany and the DRC on biodiversity funding, it was written into the final minutes that the DRC would recognize the Okapi Fund's rights to the tax exemptions that charities normally enjoy;
2. We were able to meet with the Minister of Finance in December 2023, who should make it possible to move the file forward in a favorable manner in 2024.

Fraud risks

We have identified three levels of fraud risk:

1. Risks at the level of the funds managed by the Okapi Fund
2. Risks at the level of the funds managed by the portfolio manager
3. Risks at the level of the funds managed by the beneficiaries of the funds received from the Okapi Fund

1. Risks at the level of funds managed by the Okapi Fund

The risks of misappropriation of funds are limited because of the disbursement procedure that we follow: 1. For electronic transfers: For each disbursement, the ED must enter the amounts on the bank's platform and two trustees must approve the disbursement. Each payment must be supported by a document (invoice, fee, etc.). 2. Regarding cash disbursements: Each disbursement must be pre-approved by the ED, documented by the DAA and reported in a cash tracking document.

In addition, we have both a post-payment audit performed by accountants under Ohada law (the Organization for the Harmonization of Business Law in Africa), by BMCG and under UK accounting law by Sayer Vincent.

Finally, two types of audits are carried out each year: (i) one to control the expenses made from the budget coming from KfW (carried out by JMB in DRC and required by KfW) and (ii) the other one carried out by a special team of Sayer Vincent for a statutory audit on the 2023 accounts.

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2. Risks at the level of the funds managed by the portfolio manager

Fraud risks at this level are managed by Evelyn Partners' internal procedures. We have not conducted an audit of their procedures, but to date the UK supervisory authorities have not, to our knowledge, raised any concerns about the possibility of fraud.

3. Risks at the level of funds managed by recipients of Okapi Fund funds

In order to limit the possibility of fraud in the funds disbursed to the Protected Areas, we have put in place the following two principles:

1. Disburse funds according to planned instalments that reflect needs for a couple of months – rather than one single payment for the full year;
2. The grants are transferred to a reputable international NGO that implements projects on the ground: this is the case with Garamba NP, where the funds and management of the PA are the direct responsibility of the NGO African Parks Congo, a subsidiary of African Parks Networks from South Africa;
3. Conduct an audit of disbursed funds by an internationally recognized auditor. The Garamba NP funds were audited by KPMG in March 2023 (first disbursement) and in May 2024 (second disbursement).

In addition, in the grant agreement with the grantee, we are imposing strict financial reporting requirements to limit the possibility of fraud. Finally, at least once a year, we will conduct an audit of the use of funds in the field with the recipient's accounting and financial departments.

Proposed solution: (i) funds transferred to a reputable international NGO; (ii) audit by a reputable international firm; (iii) audit by us on site.

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Reputational risks

The main reputational risks we face in the DRC are related to the management of Protected Areas by our grantees in relation to the following main issues:

1. Embezzlement of granted funds
2. Conflicts with local populations and indigenous peoples
3. Human rights abuses in the context of anti-poaching operations

On the first point, we can refer to the discussion above on the Risks of Fraud.

Regarding conflicts with indigenous people and local populations, we have identified two types of potential conflicts that could affect our reputation as a funder of PA managers:

1. Conflicts between populations and/or uncontrolled indigenous people
2. Conflicts between the PA and indigenous populations and/or people

On the first point: the risk is indirect insofar as, in principal, the responsibility of the PA is not engaged. If this is nevertheless the case, the risk is that of the consequences of conflicts on the image of the PA manager and, as a result, on our own reputation.

On the second point: This risk exists and is quite high insofar as PAs are generally not very isolated from the activities of indigenous populations and/or people. There can be all sorts of conflicts: human-wildlife conflicts, conflicts over economic activities developed in the buffer zones, conflicts over the park's boundaries, over access to park resources, etc.

Within each PA, procedures are put in place to limit the consequences of these conflicts and to try to find an adequate and early response. In particular, a grievance mechanism is put in place, which is normally mandatory. When this is not the case, the Okapi Fund imposes the establishment of such a mechanism with a precise implementation schedule.

Regarding human rights abuses in Anti-Poaching operations, the reputational risk is very high:

- Such risks have been raised and documented for the PNKB by several NGOs
- The consequences for donors have been very serious, particularly in terms of their reputation with the general public

To address this risk, but more importantly to improve the situation and ensure that these events no longer happen in the future, the Okapi Fund has mandated that environmental, social and human rights due diligence be conducted before any disbursement to a PA. In addition, the due diligence requires a very specific environmental, social, and human rights action plan from the potential recipient of our grants. The Okapi Fund is responsible for monitoring the recipient's compliance with this plan. Finally, a significant portion of our grants are directly aimed at addressing human rights issues in and around the target PA.

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Adopted solution: (i) Approve funding that addresses and mitigates these risks; (ii) Implement strict environmental, social, and human rights safeguards in PAs; (iii) Ensure regular and thorough human rights monitoring; and (iv) Make successive disbursements contingent on progress on these issues by recipients.

In 2024

More generally, the risks faced by the Okapi Fund in the coming months are mainly threefold:

1. A financial risk due to the volatile nature of financial markets. Due to this permanent situation, the Okapi Fund, in particular through its Investment Committee and thanks to very regular communication with its portfolio manager (Evelyn Partners), is particularly attentive to financial risks and closely follows the evolution of financial indices on a daily basis.
2. A country risk, as the DRC is a highly unstable country, both politically and economically. The members of the Okapi Fund (Trustees & the executive direction) are therefore very attentive to political and economic developments in the country in order to be able to anticipate as far as possible any risk that might arise for its activities or its members or partners. In particular, the Okapi Fund closely monitors the situation in the Protected Areas, which are sometimes located in low security zones, by checking very regularly with its partners or the various stakeholders with whom the Okapi Fund is in contact to find out what the health and safety situation is on the ground.
3. Reputational risk: Due to accusations of human rights abuses in some protected areas against park officials, including Kahuzi-Biega-Biega National Park, there is a risk that if we fund this park, we will be associated with the accusations against the park if the issues raised have not been resolved and significant human rights safeguards have not been implemented in the park. On these points, the Okapi Fund is particularly vigilant and monitors the implementation of environmental, social and human rights measures recommended by the due diligence carried out at its request in December 2022 by the international consulting firm IBIS. Prior to any new disbursement, we check that the initial grant conditions are still met.

Regarding Point 1 above, in order to mitigate its potential impact:

- a. We maintain a significant position in liquid money market securities as long as the prospects of a financial and economic crisis are high;
- b. We will maintain an adequate financial reserve policy to enable us to meet our financial commitments over 2024 and 2025.

Reserves policy and going concern

The first capitalization funds (endowment funds) received by the Okapi Fund were invested in the financial markets in the first half of 2020 and the first disbursements in favor of a protected area took place in December 2022.

Since 2019, KfW has provided funding for the operational running of the Okapi Fund of EUR 2 millions.

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Depending on our needs, and based on the forecast financial statements, we can draw on these funds for periods of 6 months by making a duly documented application to KfW (by showing, in particular, that expenditures during the previous period were spent in accordance with the financial forecasts).

The first 1 million was committed by KfW in 2019 and was exhausted in June of 2022.

The second 1 million was committed by KfW in October 2022 with a view to covering operational costs of the Okapi Funds starting in January 2023 (until the end of 2024). In the interval (from June 2022 to December 2022) the Okapi Fund used funding from revenues generated by the Endowment Funds (in two instalments of 160 000 US\$ each).

From 2025, the Okapi Fund will draw on its own resources (income generated by the Endowment Funds) to finance its operating costs.

In August 2023, the board approved the reserves policy through the approval of the James Money-Kyrle Report on Total Return and Reserves Policy.

The Okapi Fund needs to maintain sufficient free reserves to match this long-term funding commitment. The reserves policy is set to ensure we can deliver on our vision and mission and ensure our work is protected from the risk of disruption at short notice due to a lack of available funds, whilst at the same time ensuring we do not retain income for longer than required.

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As part of effective financial management, the Okapi Fund holds reserves to ensure we can:

- Manage financial risk. There are a range of risks we face, including the risk of an unforeseen drop in income due to unpredictable investment returns or unbudgeted increases in expenditure.
- Meet our long-term grant commitments and funding plans.

We have calculated that an appropriate reserves range for the Okapi Fund is USD \$1.5 to 2.0 million, which is broken down as follows:

Reserves range	US \$m
Financial risk	0.5
Grant commitments and long-term plans (see below)	1
Minimum level	1.5
Range	0.5
Maximum level	2

This equates to between 12- and 18-months charitable activities (such as funding of commitments to national parks) and operating and administration expenses.

The Okapi Fund's Reserves for the Year ended 31st December is:

Okapi Funds Statement	2023	2022
	US \$000	US \$000
Unrestricted Funds (Reserves)	-98	36
Restricted Funds	0	0
Designated Funds	0	0
Permanent Endowment	49,066	18,884
Unapplied Total Return	3,126	217
Expendable Endowment	8,888	8,888
Total Funds¹	60,08	28,025

Okapi Fund 'Free' Reserves for the Year to 31st December	2023	2022
	US \$000	US \$000
Free Reserves ²	2,219	238
Ratio of Free Reserves to Annual Operating Expenditure ³	1.74	0.3

¹ Total Funds include Unrestricted, Restricted, Designated and both Permanent and Expendable endowment.

² Free Reserves are composed of Unrestricted Funds (US\$ - 98 139) and Unapplied Total Return (US\$ +3 126 303) less tangible fixed assets US\$ + 8 691) and any designated grant commitments (US\$ + 800 000 for 2024).

³ Operating expenditure covers charitable activities and administration expenses.

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The Okapi Fund reserves provide financial stability and the means for the long-term development and delivery of the Okapi Fund's charitable activity.

We intend to target our reserves at a level which is equivalent to 18th months of operating expenditure (covering grants and operational costs) due to the long-term nature of the Okapi Fund's activity and the volatility of investment returns that provide the Okapi Fund's principal source of income.

The amount of Free Reserves at the end of 2023 is sufficient to meet the requirements of our reserves policy.

In addition, at the beginning of July 2024, the date of writing of this report, our portfolio has appreciated significantly since the beginning of the year, which reinforces our current capacity to meet our reserve requirements.

The Board will regularly review the amount of reserves that are required to ensure that they are able to meet all the Okapi Fund's continuing obligations and plans. The Okapi Fund has access to expendable endowment of over USD \$8 million, and therefore has more than adequate reserves to meet all operational and grants commitments for the foreseeable future.

When a transfer from the UTR to the Income Fund is approved by the Board, the sum transferred remains part of the Free reserves as Unrestricted Funds until spent.

Plans for the future

Looking forward to 2024, the main goals and activities of the Charity for 2024 are as follows (an Annual Activity Plan for 2024 has been developed by the management team and approved by the Trustees in December 2023):

- **Pursuing Financing:** Among our main activities in 2024, we plan to make our second disbursement to KBNP and to assure the follow-up of our third disbursement to the Garamba NP. The Grant Agreement with the Garamba NP was signed in June 2024 and disbursements took place in June as well. Regarding KBNP, we expect to sign the Grant Agreement in late September and disburse in November 2024. An important part of our work will be to ensure rigorous monitoring of the funding and its impacts on the ground.
- **Identify a new beneficiary:** In 2024, we plan to identify a new protected area that will be eligible (from 2025 onwards) for funding from the Okapi Fund. The process involves several stages: (i) gathering information on potential candidates and (ii) once selected, carrying out an environmental, social and human rights due diligence to identify funding needs and priority activities. The process will take between 8 and 12 months.
- **Fundraising:** In 2024, we will continue our efforts to broaden our donor base. We will follow the guidelines of the ambitious scenario of our fundraising strategy, which aims to reach a portfolio of assets under management of US\$ 86 million by 2027. Among the most

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promising avenues are discussions with the AFD and the FFEM on the one hand, and those with the private sector through the Rawbank and the Bezos Earth Fund on the other.

- **Renewal of a Trustee:** The term of office of one Trustee expires in October 2024. It will be necessary to find competent persons to replace the Trustee. The selection process for a new Trustee has been initiated in March of 2024 and a potential candidate has been already identified.
- **Identification of a new Executive Director:** the current Executive Director has expressed his wish to step down during the first half of 2025. The recruitment process for a new Executive Director should begin in 2024, to ensure a smooth transition. As the recruitment process could take between 8 and 12 months, it should be initiated early in the second half of 2024.
- **Other:**
 - Meet with stakeholders in the field of biodiversity conservation and establish relationships with them; in general, make these stakeholders aware of the activities of the Okapi Fund and the interest that such a tool represents for the protection of biodiversity in DRC. Develop partnerships with national, regional and international nature conservation institutions.
 - Determine the Grant Program for the year 2025 (With the support of the Grant Awarding Committee).
 - Develop a Fraud Prevention Policy in accordance with the requirements of the Charity Commission.
 - Evaluate the relevance and practicability of our environmental procedures.
 - Evaluate the impact of our financial support on the achievement of our purpose.

Small fundraising statement

We do not raise funds from the general public. However, we plan to increase the base of our endowment funds and restricted funds over the next few years and plan to meet with potential institutional and private donors in the coming months (this process has started in September 2020). Our fundraising strategy for the coming years was approved by the Trustees in June 2023.

We did not conduct fundraising activities with the general public in 2023 and incurred no expenditure in raising income. As we have not conducted any fundraising activities with the general public in 2023, we have not been confronted with any compliance issues or complaints of any kind.

Structure, governance and management

The Charity is a charitable company limited by guarantee, incorporated on 28 November 2013 and registered as a charity on 3 June 2014.

The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed by its Articles of Association.

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All trustees give their time voluntarily and receive no benefits from the charity. The Charity reimburses trustees for expenses incurred in carrying out their trustee duties, providing such expenses are reasonable and properly incurred. Please see note five to the accounts for more information.

In accordance with its Articles of Association, the Okapi Fund has delegated its day-to-day management to the Executive Committee and the Executive Director:

9.2 Subject to the Articles, the Directors may delegate the implementation of their decisions or day to day management of the affairs of the Charity to any person or committee.

11. Delegation of day to day management powers

In the case of delegation of the day to day management of the Charity to a chief executive or other manager or managers:

11.1 The delegated power shall be to manage the Charity by implementing the policy and strategy adopted by and within a budget approved by the Directors and (if applicable) to advise the Directors in relation to such policy, strategy and budget;

11.2 The Directors shall provide any manager with a description of his or her role and the extent of his or her authority; and

11.3 Any manager must report regularly to the Directors on the activities undertaken in managing the Charity and provide them regularly with management accounts which are sufficient to explain the financial position of the Charity.

The functioning of the Executive Committee and its powers are detailed in the Internal Regulations of the Okapi Fund (*Règlement Intérieur*) adopted by the Board of Trustees:

Article 12: Duties of the Executive Committee.

12.1 The Executive Committee intervenes to take decisions on immediate operational matters, which require urgency, for which the orientations of the Board of Directors are normally necessary, but which do not necessarily require the Board of Directors to be held. The Executive Committee shall not be responsible for any of the functions or powers that cannot be delegated to the Committees by the Board of Directors in accordance with Article 9.3 of the Articles of Association.

The remuneration of the Executive Director is set by the Board of Trustees.

The main factors taken into account for the remuneration of the Executive Director were the following:

1. The international and particular profile of the candidate.
2. The very high cost of living in the DRC.
3. Risks associated with the position, due to the political and economic instability of the country.

Trustees' annual report

For the year ended 31 December 2023

The amount of the compensation and benefits were determined in consultation with Michael Page, the company mandated to select the Executive Director, based on the remuneration of equivalent positions for international profiles that evolve in a difficult context and where the cost of living is one of the highest in the world. The amount of the remuneration is also justified by the political and economic instability of the DRC, particularly in the regions where the Protected Areas under the focus of the Okapi Fund are located (the Executive Director will visit them from time to time).

The current Executive Director was appointed by the Board of Trustees. His duties are detailed in his employment contract and in the Manual of Administrative and Accounting Procedures Manual, both approved by the Board of Trustees.

Appointment of Trustees

The appointment of Trustees is covered in detail in the Charity's Articles of Association (see Articles 25–28). The Articles allow for the Charity to have a minimum of 7 and a maximum of 9 trustees (or directors, as they are called in the Articles). At the end of 2023 there were 9 (2022: 9) Trustees in office.

As mentioned above, the Okapi Fund replaced a number of Trustees in November 2022. Another Trustee will be replaced in October 2024.

Related parties and relationships with other organisations

The Okapi Fund has no formally established relationship with any organisation outside of KfW, the World Bank and the ICCN. Details on related parties with KfW and ICCN are provided in Note 7 of the accounts.

KfW provided some funds and has one of its employees as a member of the Board in the person of Britta Oltmann (she is both the Director of the KfW Office in Kinshasa and a Trustee for the Fund).

Statement of responsibilities of the trustees

The Trustees (who are also directors of The Okapi Fund for Nature Conservation in the Democratic Republic of Congo for the purposes of company law) are responsible for preparing the trustees' annual 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trustees' annual report

For the year ended 31 December 2023

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The Trustees' annual report has been approved by the trustees on 19 September 2024 and signed on their behalf by

Victor Kabengele Wa Kadilu,
Chairman of the
Okapi Trust Fund's Board of Trustees

Independent auditor's report

For the year ended 31 December 2023

Opinion

We have audited the financial statements of The Okapi Fund for Nature Conservation in the Democratic Republic of Congo (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 FRS 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 charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 charitable company 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 Okapi Fund for Nature Conservation in the Democratic Republic of Congo'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.

Independent auditor's report

For the year ended 31 December 2023

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 the audit:

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Independent auditor's report

For the year ended 31 December 2023

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.

Independent auditor's report

For the year ended 31 December 2023

- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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.

Noelia Serrano (Senior statutory auditor)

Date: 25 September 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Statement of financial activities

For the year ended 31 December 2023

	Note	Unrestricted \$	Endowment \$	2023 Total \$	Unrestricted \$	Endowment \$	2022 Total \$
Income from:							
Donations	2	347,580	27,056,125	27,403,705	153,234	4,090,240	4,243,474
Other income		21,504	–	21,504	–	–	–
Investment income	3	–	455,916	455,916	–	347,834	347,834
Total income		369,084	27,512,041	27,881,125	153,234	4,438,074	4,591,308
Expenditure on:							
Cost of raising funds	4	48,983	129,343	178,326	50,844	116,425	167,269
Charitable activities							
Project expenses	4	1,041,593	–	1,041,593	715,148	–	715,148
Total expenditure		1,090,576	129,343	1,219,919	765,992	116,425	882,417
Net income for the year	5	(721,492)	27,382,698	26,661,206	(612,758)	4,321,649	3,708,891
Transfers between funds		600,000	(600,000)	–	540,000	(540,000)	–
Net income before gains and (losses)		(121,492)	26,782,698	26,661,206	(72,758)	3,781,649	3,708,891
Gains/ (losses) on investments	9	–	3,282,042	3,282,042	–	(4,028,209)	(4,028,209)
Gains/ (losses) on foreign exchange		(2,568)	(99,761)	(102,329)	(2,511)	(7,410)	(9,921)
Net movement in funds		(124,060)	29,964,979	29,840,919	(75,269)	(253,970)	(329,239)
Reconciliation of funds:							
Total funds brought forward		25,921	27,989,215	28,015,136	101,190	28,243,185	28,344,375
Total funds carried forward		(98,139)	57,954,194	57,856,055	25,921	27,989,215	28,015,136

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Balance sheet

Company number: 08794664

As at 31 December 2023

	Note	2023 \$	2022 \$
Non current assets:			
Tangible assets	10	8,691	15,523
Investments	9	58,303,655	27,989,215
		<u>58,312,346</u>	<u>28,004,738</u>
Current assets:			
Debtors	11	33,881	31,628
Cash at bank and in hand		83,544	328,404
		<u>117,425</u>	<u>360,032</u>
Liabilities:			
Creditors: amounts falling due within one year	12	(573,716)	(349,634)
Net current assets		<u>(456,291)</u>	<u>10,398</u>
Total net assets		<u>57,856,055</u>	<u>28,015,136</u>
The funds of the charity:	15		
Restricted funds:			
Endowment Fund		57,954,194	27,989,215
Unrestricted funds		<u>(98,139)</u>	<u>25,921</u>
Total charity funds		<u>57,856,055</u>	<u>28,015,136</u>

Approved by the trustees on 19 September 2024 and signed on their behalf by

Victor Kabengele Wa Kadilu
Chair

Statement of cash flows

For the year ended 31 December 2023

		2023		2022
	Note	\$	\$	\$
Cash flows from operating activities				
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)		29,840,919		(329,239)
Depreciation charges		6,832		7,365
(Gains)/ losses on investments including forex		(3,282,042)		4,028,209
Income from investments		(455,916)		(347,834)
(Increase)/ decrease in debtors		(2,253)		64,305
Increase in creditors		224,082		298,213
Net cash provided by operating activities		26,331,622		3,721,019
Cash flows from investing activities:				
Purchase of investments		(56,631,344)		(11,966,566)
Proceeds from sale of investments		27,651,221		10,076,863
Income from investments		455,916		347,834
Movement in cash held by investment manager		1,947,725		(1,884,536)
Net cash (used in) investing activities		(26,576,482)		(3,426,405)
Change in cash and cash equivalents in the year		(244,860)		294,614
Cash and cash equivalents at the beginning of the year		328,404		33,790
Change in cash and cash equivalents due to exchange rate movements		-		-
Cash and cash equivalents at the end of the year		83,544		328,404

Notes to the financial statements

For the year ended 31 December 2023

1 Accounting policies

a) Statutory information

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 10 Queen Street Place, London, EC4R 1BE.

b) Basis of preparation

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) – (Charities SORP FRS 102). The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Since 2019, KfW has provided funding for the operational running of the Okapi Fund of EUR 2 million.

Depending on our needs, and based on the forecast financial statements, we can draw on these funds for periods of 6 months by making a duly documented application to KfW (by showing, in particular, that expenditures during the previous period were spent in accordance with the financial forecasts).

The first EUR 1 million was committed by KfW in 2019 and was exhausted in June of 2022. The second EUR 1 million was committed by KfW in October 2022 with a view to covering operational costs of the Okapi Funds starting in January 2023 (until the beginning of 2025). In the interval (from June 2022 to December 2022) the Okapi Fund used funding from revenues generated by the Endowment Funds (in two instalments of 160 000 US\$ each).

Finally, (i) our operating expenses (annual budget) are well controlled and known (they do not vary significantly from one year to the next) and (ii) we adopt a conservative reserve policy each year to ensure that we have sufficient liquid assets available at all times should the need arise.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' 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.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Expenditure and irrecoverable VAT

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

Notes to the financial statements

For the year ended 31 December 2023

1 Accounting policies (continued)

g) Grants payable

Grants payable are made to third parties in accordance with the charity's governing documents. These grants are charged to the statement of financial activities in the year in which the offer is conveyed to the recipient.

h) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Trustees adopt a total return approach, under which the target is to achieve total return (net of fees) of 4% above RPI inflation, allowing the fund to withdraw from the portfolio to either income funds or trust for investment to contribute to its running costs each year. Investment income is allocated to the endowment funds when receivable. Withdrawals from the endowment funds are shown as transfers between funds. Within the year annualised total return (net of fees) of 10.9% was achieved.

i) Debtors

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

j) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

k) Fixed assets

Items of equipment are capitalised where purchased. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

The depreciation rates of fixed assets are as follows:

- Computer equipment – 3 years straight line
- Fixtures and Fittings – 4 years straight line
- Motor Vehicles – 4 years straight line

l) Financial instruments

The charity 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.

m) Foreign exchange policy

Transactions in foreign currencies are translated at the average rate for the year using HMRC rates. All exchange gains/losses are charged to the statement of financial activities and separately disclosed.

n) Presentational currency

The financial statements are presented in United States Dollars. The functional currency is between United States Dollars, Euros and Congolese Franc.

o) Funds

The restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

The unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

The endowment funds include permanent endowment funds, where the capital must be retained, and expendable endowment funds, which can be converted into income at the discretion of the Trustees. The totality of the funds received from the World Bank (US\$ 7.4 million) are treated as Permanent Endowment Funds according the wishes expressed by the donor.

Following the wishes of the donor, the funds received from KfW, namely EUR 14 million received in December 2019, are treated as:

- Permanent Endowment funds for the value of US\$ 7.4 million (based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).
- Expendable Endowment Funds for the value of EUR 14 million less the amount mentioned above (EUR 14M – 7.4M US\$ based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).

The Okapi Fund received EUR 25 million as new permanent endowments in 2023 (2022: EUR 4 million).

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Notes to the financial statements

For the year ended 31 December 2023

2 Income from donations and legacies

	Unrestricted	Endowment	2023 Total	2022 Total
	\$	\$	\$	\$
Donations: KfW	347,580	27,056,125	27,403,705	4,243,474
	347,580	27,056,125	27,403,705	4,243,474

In 2022, \$4,090,240 of donations were endowment funds and \$153,234 were unrestricted.

3 Income from investments

	Unrestricted	Endowment	2023 Total	2022 Total
	\$	\$	\$	\$
Dividends	–	455,916	455,916	347,834
	–	455,916	455,916	347,834

All income from the prior year was endowment.

4a Analysis of expenditure (current year)

	Cost of raising funds	Charitable activities – project expenses	Support costs	Governance costs	2023 Total	2022 Total
	\$	\$	\$	\$	\$	\$
Staff Costs (note 6)	26,432	105,727	71,259	52,863	256,281	278,894
Grants	–	600,000	–	–	600,000	220,000
Consultancy	–	–	8,999	–	8,999	91,895
Legal fees	–	–	–	2,984	2,984	2,682
Admin and Rent	9,000	–	80,997	–	89,997	85,281
Accountancy and audit	–	–	–	71,627	71,627	55,530
IT Costs	–	–	–	–	–	1,054
Depreciation expense	–	–	6,832	–	6,832	7,365
Investment manager's fees	129,343	–	–	–	129,343	116,425
Other expenses	–	–	45,820	–	45,820	23,291
Trustees' expenses	–	–	–	8,036	8,036	–
	164,775	705,727	213,907	135,510	1,219,919	882,417
Support and Governance costs	13,551	335,866	(213,907)	(135,510)	–	–
Total expenditure 2023	178,326	1,041,593	–	–	1,219,919	882,417

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Notes to the financial statements

For the year ended 31 December 2023

4b Analysis of expenditure (prior year)

	Cost of raising funds	Charitable activities – project expenses	Support costs	Governance costs	2022 Total
	\$	\$	\$	\$	\$
Staff Costs (note 6)	27,889	111,558	83,668	55,779	278,894
Grants	–	220,000	–	–	220,000
Consultancy	–	–	91,895	–	91,895
Legal fees	–	–	–	2,682	2,682
Admin and Rent	11,450	–	73,831	–	85,281
Accountancy and audit	–	–	–	55,530	55,530
IT Costs	–	–	–	1,054	1,054
Depreciation expense	–	–	7,365	–	7,365
Investment manager's fees	116,425	–	–	–	116,425
Other expenses	–	–	23,291	–	23,291
Trustees' expenses	–	–	–	–	–
	155,765	331,558	280,050	115,045	882,417
Support and Governance costs	11,504	383,590	(280,050)	(115,045)	–
Total expenditure 2022	167,269	715,148	–	–	882,417

5 Net income for the year

This is stated after charging:

	2023	2022
	\$	\$
Trustees' reimbursed expenses	8,036	–
Foreign exchange (gain)/loss	102,329	9,921
Auditor's remuneration (excluding VAT):		
Audit	18,908	16,035
Other services	6,112	5,446

Notes to the financial statements

For the year ended 31 December 2023

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023	2022
	\$	\$
Salaries and wages	244,286	236,908
Social security costs	11,995	41,986
	<u>256,281</u>	<u>278,894</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2023 No.	2022 No.
\$206,629 – \$220,403	<u>1</u>	<u>1</u>

Gross salaries, social security, and employer pension contributions for key management personnel this year were \$209,334 (2022: \$207,227).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: \$nil). No charity trustee received payment for professional or other services supplied to the charity (2022: \$nil).

Trustee expenses of \$8,036 were incurred in 2023 by 2 trustees (2022: none) in relation to mailings for one trustee and travel and subsistence costs (2022: \$nil).

The average number of employees (head count based on number of staff employed) during the year was 3 (2022: 3).

7 Related party transactions

Britta Oltmann is the head of the KfW bureau in Kinshasa and a Trustee for the Fund. During the year 2023, KfW provided the operational budget of the Okapi Fund. The Okapi Fund also received 25 million euros in permanent endowments in December 2023.

Jean-Philippe Waterschoot, who was a trustee (until December 2022), is the CEO of TEXAF. TEXAF is the parent company of COTEX, from whom the Okapi Fund is leasing their office. The lease was agreed on an arm's length basis and Jean-Philippe Waterschoot is not a signatory on the lease. A total of US\$ 23,096 was paid by the Okapi Fund to COTEX in the year (2022: \$27,656).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

8 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Notes to the financial statements

For the year ended 31 December 2023

9a Listed investments (current year)

	2023 \$	2022 \$
Fair value at the start of the year	25,860,856	27,999,362
Additions at cost	56,631,344	11,966,566
Disposal proceeds	(27,651,221)	(10,076,863)
Net gain on change in fair value	3,282,042	(4,028,209)
	<u>58,123,021</u>	<u>25,860,856</u>
Cash held by investment broker pending reinvestment	180,634	2,128,359
	<u>58,303,655</u>	<u>27,989,215</u>

As of 26 August 2024, the total value of the investment portfolio is approximately \$63.5m.

	Permanent Endowment \$	Unapplied Total Return \$	Total \$
At beginning of the reporting period or date of resolution:			
Gift component permanent endowment	18,883,828	–	18,883,828
Unapplied total return	–	217,449	217,449
	<u>18,883,828</u>	<u>217,449</u>	<u>19,101,277</u>
Movements in the reporting period:			
Gift of endowment funds	27,056,125	–	27,056,125
Investment return: dividends and interest	–	385,481	385,481
Investment return: realised and unrealised gains and (losses)	–	2,777,555	2,777,555
Less: Investment management costs	–	(109,360)	(109,360)
	<u>27,056,125</u>	<u>3,053,676</u>	<u>30,109,801</u>
Unapplied total return allocated to income in the reporting period	–	(600,000)	(600,000)
Net movements in reporting period	<u>27,056,125</u>	<u>2,453,676</u>	<u>29,509,801</u>
At end of the reporting period:			
Gift component permanent endowment	45,939,953	–	45,939,953
Unapplied total return	–	2,671,125	2,671,125
	<u>45,939,953</u>	<u>2,671,125</u>	<u>48,611,078</u>

Notes to the financial statements

For the year ended 31 December 2023

9b Listed investments (prior year)	2022 \$	2021 \$
Fair value at the start of the year	27,999,362	25,801,658
Additions at cost	11,966,566	12,432,810
Disposal proceeds	(10,076,863)	(12,320,208)
Net gain on change in fair value	(4,028,209)	2,085,102
	25,860,856	27,999,362
Cash held by investment broker pending reinvestment	2,128,359	243,823
Fair value at the end of the year	27,989,215	28,243,185

As of 19th June 2023 the value of investment portfolio is approximately USD 29,543,275

	Permanent Endowment \$	Unapplied Total Return \$	Total \$
At beginning of the reporting period or date of resolution:			
Gift component permanent endowment	14,793,588	–	14,793,588
Unapplied total return	–	3,386,845	3,386,845
Forex adjustment to opening balance	–	891	891
Total	14,793,588	3,387,736	18,181,324
Movements in the reporting period:			
Gift of endowment funds	4,090,240	–	4,090,240
Investment return: dividends and interest	–	240,496	240,496
Investment return: realised and unrealised gains and (losses)	–	(2,790,285)	(2,790,285)
Less: Investment management costs	–	(80,498)	(80,498)
Total	4,090,240	(2,630,287)	1,459,953
Unapplied total return allocated to income in the reporting period	–	(540,000)	(540,000)
Net movements in reporting period	4,090,240	(3,170,287)	919,953
At end of the reporting period:			
Gift component permanent endowment	18,883,828	–	18,883,828
Unapplied total return	–	217,449	217,449
Total	18,883,828	217,449	19,101,277

Notes to the financial statements

For the year ended 31 December 2023

10 Tangible fixed assets					
		Motor vehicles	Fixtures and fittings	Computer equipment	Total
Cost		\$	\$	\$	\$
At the start of the year		25,418	4,135	2,953	32,506
Additions in year		-	-	-	-
At the end of the year		25,418	4,135	2,953	32,506
Depreciation					
At the start of the year		12,113	2,471	2,399	16,983
Charge for the year		5,818	658	356	6,832
At the end of the year		17,931	3,129	2,755	23,815
Net book value					
At the end of the year		7,487	1,006	198	8,691
At the start of the year		13,305	1,664	554	15,523

All of the above assets are used for charitable purposes.

11 Debtors			
		2023	2022
		\$	\$
Trade debtor		5,650	26,926
Prepayments		28,231	4,702
		33,881	31,628

Notes to the financial statements

For the year ended 31 December 2023

12 Creditors: amounts falling due within one year

	2023	2022
	\$	\$
Payroll creditor	24,156	–
Trade creditors	16,324	33,709
Accruals	25,699	22,653
Grants payable	350,000	–
Deferred income (note 13)	157,537	293,272
	<u>573,716</u>	<u>349,634</u>

13 Deferred income

Deferred income comprises funds received in advance from KFW for activity to take place in 2024.

	2023	2022
	\$	\$
Balance at the beginning of the year	293,272	–
Amount released to income in the year	(293,272)	–
Amount deferred in the year	157,537	293,272
	<u>157,537</u>	<u>293,272</u>
Balance at the end of the year	<u>157,537</u>	<u>293,272</u>

14a Analysis of net assets between funds (current year)

	General unrestricted	Endowment	Total funds
	\$	\$	\$
Fixed assets	8,691	–	8,691
Investments	–	58,303,655	58,303,655
Net current assets	(106,830)	(349,461)	(456,291)
	<u>(98,139)</u>	<u>57,954,194</u>	<u>57,856,055</u>
Net assets at 31 December 2023	<u>(98,139)</u>	<u>57,954,194</u>	<u>57,856,055</u>

14b Analysis of net assets between funds (prior year)

	General unrestricted	Endowment	Total funds
	\$	\$	\$
Fixed assets	15,523	–	15,523
Investments	–	27,989,215	27,989,215
Net current assets	10,398	–	10,398
	<u>25,921</u>	<u>27,989,215</u>	<u>28,015,136</u>
Net assets at 31 December 2022	<u>25,921</u>	<u>27,989,215</u>	<u>28,015,136</u>

Notes to the financial statements

For the year ended 31 December 2023

15a Movements in funds (current year)

	At 1 January 2023	Incoming resources & gains	Outgoing resources & losses	Transfers	At 31 December 2023
	\$	\$	\$	\$	\$
Restricted funds:					
Permanent Endowment	19,101,277	30,219,161	(109,360)	(600,000)	48,611,078
Expendable Endowment	8,887,938	577,947	(19,982)	–	9,445,903
	27,989,215	30,694,322	(129,343)	(600,000)	57,954,194
Unrestricted funds:					
General funds	25,921	369,084	(1,093,144)	600,000	(98,139)
Total funds	28,015,136	31,063,406	(1,222,487)	–	57,856,055

15b Movements in funds (prior year)

	At 1 January 2022	Incoming resources & gains	Outgoing resources & losses	Transfers	At 31 December 2022
		\$	\$	\$	\$
Restricted funds:					
Permanent Endowment	18,180,433	4,330,736	(2,870,783)	(539,109)	19,101,277
Expendable Endowment	10,062,752	107,338	(1,281,261)	(891)	8,887,938
	28,243,185	4,438,074	(4,152,044)	(540,000)	27,989,215
Unrestricted funds:					
General funds	101,190	153,234	(768,503)	540,000	25,921
Total funds	28,344,375	4,591,308	(4,920,547)	–	28,015,136

Purposes of Endowment funds

The Okapi Fund has received funding from KfW and the World Bank to support the pursuit of its charitable objectives. The endowment fund is intended to generate significant, stable and predictable financial resources for the management of selected protected areas in the DRC, with a focus on sustainably financing the management costs of Parc National Kahuzi-Biega (PNKB) and the Parc National Garamba (PNG). The totality of the funds received from the World Bank (US\$ 7.4 million) are treated as Permanent Endowment Funds according to the wishes expressed by the donor.

Following the wishes of the donor, the funds received from KfW, namely EUR 14 million received in December 2019, are treated as:

Permanent Endowment funds for the value of US\$ 7.4 million (based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).

Expendable Endowment Funds for the value of EUR 14 million less the amount mentioned above (EUR 14 million – 7.4million US\$ based on the conversion rate in effect on the date of receipt of funds in the accounts held with Evelyn Partners). We also received an additional EUR 4 million from KfW in December 2022, and EUR 25 million from KfW in 2023, which are to be treated as Permanent Endowment Funds.

16 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property	
	2023	2022
	\$	\$
Less than one year	11,728	11,610
	<u>11,728</u>	<u>11,610</u>

17 Contingent Liability

There are additional taxes for Expatriate employees within the DRC. Okapi should not have to pay these taxes due to its charitable status, however the charity has chosen to book these costs each year.

It is important to mention that we also have a commitment on the part of the DRC to officially recognize the exemption, this commitment appearing in two minutes resulting from bilateral discussions between the DRC and Germany which took place in 2022 and 2023.

Accounting provisions for 2023 amount to 51,945 Euros.

18 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to \$1.24.

THE OKAPI FUND FOR NATURE CONSERVATION IN THE DEMOCRATIC REPUBLIC OF CONGO

England & Wales - Charity number 1157294

Accounts

Company Number: 08794664

Charity Number: 1157294

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Report and financial statements

For the year ended 31 December 2022

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

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The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Reference and administrative information

For the year ended 31 December 2022

Company number 08794664

Charity number 1157294

Registered office and operational address 10 Queen Street Place, London, EC4R 1BE

Country of registration England & Wales

Country of incorporation United Kingdom

Trustees Trustees (who are also directors of The Okapi fund for nature conservation in the Democratic Republic of Congo for the purposes of company law) who served during 2022 were as follows:

Bob Tumba (Chair until 29th November)

Jean Mbuyu (Until 29th November)

Jean-Philippe Waterschoot (Until 29th November)

Kapupu Diwa Mutimanwa (Until 29th November)

Patrick Welby

Yvette Shabani Mwangi Barhashishwa

Britta Oltmann

Samy Mankoto

Dieudonné Musibono

Victor Kabengele (as of 29th November – Chair as of 13th December)

Agnès Kasongo (as of 29th November)

Gloria Assimbo (as of 29th November)

Beto Nyongolo (as of 29th November)

Executive Director Guillaume Gervais de Rouville

Administrative Assistant Karen Kibanga

Solicitors Bates Wells
10 Queen Street Place
LONDON
EC4R 1BE

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Reference and administrative information

For the year ended 31 December 2022

Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane LONDON EC1Y 0TL
Investment Manager	Evelyn Partner Investment (formerly named “Smith & Williamson Investment Management”) 25 Moorgate LONDON EC2R 6AY

Trustees' annual report

For the year ended 31 December 2022

The trustees present their report and the audited financial statements for the year ended 31 December 2022.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and Activities

Purposes and aims

As set out in the Charity's Articles of Association, its purposes are to promote for the benefit of the public, the conservation, protection and improvement of the natural environment and biodiversity of the Democratic Republic of the Congo (DRC), with priority focus on DRC's national system of protected areas. Specifically, it aims to:

- i) Promote, for the benefit of the public, sustainable development that supports the conservation of biodiversity in DRC, in particular the protected areas and/or other conservation areas of significant ecological value and/or significant biological importance including:
 - (a) The preservation, conservation and the protection of the environment and the sustainable use of natural resources; and
 - (b) The relief of poverty and the improvement of the conditions of life for the benefit of populations living in and around protected areas and other areas of significant ecological conservation and/or significant biological importance.
- ii) Advance the education of the public on environmental issues including the biodiversity, conservation, sustainability and management of DRC's protected areas and/or other areas of significant ecological conservation and/or significant biological importance.

The trustees periodically review the aims, objectives and activities of the charity and have always reaffirmed the purpose and aims as noted here. It is additionally affirmed that the trustees have had regard to the Charity Commission's guidance on public benefit.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees have considered how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance

The Charity's activities and achievements during 2022 have been concentrated on the following items : (i) prepare and carry out the first disbursements in favor of the Protected Areas, (ii) set up recurrent meetings between ICCN (*Institut Congolais pour la Conservation de la Nature*¹) and donors involved in biodiversity, (iii) finalize and start implementing our Environmental and Social Management System, (iv) carry out field missions to strengthen our knowledge and capacities and reinforce links with the various biodiversity stakeholders, (v) strengthen the CAFÉ and Bridge networks in which we actively participate, (vi) renew the members of the Board (including the election of the new President), the Executive Committee, the Investment Committee and the Grant Awards Committee, (vii) strengthen the visibility of the Okapi Fund among public and private stakeholders, (viii) continue efforts to increase the Okapi Fund's endowment funds, and (ix) monitor financial markets in a particularly volatile period.

Fundraising

Regarding fundraising, we received additional funds (Permanent Endowment Funds) from the German Cooperation through KfW in December 2022. We received 4 million Euros for the Permanent Endowment Fund. We also received a commitment to disburse an additional 1 million Euros in budget support for the Okapi Fund for the coming two years. A first request for funds was made in October 2022 for an amount of 273,740 euros (the funds were received in December 2022 to cover the first half of 2023 executive office expenses, this has been deferred into 2023).

During bilateral discussions between Germany and the DRC, which took place in February 2023 in Kinshasa, the German Cooperation announced that it would again strengthen the Endowment Fund of the Fonds Okapi with 15 million euros, probably in 2023.

On the AFD side – the French aid agency – discussions have made little progress. The position of the AFD depends on several factors: (i) the results of the due diligence conducted by IBIS, South African consultancy, at Kahusi Biega National park (KBNP), the interim report of which was only made available at the end of February 2023 (the final report was made available by the end of April 2023); (ii) the approval of the funding in favor of the KBNP (and by implication in our favor) by the Ministry of the Environment in France due to the controversial² nature of the funding.

Funding of Protected Areas

As a reminder, an important activity for the Okapi Fund in 2021 was to gather information to determine the eligibility and the precise financial needs of the Protected Areas.

¹ The Public Institution in charge of National Parks in DRC

² The NGO Minority Rights Group reported human rights abuses in the KBNP in recent years (2019–2022)

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Trustees' annual report

For the year ended 31 December 2022

The year 2022, on the other hand, was intended to see the first disbursements in favor of the targeted Protected Areas. After environmental, social and human rights studies were completed for the Garamba National Park (Garamba NP), the Okapi Fund was able to disburse US\$220,000 in its favor in December 2022.

The funds disbursed covered, mainly, expenses already incurred by the Park and covered a variety of budget lines ranging from community development (school fields on sustainable farming practices) to the payment of eco-guards' rations or vehicle operating costs.

In the first grant agreement signed in December 2022 we included an environmental and social activity plan that the Park must implement within 3 years of signing the agreement.

KPMG has conducted an audit of the funds entrusted to Garamba NP for us. Based on this audit (which did not highlight any problem as regards the use of funds provided by the Okapi Fund) and the activity and final financial reports relating to the first grant, we have decided to sign a second disbursement agreement with Garamba NP in June 2023.

The same process was followed for the Kahuzi-Biega National Park (KBNP), but due to delays in the completion of the environmental, social and human rights due diligence, it was not possible to disburse funds to the park in 2022. Indeed, a new management team took over the management of the park in April 2022 and has taken time to settle in. Funding for the KBNP is expected to be disbursed early in the second half of 2023, pending results of an ongoing due diligence.

The process of disbursing funds to protected areas may seem long, complicated and costly, but it is important to remember that **the Okapi Fund's primary concern is to ensure that recipients have both the capacity to use the funds appropriately and that human rights issues have been taken seriously by the park management to avoid problems such as those experienced previously.**

It is therefore important for the Okapi Fund to take care and time to review the capacity of the parks to implement relevant activities to **ensure that human rights and environmental and social standards of both the World Bank and KfW are met in all aspects.**

The Okapi Fund will only finance the KBNP if it believes that the funds it would provide would adequately address the park's capacity building needs in terms of respect for human rights, indigenous peoples, and the environmental and social standards mentioned above.

If such funding for KBNP proves too problematic, then the Okapi Fund plans to explore the possibility of funding another park in 2023. Discussions have already begun with stakeholders in other parks, such as Salonga and Lomami NPs.

Trustees' annual report

For the year ended 31 December 2022

Adoption and implementation of the environmental and social management system (ESMS)

Financial Institutions like the Okapi Fund are required to adopt and maintain systems, procedures, and capacity in the form of an Environmental and Social Management System (ESMS) to assess, manage, and monitor the environmental and social risks and impacts of Projects, and to manage overall portfolio risk in a responsible manner.

The final version of the ESMS has been provided in mid-April 2022 and was approved by the Board on 13th July 2022.

The ESMS guidelines were adhered to when implementing disbursements for the Garamba NP and whilst assessing PNKB's request for support.

Each year the Executive Director shall prepare a report on the implementation of the procedures. This report was submitted to the Okapi Fund Board of Directors' meeting which took place in June 2023.

Networks and Events

Networks

CAFÉ:

Since October 2021, Okapi Fund has been a member of the Executive Committee of CAFÉ (the African Consortium of Environmental Funds): as such, we participated in the Annual General Meeting of CAFÉ at Douala from 12th September to 17th September 2022 as well as to several subsequent Executive Committees.

During the year, we actively participated in the redefinition of the network's strategic plan, in the setting up of working groups and in the search for funds to finance the network's activities. As part of the advocacy of the network's interests, we participated in several meetings on the pan-African trust funds (Pan-African Conservation Trust Fund – "APACT") in order to secure a seat on its board of directors and to favorably orient the characteristics of this future African trust fund. Our objective is to make sure that the APACT relies on the existing network of African trust funds such as the Okapi Fund and does not act as a competitor with regard to activities or tapping financing sources from which they can benefit.

BRIDGE Project:

As a reminder, we were appointed in 2022 as a member of the Monitoring Committee of the Bridge Project (funded by the Fonds Français pour l'Environnement Mondial and Mava Foundation) for CAFÉ and RedLac (Latin American and Caribbean Environmental Funds Network). The Bridge Project is funded by the FFEM and aims to facilitate the involvement of the private sector in finding solutions to promote biodiversity. Our role is to guide the project in its funding of activities. During the year 2022 we had several meetings to set out a strategy for the Project and to select the first projects to be funded. Our participation in this network allows us to strengthen our links

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

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For the year ended 31 December 2022

with important players in our sector of activity and to participate in the common objectives of protecting biodiversity.

Events

In 2022, we participated in many events, including (but not limited to):

- Citypreneurs (26th January 2022): We were a coach for the Citypreneurs initiative. We helped candidates prepare to pitch their business to potential funders. The Citypreneur program is an ecosystem development and growth platform for startups co-organized by the UN, WFUNA and city governments to support innovation and entrepreneurship for the Sustainable Development Goals. Citypreneurs Kinshasa gathers about fifteen startups operating in the waste and environmental management. The interest of the Okapi Fund is to extend its network of relationships with young entrepreneurs in the private sector who will help find solutions for the environment and the protection of biodiversity.
- ICCN's Biodiversity General Assembly: We participated in the day organized by ICCN and developed a number of recommendations to engage the private sector in financing biodiversity activities. We followed up on the event with ICCN to summarize recommendations and prepare the next phase.
- 18th March 2022 – Second Apéro-Bio(diversity) organized by the Okapi Fund and USAID (Green Business Forum): Conceived by the Okapi Fund and jointly organized by the Okapi Fund and USAID, it was held at Silikin Village. The theme addressed (and presented by the Executive Director) was clean cooking and its challenges for the environment and biodiversity. More than 100 people responded to the invitation, allowing many connections to be made.
- On 29th September 2022 we organized, with USAID, a third Apéro-Bio(diversity) which brought together more than 200 people around the theme of eco-tourism in DRC. There were speakers from the Ministry of Tourism, ICCN, the private sector (Bombo Lumene Foundation, Mbou-Mon-Tour, Tokenge Africa, etc.), USAID and the Okapi Fund.
- CAFI (Central Africa Financial Initiative): On 27th September 2022, we participated in the event organized by CAFI on the status and action plans for the implementation of the 2022 milestones of the Letter of Intent signed between the Government of the DRC and CAFI.

Missions

Several field missions were conducted during 2022: (i) in the Luki Biosphere Reserve (9–11 April 2022), (ii) in Lubumbashi (1–4 June 2022), and (iii) in the Mangrove Marine Park (between 1 July and 4 July 2022).

These missions allowed the Executive Director (i) to strengthen his knowledge of the management of protected areas and the different models that exist in this field, as well as (ii) to reinforce his understanding of the challenges (human, financial, operational, etc.) faced by protected areas and, finally, (iii) to expand the Okapi Fund's network with the different actors in the biodiversity sector in DRC.

The first mission was to the **Luki Biosphere Reserve**: We visited the main agroforestry trials and were able to meet the different scientists working in the field. We learned about the issues and practices

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to safeguard biodiversity and about beneficial agroforestry practices. We became familiar with the notion of a Biosphere Reserve (a concept initiated and sponsored by Unesco) and the model it represents in relation to other types of biodiversity protection approaches.

We conducted a field mission to **Lubumbashi/Kundelungu**: The first part of the mission consisted of meetings with private actors in the mining sector as part of the "**DRC Mining Week**" which brings together the main actors in the sector every year. We were also able to meet with members of the **Fair Trade Cobalt Alliance**, as well as the Coordinator of the **Observatoire Gouvernance et Paix** (Mr. Eric Chiralirwa), which supports community development projects in the **PNKB landscape**. The second part of the mission consisted of meetings with the site managers of Upemba and Kundelungu NPs. We took advantage of the presence of the new Site Manager of Upemba National Park, Ms **Tina Lain from IUCN³–Netherlands**, to discuss with her the challenges faced by the park, its financial needs and their development strategy.

Finally, we went to the **Mangrove Marine Park (MMP)**. We met with its new Director, Kim Rebholz, and the people in charge of the different activities of the park. We learned about the specificities of marine parks and the challenges of mangrove preservation.

Training:

On 6 and 7 April 2022, we received training on the environmental and social management system from ERM, a consultant. During this training, based on practical cases, we were able to test our procedures and also adapt them to the dimension of the Okapi Fund. Our remarks during this training allowed ERM to adapt the procedures by simplifying certain aspects.

Miscellaneous:

1. During this period, we prepared two Risk Assessment Reports which were submitted to the members of the Executive Committee and sent to all members of the Board of Trustees after incorporating the comments received from the members of the Executive Committee.
2. We issued two Information Bulletins (one in January – Biodiversity Financing & Biodiversity Compensation – and another one in September – Ecotourism and Protected Areas in Central Africa) for the Trustees as part of their training.

Financial review

Source of capitalisation & financial resources

Additional Endowment Funds and operational funds were received in 2022.

In 2022, the Charity received support from:

³ The **International Union for Conservation of Nature**

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

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For the year ended 31 December 2022

1. KfW through a second Separate Agreement (*Convention Séparée*) between KfW and the Okapi Fund signed in October 2022:
 - 4 millions euros as Permanent Endowment Funds;
 - 1 million euros as funds to support operational costs of the Okapi Funds from 2023 to end of 2024.

The 2022 financial accounts therefore report the Charity receiving funding in 2022 from one source:

- i) KfW (The German Development Bank).

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

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For the year ended 31 December 2022

Resource utilisation framework

The investment policy followed by the Okapi Fund has been developed to be fully compliant with the recommended Practice Standards for Asset Management (standards 1–9) as set out by the Conservation Finance Alliance and best practice guidance in the annual Conservation Trust Investment Survey published by WCS. Furthermore, the Okapi Fund follows the World Bank's Environmental and Social Framework and the World Bank Group's general and sector-specific Environmental, Health and Safety Guidelines.

As the Okapi Fund is a charitable entity dedicated to environmental conservation, the investments made by the investment manager must not be inconsistent with the objectives of the charity. The investment of the funds, inclusive of all investment instruments, are subject to SRI (Socially Responsible Investing) sectoral filtering and compliance with the ESG and responsible investing policies and detailed exclusions listed in the Investment Policy statement.

The capitalisation funds received from KfW at the end of 2019 and from The World bank in January 2020 were transfer to our Endowment Fund. These funds have been progressively invested in the financial markets by our portfolio manager, Smith & Williamson (now Evelyn Partners), in accordance with our Investment Policy Statement and under the supervision of our Investment Committee.

The Endowment Fund holds Okapi Fund's longer-term investment assets and the returns from these assets provide resources that the Okapi Fund can deploy in furtherance of its charitable aims.

The totality of the funds received from the World Bank (US\$ 7.4 million) are treated as Permanent Endowment Funds according to the wishes expressed by the donor.

Following the wishes of the donor, the funds received from KfW, namely Euro 14 million received in December 2019, are treated as:

- Permanent Endowment funds for the value of US\$ 7.4 million (based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).
- Expendable Endowment Funds for the value of EURO 14 million less the amount mentioned above (14M euros less the 7.4M US\$ based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).

The additional endowment funds received from KfW in December 2022 are treated as Permanent Endowment Funds.

The Portfolio in 2022

In 2022, the portfolio underwent a potential loss of 16.69% year-to-date, erasing most of the gains made over 2020 and 2022. In comparison, however, our benchmarks have lost 21.72% in 2022. For reference, the NASDAQ (which contains the top 10 U.S. companies in its top 10) lost

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Trustees' annual report

For the year ended 31 December 2022

about 30% over the year.

In total, over the past three years, the portfolio has had a potential appreciation of just over 3%.

The poor performance of the portfolio over the year 2022 is due to: (i) The historical decline of the financial markets in the broad sense, impacted by inflation and the consequences of the war in Ukraine and (ii) the restrictions imposed by our Investment Policy (notably the impossibility to invest in the extractive industries and on the Hong Kong market, whereas the energy sector was the best performing sector in 2022).

Bonds and fixed income also had a negative year, which is unusual in a year when stocks are also weak (the correlation is usually negative).

As of 31 December 2022, the portfolio was allocated as follows:

- 19.4% in Cash & Cash Equivalents
- 15.6% in Bonds (US Corporates and US Treasury)
- 60.7% in Equities
- 4.4% in Other Investments

The portfolio's currency exposure was as follows:

- 81% in US\$ assets
- 4.9% in Euro assets
- 8.1% in Pound Sterling assets
- 6% in other currencies

Total Return Approach Adopted

In the first half of 2021, the Okapi Fund decided to adopt the Total Return Approach, by taking the following resolution voted unanimously by the members present:

- *The Board of Trustees of the Okapi Fund has fully considered the Total Return Report and has resolved to adopt a resolution under Section 104(A) of the Charities Act 2011 to apply a total return approach to investment in accordance with the relevant regulations as follows:*

Total return for the Okapi Fund Permanent Endowment Fund investment.

This resolution identifies the Permanent Endowment Fund as the relevant fund that will be subject to total return investment. As of 31 December 2020, the value of the relevant fund consists of:

- 1. The Investment Fund consisting of original capital contributions from donors of USD 14,793,588*
- 2. The unapplied total return of USD 1,941,892.*

This is based on the valuation of the endowment capital contributions received and the total unapplied return retained in the relevant fund, as at 31 December 2020.

The Total Return Report was written and submitted to the Board members by a recognized expert in the field, James Money-Kyrle. It was on the basis of this report that the Trustees made their informed decision regarding the adoption of the Total Return approach.

No changes in our approach were made in 2022.

Principal risks and uncertainties

The Trustees have considered the risks that the Charity faces as of the date of this trustees' report. Having reviewed these risks and the steps being taken, the trustees are confident that these risks are being managed appropriately.

In 2020, a risk register was set up. This risk register records risks as they arise and indicates the measures that are taken to mitigate or eliminate them. This register is kept up to date at all times and is available in our office. It is shared with the trustees at each meeting of the Board of Directors who review the Risk Assessment Report.

In 2022, two Risk Assessment Reports were compiled by the Executive Director, discussed in the Executive Committee and reviewed and approved by the trustees before and during the Board meetings.

In 2023, another Risk Assessment Report was sent to the Trustees in early March: it also covers part of the year 2022.

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In 2022

The main risks faced during the Year 2022, and mitigating measures being taken, are described in the following sections.

The main risks reported and reviewed in (or in relation to) 2022 were as follows:

- Operational risks;
- Financial Risks;
- Fiscal Risks;
- Fraud Risks;
- Reputational Risks.

Operational risks

The most significant operational risk identified was the following:

1. the implementation of its fund disbursement activities to finance projects in accordance with its purpose.

In December 2022 we were able to disburse our first funds to Garamba National Park. We anticipate a second disbursement before the end of the first half of 2023, after an evaluation of the first disbursements, which has been completed in April 2023 and which showed that the funds were properly used.

On the other hand, as anticipated in the previous report, it has not been possible to disburse the grants to PNKB. The process has taken much longer than expected, due in part to the delay by the WCS teams in initiating the selection process for consultants to conduct the Environmental, Social, and Human Rights Due Diligence. The Due Diligence Report was only sent to us at the end of February 2023.

As a result of this delay, we will probably not be able to disburse funds to PNKB until the beginning of the second half of 2023.

The risks associated with this delay are (i) little track record in funding PAs and (ii) greater difficulty in raising funds for the Okapi Fund from potential donors who are waiting to see how we operate before considering a contribution to our endowment fund and (iii) the risk that the Charity Commission will criticize us for not fulfilling our social purpose fully enough.

As noted above, however, it was deemed necessary to take the time to assess the risks of our support for the PNKB and to define our terms of engagement and the activities we would be willing to fund: it is better to take the time to consider these aspects than to rush into funding that could cause us further problems (see below in the section on reputational risks).

Financial risks

The main financial risk identified in 2022 is the risk of a decrease in the value of our portfolio.

It represents the main risk identified during the year 2022 and the beginning of 2023.

There are three main factors which affected the financial markets and therefore the potential value of our portfolio in 2022:

1. Inflation.
2. The war in Ukraine (and the economic sanctions against Russia).
3. The risk of recession.

These factors combined to significantly reduce the value of our portfolio since January 2022. The rebound at the end of 2022 and the beginning of 2023 was short-lived and February saw the financial markets contract again.

As a result, the gains of 2020 and 2021 were nearly totally wiped out. To date, we have a portfolio that since the beginning of the first investments in January 2020 has experienced a positive appreciation of just over 3%.

The problem we are facing is also related to our Investment Policy: we cannot enter stocks that are benefiting from the situation, such as commodities. This impossibility does not offer us a short-term solution allowing us to compensate for part of the losses on shareholder positions impacted by inflation and/or the war in Ukraine.

Similarly — although not stated in our Investment Policy — the Board of Trustees has decided not to invest on the Hong Kong market, to avoid risks of a reputational nature.

Our only solution, in order to limit the consequences of the loss in value of our portfolio (and not to have to take a loss) is to maintain a high cash or cash equivalent position, as is already the case, and to wait for a recovery of the markets in the medium term. However, the cash portion is exposed to the effects of inflation.

The question is whether and when our disbursement policy for Protected Areas could be impacted by this situation.

For the year 2023 we should not have any difficulties in making our disbursements as long as we maintain our 2023 commitments in the same proportions as our 2022 commitments.

Beyond that, we will be able to continue to disburse equivalent amounts in 2024 and 2025, but by which time we might have to draw on the Expendable Endowment Funds if the portfolio has not recovered beyond the current situation.

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Thus, by maintaining a sufficient level of reserves (around US\$3 million), positioned at stable dollar values, we will be able to ensure disbursements to PAs according to our grant programs for 2023.

It should be noted that in December 2022, KfW provided an additional 1 million Euros for the operational budget of the Okapi Fund, as well as an additional 4 million Euros for the Permanent Endowment Fund.

Fiscal risks

As we explained in all of our Quarterly Activity Reports to the Trustees (*Rapports d'Activités Trimestriels*), we decided to make a provision in our accounts for the payment of the IER (the exceptional tax on the income of expatriate staff), but not to pay it to the tax authorities as proposed by our accountants.

Indeed, our lawyer, in his tax analysis of the Asbls (Not-for-profit organisations), had clearly indicated to us that this tax was not applicable to our situation. The tax rate of the IER is 25% on the remuneration (after deduction of those parts of the remuneration which are not subject to taxation) and monthly the additional cost of this tax would be in the order of US\$3,000.

We have therefore decided to provision the amounts corresponding to the IER until we have a clear answer from the tax authorities.

In order to resolve this recurring issue we have undertaken two parallel approaches:

1. During the bilateral discussions between Germany and the DRC on biodiversity funding, it was written into the final minutes that the DRC would recognize the Okapi Fund's rights to the tax exemptions that charities normally enjoy;
2. We were able to meet with the representative of the Ministry of Finance at the beginning of 2023, who should make it possible to move the file forward in a favorable manner before the beginning of the second half of 2023.

Fraud risks

We have identified three levels of fraud risk:

1. Risks at the level of the funds managed by the Okapi Fund
2. Risks at the level of the funds managed by the portfolio manager
3. Risks at the level of the funds managed by the beneficiaries of the funds received from the Okapi Fund

1. Risks at the level of funds managed by the Okapi Fund

The risks of misappropriation of funds are limited because of the disbursement procedure that we follow: 1. For electronic transfers: For each disbursement, the ED must enter the amounts on the bank's platform and two trustees must approve the disbursement. Each payment must be supported by a document (invoice, fee, etc.). 2. Regarding cash disbursements: Each disbursement

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must be pre-approved by the ED, documented by the DAA and reported in a cash tracking document.

In addition, we have both a post-payment audit performed by accountants under Ohada law (the Organization for the Harmonization of Business Law in Africa), by BMCG and under UK accounting law by Sayer Vincent.

Finally, two types of audits are carried out each year: (i) one to control the expenses made from the budget coming from KfW (carried out by JMB in DRC and required by KfW) and (ii) the other one carried out by a special team of Sayer Vincent for a statutory audit on the 2022 accounts.

2. Risks at the level of the funds managed by the portfolio manager

Fraud risks at this level are managed by Evelyn Partners' internal procedures. We have not conducted an audit of their procedures, but to date the UK supervisory authorities have not, to our knowledge, raised any concerns about the possibility of fraud.

3. Risks at the level of funds managed by recipients of Okapi Fund funds

In order to limit the possibility of fraud in the funds disbursed to the Protected Areas, we have put in place the following two principles:

1. Disburse funds according to planned instalments that reflect needs for a couple of months – rather than one single payment for the full year;
2. The grants are transferred to a reputable international NGO that implements projects on the ground: this is the case with Garamba NP, where the funds and management of the PA are the direct responsibility of the NGO African Parks Congo, a subsidiary of African Parks Networks from South Africa;
3. Conduct an audit of disbursed funds by an internationally recognized auditor. The Garamba NP funds were audited by KPMG in March 2023.

In addition, in the grant agreement with the grantee, we are imposing strict financial reporting requirements to limit the possibility of fraud. Finally, at least once a year, we will conduct an audit of the use of funds in the field with the recipient's accounting and financial departments.

Proposed solution: (i) funds transferred to a reputable international NGO; (ii) audit by a reputable international firm; (iii) audit by us on site.

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Reputational risks

The main reputational risks we face in the DRC are related to the management of Protected Areas by our grantees in relation to the following main issues:

1. Embezzlement of granted funds
2. Conflicts with local populations and indigenous peoples
3. Human rights abuses in the context of anti-poaching operations

On the first point, we can refer to the discussion above on the Risks of Fraud.

Regarding conflicts with indigenous people and local populations, we have identified two types of potential conflicts that could affect our reputation as a funder of PA managers:

1. Conflicts between populations and/or uncontrolled indigenous people
2. Conflicts between the PA and indigenous populations and/or people

On the first point: the risk is indirect insofar as, in principal, the responsibility of the PA is not engaged. If this is nevertheless the case, the risk is that of the consequences of conflicts on the image of the PA manager and, as a result, on our own reputation.

On the second point: This risk exists and is quite high insofar as PAs are generally not very isolated from the activities of indigenous populations and/or people. There can be all sorts of conflicts: human-wildlife conflicts, conflicts over economic activities developed in the buffer zones, conflicts over the park's boundaries, over access to park resources, etc.

Within each PA, procedures are put in place to limit the consequences of these conflicts and to try to find an adequate and early response. In particular, a grievance mechanism is put in place, which is normally mandatory. When this is not the case, the Okapi Fund imposes the establishment of such a mechanism with a precise implementation schedule.

Regarding human rights abuses in Anti-Poaching operations, the reputational risk is very high:

- Such risks have been raised and documented for the PNKB by several NGOs
- The consequences for donors have been very serious, particularly in terms of their reputation with the general public

To address this risk, but more importantly to improve the situation and ensure that these events no longer happen in the future, the Okapi Fund has mandated that environmental, social and human rights due diligence be conducted before any disbursement to a PA. In addition, the due diligence requires a very specific environmental, social, and human rights action plan from the potential recipient of our grants. The Okapi Fund is responsible for monitoring the recipient's compliance with this plan. Finally, a significant portion of our grants are directly aimed at addressing human rights issues in and around the target PA.

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Adopted solution: (i) Approve funding that addresses and mitigates these risks; (ii) Implement strict environmental, social, and human rights safeguards in PAs; (iii) Ensure regular and thorough human rights monitoring; and (iv) Make successive disbursements contingent on progress on these issues by recipients.

In 2023

More generally, the risks faced by the Okapi Fund in the coming months are mainly threefold:

1. A financial risk due to the fragility, or even nervousness, of the financial markets due to the consequences on the global economic situation following the Covid-19 pandemic and the Ukrainian related crisis and their possible effect on the inflation trend. Due to this particular situation, the Okapi Fund, in particular through its Investment Committee and thanks to very regular communication with its portfolio manager (Evelyn Partners), will be very attentive to financial risks and will closely follow the evolution of financial indices on a daily basis.
2. A country risk, as the DRC is a highly unstable country, both politically and economically. The members of the Okapi Fund (Trustees & the executive direction) are therefore very attentive to political and economic developments in the country in order to be able to anticipate as far as possible any risk that might arise for its activities or its members or partners. In particular, the Okapi Fund closely monitors the situation in the Protected Areas, which are sometimes located in low security zones, by checking very regularly with its partners or the various stakeholders with whom the Okapi Fund is in contact to find out what the health and safety situation is on the ground.
3. Reputational risk: Due to accusations of human rights abuses in some protected areas against park officials, including Kahuzi-Biega-Biega National Park, there is a risk that if we fund this park, we will be associated with the accusations against the park if the issues raised have not been resolved and significant human rights safeguards have not been implemented in the park. On these points, the Okapi Fund will be particularly vigilant and will not disburse funds to Kahuzi-Biega-Biega National Park until the necessary measures to redress the wrongs have been put in place with a clear timetable and substantial resources. In addition, prior to funding Kahuzi-Biega-Biega National Park, the Okapi Fund has decided to fund an environmental, social and human rights due diligence to assess the situation at Kahuzi-Biega-Biega National Park, which will allow the Okapi Fund to determine the conditions under which it will, eventually, disburse funds to Kahuzi-Biega-Biega National Park (conditions precedent, implementation of necessary measures, sanctions carried out, etc.).

Regarding Point 1 above, while the risk of not achieving the 2023 financial objectives is high, the impact can be considered moderate and relatively controlled for the following reasons:

- a. The financial crisis, if it is to materialize in the course of 2023 will have no impact on the 2023 operating budget of the Okapi Fund, which is secured by funds provided by KfW — as well as additional funds expected soon from KfW too —and whose financial strength is not threatened by the potential crisis;

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- b. We maintain a significant position in liquid money market securities as long as the prospects of a financial and economic crisis are high;
- c. We will maintain an adequate financial reserve policy to enable us to meet our financial commitments over 2023 and 2024.

Reserves policy and going concern

The first capitalization funds (endowment funds) received by the Okapi Fund were invested in the financial markets in the first half of 2020 and the funding strategy (disbursements to protected areas) adopted by the Okapi Fund had planned the first disbursements for 2022.

Since 2019, KfW has provided funding for the operational running of the Okapi Fund of EUR 2 millions.

Depending on our needs, and based on the forecast financial statements, we can draw on these funds for periods of 6 months by making a duly documented application to KfW (by showing, in particular, that expenditures during the previous period were spent in accordance with the financial forecasts).

The first 1 million was committed by KfW in 2019 and was exhausted in June of 2022.

The second 1 million was committed by KfW in October 2022 with a view to covering operational costs of the Okapi Funds starting in January 2023 (until the end of 2024). In the interval (from June 2022 to December 2022) the Okapi Fund used funding from revenues generated by the Endowment Funds (in two instalments of 160 000 US\$ each).

In August 2022, the board approved the reserves policy through the approval of the James Money-Kyrle Report on Total Return and Reserves Policy.

The Okapi Fund needs to maintain sufficient free reserves to match this long-term funding commitment. The reserves policy is set to ensure we can deliver on our vision and mission and ensure our work is protected from the risk of disruption at short notice due to a lack of available funds, whilst at the same time ensuring we do not retain income for longer than required.

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As part of effective financial management, the Okapi Fund holds reserves to ensure we can:

- Manage financial risk. There are a range of risks we face, including the risk of an unforeseen drop in income due to unpredictable investment returns or unbudgeted increases in expenditure.
- Meet our long-term grant commitments and funding plans.

We have calculated that an appropriate reserves range for the Okapi Fund is USD \$1.0 to 1.5 million, which is broken down as follows:

Reserves range	US \$m
Financial risk (see below)	0.5
Grant commitments and long-term plans (see below)	0.5
Minimum level	1.0
Range	0.5
Maximum level	1.5

This equates to between 12- and 18-months charitable activities (such as funding of commitments to national parks) and operating and administration expenses.

The Okapi Fund's Reserves for the Year ended 31st December is:

Okapi Funds Statement	2022	2021
	US \$000	US \$000
Unrestricted Funds (Reserves)	36	101
Restricted Funds	0	0
Designated Funds	0	0
Permanent Endowment	18,884	14,794
Unapplied Total Return	217	3,388
Expendable Endowment	8,888	10,062
Total Funds⁴	28,025	28,344

Okapi Fund 'Free' Reserves for the Year to 31 st December	2022	2021
	US \$000	US \$000
Free Reserves ⁵	238	3,466
Ratio of Free Reserves to Annual Operating Expenditure ⁶	0.3	6.5

⁴ Total Funds include Unrestricted, Restricted, Designated and both Permanent and Expendable endowment.

⁵ Free Reserves are composed of Unrestricted Funds and Unapplied Total Return less tangible fixed assets and any designated grant commitments.

⁶ Operating expenditure covers charitable activities and administration expenses.

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The Okapi Fund reserves provide financial stability and the means for the long-term development and delivery of the Okapi Fund's charitable activity.

We intend to target our reserves at a level which is equivalent to one year's operating expenditure (covering grants and operational costs) due to the long-term nature of the Okapi Fund's activity and the volatility of investment returns that provide the Okapi Fund's principal source of income.

The impact of falling investment values in 2022 means that the reserves are (as of 31st December 2022) below the level set in the Policy of between USD\$1.0 and \$1.5 million. The Board will regularly review the amount of reserves that are required to ensure that they are able to meet all the Okapi Fund's continuing obligations and plans. The Okapi Fund has access to expendable endowment of over USD \$8 million, alongside grants covering operating costs for the next 3 years and therefore has more than adequate reserves to meet all operational and grants commitments for the foreseeable future.

When a transfer from the UTR to the Income Fund is approved by the Board, the sum transferred remains part of the Free reserves as Unrestricted Funds until spent.

Plans for the future

Looking forward to 2023, the main goals and activities of the Charity for 2023 are as follows (an Annual Activity Plan for 2023 has been developed by the management team and approved by Trustees in November 2022):

- **Pursuing Financing:** Among our main activities in 2023, we plan to make our first disbursement to KBNP and our second disbursement to the Garamba NP. The Grant Agreement with the Garamba NP will be signed at the end of June 2023 and disbursements will take place before the end of July 2023. Regarding KBNP, we expect to sign the Grant Agreement in September and disburse in October 2023. An important part of our work will be to ensure rigorous monitoring of the funding and its impacts on the ground.
- **New Capitalizations:** During 2023, we should be able to get a third contribution to our endowment from KfW. We also hope to finalize a contribution from AFD during the same period. All along we will continue to introduce the Okapi Fund to potential international institutional investors and private sector stakeholders. KfW mentioned an additional contribution of about 15 million euros for the Endowment Fund. The audit work for such a contribution is expected to start at the beginning of the second half of 2023.
- **Review of the Fundraising Strategy:** It is important to regularly (every 3 years) review the fundraising strategy of a trust fund in order to update its objectives by taking into account the achievements of the previous years and the circumstances of implementation of the activities whose context may have evolved over time. The Executive Director submitted a new Fundraising Strategy memo to the Executive Committee in March 2023. After minor modifications, this document was approved by the Board of Trustees of the 7th June 2023.

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This strategy also sets a timetable for fundraising, which will be implemented during the second half of 2023.

- **Fundraising:** Based on the review of our fundraising strategy mentioned above, we will organize a roadshow in the second half of the year with the main potential donors in the USA (especially private foundations).
- **Renewal of a Trustee:** The term of office of one Trustee expires in August 2023. It will be necessary to find competent persons to replace the Trustee. The selection process for a new Trustee will be initiated in March of 2023.
- **Other:**
 - Meet with stakeholders in the field of biodiversity conservation and establish relationships with them; in general, make these stakeholders aware of the activities of the Okapi Fund and the interest that such a tool represents for the protection of biodiversity in DRC. Develop partnerships with national, regional and international nature conservation institutions.
 - Determine the Grant Program for the year 2024 (With the support of the Grant Awarding Committee).
 - Develop a Fraud Prevention Policy in accordance with the requirements of the Charity Commission.
 - Evaluate the relevance and practicability of our environmental procedures.
 - Evaluate the impact of our financial support on the achievement of our purpose.

Small fundraising statement

We do not raise funds from the general public. However, we plan to increase the base of our endowment funds and restricted funds over the next few years and plan to meet with potential institutional and private donors in the coming months (this process has started in September 2020). Our fundraising strategy for the coming years was approved by the Trustees in June 2023.

We did not conduct fundraising activities with the general public in 2022 and incurred no expenditure in raising income. As we have not conducted any fundraising activities with the general public in 2022, we have not been confronted with any compliance issues or complaints of any kind.

Structure, governance and management

The Charity is a charitable company limited by guarantee, incorporated on 28 November 2013 and registered as a charity on 3 June 2014.

The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed by its Articles of Association. All trustees give their time voluntarily and receive no benefits from the charity. The Charity reimburses trustees for expenses incurred in carrying out their trustee duties, providing such

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expenses are reasonable and properly incurred. Please see note five to the accounts for more information.

In accordance with its Articles of Association, the Okapi Fund has delegated its day-to-day management to the Executive Committee and the Executive Director:

9.2 Subject to the Articles, the Directors may delegate the implementation of their decisions or day to day management of the affairs of the Charity to any person or committee.

11. Delegation of day to day management powers

In the case of delegation of the day to day management of the Charity to a chief executive or other manager or managers:

11.1 The delegated power shall be to manage the Charity by implementing the policy and strategy adopted by and within a budget approved by the Directors and (if applicable) to advise the Directors in relation to such policy, strategy and budget;

11.2 The Directors shall provide any manager with a description of his or her role and the extent of his or her authority; and

11.3 Any manager must report regularly to the Directors on the activities undertaken in managing the Charity and provide them regularly with management accounts which are sufficient to explain the financial position of the Charity.

The functioning of the Executive Committee and its powers are detailed in the Internal Regulations of the Okapi Fund (*Règlement Intérieur*) adopted by the Board of Trustees:

Article 12: Duties of the Executive Committee.

12.1 The Executive Committee intervenes to take decisions on immediate operational matters, which require urgency, for which the orientations of the Board of Directors are normally necessary, but which do not necessarily require the Board of Directors to be held. The Executive Committee shall not be responsible for any of the functions or powers that cannot be delegated to the Committees by the Board of Directors in accordance with Article 9.3 of the Articles of Association.

The remuneration of the Executive Director is set by the Board of Trustees.

The main factors taken into account for the remuneration of the Executive Director were the following:

1. The international and particular profile of the candidate.
2. The very high cost of living in the DRC.
3. Risks associated with the position, due to the political and economic instability of the country.

The amount of the compensation and benefits were determined in consultation with Michael Page, the company mandated to select the Executive Director, based on the remuneration of equivalent

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positions for international profiles that evolve in a difficult context and where the cost of living is one of the highest in the world. The amount of the remuneration is also justified by the political and economic instability of the DRC, particularly in the regions where the Protected Areas under the focus of the Okapi Fund are located (the Executive Director will visit them from time to time).

The current Executive Director was appointed by the Board of Trustees. His duties are detailed in his employment contract and in the Manual of Administrative and Accounting Procedures Manual, both approved by the Board of Trustees.

Appointment of Trustees

The appointment of Trustees is covered in detail in the Charity's Articles of Association (see Articles 25–28). The Articles allow for the Charity to have a minimum of 7 and a maximum of 9 trustees (or directors, as they are called in the Articles). At the end of 2022 there were 9 (2021: 9) trustees in office.

As mentioned above, the Okapi Fund replaced a number of Trustees in November 2022.

Related parties and relationships with other organisations

The Okapi Fund has no formally established relationship with any organisation outside of KfW, the World Bank and the ICCN. Details on related parties with KfW and ICCN are provided in Note 6 of the accounts.

KfW provided some funds and has one of its employees as a member of the Board in the person of Britta Oltmann (she is both the Director of the KfW Office in Kinshasa and a Trustee for the Fund).

Statement of responsibilities of the trustees

The Trustees (who are also directors of The Okapi Fund for Nature Conservation in the Democratic Republic of Congo for the purposes of company law) are responsible for preparing the trustees' annual 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The Trustees' annual report has been approved by the trustees on 25th August 2023 and signed on their behalf by

Victor Kabengele Wa Kadilu,
Chairman of the
Okapi Trust Fund's Board of Trustees

Independent auditor's report

For the year ended 31 December 2022

Opinion

We have audited the financial statements of The Okapi Fund for Nature Conservation in the Democratic Republic of Congo (the 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 FRS 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 charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 charitable company 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 Okapi Fund for Nature Conservation in the Democratic Republic of Congo'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.

Independent auditor's report

For the year ended 31 December 2022

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 the audit:

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Independent auditor's report

For the year ended 31 December 2022

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.

Independent auditor's report

For the year ended 31 December 2022

- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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.

Noelia Serrano (Senior statutory auditor)

Date: 18 September 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Statement of financial activities

For the year ended 31 December 2022

	Note	Unrestricted \$	Endowment \$	2022 Total \$	Unrestricted \$	Endowment \$	2021 Total \$
Income from:							
Donations	2	153,234	4,090,240	4,243,474	485,062	–	485,062
Other income		–	–	–	5,591	–	5,591
Investment income	3	–	347,834	347,834	–	285,454	285,454
Total income		153,234	4,438,074	4,591,308	490,653	285,454	776,107
Expenditure on:							
Cost of raising funds	4	50,844	116,425	167,269	20,891	122,571	143,462
Charitable activities							
Project expenses	4	715,148	–	715,148	456,422	–	456,422
Total expenditure		765,992	116,425	882,417	477,313	122,571	599,884
Net income for the year	9	(612,758)	4,321,649	3,708,891	933,735	122,571	1,056,306
Transfers between funds		540,000	(540,000)	–	–	–	–
Net income before Gains and (Losses)	5	(72,758)	3,781,649	3,708,891	13,340	162,883	176,223
(Loss) /Gain on investments	9	–	(4,028,209)	(4,028,209)	–	2,073,435	2,073,435
Forex Change (Losses) /Gains		(2,511)	(7,410)	(9,921)	(1,182)	11,667	10,485
Reconciliation of funds:							
Total funds brought forward		101,190	28,243,185	28,344,375	89,032	25,995,200	26,084,232
Total funds carried forward		25,921	27,989,215	28,015,136	101,190	28,243,185	28,344,375

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 13 to the financial statements.

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Balance sheet

Company number: 08794664

As at 31 December 2022

	Note	2022 \$	2021 \$
Non current assets:			
Tangible assets	10	15,523	22,888
Investments	9	27,989,215	28,243,185
		<u>28,004,738</u>	<u>28,266,073</u>
Current assets:			
Debtors	11	31,628	95,933
Cash at bank and in hand		328,404	33,790
		<u>360,032</u>	<u>129,723</u>
Liabilities:			
Creditors: amounts falling due within one year	12	(349,634)	(51,421)
		<u>10,398</u>	<u>78,302</u>
Net current assets		<u>10,398</u>	<u>78,302</u>
Total net assets		<u><u>28,015,136</u></u>	<u><u>28,344,375</u></u>
The funds of the charity:	15		
Restricted funds:			
Endowment Fund		27,989,215	28,243,185
Unrestricted funds		<u>25,921</u>	<u>101,190</u>
Total charity funds		<u><u>28,015,136</u></u>	<u><u>28,344,375</u></u>

Approved by the trustees on 25th August 2023 and signed on their behalf by

Victor Kabengele Wa Kadilu
Chair

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Statement of cash flows

For the year ended 31 December 2022

		2022	2021
	Note	\$	\$
Cash flows from operating activities			
Net income for the reporting period (as per the statement of financial activities)		(329,239)	2,260,143
Depreciation charges		7,365	8,125
Loss/ (gains) on investments including forex		4,028,209	(2,085,102)
Income from investments		(347,834)	(285,454)
Decrease/(Increase) in debtors		64,305	(71,314)
Increase in creditors		298,213	19,537
Net cash provided by /(used in) operating activities		3,721,019	(154,065)
Cash flows from investing activities:			
Purchase of investments		(11,966,566)	(12,432,810)
Proceeds from sale of investments		10,076,863	12,320,208
Purchase of fixed assets		-	(25,418)
Income from investments		347,834	285,454
Movement in cash held by investment manager		(1,884,536)	(50,281)
Net cash (used in)/ provided by investing activities		(3,426,405)	97,153
Change in cash and cash equivalents in the year		294,614	(56,913)
Cash and cash equivalents at the beginning of the year		33,790	90,702
Change in cash and cash equivalents due to exchange rate movements		-	-
Cash and cash equivalents at the end of the year		328,404	33,790

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies

a) Statutory information

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 10 Queen Street Place, London, EC4R 1BE.

b) Basis of preparation

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) – (Charities SORP FRS 102). The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006/Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Since 2019, KfW has provided funding for the operational running of the Okapi Fund of EUR 2 millions.

Depending on our needs, and based on the forecast financial statements, we can draw on these funds for periods of 6 months by making a duly documented application to KfW (by showing, in particular, that expenditures during the previous period were spent in accordance with the financial forecasts).

The first 1 million was committed by KfW in 2019 and was exhausted in June of 2022. The second 1 million was committed by KfW in October 2022 with a view to covering operational costs of the Okapi Funds starting in January 2023 (until the end of 2024).

In the interval (from June 2022 to December 2022) the Okapi Fund used funding from revenues generated by the Endowment Funds (in two instalments of 160 000 US\$ each).

In addition, in December 2022, the Okapi Fund received an additional 4 million euros from the German Cooperation through the KfW as a permanent endowment fund.

Finally, we adopt a conservative reserve policy each year to ensure that we have sufficient liquid assets available at all times should the need arise.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' 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.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Expenditure and irrecoverable VAT

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

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies (continued)

g) Grants payable

Grants payable are made to third parties in accordance with the charity's governing documents. These grants are charged to the statement of financial activities in the year in which the offer is conveyed to the recipient. No grants were communicated to recipient before the year end.

h) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Trustees adopt a total return approach, under which the target is to achieve total return (net of fees) of 4% above RPI inflation, allowing the fund to withdraw from the portfolio to either income funds or trust for investment to contribute to its running costs each year. Investment income is allocated to the endowment funds when receivable. Withdrawals from the endowment funds are shown as transfers between funds. Within the year annualised total return (net of fees) of 10.9% was achieved.

i) Debtors

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

j) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

k) Fixed assets

Items of equipment are capitalised where purchased. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

The depreciation rates of fixed assets are as follows:

- Computer equipment – 3 years straight line
- Fixtures and Fittings – 4 years straight line
- Motor Vehicles – 4 years straight line

l) Financial instruments

The charity 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.

m) Foreign exchange policy

Transactions in foreign currencies are translated at the average rate for the year using HMRC rates. All exchange gains/losses are charged to the statement of financial activities and separately disclosed.

n) Presentational currency

The financial statements are presented in United States Dollars. The functional currency is between United States Dollars, Euros and Congolese Franc.

o) Funds

The restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

The unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

The endowment funds include permanent endowment funds, where the capital must be retained, and expendable endowment funds, which can be converted into income at the discretion of the Trustees. The totality of the funds received from the World Bank (US\$ 7.4 million) are treated as Permanent Endowment Funds according the wishes expressed by the donor.

Following the wished of the donor, the funds received form KfW, namely Euro 14 million received in December 2019, are treated as:

- Permanent Endowment funds for the value of US\$ 7.4 million (based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).
- Expendable Endowment Funds for the value of EURO 14 million less the amount mentioned above (14M euros – 7.4M US\$ based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).

The Okapi Fund received 4 millions Euros as new permanent endowments in 2022.

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Notes to the financial statements

For the year ended 31 December 2022

2 Income from donations and legacies (unrestricted)

			2022	2021
	Unrestricted	Endowment	Total	Total
	\$	\$	\$	\$
Donations: KfW	153,234	4,090,240	4,243,474	438,183
Gifts in Kind: KfW	-	-	-	46,879
	153,234	4,090,240	4,243,474	485,062

All income from the prior year was unrestricted.

3 Income from investments

			2022	2021
	Unrestricted	Endowment	Total	Total
	\$	\$	\$	\$
Dividends	-	347,834	347,834	285,454
	-	347,834	347,834	285,454

All income from the prior year was endowment.

4a Analysis of expenditure (current year)

	Cost of raising funds	Charitable activities	Support costs	Governance costs	2022 Total	2021 Total
	\$	\$	\$	\$	\$	\$
Staff Costs (note 5)	27,889	111,558	83,668	55,779	278,894	272,544
Grants	-	220,000	-	-	220,000	-
Consultancy	-	-	91,895	-	91,895	46,879
Legal fees	-	-	-	2,682	2,682	5,634
Admin and Rent	11,450	-	73,831	-	85,281	90,417
Accountancy and audit	-	-	-	55,530	55,530	49,341
IT Costs	-	-	-	1,054	1,054	1,041
Depreciation expense	-	-	7,365	-	7,365	8,125
Investment manager's fees	116,425	-	-	-	116,425	122,571
Other expenses	-	-	23,291	-	23,291	2,974
Trustees' expenses	-	-	-	-	-	358
	155,765	331,558	280,050	115,045	882,417	599,884
Support and Governance costs	11,504	383,590	(280,050)	(115,045)	-	-
Total expenditure 2022	167,269	715,148	-	-	882,417	599,884

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Notes to the financial statements

For the year ended 31 December 2022

4b Analysis of expenditure (prior year)

	Cost of raising funds	Charitable activities	Support costs	Governance costs	2021 Total
	\$	\$	\$	\$	\$
Staff Costs (note 5)	20,891	83,562	115,865	52,226	272,544
Consultancy	-	-	46,879	-	46,879
Legal fees	-	-	-	5,634	5,634
Admin and Rent	-	9,793	80,624	-	90,417
Accountancy and audit	-	-	-	49,341	49,341
IT Costs	-	-	1,041	-	1,041
Depreciation expense	-	-	8,125	-	8,125
Investment manager's fees	122,571	-	-	-	122,571
Other expenses	-	-	2,974	-	2,974
Trustees' expenses	-	-	-	358	358
	143,462	93,355	255,508	107,559	599,884
Support and Governance costs	-	363,067	(255,508)	(107,559)	-
Total expenditure 2021	143,462	456,422	-	-	599,884

5 Net income for the year

This is stated after charging:

	2022	2021
	\$	\$
Trustees' reimbursed expenses	-	358
Foreign exchange (gain)/loss	9,921	(11,667)
Auditor's remuneration (excluding VAT):		
Audit	16,035	16,530
Other services	5,446	5,510

Notes to the financial statements

For the year ended 31 December 2022

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022	2021
	\$	\$
Salaries and wages	236,908	234,438
Social security costs	41,986	38,106
	<u>278,894</u>	<u>272,544</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2022 No.	2021 No.
\$206,629 – \$220,403	<u>1</u>	<u>1</u>

Gross salaries, social security, and employer pension contributions for key management personnel this year were \$207,227 (2021: \$272,043).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: \$nil). No charity trustee received payment for professional or other services supplied to the charity (2021: \$nil).

There were no trustees' expenses in 2022. In 2021, 2 trustees were reimbursed expenses include travel, accommodation and disbursement costs in relation to overseas travel and subsistence totalling \$358.

The average number of employees (head count based on number of staff employed) during the year was 3 (2021: 2).

7 Related party transactions

Britta Oltmann is the head of the KfW bureau in Kinshasa and a Trustee for the Fund. During the year 2022, KfW provided part of the operational budget of the Okapi Fund (covering the first 6 months of 2022). The Okapi Fund also received 4 million euros in permanent endowments in December 2022.

Jean-Philippe Waterschoot, who was a trustee (until December 2022) is the CEO of TEXAF. TEXAF is the parent company of COTEX, from whom the Okapi Fund is leasing their office. The lease was agreed on an arm's length basis and Jean-Philippe Waterschoot is not a signatory on the lease. A total of \$27,656 was paid by the Okapi Fund to COTEX in the year (2021: \$54,190).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

8 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Notes to the financial statements

For the year ended 31 December 2022

9a Listed investments (current year)

	2022 \$	2021 \$
Fair value at the start of the year	27,999,362	25,801,658
Additions at cost	11,966,566	12,432,810
Disposal proceeds	(10,076,863)	(12,320,208)
Net gain on change in fair value	(4,028,209)	2,085,102
	25,860,856	27,999,362
Cash held by investment broker pending reinvestment	2,128,359	243,823
Fair value at the end of the year	27,989,215	28,243,185

As of 19th June 2023 the value of investment portfolio is approximately USD 29,543,275

	Permanent Endowment \$	Unapplied Total Return \$	Total \$
At beginning of the reporting period or date of resolution:			
Gift component permanent endowment	14,793,588	–	14,793,588
Unapplied total return	–	3,386,845	3,386,845
Forex adjustment to opening balance	–	891	891
Total	14,793,588	3,387,736	18,181,324
Movements in the reporting period:			
Gift of endowment funds	4,090,240	–	4,090,240
Investment return: dividends and interest	–	240,496	240,496
Investment return: realised and unrealised gains and (losses)	–	(2,790,285)	(2,790,285)
Less: Investment management costs	–	(80,498)	(80,498)
Total	4,090,240	(2,630,287)	1,459,953
Unapplied total return allocated to income in the reporting period	–	(540,000)	(540,000)
Net movements in reporting period	4,090,240	(3,170,287)	919,953
At end of the reporting period:			
Gift component permanent endowment	18,883,828	–	18,883,828
Unapplied total return	–	217,449	217,449
Total	18,883,828	217,449	19,101,277

Notes to the financial statements

For the year ended 31 December 2022

9b Listed investments (prior year)

	Permanent Endowment	Unapplied Total Return	Total
	\$	\$	\$
At beginning of the reporting period or date of resolution:			
Gift component permanent endowment	14,793,588	–	14,793,588
Unapplied total return	–	1,941,823	1,941,823
Total	14,793,588	1,941,823	16,735,411
Movements in the reporting period:			
Gift of endowment funds	–	–	–
Investment return: dividends and interest	–	188,373	188,373
Investment return: realised and unrealised gains and (losses)	–	1,335,585	1,335,585
Less: Investment management costs	–	(78,936)	(78,936)
Total	–	1,445,022	1,445,022
Unapplied total return allocated to income in the reporting period	–	–	–
Net movements in reporting period	–	1,445,022	1,445,022
At end of the reporting period:			
Gift component permanent endowment	14,793,588	–	14,793,588
Unapplied total return	–	3,386,845	3,386,845
Total	14,793,588	3,386,845	18,180,433

Notes to the financial statements

For the year ended 31 December 2022

10 Tangible fixed assets

	Motor vehicles	Fixtures and fittings	Computer equipment	Total
Cost	\$	\$	\$	\$
At the start of the year	25,418	4,135	2,953	32,506
Additions in year	–	–	–	–
At the end of the year	25,418	4,135	2,953	32,506
Depreciation				
At the start of the year	6,354	1,722	1,542	9,618
Charge for the year	5,759	749	857	7,365
At the end of the year	12,113	2,471	2,399	16,983
Net book value				
At the end of the year	13,305	1,664	554	15,523
At the start of the year	19,064	2,413	1,411	22,888

All of the above assets are used for charitable purposes.

11 Debtors

	2022	2021
	\$	\$
Trade debtor	26,926	88,553
Prepayments	4,702	6,380
Accrued income	–	1,000
	31,628	95,933

12 Creditors: amounts falling due within one year

	2022	2021
	\$	\$
Payroll creditor	–	15,122
Trade creditors	33,709	13,039
Accruals	22,653	23,260
Deferred income (note 13)	293,272	–
	349,634	51,421

Notes to the financial statements

For the year ended 31 December 2022

13 Deferred income

Deferred income comprises funds received in advance from KFW for activity to take place in 2023.

	2022	2021
	\$	\$
Balance at the beginning of the year	–	–
Amount released to income in the year	–	–
Amount deferred in the year	293,272	–
	<u>293,272</u>	<u>–</u>
Balance at the end of the year	<u>293,272</u>	<u>–</u>

14a Analysis of net assets between funds (current year)

	General unrestricted	Endowment	Total funds
	\$	\$	\$
Fixed assets	15,523	–	15,523
Investments	–	27,989,215	27,989,215
Net current assets	10,398	–	10,398
	<u>25,921</u>	<u>27,989,215</u>	<u>28,015,136</u>
Net assets at 31 December 2022	<u>25,921</u>	<u>27,989,215</u>	<u>28,015,136</u>

14b Analysis of net assets between funds (prior year)

	General unrestricted	Endowment	Total funds
	\$	\$	\$
Fixed assets	22,888	–	22,888
Investments	–	28,243,185	28,243,185
Net current assets	78,302	–	78,302
	<u>101,190</u>	<u>28,243,185</u>	<u>28,344,375</u>
Net assets at 31 December 2021	<u>101,190</u>	<u>28,243,185</u>	<u>28,344,375</u>

Notes to the financial statements

For the year ended 31 December 2022

15a Movements in funds (current year)

	At 1 January 2022	Incoming resources & gains	Outgoing resources & losses	Transfers	At 31 December 2022
	\$	\$	\$	\$	\$
Restricted funds:					
Permanent Endowment	18,180,433	4,330,736	(2,870,783)	(539,109)	19,101,277
Expendable Endowment	10,062,752	107,338	(1,281,261)	(891)	8,887,938
	28,243,185	4,438,074	(4,152,044)	(540,000)	27,989,215
Unrestricted funds:					
General funds	101,190	153,234	(768,503)	540,000	25,921
Total funds	28,344,375	4,591,308	(4,920,547)	–	28,015,136

15b Movements in funds (prior year)

	At 1 January 2021	Incoming resources & gains	Outgoing resources & losses	At 31 December 2021
	\$	\$	\$	\$
Restricted funds:				
Permanent Endowment	16,735,411	1,523,958	(78,936)	18,180,433
Expendable Endowment	9,259,789	846,598	(43,635)	10,062,752
	25,995,200	2,370,556	(122,571)	28,243,185
Unrestricted funds:				
General funds	89,032	489,471	(477,313)	101,190
Total funds	26,084,232	2,860,027	(599,884)	28,344,375

Purposes of Endowment funds

The Okapi Fund has received funding from KfW and the World Bank to support the pursuit of its charitable objectives. The endowment fund is intended to generate significant, stable and predictable financial resources for the management of selected protected areas in the DRC, with a focus on sustainably financing the management costs of Parc National Kahuzi-Biega (PNKB) and the Parc National Garamba (PNG). The totality of the funds received from the World Bank (US\$ 7.4 million) are treated as Permanent Endowment Funds according to the wishes expressed by the donor.

Following the wishes of the donor, the funds received from KfW, namely EURO 14 million received in December 2019, are treated as:

Permanent Endowment funds for the value of US\$ 7.4 million (based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).

Expendable Endowment Funds for the value of EURO 14 million less the amount mentioned above (14 million EURO – 7.4million US\$ based on the conversion rate in effect on the date of receipt of funds in the accounts held with Evelyn Partners). We also received 4 additional million euros from KfW in December 2022, which are to be treated as Permanent Endowment Funds.

Notes to the financial statements

For the year ended 31 December 2022

16 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property	
	2022	2021
	\$	\$
Less than one year	11,610	12,270
	11,610	12,270

17 Contingent Liability

There are additional taxes for Expatriate employees within the DRC. Okapi should not have to paid this taxes due to its charitable status, however the charity are choosing to provide against the cost, and will seek legal advice. The extended costs would be approximately \$38k.

18 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to \$1.24.

THE OKAPI FUND FOR NATURE CONSERVATION IN THE DEMOCRATIC REPUBLIC OF CONGO

England & Wales - Charity number 1157294

Accounts

Company Number: 08794664

Charity Number: 1157294

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Report and financial statements

For the year ended 31 December 2021

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

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The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Reference and administrative information

For the year ended 31 December 2021

Company number 08794664

Charity number 1157294

Registered office and operational address 10 Queen Street Place, London, EC4R 1BE

Country of registration England & Wales

Country of incorporation United Kingdom

Trustees Trustees (who are also directors of The Okapi fund for nature conservation in the Democratic Republic of Congo for the purposes of company law) who served during 2021 were as follows:

Bob Tumba (Chair)
Jean Mbuyu
Jean-Philippe Waterschoot
Kapupu Diwa Mutimanwa
Patrick Welby
Yvette Shabani Mwangi Barhashishwa
Britta Oltmann
Samy Mankoto and
Dieudonné Musibono

Executive Director Guillaume Gervais de Rouville

Administrative Assistant Karen Kibanga

Solicitors Bates Wells
10 Queen Street Place
LONDON
EC4R 1BE

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditors
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

Investment Manager Smith & Williamson Investment Management
25 Moorgate
LONDON
EC2R 6AY

Trustees' annual report

For the year ended 31 December 2021

The trustees present their report and the audited financial statements for the year ended 31 December 2021.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and Activities

Purposes and aims

As set out in the Charity's Articles of Association, its purposes are to promote for the benefit of the public, the conservation, protection and improvement of the natural environment and biodiversity of the Democratic Republic of the Congo (DRC), with priority focus on DRC's national system of protected areas. Specifically, it aims to:

- i) Promote, for the benefit of the public, sustainable development that supports the conservation of biodiversity in DRC, in particular the protected areas and/or other conservation areas of significant ecological value and/or significant biological importance including:
 - (a) The preservation, conservation and the protection of the environment and the sustainable use of natural resources; and
 - (b) The relief of poverty and the improvement of the conditions of life for the benefit of populations living in and around protected areas and other areas of significant ecological conservation and/or significant biological importance.
- ii) Advance the education of the public on environmental issues including the biodiversity, conservation, sustainability and management of DRC's protected areas and/or other areas of significant ecological conservation and/or significant biological importance.

The trustees periodically review the aims, objectives and activities of the charity and have always reaffirmed the purpose and aims as noted here. It is additionally affirmed that the trustees have had regard to the Charity Commission's guidance on public benefit.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees have considered how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance

The Charity's activities and achievements during 2021 have been concentrated on (i) determining the eligibility of protected areas to receive the first Okapi Fund grants, on the establishment of the Grant Committee to assist in this task, on field missions to familiarize the executive team with the protected areas and to begin working with protected areas on programs to be funded, on (ii) the development of the environmental and social management system, on (iii) strengthening the visibility of the Okapi Fund among public and private stakeholders, on (iv) continuing efforts to strengthen the Okapi Fund's endowment funds, and on (v) monitoring the financial markets in a particularly volatile period.

Following the strategy defined by the Board of Trustees, it was decided that the year 2021 would be focused on field knowledge of protected areas and on determining their eligibility for Okapi Fund grants. Thus, no subsidy disbursements to Protected Areas have been planned in order to allow the capital base of the fund to grow. This strategy, which paid off in 2020 and in 2021, thanks to a return on investment above our objectives, will allow us to start financing protected areas from 2022 onwards. This strategy will allow the Okapi Fund to avoid cutting into the Expendable Endowment Fund from the beginning of its existence.

This strategy also follows the explicit wishes of our donors in this area, in particular the strategy of KfW as spelled out in our financial support agreement with them signed in December 2019.

Like all Conservation Trust Funds around the world, the strategy of the Okapi Fund is a long-term one: it is to become a long-term tool in the national donor landscape for protected areas. The vocation of the Okapi Fund is to finance Protected Areas over periods that can go on for several decades. This is why the strategy chosen is in line with this perspective and does not aim to disburse funds to Protected Areas as quickly as possible, but to take the time to make the capital granted by international donor's bear fruit, then to closely explore the real financial needs of the target Protected Areas, and, finally, to disburse the funds according to strict specifications criteria.

Fundraising

Regarding fundraising, the most successful discussions took place with *l'Agence Française de Développement (AFD)* on the one hand and KfW on the other. The discussions may lead to a significant increase in the Okapi Fund's endowment during the year 2023, this is still under discussion with KfW.

In the 1st Three-Year Plan, we had anticipated an increase in our endowment as early as 2021, but due to the Covid-19 health crisis, a number of meetings and discussions had to be postponed, which delayed the implementation of our agenda in this regard.

AFD: Discussions with AFD, which began in October 2020, continued throughout the first and second half of 2021.

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Trustees' annual report

For the year ended 31 December 2021

Following exchanges between their various departments, the Okapi Fund and KfW, it appears that AFD would like its support to go to the National Park of Kahuzi-Biega and in particular (i) the human rights unit and (ii) the Bukavu dialogue process.

AFD would provide financial support as follows:

- 2 million euros for the Endowment Fund ;
- 3 million euros in operational support to the PNKB: either directly to the PNKB manager, or otherwise (or even through the Okapi Fund if feasible – modalities to be discussed at a later stage).

AFD will commission a consultant in early 2022 to conduct a feasibility study on the basis described above. If the conclusions of the consultant's mission are positive, financing for the Okapi Fund should be made available in the second half of 2022.

KfW: During the second half of 2021, KfW has indicated its desire to significantly strengthen the Okapi Fund endowment. Due diligence was carried out by KfW teams with the Okapi Fund during the months of October, November and December 2021. The discussions led to the signing, at the end of December 2021, of a Financing Agreement between the DRC Ministry of Finance, KfW and the Okapi Fund for a financing of 5 million euros (4 million euros for the endowment fund and 1 million euros for the Okapi Fund's operating costs over the next few years) to be made available during the second semester of 2022.

Preparation of the funding of the Protected Areas

An important activity for the Okapi Fund in 2021 was the acquisition of knowledge to determine the eligibility and the precise financial needs of the Protected Areas.

During the year 2021, we were able to carry out missions in the National Park of Kahuzi-Biega (PNKB) in May 2021, the Garamba National Park (Garamba NP) in November 2021 and in Bombo Lumene (June 2021).

The Grant Award Committee (GAC) was set up (August 2021) and was able to carry out its work of studying the eligibility of Protected Areas for Okapi Fund financing. It is composed of the following individuals: Bob Tumba, Britta Oltmann, Patrick Welby and Guillaume de Rouville. In the coming months, the Grant Committee will be enriched by the presence of a person from outside the Board of Trustees.

The committee's primary responsibilities are to:

1. Examine the eligibility of Protected Areas to the Okapi Fund grants.
2. Define the attributable amounts as well as the catalogue of eligible measures.
3. Monitor grants awarded and whether they are being used for the intended purpose.

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

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For the year ended 31 December 2021

Based on the reports of the Executive Director and the COS Advisory Opinion, the Board of Directors decided to grant US\$ 550,000 for the targeted PAs in 2022, 70% of which will go to PNKB and 30% to Garamba NP.

Letters of invitation to apply for the grants were sent to the Garamba NP in October and to the National Park of Kahuzi–Biega in November 2021.

The first disbursements will be made once the environmental and social due diligences (**ESDD**) are completed in the second half of 2022. These due diligences will be conducted by an independent consulting firm and will be financed by the Okapi Fund and other potential partners.

Development of the environmental and social management system (ESMS)

Financial Institutions like the Okapi Fund are required to adopt and maintain systems, procedures, and capacity in the form of an Environmental and Social Management System (ESMS) to assess, manage, and monitor the environmental and social risks and impacts of Projects, and to manage overall portfolio risk in a responsible manner.

In conjunction with the Okapi Fund Operations Manual, the ESMS defines the procedures, tools and responsibilities for assessing, managing and monitoring the environmental and social risks and impacts associated with Okapi Fund projects throughout the project life cycle.

The objectives of the ESMS are to:

- Identify, assess, mitigate, and monitor Environmental and Social (E&S) risks in Okapi Fund-supported enterprises and projects;
- Comply with national laws and regulations of host countries and align with international E&S standards;
- Establish and maintain the Okapi Fund's good reputation for E&S performance with clients, investors and other stakeholders.

The ESMS is structured in accordance with Congolese law and international applicable safeguard standards and guidelines (World Bank, SFI and KfW mainly).

ERM is the consulting firm in charge of developing our environmental and social management system.

Discussions have been ongoing since October 2021; a first draft of the ESMS has been reviewed in December 2021.

A field mission by ERM teams has been organized in February 2022 (including training for the Board and the Executive Team on the ESMS).

Final version of the ESMS has been provided in mid-April 2022 and will be submitted to the Board for approval in June 2022.

Trustees' annual report

For the year ended 31 December 2021

Development of the Three-Year Plan 2022–2024

A new Three-Year Plan has been developed in the second half of 2021 and has been approved at the first Board meeting of 2022 (January 2022). It covers the years 2022 to 2024. It is intended for the Ministry of Planning of the DRC.

This plan summarizes all of the main activities planned by the Okapi Fund for the period covered.

Networks, Partnerships and Events

On January 11, 2021 we participated in the One Planet Summit which took place online under the patronage of France. The conference announced the creation of the Natural Capital Investment Alliance, which already includes HSBC Pollination Climate Asset Management, Lombard Odier and Mirova. It brings together financial players wishing to increase their investments in the restoration of biodiversity. Its goal is to mobilize \$10 billion for nature by 2022.

Since October 2021, Okapi Fund has been a member of the Executive Committee of CAFE (the African Consortium of Environmental Funds): as such, we participate in the network's key decision-making processes. In July 2022, we will participate in the first African Congress of Protected Areas with CAFE, which will be held in Kigali.

We have also established close ties with USAID: in 2021, we participated with USAID in the ZooHackathon, an event during which we awarded the Okapi Fund Prize for Environmental Education and Wildlife Protection (a grant of US\$1,000 to the team of coders who proposed the best digital solution to combat wildlife crime).

We also organized a joint event entitled Apéro–Bio(diversité), on December 13, 2021, aimed at bringing together actors from the environmental sector and the private sector in order to decompartmentalize these two universes and allow for fruitful exchanges that could lead to partnerships between these different stakeholders.

We also participated in many other events where we were able to present the activities of the Okapi Fund, including (but not limited to):

- September 16, 2021: At the request of Olivier Mushiete, the new (interim) director of ICCN, we gave a presentation of the Okapi Fund to about 30 people, including : Leslie Ouarzazi (UNDP), Pierre Bardoux–Chesneau (UN Multi–Partner Trust Fund); Robert Muire (Site Director of Upemba–Kundelungu); Alain Huart, etc. We were able to exchange with Leslie Ouarzazi, in charge of negotiations on behalf of CAFI with the Congolese authorities, on the possibility, for the Okapi Fund, to receive funds from CAFI.
- September 17, 2021: presentation of the Okapi Fund to the European Union, in the presence of : Patrick–Bernard Brunet (environment director), Filippo Saracco and Luis Rodriguez.
- September 21, 2021: meeting with Martijn Heegde of GiZ to discuss GiZ's activities in the DRC and to present the progress made by the Okapi Fund in 2021.
- September 28, 29, 30, 2021: we attended the RedLac Congress which brings together Conservation Trust Funds in Latin America and with which CAFÉ has a partnership

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For the year ended 31 December 2021

agreement. The main interest was to share experiences and discuss the main issues facing trust funds.

Miscellaneous:

1. During this period, we prepared two Risk Assessment Reports which were submitted to the members of the Executive Committee and sent to all members of the Board of Trustees after incorporating the comments received from the members of the Executive Committee.
2. We created a regular Information Bulletin (3 bulletins in 2021) for the Trustees as part of their training.
3. We have strengthened the capacities of the operational team: in particular, by enabling the Administrative Assistant to follow an accounting and financial training and through field missions for the Executive Director.
4. We hired a driver.

Financial review

Source of capitalisation & financial resources

No capitalisation money was received in 2021.

In 2021, the Charity has, however, received support from:

1. KfW through the Separate Agreement (*Convention Séparée*) between KfW and the Okapi Fund: The third tranche of KfW project funds for the operationalisation of the Okapi Fund was received from KfW on the Okapi Fund's DRC bank account in April 2021, the fourth tranche in October 2021. In total, for the year 2021, the Okapi Fund received the sum of 315,905 Euros for annual operating costs from KfW.
2. KfW through a direct funding to the ERM consulting firm developing our environmental and social management system. The amount to be attached to the year 2021 for this service amounts to : 39,660 Euros

The 2021 financial accounts therefore report the Charity receiving funding in 2021 from one source:

- i) KfW (The German Development Bank).

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

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For the year ended 31 December 2021

Resource utilisation framework

The investment policy followed by the Okapi Fund has been developed to be fully compliant with the recommended Practice Standards for Asset Management (standards 1–9) as set out by the Conservation Finance Alliance and best practice guidance in the annual Conservation Trust Investment Survey published by WCS. Furthermore, the Okapi Fund follows the World Bank's Environmental and Social Framework and the World Bank Group's general and sector-specific Environmental, Health and Safety Guidelines.

As the Okapi Fund is a charitable entity dedicated to environmental conservation, the investments made by the investment manager must not be inconsistent with the objectives of the charity. The investment of the funds, inclusive of all investment instruments, are subject to SRI (Socially Responsible Investing) sectoral filtering and compliance with the ESG and responsible investing policies and detailed exclusions listed in the Investment Policy statement.

The capitalisation funds received from KfW at the end of 2019 and from The World bank in January 2020 were put in the Endowment Fund. These funds have been progressively invested in the financial markets by our portfolio manager, Smith & Williamson, in accordance with our Investment Policy Statement and under the supervision of our Investment Committee.

The Endowment Fund holds Okapi Fund's longer-term investment assets and the returns from these assets provide resources that the Okapi Fund can deploy in furtherance of its charitable aims.

The totality of the funds received from the World Bank (US\$ 7.4 million) are treated as Permanent Endowment Funds according to the wishes expressed by the donor.

Following the wishes of the donor, the funds received from KfW, namely Euro 14 million received in December 2019, are treated as:

- Permanent Endowment funds for the value of US\$ 7.4 million (based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).
- Expendable Endowment Funds for the value of EURO 14 million less the amount mentioned above (14M euros less the 7.4M US\$ based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).

The Portfolio in 2021

As of 31 December 2021, the portfolio reached a (potential, un-realised) total return on investment of 8.66%, compared to the total return target (net of fees) of 4% above RPI.

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Trustees' annual report

For the year ended 31 December 2021

As of December 31, 2021, the portfolio had a potential appreciation of more than 20% since January 1, 2020. Even taking inflation into account, the financial objectives of the Okapi Fund, as defined in the Investment Policy, have been exceeded.

As of December 31, 2021, the portfolio was allocated as follows:

- 10,4 % in Cash
- 13,5 % in US bonds & treasury bills
- 73,2 % in stocks
- 2,9 in other investments

The portfolio's currency exposure was as follows:

- 77.7% in US\$ assets
- 4.6% in Euro assets
- 8.9% to Sterling assets
- 8.8% in other currencies

Total Return Approach Adopted

In the first half of 2021, the Okapi Fund decided to adopt the Total Return Approach, by taking the following resolution voted unanimously by the members present:

- *The Board of Trustees of the Okapi Fund has fully considered the Total Return Report and has resolved to adopt a resolution under Section 104(A) of the Charities Act 2011 to apply a total return approach to investment in accordance with the relevant regulations as follows:*

Total return for the Okapi Fund Permanent Endowment Fund investment.

This resolution identifies the Permanent Endowment Fund as the relevant fund that will be subject to total return investment. As of December 31, 2020, the value of the relevant fund consists of:

1. *The Investment Fund consisting of original capital contributions from donors of USD 14,793,588*
2. *The unapplied total return of USD 1,941,892.*

This is based on the valuation of the endowment capital contributions received and the total unapplied return retained in the relevant fund, as at 31 December 2020.

The Total Return Report was written and submitted to the Board members by a recognized expert in the field, James Money-Kyrle. It was on the basis of this report that the Trustees made their informed decision regarding the adoption of the Total Return approach.

Principal risks and uncertainties

The Trustees have considered the risks that the Charity faces as of the date of this trustees' report. Having reviewed these risks and the steps being taken, the trustees are confident that these risks are being managed appropriately.

In 2020, a risk register was set up. This risk register records risks as they arise and indicates the measures that are taken to mitigate or eliminate them. This register is kept up to date at all times and is available in our office. It is communicated to the trustees at each meeting of the Board of Directors who review the Risk Assessment Report.

In 2021, two Risk Assessment Reports were produced by the Executive Director, discussed in the Executive Committee and reviewed and approved by the trustees before and during the Board meetings.

In 2021

The main risks faced during the Year 2021, and mitigating measures being taken, are described in the following sections.

The main risks reported and reviewed in 2021 were as follows:

- Operational risks;
- Financial Risks;
- Fiscal Risks.

Operational risks

The most significant operational risk identified was the following:

1. Difficulty meeting donors in order to implement fundraising activities due to the Covid-Crisis.

1. Difficulty meeting donors in the context of fundraising due to the Covid Crisis

The Covid-19 crisis has had an impact on the possibility of meeting face-to-face with a certain number of interlocutors (mainly during the first semester).

The main effect of the crisis has been to delay discussions with some potential donors. However, this has not prevented progress with AFD and KfW.

At this stage, the risk of a negative impact of the Covid-related situation on the fundraising plan is considered "moderate" since (i) our goals in terms of fundraising are not short-term goals; (ii) positive discussion with AFD are ongoing for an endowment in 2022; (iii) KfW will commit 5 additional million euros in 2022 (4 millions euros as permanent endowment funds and 1 million euros for the operational budget of the Okapi Fund).

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For the year ended 31 December 2021

Financial risks

Two financial risks were identified in 2021:

1. Inflation and volatility of financial markets.
2. Costs of medical coverage for employees.

1. Inflation & Volatility of Financial Markets

US inflation has reached an important peak in 2021. It is difficult to know whether it will last. The fact that there is inflation is not in itself a surprise, given the end of the health crisis, which has the effect of opening up economies again and boosting demand in all areas.

Nevertheless, the risk for markets is that higher inflation will become more entrenched in the economy and that this situation will cause central banks to tighten monetary policy prematurely.

Inflation uncertainty and the fact that the ECB announced a reduction in its asset purchases (i.e. quantitative easing) in September, could potentially lead to greater market volatility in the coming months. It could, therefore, alter the rentability of the portfolio and render more difficult the attainment of our objectives as set out in our investment policy.

In order to be able to disburse funds in favor of Protected Areas in the coming years, we have established a reserve policy which should allow us to meet our disbursement targets.

2. Costs of medical coverage for employees

The Insurance Code of the DRC does not allow for collective coverage of employees by medical insurance to cover employees' medical expenses when the structure has fewer than 20 employees. As a result, the Okapi Fund pays all the medical expenses of its employees directly, without any ceiling. Our lawyer told us that it was not possible to limit an employee's medical coverage and impose a ceiling on reimbursable expenses (a solution that we hoped to be able to adopt).

This results in a financial risk for the Okapi Fund related to uncapped medical employee expenses.

The assessed risk is twofold: (i) that of exceeding the budget and (ii) that of potentially having to bear large sums without being able to determine the amount in advance.

In 2020, medical expenses were moderate and did not exceed the expected budget.

For 2021, we have been able to partially mitigate the risk of overspending by purchasing some sort of insurance for medical emergencies (those most likely to incur significant costs). By purchasing emergency care insurance from CPU for each employee and their dependents, we were able to cap the medical expenses associated with emergencies.

Trustees' annual report

For the year ended 31 December 2021

Fiscal risks

As we explained in all of our Quarterly Activity Reports to the Trustees (*Rapports d'Activités Trimestriels*), we decided to make a provision in our accounts for the payment of the IER (the exceptional tax on the income of expatriate staff), but not to pay it to the tax authorities as proposed by our accountants.

Indeed, our lawyer, in his tax analysis of the Asbls, had clearly indicated to us that this tax was not applicable to our situation. The tax rate of the IER is 25% on the remuneration (after deduction of those parts of the remuneration which are not subject to taxation) and monthly the additional cost of this tax would be in the order of US\$3,000.

We have therefore decided to provision the amounts corresponding to the IER until we have a clear answer from the tax authorities.

In 2022

More generally, the risks faced by the Okapi Fund in the coming months are mainly threefold:

1. A financial risk due to the fragility, or even nervousness, of the financial markets due to the consequences on the global economic situation of the Covid related crisis and its possible effect on the inflation trend. Due to this particular situation, the Okapi Fund, in particular through its Investment Committee and thanks to very regular communication with its portfolio manager (Smith & Williamson), will be very attentive to financial risks and will closely follow the evolution of financial indices on a daily basis.
2. A country risk, as the DRC is a relatively unstable country, both politically and economically. The members of the Okapi Fund (Trustees & the executive direction) are therefore very attentive to political and economic developments in the country in order to be able to anticipate as far as possible any risk that might arise for its activities or its members or partners. In particular, the Okapi Fund closely monitors the situation in the Protected Areas, which are sometimes located in high-risk zones, by checking very regularly with its partners or the various stakeholders with whom the Okapi Fund is in contact to find out what the health and safety situation is on the ground.
3. Reputational risk: Due to accusations of human rights abuses in some protected areas against park officials, including Kahuzi-Biega-Biega National Park, there is a risk that if we fund this park, we will be associated with the accusations against the park if the issues raised have not been resolved and significant human rights safeguards have not been implemented in the park. On these points, the Okapi Fund will be particularly vigilant and will not disburse funds to Kahuzi-Biega-Biega National Park until the necessary measures to redress the wrongs have been put in place with a clear timetable and substantial resources. In addition, prior to funding Kahuzi-Biega-Biega National Park, the Okapi Fund has decided to fund an environmental, social and human rights due diligence to assess the situation at Kahuzi-Biega-Biega National Park, which will allow the Okapi Fund to determine the conditions under which it will, eventually, disburse funds to Kahuzi-Biega-Biega National Park (conditions precedent, implementation of necessary measures, sanctions carried out, etc.).

Trustees' annual report

For the year ended 31 December 2021

Regarding Point 1 above, while the risk of not achieving the 2022 financial objectives is high, the impact can be considered moderate and relatively controlled for the following reasons:

- a. The financial crisis, if it is to materialize in the course of 2022 will have no impact on the 2022 operating budget of the Okapi Fund, which is secured by funds made available (and to be made available) by KfW, and whose financial strength is not threatened by the potential crisis;
- b. We maintain a significant position in liquid money market securities as long as the prospects of a financial and economic crisis are high;
- c. We will maintain an adequate financial reserve policy to enable us to meet our financial commitments over 2022 and 2023.

Reserves policy and going concern

The first capitalization funds (endowment funds) received by the Okapi Fund were invested in the financial markets in the first half of 2020 and the funding strategy (disbursements to protected areas) adopted by the Okapi Fund foresees the first disbursements starting in 2022.

KfW has made available funding for the operational running of the Okapi Fund of EUR 1 million. Depending on our needs, and based on the forecast financial statements, we can draw on these funds for periods of 6 months by making a duly documented application to KfW (by showing, in particular, that the expenditures for the previous period were spent in accordance with the financial forecasts).

The first 1 million committed by KfW in 2019 is expected to be exhausted around the beginning of the second half of 2022. In December 2022, KfW decided to provide an additional EUR 1 million to the Okapi Fund to cover its operating expenses from the second half of 2022 onwards. In addition, the Okapi Fund may cover its operating costs by drawing on expendable endowment funds with the prior approval of the Board of Directors (e.g., if the KfW funds arrive after the needs as they could appear in the second half of 2022).

In July 2021, the board approved the reserves policy post the KfW initial funding.

The Okapi Fund needs to maintain sufficient free reserves to match this long-term funding commitment. The reserves policy is set to ensure we can deliver on our vision and mission and ensure our work is protected from the risk of disruption at short notice due to a lack of available funds, whilst at the same time ensuring we do not retain income for longer than required.

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Trustees' annual report

For the year ended 31 December 2021

As part of effective financial management, the Okapi Fund holds reserves to ensure we can:

- Manage financial risk. There are a range of risks we face, including the risk of an unforeseen drop in income due to unpredictable investment returns or unbudgeted increases in expenditure.
- Meet our long-term grant commitments and funding plans.

We have calculated that an appropriate reserves range for the Okapi Fund is USD \$1.0 to 1.5 million, which is broken down as follows:

Reserves range	US \$m
Financial risk (see below)	0.5
Grant commitments and long-term plans (see below)	0.5
Minimum level	1.0
Range	0.5
Maximum level	1.5

This equates to between 12- and 18-months charitable activities (such as funding of commitments to national parks from 2022) and operating and administration expenses.

The reserves that we have set aside provide financial stability and the means for the long-term development and delivery of the Okapi Fund's principal charitable activity. We intend to maintain our reserves at a level which is at least equivalent to one year's operating expenditure due to the long-term nature of the Okapi Fund's activity and the current volatility of investment returns that provide the Okapi Fund's principal source of income [drawn from the Unapplied Total Return].

The Board regularly reviews the amount of reserves that are required to ensure that they are sufficient to meet all the Okapi Fund's continuing obligations and plans.

The impact of the COVID-19 crisis

Impact on the Portfolio

During the year 2021, the Investment Committee met many times to review the situation created by the outbreak of the COVID-19 and the Okapi Fund has been in regular communication with the portfolio manager.

In 2021, the Coronavirus-19 crisis did not have a negative impact on the profitability of the portfolio.

Impact on the Budget

The current financial and health crisis has no impact on the operating budget of the Okapi Fund, which is secured for the coming years by the funds made available by KfW, whose financial strength is not threatened by the current crisis.

Trustees' annual report

For the year ended 31 December 2021

Impact on distribution of grants

In 2021, the Okapi Fund did not expect to distribute funds to finance projects: the funds placed on the financial markets must first yield enough income to allow the grants to begin. As we did not have a short-term distribution imperative, we could wait until the crisis subsided and maintained a prudent investment policy in the meantime. We expect to start disbursing some amounts to the protected areas in 2022.

Impact on fundraising

The Covid-19 crisis has had an impact on the possibility to meet face-to-face with a number of interlocutors. This was mainly true during the first half of 2021. Starting in the second half of 2021 the physical meetings were able to resume and we were able to meet with a number of potential public and private donors.

Impact on staff activities

Apart from the restrictions on physical meetings with some stakeholders, as mentioned above, the Covid-19 crisis did not have a significant impact on the activities of the executive team.

Conclusion

All these risks have been reported as they appeared during the year in our Risk Register. Furthermore, during the year, we elaborated two Risk Assessment Reports outlining all the risks faced by the Okapi Fund. Each report was shared with the Trustees and was discussed and approved during Board Meetings.

Overall, the consequences of impacts relating to the Covid-19 crisis have been limited in 2021.

Plans for the future

Looking forward to 2022, the main goals and activities of the Charity for 2022 are as follows (an Annual Activity Plan for 2022 has been developed by the management team and approved by the Trustees in January 2022):

- **Initial Financing:** Among our main activities in 2022, we plan to make our first disbursements to two Protected Areas: PNKB and Garamba NP. The Grant Agreements are expected to be signed at the beginning of the second half of 2022 and disbursements will take place in the second half of 2022, once environmental and social due diligences are completed. An important part of our work will be to ensure rigorous monitoring of the funding and its impacts on the ground.
- **Adoption and implementation of the ESMS :** The Environmental and Social Management System should be finalized during the first quarter. During the second quarter, the Board of Trustees will approve it as well as the resulting changes to the Operations Manual.

ERM will provide training on the implementation of the ESMS for the executive team and the Trustees as well. The ESMS will be implemented during 2022, particularly when it comes to making grants for the Protected Areas.

Trustees' annual report

For the year ended 31 December 2021

- **New Capitalizations:** During 2022, we should be able to finalize a second contribution to our endowment from KfW. We also hope to finalize a contribution from AFD during the same period. In parallel, we will continue to introduce the Okapi Fund to potential international institutional investors and private sector stakeholders.
- **Review of the BP and Fundraising Strategy:** It is important to regularly (every 3 years) review the BP and fundraising strategy of a trust fund in order to update its objectives by taking into account the achievements of the previous years and the circumstances of implementation of the activities whose context may have evolved over time. This exercise is all the more justified in 2022 because the previous two years (2020–2021) were marked by a global health crisis that had some impacts on the trust funds' ability to raise funds and accomplish their planned activities for the years 2020–2021 in a timely manner, particularly with regard to strengthening their endowment capital.
- **Renewal of certain Trustees:** The term of office of four Trustees expires in November 2022. It will be necessary to find competent persons to replace them. The selection process for new Trustees has been initiated in April of 2022.
- **Other:**
 - Among the novelties for 2022, we hope to institutionalize the Apéro–Bio(diversity) meetings and launch the first season of the Innovation & Biodiversity Award (with partners such as USAID, ERAIFT and SilikinVillage).
 - We will also participate in the 1st African Congress of Protected Areas which will take place in Kigali in July 2022.
- Implement the new fundraising strategy in order to increase the Fund's capitalization (endowment funds). Meet the potential donors, negotiate and establish agreement with them and (if possible) receive funding commitment from them.
- Meet with private sector actors and assess their potential support for the Okapi Fund.

In particular, the aim is to make private actors aware of the need to take into account the protection of biodiversity in a country like the DRC, where it represents an invaluable economic asset for the country. By forging links with the private sector, we will also seek to involve these actors in the financing of Protected Areas in order, for example, to compensate for their economic and industrial activities that have an impact on biodiversity in the DRC.

- Meet with stakeholders in the field of biodiversity conservation and establish relationships with them; in general, make these stakeholders aware of the activities of the Okapi Fund and the interest that such a tool represents for the protection of biodiversity in DRC. Develop partnerships with national, regional and international nature conservation institutions.
- Determine the Grant Program for the year 2023 (With the support of the Grantmaking Committee).

Small fundraising statement

We do not raise funds from the general public. However, we plan to increase the base of our endowment funds and restricted funds over the next few years and plan to meet with potential institutional and private donors in the coming months (this process has started in September 2020). Our fundraising strategy for the coming years has been approved by the Trustees in August 2020 and will be revised in 2022.

We did not conduct fundraising activities with the general public in 2021 and incurred no expenditure in raising income. As we have not conducted any fundraising activities with the general public in 2021, we have not been confronted with any compliance issues or complaints of any kind.

Structure, governance and management

The Charity is a charitable company limited by guarantee, incorporated on 28 November 2013 and registered as a charity on 3 June 2014.

The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its articles of association. All trustees give their time voluntarily and receive no benefits from the charity. The Charity reimburses trustees for expenses incurred in carrying out their trustee duties, providing such expenses are reasonable and properly incurred. Please see note five to the accounts for more information.

In accordance with its Articles of Association, the Okapi Fund has delegated its day-to-day management to the Executive Committee and the Executive Director:

9.2 Subject to the Articles, the Directors may delegate the implementation of their decisions or day to day management of the affairs of the Charity to any person or committee.

11. Delegation of day to day management powers

In the case of delegation of the day to day management of the Charity to a chief executive or other manager or managers:

11.1 The delegated power shall be to manage the Charity by implementing the policy and strategy adopted by and within a budget approved by the Directors and (if applicable) to advise the Directors in relation to such policy, strategy and budget;

11.2 The Directors shall provide any manager with a description of his or her role and the extent of his or her authority; and

11.3 Any manager must report regularly to the Directors on the activities undertaken in managing the Charity and provide them regularly with management accounts which are sufficient to explain the financial position of the Charity.

Trustees' annual report

For the year ended 31 December 2021

The functioning of the Executive Committee and its powers are detailed in the Internal Regulations of the Okapi Fund (*Règlement Intérieur*) adopted by the Board of Trustees:

Article 12: Duties of the Executive Committee.

12.1 The Executive Committee intervenes to take decisions on immediate operational matters, which require urgency, for which the orientations of the Board of Directors are normally necessary, but which do not necessarily require the Board of Directors to be held. The Executive Committee shall not be responsible for any of the functions or powers that cannot be delegated to the Committees by the Board of Directors in accordance with Article 9.3 of the Articles of Association.

The remuneration of the Executive Director is set by the Board of Trustees.

The main factors taken into account for the remuneration of the Executive Director were the following:

1. The international and particular profile of the candidate.
2. The very high cost of living in the DRC.
3. Risks associated with the position, due to the political and economic instability of the country.

The amount of the compensation and benefits were determined in consultation with Michael Page, the company mandated to select the Executive Director, based on the remuneration of equivalent positions for international profiles that evolve in a difficult context and where the cost of living is one of the highest in the world. The amount of the remuneration is also justified by the political and economic instability of the DRC, particularly in the regions where the Protected Areas under the focus of the Okapi Fund are located (the Executive Director will visit them from time to time).

The current Executive Director was appointed by the Board of Trustees. His duties are detailed in his employment contract and in the Manual of Administrative and Accounting Procedures Manual, both approved by the Board of Trustees.

Appointment of Trustees

The appointment of Trustees is covered in detail in the Charity's Articles of Association (see Articles 25–28). The Articles allow for the Charity to have a minimum of 7 and a maximum of 9 trustees (or directors, as they are called in the Articles). At the end of 2021 there were 9 (2020: 9) trustees in office.

As mentioned above, in November 2022, the Okapi Fund will need to replace a number of Trustees. Qualified candidates will be proposed by the end of the first semester.

Related parties and relationships with other organisations

The Okapi Fund has no formally established relationship with any organisation outside of KfW, the World Bank and the ICCN. Details on related parties with KfW and ICCN are provided in Note 6 of the accounts.

KfW provided some funds and has one of its employees as a member of the Board in the person of Britta Oltmann (she is both the Director of the KfW Office in Kinshasa and a Trustee for the Fund).

Statement of responsibilities of the trustees

The Trustees (who are also directors of The Okapi Fund for Nature Conservation in the Democratic Republic of Congo for the purposes of company law) are responsible for preparing the trustees' annual 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Trustees' annual report

For the year ended 31 December 2021

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2021 was 9 (2020 9). The members of the charity are the subscribers to the Memorandum of Association of the Charity and such other persons as are admitted to membership by the Directors in accordance with the Articles. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The Trustees' annual report has been approved by the trustees on 6 July 2022 and signed on their behalf by

Bob Tumba, Chair
Council of Directors of the Okapi Fund

Independent auditor's report

For the year ended 31 December 2021

Opinion

We have audited the financial statements of The Okapi Fund for Nature Conservation in the Democratic Republic of Congo (the 'charitable company') for the year ended 31 December 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 FRS 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 charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 charitable company 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 Okapi Fund for Nature Conservation in the Democratic Republic of Congo'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.

Independent auditor's report

For the year ended 31 December 2021

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 the audit:

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Independent auditor's report

For the year ended 31 December 2021

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.

Independent auditor's report

For the year ended 31 December 2021

- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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.

Noelia Serrano (Senior statutory auditor)

10 August 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Statement of financial activities

For the year ended 31 December 2021

	Note	Unrestricted \$	Endowment \$	2021 Total \$	Unrestricted \$	Endowment \$	2020 Total \$
Income from:							
Donations	2	485,062	–	485,062	373,024	7,400,000	7,773,025
Other income		5,591	–	5,591	–	–	–
Investment income		–	285,454	285,454	–	182,108	182,108
Total income		490,653	285,454	776,107	373,024	7,582,108	7,955,133
Expenditure on:							
Cost of raising funds		20,891	–	20,891	–	–	–
Charitable activities							
Project expenses	3	456,422	122,571	578,993	328,580	78,076	406,656
Total expenditure		477,313	122,571	599,884	328,580	78,076	406,656
Net income and movement in funds	4	13,340	162,883	176,223	44,444	7,504,032	7,548,477
Gain on investments	8	–	2,073,435	2,073,435	–	2,864,236	2,864,236
Forex Change Gains/ (Losses)		(1,182)	11,667	10,485	23,504	46,316	69,820
Reconciliation of funds:							
Total funds brought forward		89,032	25,995,200	26,084,232	21,083	15,580,616	15,601,699
Total funds carried forward		101,190	28,243,185	28,344,375	89,032	25,995,200	26,084,232

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 13 to the financial statements.

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Balance sheet

Company number: 08794664

As at 31 December 2021

	Note	2021 \$	2020 \$
Non current assets:			
Tangible assets	9	22,888	5,595
Investments	8	28,243,185	25,995,200
		<u>28,266,073</u>	<u>26,000,795</u>
Current assets:			
Debtors	10	95,933	24,619
Cash at bank and in hand		33,790	90,702
		<u>129,723</u>	<u>115,321</u>
Liabilities:			
Creditors: amounts falling due within one year	11	(51,421)	(31,884)
		<u>78,302</u>	<u>83,437</u>
Net current assets		<u>28,344,375</u>	<u>26,084,232</u>
Total net assets		<u>28,344,375</u>	<u>26,084,232</u>
The funds of the charity:	13		
Restricted funds:			
Endowment Fund		28,243,185	25,995,200
Unrestricted funds		<u>101,190</u>	<u>89,032</u>
Total charity funds		<u>28,344,375</u>	<u>26,084,232</u>

Approved by the trustees on 6 July 2022 and signed on their behalf by

Bob Tumba
Chair

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Statement of cash flows

For the year ended 31 December 2021

	Note	2021 \$	\$	2020 \$	\$
Cash flows from operating activities					
Net income for the reporting period (as per the statement of financial activities)		2,260,143		10,482,533	
Depreciation charges		8,125		1,401	
Eliminate (gains) on investments including forex		(2,085,102)		(2,910,552)	
Income from investments		(285,454)		(182,108)	
(Increase) in debtors		(71,314)		(6,182)	
Increase in creditors		19,537		4,579	
Net cash provided by operating activities			(154,065)		7,389,670
Cash flows from investing activities:					
Purchase of investments		(12,432,810)		(21,653,169)	
Proceeds from sale of investments		12,320,208		14,261,675	
Purchase of fixed assets		(25,418)		(6,649)	
Income from investments		285,454		182,108	
Movement in cash held by investment manager		(50,281)		(113,119)	
Net cash used in investing activities			97,153		(7,329,154)
Change in cash and cash equivalents in the year			(56,913)		60,516
Cash and cash equivalents at the beginning of the year			90,702		30,186
Change in cash and cash equivalents due to exchange rate movements			-		-
Cash and cash equivalents at the end of the year			33,790		90,702

Notes to the financial statements

For the year ended 31 December 2021

1 Accounting policies

a) Statutory information

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 10 Queen Street Place, London, EC4R 1BE.

b) Basis of preparation

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) – (Charities SORP FRS 102). The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006/Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The Okapi Fund received a capital contribution €14 million from the German Ministry for Cooperation and Development through the KfW Development Bank in December 2019. This has been invested, and will be reviewed on the total returns basis, to be used from 2022 onwards, once the investments have started to make a return. KfW Development Bank committed to continue operational support by allocating additional funding for the year ended 2022. At the year end the investment value is \$28,243,185, of which Okapi has over \$10 million in the expendable endowment.

In 2022, the Okapi Fund is expecting to distribute funds to finance projects in the Protected Areas, of around \$550,000. In addition the total returns basis will be reviewed to draw down money into income accounts to be spent in 2023.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' 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.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Expenditure and irrecoverable VAT

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

g) Grants payable

Grants payable are made to third parties in accordance with the charity's governing documents. These grants are charged to the statement of financial activities in the year in which the offer is conveyed to the recipient. No grants were communicated to recipient before the year end.

Notes to the financial statements

For the year ended 31 December 2021

1 Accounting policies (continued)

h) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Trustees adopt a total return approach, under which the target is to achieve total return (net of fees) of 4% above RPI inflation, allowing the fund to withdraw from the portfolio to either income funds or trust for investment to contribute to its running costs each year. Investment income is allocated to the endowment funds when receivable. Withdrawals from the endowment funds are shown as transfers between funds. Within the year annualised total return (net of fees) of 10.9% was achieved.

i) Debtors

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

j) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

k) Fixed assets

Items of equipment are capitalised where purchased. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

The depreciation rates of fixed assets are as follows:

- Computer equipment – 3 years straight line
- Fixtures and Fittings – 4 years straight line
- Motor Vehicles – 4 years straight line

l) Financial instruments

The charity 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.

m) Foreign exchange policy

Transactions in foreign currencies are translated at the average rate for the year using HMRC rates. All exchange gains/losses are charged to the statement of financial activities and separately disclosed.

n) Presentational currency

The financial statements are presented in United States Dollars. The functional currency is between United States Dollars, Euros and Congolese Franc.

o) Funds

The restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

The unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

The endowment funds include permanent endowment funds, where the capital must be retained, and expendable endowment funds, which can be converted into income at the discretion of the Trustees. The totality of the funds received from the World Bank (US\$ 7.4 million) are treated as Permanent Endowment Funds according to the wishes expressed by the donor.

Following the wishes of the donor, the funds received from KfW, namely Euro 14 million received in December 2019, are treated as:

- Permanent Endowment funds for the value of US\$ 7.4 million (based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).
- Expendable Endowment Funds for the value of EURO 14 million less the amount mentioned above (14M euros – 7.4M US\$ based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).

There were no new permanent endowments in 2021.

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Notes to the financial statements

For the year ended 31 December 2021

2 Income from donations and legacies (unrestricted)

	Unrestricted \$	Endowment \$	2021 Total \$	2020 Total \$
Donations:				
World Bank	–	–	–	7,400,000
KfW	438,183	–	438,183	364,168
Gifts in Kind:				
KfW	46,879	–	46,879	8,857
	485,062	–	485,062	7,773,025

All income from the prior year was unrestricted.

3a Analysis of expenditure (current year)

	Cost of raising funds \$	Charitable activities \$	Support costs \$	Governance costs \$	2021 Total \$	2020 Total \$
Staff Costs (note 5)	20,891	83,562	115,865	52,226	272,544	216,418
Consultancy	–	–	46,879	–	46,879	8,010
Legal fees	–	–	–	5,634	5,634	5,856
Admin and Rent	–	9,793	80,624	–	90,417	52,483
Accountancy and audit	–	–	–	49,341	49,341	41,845
IT	–	–	1,041	–	1,041	2,204
Depreciation expense	–	–	8,125	–	8,125	1,399
Investment manager's fees	–	–	122,571	–	122,571	78,076
Other expenses	–	–	2,974	–	2,974	–
Trustees' expenses	–	–	–	358	358	365
	20,891	93,355	378,079	107,559	599,884	406,656
Support and Governance costs	–	485,638	(378,079)	(107,559)	–	–
Total expenditure 2021	20,891	578,993	–	–	599,884	406,656

3b Analysis of expenditure (prior year)

	Charitable activities \$	Support costs \$	Governance costs \$	2020 Total \$
Staff Costs (note 5)	–	216,418	–	216,418
Consultancy	–	8,010	–	8,010
Legal fees	–	–	5,856	5,856
Admin and Rent	–	52,483	–	52,483
Accountancy and audit	–	–	41,845	41,845
IT	–	2,204	–	2,204
Depreciation expense	–	1,399	–	1,399
Investment manager's fees	–	78,076	–	78,076
Trustees' expenses	–	–	365	365
	–	358,590	48,066	406,656
Support and Governance costs	406,656	(358,590)	(48,066)	–
Total expenditure 2020	406,656	–	–	406,656

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Notes to the financial statements

For the year ended 31 December 2021

4 Net income for the year

This is stated after charging:

	2021 \$	2020 \$
Trustees' remuneration	–	–
Trustees' reimbursed expenses	358	720
Foreign exchange (gain)/loss	(11,667)	69,820
Auditor's remuneration (excluding VAT):		
Audit	16,530	12,703
Other services	5,510	2,553

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Notes to the financial statements

For the year ended 31 December 2021

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 \$	2020 \$
Salaries and wages	234,438	198,104
Social security costs	38,106	18,314
	<u>272,544</u>	<u>216,418</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021 No.	2020 No.
\$179,079 – \$192,852	–	1
\$206,629 – \$220,403	1	–

Gross salaries, social security, and employer pension contributions for key management personnel this year were \$272,043 (2020:\$194,316).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: \$nil). No charity trustee received payment for professional or other services supplied to the charity (2020: \$nil).

Trustees' reimbursed expenses include travel, accommodation and disbursement costs in relation to overseas travel and subsistence for two trustees (2020: one). The amount of \$358 was reimbursed (2020: \$365).

The average number of employees (head count based on number of staff employed) during the year was 2 (2020: 2).

6 Related party transactions

Britta Oltmann is the head of the KfW bureau in Kinshasa and a Trustee for the Fund. Within the year, KfW covered the Executive director costs for the amount of £nil (2020: \$8,857).

The Okapi Fund received funding from KfW of \$438,183 and a gift in kind of \$46,879. Of this, \$438,183 relates to funding to support the administration of the charity and £NIL relates to an endowment fund set up in the year (2020: \$7,773,025).

Jean-Philippe Waterschoot; who is a trustee is the CEO of TEXAF . TEXAF is the parent company of COTEX, from whom the Okapi Fund is leasing their office. The lease was agreed on an arm's length basis and Jean-Philippe Waterschoot is not a signatory on the lease. A total of \$54,190 was paid by the Okapi Fund to COTEX in the year (2020: \$29,717, \$14,759 to cover the period from January to December 2020 and a \$14,958 deposit). The deposit was returned to the Okapi Fund on termination of the lease during 2021.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

7 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Notes to the financial statements

For the year ended 31 December 2021

8a Listed investments (current year)

	2021 \$	2020 \$
Fair value at the start of the year	25,801,658	15,499,612
Additions at cost	12,432,810	21,653,169
Disposal proceeds	(12,320,208)	(14,261,675)
Net gain on change in fair value	2,085,102	2,910,552
	27,999,362	25,801,658
Cash held by investment broker pending reinvestment	243,823	193,542
Fair value at the end of the year	28,243,185	25,995,200

It has been noted that the volatility in the world's stock markets has caused a reduction in investment portfolio of approximately \$4,720,134 (16%) to \$23,523,051 as at 6 July 2022. The Trustees regard the portfolio as a long-term investment and have no intention to dispose of the portfolio.

	Permanent Endowment \$	Unapplied Total Return \$	Total \$
At beginning of the reporting period or date of resolution:			
Gift component permanent endowment	14,793,588	–	14,793,588
Unapplied total return	–	1,941,823	1,941,823
Total	14,793,588	1,941,823	16,735,411
Movements in the reporting period:			
Gift of endowment funds	–	–	–
Investment return: dividends and interest	–	188,373	188,373
Investment return: realised and unrealised gains and (losses)	–	1,335,585	1,335,585
Less: Investment management costs	–	(78,936)	(78,936)
Total	–	1,445,022	1,445,022
Unapplied total return allocated to income in the reporting period	–	–	–
Net movements in reporting period	–	1,445,022	1,445,022
At end of the reporting period:			
Gift component permanent endowment	14,793,588	–	14,793,588
Unapplied total return	–	3,386,845	3,386,845
Total	14,793,588	3,386,845	18,180,433

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Notes to the financial statements

For the year ended 31 December 2021

8b Listed investments (prior year)			
	Permanent Endowment \$	Unapplied Total Return \$	Total \$
At beginning of the reporting period or date of resolution:			
Trust for investment/permanent endowment	7,393,588	–	7,393,588
Unapplied total return	–	–	–
Total	7,393,588	–	7,393,588
Movements in the reporting period:			
Gift of endowment funds	7,400,000	–	7,400,000
Investment return: dividends and interest	–	117,311	117,311
Investment return: realised and unrealised gains and (losses)	–	1,874,807	1,874,807
Less: Investment management costs	–	(50,295)	(50,295)
Total	7,400,000	1,941,823	9,341,823
Unapplied total return allocated to income in the reporting period	–	–	–
Net movements in reporting period	7,400,000	1,941,823	9,341,823
At end of the reporting period:			
Trust for investment/permanent endowment	14,793,588	–	14,793,588
Unapplied total return	–	1,941,823	1,941,823
Total	14,793,588	1,941,823	16,735,411

9 Tangible fixed assets				
	Motor vehicles \$	Fixtures and fittings \$	Computer equipment \$	Total \$
Cost				
At the start of the year	–	4,135	2,953	7,088
Additions in year	25,418	–	–	25,418
At the end of the year	25,418	4,135	2,953	32,506
Depreciation				
At the start of the year	–	896	597	1,493
Charge for the year	6,354	826	945	8,125
At the end of the year	6,354	1,722	1,542	9,618
Net book value				
At the end of the year	19,064	2,413	1,411	22,888
At the start of the year	–	3,239	2,356	5,595

All of the above assets are used for charitable purposes.

10 Debtors		
	2021 \$	2020 \$
Trade debtor	88,553	5,541
Other Debtors	–	3,133
Prepayments	7,380	15,945
	95,933	24,619

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Notes to the financial statements

For the year ended 31 December 2021

11 Creditors: amounts falling due within one year

	2021 \$	2020 \$
Payroll creditor	15,122	9,886
Trade creditors	13,039	783
Accruals	23,260	21,215
	51,421	31,884

12a Analysis of net assets between funds (current year)

	General unrestricted \$	Endowment \$	Total funds \$
Fixed assets	22,888	–	22,888
Investments	–	28,243,185	28,243,185
Net current assets	78,302	–	78,302
Net assets at 31 December 2021	101,190	28,243,185	28,344,375

12b Analysis of net assets between funds (prior year)

	General unrestricted \$	Endowment \$	Total funds \$
Fixed assets	5,595	–	5,595
Investments	–	25,995,200	25,995,200
Net current assets	83,437	–	83,437
Net assets at 31 December 2020	89,032	25,995,200	26,084,232

13a Movements in funds (current year)

	At 1 January 2021 \$	Incoming resources & gains \$	Outgoing resources & losses \$	At 31 December 2021 \$
Restricted funds:				
Permanent Endowment	16,735,411	1,523,958	(78,936)	18,180,433
Expendable Endowment	9,259,789	846,598	(43,635)	10,062,752
	25,995,200	2,370,556	(122,571)	28,243,185
Unrestricted funds:				
General funds	89,032	489,471	(477,313)	101,190
Total funds	26,084,232	2,860,027	(599,884)	28,344,375

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Notes to the financial statements

For the year ended 31 December 2021

13b Movements in funds (prior year)

	At 1 January 2020 \$	Incoming resources & gains \$	Outgoing resources & losses \$	At 31 December 2020 \$
Restricted funds:				
Permanent Endowment	7,393,588	9,392,118	(50,295)	16,735,411
Expendable Endowment	8,187,028	1,100,542	(27,781)	9,259,789
	<u>15,580,616</u>	<u>10,492,660</u>	<u>(78,076)</u>	<u>25,995,200</u>
Unrestricted funds:				
General funds	21,083	396,528	(328,580)	89,032
Total funds	<u>15,601,699</u>	<u>10,889,189</u>	<u>(406,656)</u>	<u>26,084,232</u>

Purposes of Endowment funds

The Okapi Fund has received funding from KfW and the World Bank to support the pursuit of its charitable objectives. The endowment fund is intended to generate significant, stable and predictable financial resources for the management of selected protected areas in the DRC, with a focus on sustainably financing the management costs of Parc National Kahuzi-Biega (PNKB) and the Parc National Garamba (PNG). The totality of the funds received from the World Bank (US\$ 7.4 million) are treated as Permanent Endowment Funds according to the wishes expressed by the donor.

Following the wishes of the donor, the funds received from KfW, namely EURO 14 million received in December 2019, are treated as:

Permanent Endowment funds for the value of US\$ 7.4 million (based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).

Expendable Endowment Funds for the value of EURO 14 million less the amount mentioned above (14 million EURO – 7.4million US\$ based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).

14 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2021 \$	2020 \$
Less than one year	<u>12,270</u>	<u>13,192</u>
	<u>12,270</u>	<u>13,192</u>

15 Contingent Liability

There are additional taxes for Expatriate employees within the DRC. Okapi should not have to paid this taxes due to its charitable status, however the charity are choosing to provide against the cost, and will seek legal advice. The extended costs would be approximately \$38k.

16 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to \$1.

THE OKAPI FUND FOR NATURE CONSERVATION IN THE DEMOCRATIC REPUBLIC OF CONGO

England & Wales - Charity number 1157294

Accounts

Company Number: 08794664

Charity Number: 1157294

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Report and financial statements

For the year ended 31 December 2020

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

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The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Reference and administrative information

For the year ended 31 December 2020

Company number 08794664

Charity number 1157294

Registered office and operational address 10 Queen Street Place, London, EC4R 1BE

Country of registration England & Wales

Country of incorporation United Kingdom

Trustees Trustees (who are also directors of The Okapi fund for nature conservation in the Democratic Republic of Congo for the purposes of company law) who served during 2020 were as follows:

Bob Tumba (Chair)

Jean Mbuyu

Jean-Philippe Waterschoot

Kapupu Diwa Mutimanwa

Patrick Welby

Yvette Shabani Mwangi Barhashishwa

Verena Seiler (her term as Trustee ended on August 25, 2020)

Britta Oltmann (her term as Trustee started on August 25, 2020)

Samy Mankoto and

Dieudonné Musibono

Executive Director Guillaume Gervais de Rouville (since 1st July 2019)

Administrative Assistant Karen Kibanga (since 20th January 2020)

Solicitors Bates Wells
10 Queen Street Place
LONDON
EC4R 1BE

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditors
Invicta House
108–114 Golden Lane
LONDON
EC1Y 0TL

Investment Manager Smith & Williamson Investment Management
25 Moorgate
LONDON
EC2R 6AY

Trustees' annual report

For the year ended 31 December 2020

The trustees present their report and the audited financial statements for the year ended 31 December 2020.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and Activities

Purposes and aims

As set out in the Charity's Articles of Association, its purposes are to promote for the benefit of the public, the conservation, protection and improvement of the natural environment and biodiversity of the Democratic Republic of the Congo (DRC), with priority focus on DRC's national system of protected areas. Specifically, it aims to:

- i) Promote, for the benefit of the public, sustainable development that supports the conservation of biodiversity in DRC, in particular the protected areas and/or other conservation areas of significant ecological value and/or significant biological importance including:
 - (a) The preservation, conservation and the protection of the environment and the sustainable use of natural resources; and
 - (b) The relief of poverty and the improvement of the conditions of life for the benefit of populations living in and around protected areas and other areas of significant ecological conservation and/or significant biological importance.
- ii) Advance the education of the public on environmental issues including the biodiversity, conservation, sustainability and management of DRC's protected areas and/or other areas of significant ecological conservation and/or significant biological importance.

The trustees periodically review the aims, objectives and activities of the charity and have always reaffirmed the purpose and aims as noted here. It is additionally affirmed that the trustees have had regard to the Charity Commission's guidance on public benefit.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees have considered how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance

The Charity's activities and achievements during 2020 have been concentrated on operationalising the Fund by finalising the composition of the executive team (contracting the executive director and hiring the administrative assistant), placing the funds received from donors in the capital markets, monitoring the investments during the year, determining the fundraising strategy to expand the capital base of the Fund, beginning to work with Protected Areas to determine their funding needs and raising awareness of the Okapi Fund among various stakeholders.

Following the strategy defined by the Board of Trustees, it was decided that the year 2020 would be dedicated mainly to the investment of funds in the financial markets and to the development of a fundraising strategy and its progressive implementation. Thus, no subsidy disbursements to Protected Areas have been planned in order to allow the capital base of the fund to grow. This strategy, which paid off in 2020, thanks to a return on investment of more than double our objectives, will allow us to start financing protected areas from 2022 onwards, with the year 2021 focusing on field knowledge of protected areas and on determining their eligibility for Okapi Fund grants. This strategy will allow the Okapi Fund to avoid cutting into the Expendable Endowment Fund from the beginning of its existence.

This strategy also follows the explicit wishes of our donors in this area, in particular the strategy of KfW as spelled out in our financial support agreement with them signed in December 2019.

Like all Conservation Trust Funds around the world, the strategy of the Okapi Fund is a long-term one: it is to become a long-term tool in the national donor landscape for protected areas. The vocation of the Okapi Fund is to finance Protected Areas over periods that can go on for several decades. This is why the strategy chosen is in line with this perspective and does not aim to disburse funds to Protected Areas as quickly as possible, but to take the time to make the capital granted by international donor's bear fruit, then to closely explore the real financial needs of the target Protected Areas, and, finally, to disburse the funds according to strict specifications criteria.

In particular, the Charity's activities have focussed on the following areas:

1. Outreach event organised: official launch of the Okapi Fund operations in DRC in the presence of key stakeholders (the event took place on 13 February 2020 with more than 100 attendees). This event was widely covered by the national print, internet and radio media.
2. We have prepared and carried out a first presentation for the donors present within the Inter Donors-Environment Group (GIBe). This presentation took place on 6 February 2020.
3. We spoke at the Kinshasa International Conference for the promotion of Kongo Opération Sud Kwamouth (CIKKOK) organised by Olivier Mushiete on Thursday 20 February 2020 at the National Museum. More than 200 people took part in this event, which gave us the opportunity to meet many players in the environmental sector.

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Trustees' annual report

For the year ended 31 December 2020

4. Investment in financial markets: together with our portfolio manager (Smith & Williamson (S&W)), the capitalisation amounts received from KfW and the World Bank have been invested in the financial markets, between January and April 2020. Monitoring the investment of funds during the year was one of our main tasks.
5. The fundraising strategy has been elaborated, approved and we started to implement it: in order to increase the fund's capitalisation. We have designed a strategy to raise funds from other potential donors in the first half of 2020 and started to implement this strategy as from the second half of 2020.
6. We started the eligibility process of Protected Areas: we met the different actors managing Protected Areas in order to understand their needs and started to check with them their eligibility for donations from the Okapi Fund. Acquired knowledge of the functioning of Protected Areas, of their nature and biodiversity conservation policies.
7. During this period, we prepared the first two Risk Assessment Reports which were submitted to the members of the Executive Committee and sent to all members of the Board of Trustees after incorporating the comments received from the members of the Executive Committee.

Financial review

Source of capitalisation & financial resources

Capitalisation money from the World Bank was received at the beginning of January 2020: 7,4 million US\$.

In addition, in 2020, the Charity has received support from:

1. KfW through the Separated Agreement (*Convention Séparée*) between KfW and the Okapi Fund: The first tranche of KfW project funds for the operationalisation of the Okapi Fund was received from KfW on the Okapi Fund's DRC bank account in March 2020, the second tranche in November 2020. In total, for the year 2020, the Okapi Fund received the sum of 322,007 euros (£285,234) for annual operating costs from KfW.

The 2020 financial accounts therefore report the Charity receiving funding in 2020 from two sources:

- i) The World Bank.
- ii) KfW (The German Development Bank).

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Trustees' annual report

For the year ended 31 December 2020

Resource utilisation framework

This investment policy followed by the Okapi Fund has been developed to be fully compliant with the recommended Practice Standards for Asset Management (standards 1–9) as set out by the Conservation Finance Alliance and best practice guidance in the annual Conservation Trust Investment Survey published by WCS. Furthermore, the Okapi Fund follows the World Bank's Environmental and Social Framework and the World Bank Group's general and sector-specific Environmental, Health and Safety Guidelines.

As the Okapi Fund is a charitable entity dedicated to environmental conservation, the investments made by the investment manager must not be inconsistent with the objectives of the charity. The investment of the funds, inclusive of all investment instruments, are subject to SRI (Socially Responsible Investing) sectoral filtering and compliance with the ESG and responsible investing policies and detailed exclusions listed in the Investment Policy statement.

The capitalisation funds received from KfW at the end of 2019 and from The World bank in January 2020 were put in the Endowment Fund. These funds have been progressively invested in the financial markets by our portfolio manager, Smith & Williamson, in accordance with our Investment Policy Statement and under the supervision of our Investment Committee.

The Endowment Fund holds Okapi Fund's longer-term investment assets and the returns from these assets provide resources that the Okapi Fund can deploy in furtherance of its charitable aims.

The totality of the funds received from the World Bank (US\$ 7.4 million) are treated as Permanent Endowment Funds according to the wishes expressed by the donor.

Following the wishes of the donor, the funds received from KfW, namely Euro 14 million received in December 2019, are treated as:

- Permanent Endowment funds for the value of US\$ 7.4 million (based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).
- Expendable Endowment Funds for the value of EURO 14 million less the amount mentioned above (14M euros less the 7.4M US\$ based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).

The Portfolio in 2020

As of 31 December 2020, the portfolio reached a (potential, un-realised) return on investment of 13.26%.

The performance, over the same period, of our benchmarks was 11.96%.

The Okapi Fund for Nature Conservation in the Democratic Republic of Congo

Trustees' annual report

For the year ended 31 December 2020

As of 31 December 2020, the portfolio was allocated as follows:

- 17.4% in US Treasury Bonds.
- 14.3% in investment grade corporate bonds.
- 67.6% in Equities.
- 0.7% in cash.

Note, regarding the cash position which seems low, (i) that US Treasury Bills are very short term and are quasi cash (ii) and that the equity positions are also very liquid.

The portfolio's currency exposure was as follows (as of December 31, 2020):

- a. 80.7% to US\$ assets.
- b. 4.6% to Euro assets.
- c. 9.3% to Sterling assets.
- d. 5.4% in other currencies.

Compared to our profitability objectives, as expressed in our Investment Policy Statement, i.e. the US consumer price index +4%, net of portfolio management fees, **we have performed more than twice our objectives for the year: 13.26% over the year 2020, compared to an objective of nearly 6%.**

In the first half of 2021, the Okapi Fund will decide whether or not to adopt the Total Return Approach. The decision will be taken by the Board of Trustees on the basis of the report of an independent expert to be submitted in April 2021 advising the Trustees on the consequences of such an approach including its advantages and disadvantages.

Principal risks and uncertainties

The Trustees have considered the risks that the Charity faces as of the date of this trustees' report. Having reviewed these risks and the steps being taken, the trustees are confident that these risks are being managed appropriately.

During the year, a risk register was set up. This risk register records risks as they arise and indicates the measures that are taken to mitigate or eliminate them. This register is kept up to date at all times and is available in our office. It is communicated to the trustees at each meeting of the Board of Directors who review the Risk Assessment Report.

In 2020, two Risk Assessment Reports were produced by the Executive Director, discussed in the Executive Committee and reviewed and approved by the trustees before and during the Board meetings.

Trustees' annual report

For the year ended 31 December 2020

In 2020

The main risks faced during the Year 2020, and mitigating measures being taken, are described in the following sections.

The main risks reported and reviewed in 2020 were as follows:

- Operational risks;
- Financial Risks;
- Fiscal Risks.

Operational risks

The most significant operational risks identified were the following:

1. Difficulty meeting donors in the context of fundraising due to the Covid-Crisis;
2. Risks related to difficulties in managing the bank account.

1. Difficulty meeting donors in the context of fundraising due to the Covid Crisis

The Covid-19 crisis has had an impact on the possibility of meeting face-to-face with a certain number of interlocutors. To this day, many institutions still refuse physical meetings and prefer to exchange via telecommunication means.

As stated in our Strategic Note on Fundraising dated June 2020 and transmitted to the Executive Committee and approved by the Board in August 2020: "The global health crisis related to Covid-19 could affect our ability to raise funds in the short term: some potential donors are still recovering from their normal activities and some of their budgets could be reallocated to objectives that do not necessarily include biodiversity as a priority".

If the crisis does not drag on, the impact on our ability to raise funds should not be too strong: our fundraising plan covers a 5-year period and the Okapi Fund's short-term objectives will not be impacted by a delay of a few months in the first fundraising, especially since fundraising is a long process when it is carried out with large international institutions which are our main donor targets. The question remains, however, as to whether the potential sources of funding planned for the defense of biodiversity have been or will be allocated to other destinations by major potential donors.

Thus, at this stage, the risk of a negative impact on the fundraising plan is therefore considered "moderate".

- **Solution adopted:** Exchanges via Zoom and other means of distant communication with potential donors.

2. Difficulty in managing the bank account

After a series of problems with the Banque Commerciale du Congo (BCDC) since September 2019, we looked into the possibility of an alternative bank.

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Due to these incidents, we have explored the possibility of opening a test account with the Trust Merchant bank) TMB. The account opening process is ongoing.

Once open, we will transfer a small part of our budget to test the quality of the services offered by the bank (especially online services).

If the test is conclusive, we may propose a change of bank.

- **Solution adopted:** Testing the services of a different bank.

Financial risks

Two financial risks were identified in 2020:

1. Volatility of financial markets.
2. Costs of medical coverage for employees.

1. Volatility of financial markets

This risk was considered high during 2020. Indeed, due to the nervousness of the markets related to the health crisis and its consequences on the global economic situation, we expected strong variations, or even sharp declines, in the markets (especially equity markets) during the course of 2020.

If a global recession were to occur in the coming months, it would necessarily impact the returns on our investments and the ability of Okapi Fund to make its first disbursements to KNP or Garamba NP in late 2021 or early 2022 as planned.

In this context, we can say that S&W, our portfolio manager, has succeeded in managing the crisis well, by adopting (with the approval of the Okapi Fund) a cautious approach that suited the situation: limiting the equity portion of the portfolio; maintaining a significant portion of the portfolio in US treasury bonds; and maintaining the stocks of companies that have little debt or that could benefit from the crisis (such as Amazon); sale of some holdings in companies that could be significantly impacted by the crisis (Disney World due to the closure of amusement parks and Stricker, which manufactures surgical robots, because all operations have been suspended to help manage the health crisis in hospitals); prudent resumption of share purchases from May 2020 and the possibility of going back to the prudent approach if the overall economic and financial situation deteriorates.

The impact on the Okapi Fund's activities of the volatility of the financial markets was limited in 2020 for the following reasons:

- a. The financial crisis had no impact on the operating budget of the Okapi Fund, which is secured by funds made available by KfW, and whose financial strength is not threatened by the current crisis;

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- b. In 2020, the Okapi Fund did not plan to distribute funds to finance projects: funds placed on the financial markets must first generate sufficient income for grants to begin. As we do not have a short-term distribution imperative, we can wait until the crisis subsides and maintain a prudent investment policy in the meantime.
 - c. The conservative investments made proved to have better than expected returns for the year as a whole, and even better than the targets set out in our Investment Policy Statement.
- Solution adopted in 2020: Prudent approach on the equity market; maintaining a high level of monetary values; daily monitoring of the situation and adaptation to the evolving situation.

2. Costs of medical coverage for employees

The Insurance Code of the DRC does not allow for collective coverage of employees by medical insurance to cover employees' medical expenses when the structure has fewer than 20 employees. As a result, the Okapi Fund pays all the medical expenses of its employees directly, without any ceiling. Our lawyer told us that it was not possible to limit an employee's medical coverage and impose a ceiling on reimbursable expenses (a solution that we hoped to be able to adopt).

This results in a financial risk for the Okapi Fund related to uncapped medical employee expenses.

The assessed risk is twofold: (i) that of exceeding the budget and (ii) that of potentially having to bear large sums without being able to determine the amount in advance.

In 2020, medical expenses were moderate and did not exceed the expected budget.

For 2021, it appears that we have found a solution through an insurer that would include us in a larger pool to address the legal void.

Fiscal risks

As we explained in all of our Quarterly Activity Reports to the Trustees (*Rapports d'Activités Trimestriels*), we decided to make a provision in our accounts for the payment of the IER (the exceptional tax on the income of expatriate staff), but not to pay it to the tax authorities as proposed by our accountants.

Indeed, our lawyer, in his tax analysis of the Asbls, had clearly indicated to us that this tax was not applicable to our situation. The tax rate of the IER is 25% on the remuneration (after deduction of those parts of the remuneration which are not subject to taxation) and monthly the additional cost of this tax would be in the order of US\$3,000.

We have therefore decided to provision the amounts corresponding to the IER until we have a clear answer from the tax authorities.

In 2021

More generally, the risks faced by the Okapi Fund in the coming months are mainly twofold:

1. A financial risk due to the fragility, or even nervousness, of the financial markets due to the Covid-19 situation and its consequences on the global economic situation. Due to this particular situation, the Okapi Fund, in particular through its Investment Committee and thanks to very regular communication with its portfolio manager (Smith & Williamson), will be very attentive to financial risks and will closely follow the evolution of financial indices on a daily basis.
2. The other risk is the country risk, as the DRC is a relatively unstable country, both politically and economically. The members of the Okapi Fund (Trustees & the executive direction) are therefore very attentive to political and economic developments in the country in order to be able to anticipate as far as possible any risk that might arise for its activities or its members or partners. In particular, the Okapi Fund closely monitors the situation in the Protected Areas, which are sometimes located in high-risk zones, by checking very regularly with its partners or the various stakeholders with whom the Okapi Fund is in contact to find out what the health and safety situation is on the ground. These risks could be amplified by the health crisis linked to Covid-19.

Regarding Point 1 above, while the risk of not achieving the 2021 financial objectives is high, the impact can be considered moderate and relatively controlled for the following reasons:

- a. The financial crisis, if it is to materialize in the course of 2021 will have no impact on the 2021 operating budget of the Okapi Fund, which is secured by funds made available by KfW, and whose financial strength is not threatened by the potential crisis;
- b. As the profitability for 2020 (return on investment of the portfolio) has been doubled than our yearly target, we have a safety cushion in case of a significant decline in the financial markets in 2021; in addition, we maintain a significant position in liquid money market securities as long as the prospects of a financial and economic crisis are high;
- c. In 2021, the Okapi Fund did not plan to distribute funds to finance projects: funds placed on the financial markets must first generate sufficient income for grants to begin. As we do not have a short-term distribution imperative, we can wait until the crisis subsides and maintain a prudent investment policy in the meantime.

Reserves policy and going concern

Since the first capitalization funds (endowment funds) received by the Okapi Fund were invested in the financial markets in the first half of 2020 and the funding strategy (disbursements to protected areas) adopted by the Okapi Fund foresees the first disbursements starting in 2022, no reserve has been set aside for this purpose in 2020.

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In addition, as the Okapi Fund's operational budget is financed by KfW until the end of the first half of 2022, no reserve has been established to secure funding to cover operational budget spending in 2020 and 2021. KfW has made available funding for the operational running of the Okapi Fund of EUR 1 million. Depending on our needs, and based on the forecast financial statements, we can draw on these funds for periods of 6 months by making a duly documented application to KfW (by showing, in particular, that the expenditures for the previous period were spent in accordance with the financial forecasts).

In July 2021, the board approved the reserves policy post the KfW initial funding. The Okapi Fund needs to maintain sufficient free reserves to match this long-term funding commitment. The reserves policy is set to ensure we can deliver on our vision and mission and ensure our work is protected from the risk of disruption at short notice due to a lack of available funds, whilst at the same time ensuring we do not retain income for longer than required. As part of effective financial management, the Okapi Fund holds reserves to ensure we can:

- Manage financial risk. There are a range of risks we face, including the risk of an unforeseen drop in income due to unpredictable investment returns or unbudgeted increases in expenditure.
- Meet our long-term grant commitments and funding plans.

We have calculated that an appropriate reserves range for the Okapi Fund is USD \$1.0 to 1.5 million, which is broken down as follows:

Reserves range	US \$m
Financial risk (see below)	0.5
Grant commitments and long-term plans (see below)	0.5
Minimum level	1.0
Range	0.5
Maximum level	1.5

This equates to between 12- and 18-months charitable activities (such as funding of commitments to national parks from 2022) and operating and administration expenses.

At the year ended 31 December 2020. The Okapi Fund held funds of £19,166,688 of which £65,415 was unrestricted, and £6,237,470 is within the expendable endowment, with the remaining £12,863,803 in the permanent endowment.

The reserves that we have set aside provide financial stability and the means for the long-term development and delivery of the Okapi Fund's principal charitable activity. We intend to maintain our reserves at a level which is at least equivalent to one year's operating expenditure due to the long-term nature of the Okapi Fund's activity and the current volatility of investment returns that provide the Okapi Fund's principal source of income [drawn from the Unapplied Total Return].

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We intend to use these free reserves in the following manner. The Okapi Fund Directors have decided to:

1. set a global indicative amount for grants to Protected Area Parks for the year 2022 at US\$550,000 [invested in short-term monetary securities, mainly US Treasury Bills, Term Deposits]; and
2. to set aside a sum of US\$ 260,000 to cover the operational budget for the second half of 2022 [invested in short-term monetary securities mainly US Treasury Bills, Term Deposits] when current KfW donor grant funding will cease.

The Board regularly reviews the amount of reserves that are required to ensure that they are sufficient to meet all the Okapi Fund's continuing obligations and plans.

The impact of the COVID-19 crisis

Impact on the Portfolio

During the year 2020, the Investment Committee met many times to review the situation created by the outbreak of the COVID-19 and the Okapi Fund has been in regular communication with the portfolio manager.

In 2020, the Coronavirus-19 crisis did not have a negative impact on the profitability of the portfolio.

In coordination with Smith & Williamson, the Okapi Fund has reoriented the composition of its portfolio towards less risky positions and conducted daily monitoring of market developments. The bulk of the portfolio was reoriented towards US Treasury Bonds for few months, the time to assess the evolution of the crisis. Then, once the worst of the crisis was over, investments in riskier stocks gradually resumed and our portfolio returned to its desired composition at the beginning of the second half of 2020.

Impact on the Budget

The current financial and health crisis has no impact on the operating budget of the Okapi Fund, which is secured for the coming years by the funds made available by KfW, whose financial strength is not threatened by the current crisis.

Impact on distribution of grants

In 2020, the Okapi Fund did not expect to distribute funds to finance projects: the funds placed on the financial markets must first yield enough income to allow the grants to begin. As we did not have a short-term distribution imperative, we could wait until the crisis subsided and maintained a prudent investment policy in the meantime. We expect to start disbursing some amounts to the protected areas in 2022.

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Impact on fundraising

The Covid-19 crisis has had an impact on the possibility to meet face-to-face with a number of interlocutors. As of the date of this report, many institutions still refuse physical meetings and prefer to exchange via telecommunication means.

As we stated in our Fundraising Strategy Note dated June 2020 and approved by the Board of trustees in August 2020: "The global health crisis related to Covid-19 may impact our ability to raise funds in the short term: some potential donors are still recovering from their normal activities and some of their budgets may be reallocated for purposes that do not necessarily include biodiversity as their priority."

If the crisis does not drag on, the impact on our ability to raise funds should not be too great: our fundraising plan covers a period of 5 years and the short-term objectives of the Okapi Fund will not be impacted by a delay of a few months in the first fundraisings. It remains to be seen, however, whether the potential sources of funding planned for the defence of biodiversity have been or will be allocated to other destinations.

Thus, at this stage, the risk of a negative impact on the fundraising plan is considered "moderate".

Impact on staff activities

As the Executive Director was in France at the time of the imposed lockdown in France, he could not return to the DRC with his family in mid-March 2020 as planned. Because of the duration of the lockdown in France, and then the lockdown decided in the DRC, it was necessary to organise the office as a teleworking office, which did not pose any particular difficulty insofar as the Executive Administrative Assistant was able to maintain a permanent link with the various authorities in the DRC (notably fiscal and social), as well as with the members of the Executive Committee present in the DRC.

Impact on training

Kathy Mikitin's face-to-face training which was scheduled for March 2020 in Kinshasa had to be postponed due to various confinements and travel restrictions (including by the United States).

The training is finally scheduled for Spring 2021 through the digital Zoom tool.

Conclusion

All these risks have been reported as they appeared during the year in our Risk Register. Furthermore, during the year, we elaborated two Risk Assessment Reports outlining all the risks faced by the Okapi Fund. Each report was shared with the Trustees and was discussed and approved during Board Meetings.

Overall, the consequences of impacts relating to the Covid-19 crisis are limited. Our financial objectives, as set forth in our Investment Policy Statement, have been exceeded by a wide margin despite the health crisis and financial market turmoil.

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We believe that delays in (i) field visits and (ii) Trustee training should be caught up without major problems in 2021. The consequences of these delays should not have a significant impact on the financial and operational objectives of the Okapi Fund.

Generally speaking, the same remarks can be made about 2021; the risks identified as a result of the Covid-19 crisis are the same, and the solutions provided will be significantly similar to those we took in 2020.

Plans for the future

Looking forward to 2021, the main goals and activities of the Charity for 2021 are as follows (an Annual Activity Plan for 2021 has been developed by the management team and approved by the Trustees in December 2020):

- Implement the fundraising strategy in order to increase the Fund's capitalization (endowment funds). Meet the potential donors, negotiate and establish agreement with them and (if possible) receive funding commitment from them.

Our fundraising strategy has established general objectives over a 5-year period according to two scenarios, one conservative and the other ambitious:

According to the conservative scenario:

Funding for PAs: Funding flows of at least US\$600,000 will reach PAs from 2022 onwards, ideally reaching and exceeding US\$2.5 million per year from 2025 onwards (more than US\$3 million in 2026), thanks to a significant commitment from international public actors and also the private sector.

According to the ambitious scenario:

Funding of PAs: Funding flows of at least US\$900,000 reach the PAs from 2022 onwards, ideally rising to more than US\$5 million per year from 2025 onwards (more than US\$7 million in 2026), thanks to a significant commitment from international public actors and also the private sector.

As the objective of the Okapi Fund is to be able to make a difference on the ground and to offer a stable tool for financing Protected Areas in the long term, we will make every effort to achieve the ambitious scenario.

It must, however, be borne in mind that the achievement of this ambitious general objective is largely dependent on factors exogenous to the Okapi Fund itself: international donor programmes and donation policy priorities; financial market conditions; economic or health crises, etc.

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- Study the needs of Protected Areas and their eligibility under our Operation Manual: meet the different actors managing Protected Areas and understand their needs and check with them their eligibility for donations from the Okapi Fund. Acquire knowledge of the functioning of Protected Areas, of their nature and biodiversity conservation policies. Organize and accomplish field missions to enable adequate disbursements in 2022 to the targeted Protected Areas.

In order to ensure that the funds that will be disbursed to the Protected Areas from 2022 onwards will be done so under satisfactory governance and security conditions it is essential to take the time to study the capacity of the targeted Protected Areas to receive the funds according to our demanding criteria. This justifies devoting part of our 2021 activities to this crucial issue. The future success of the Okapi Fund will be determined in part by the success of our initial disbursements. A special effort must therefore be made to prepare for these first disbursements, especially since the Okapi Fund's operational team has only been complete since the beginning of 2020.

An important activity for the Okapi Fund is therefore the acquisition of knowledge to determine the real needs of the Protected Areas, in an often difficult context: in accessing the geographical areas of the Protected Areas; the need to work upstream on the future reporting of the beneficiaries, particularly on the reporting format, the monitoring and evaluation indicators of the grants that will be awarded.

All this necessary upstream work justifies not disbursing funds to Protected Areas from 2021 onwards (except in exceptional situations).

- Meet with private sector actors and assess their potential support for the Okapi Fund.

In particular, the aim is to make private actors aware of the need to take into account the protection of biodiversity in a country like the DRC, where it represents an invaluable economic asset for the country. By forging links with the private sector, we will also seek to involve these actors in the financing of Protected Areas in order, for example, to compensate for their economic and industrial activities that have an impact on biodiversity in the DRC.

- Meet with stakeholders in the field of biodiversity conservation and establish relationships with them; in general, make these stakeholders aware of the activities of the Okapi Fund and the interest that such a tool represents for the protection of biodiversity in DRC. Develop partnerships with national, regional and international nature conservation institutions.
- Set up the Grantmaking Committee and determine the Grant Program for the year 2022.

In early 2021, a new body within the Okapi Fund will be established to analyse the eligibility of potential beneficiaries of Okapi Fund grants and to advise the Trustees on the distribution policy (beneficiaries, amounts, timing and tranches of disbursements, etc.) according to the needs of the Protected Areas.

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- In the first half of 2021, the Okapi Fund will decide whether or not to adopt the Total Return Approach. The decision will be taken by the Board of Trustees on the basis of the report of an independent expert to be submitted in April 2021 advising the Trustees on the consequences of such an approach including its advantages and disadvantages.

Small fundraising statement

We do not raise funds from the general public. However, we plan to increase the base of our endowment funds and restricted funds over the next few years and plan to meet with potential institutional and private donors in the coming months (this process has started in September 2020). Our fundraising strategy for the coming years has been approved by the Trustees in August 2020. As our fundraising strategy is based on the medium and long term, the impact of the situation related to COVID-19 should be limited in terms of our fundraising strategy.

We did not conduct fundraising activities with the general public in 2020 and incurred no expenditure in raising income. As we have not conducted any fundraising activities with the general public in 2020, we have not been confronted with any compliance issues or complaints of any kind.

Structure, governance and management

The Charity is a charitable company limited by guarantee, incorporated on 28 November 2013 and registered as a charity on 3 June 2014.

The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its articles of association. All trustees give their time voluntarily and receive no benefits from the charity. The Charity reimburses trustees for expenses incurred in carrying out their trustee duties, providing such expenses are reasonable and properly incurred. Please see note five to the accounts for more information.

In accordance with its Articles of Association, the Okapi Fund has delegated its day-to-day management to the Executive Committee and the Executive Director:

9.2 Subject to the Articles, the Directors may delegate the implementation of their decisions or day to day management of the affairs of the Charity to any person or committee.

11. Delegation of day to day management powers

In the case of delegation of the day to day management of the Charity to a chief executive or other manager or managers:

11.1 The delegated power shall be to manage the Charity by implementing the policy and strategy adopted by and within a budget approved by the Directors and (if applicable) to advise the Directors in relation to such policy, strategy and budget;

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11.2 The Directors shall provide any manager with a description of his or her role and the extent of his or her authority; and

11.3 Any manager must report regularly to the Directors on the activities undertaken in managing the Charity and provide them regularly with management accounts which are sufficient to explain the financial position of the Charity.

The functioning of the Executive Committee and its powers are detailed in the Internal Regulations of the Okapi Fund (*Règlement Intérieur*) adopted by the Board of Trustees:

Article 12: Duties of the Executive Committee.

12.1 The Executive Committee intervenes to take decisions on immediate operational matters, which require urgency, for which the orientations of the Board of Directors are normally necessary, but which do not necessarily require the Board of Directors to be held. The Executive Committee shall not be responsible for any of the functions or powers that cannot be delegated to the Committees by the Board of Directors in accordance with Article 9.3 of the Articles of Association.

The remuneration of the Executive Director is set by the Board of Trustees.

The main factors taken into account for the remuneration of the Executive Director were the following:

1. The international and particular profile of the candidate.
2. The very high cost of living in the DRC.
3. Risks associated with the position, due to the political and economic instability of the country.

The amount of the compensation and benefits were determined in consultation with Michael Page, the company mandated to select the Executive Director, based on the remuneration of equivalent positions for international profiles that evolve in a difficult context and where the cost of living is one of the highest in the world. The amount of the remuneration is also justified by the political and economic instability of the DRC, particularly in the regions where the Protected Areas under the focus of the Okapi Fund are located (the Executive Director will visit them from time to time).

The current Executive Director was appointed by and received delegation from the Board of Trustees during its 17th Session held the 12 July 2019. His duties are detailed in his employment contract and in the Manual of Administrative and Accounting Procedures Manual, both approved by the Board of Trustees.

Appointment of Trustees

The appointment of Trustees is covered in detail in the Charity's Articles of Association (see Articles 25–28). The Articles allow for the Charity to have a minimum of 7 and a maximum of 9 trustees (or directors, as they are called in the Articles). At the end of 2019 there were 9 trustees in office.

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Regarding the training of Trustees, our policy is the following:

1. Each new Trustee benefits from training on the following points:

General Governance Overview

- Refresher on key governance principles (General Roles/Responsibilities of a Board; Duties vs Powers (individual responsibility and collective action); Duties of Care, Loyalty and Obedience; Governance and Management (strategic vs tactical); The Board, the Board Chair and the Chief Executive (relationship of the leaders).
- Reputational risk (What is it and how is it managed? Ethical conduct and policy, Environmental and Social Safeguards).
- Other risks (compliance, financial, operational, external, strategic, governance) and risk management.
- Institutional sustainability (finances, human capital and succession planning).

Strategic Planning

- Importance and role of the strategic plan.
- Key questions answered by a strategic plan.
- Process for preparing, reviewing and approving the plan.
- Indicators and monitoring.
- Vision, Mission and Values.

DRC's Network of Protected Areas

- Strategic Vision of the DRC Government.
- Overview of the network of protected Areas in DRC.
- Garamba and Kahuzi-Biega National Parks (general information, threats, management, financial inflows, needs).

2. So far, Kathy Mikitin, one of the world's leading Conservation Trust Fund specialists, has provided the training. A training initially scheduled for December 2019 was postponed to March 2020 and then to the first semester of 2021 due to the Covid-19 crisis.

3. Former Trustees are invited to participate in training sessions to facilitate exchanges with new Trustees.

A training Program for the year 2021 was adopted by the Board of Directors in December 2020. It details both training for Trustees and training for operational team members. It also includes a provisional calendar. The Board of Directors also approved the corresponding budget.

Related parties and relationships with other organisations

The Okapi Fund has no formally established relationship with any organisation outside of KfW, the World Bank and the ICCN. Details on related parties with KfW and ICCN are provided in Note 6 of the accounts.

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KfW provided some funds and has one of its employees as a member of the Board in the person of Verena Seiler (she is both the head of the KfW bureau in Kinshasa and a Trustee for the Fund).

Statement of responsibilities of the trustees

The Trustees (who are also directors of The Okapi Fund for Nature Conservation in the Democratic Republic of Congo for the purposes of company law) are responsible for preparing the trustees' annual 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2020 was 9 (2019 9). The members of the charity are the subscribers to the Memorandum of Association of the Charity and such other persons as are admitted to membership by the Directors in accordance with the Articles. The trustees have no beneficial interest in the charity.

Trustees' annual report

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Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The Trustees' annual report has been approved by the trustees on 5 July 2021 and signed on their behalf by

Bob Tumba, Chair
Council of Directors of the Okapi Fund

Independent auditor's report

For the year ended 31 December 2020

Opinion

We have audited the financial statements of The Okapi Fund for Nature Conservation in the Democratic Republic of Congo (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 FRS 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 charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 charitable company 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 Okapi Fund for Nature Conservation in the Democratic Republic of Congo'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.

Independent auditor's report

For the year ended 31 December 2020

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 the audit:

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Independent auditor's report

For the year ended 31 December 2020

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.

Independent auditor's report

For the year ended 31 December 2020

- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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.

Noelia Serrano (Senior statutory auditor)

31 August 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Statement of financial activities

For the year ended 31 December 2020

	Note	Unrestricted £	Endowment £	2020 Total £	Unrestricted £	Endowment £	2019 Total £
Income from:							
Donations	2	292,171	5,796,043	6,088,214	145,491	11,921,495	12,066,986
Investment income		–	142,636	142,636	–	–	–
Total income		292,171	5,938,679	6,230,850	145,491	11,921,495	12,066,986
Expenditure on:							
Charitable activities							
Project expenses	3	242,832	416,097	658,929	129,415	–	129,415
Total expenditure		242,832	416,097	658,929	129,415	–	129,415
Net income and movement in funds	4	49,339	5,522,582	5,571,921	16,076	11,921,495	11,937,571
Gain /(loss) on investments	8	–	1,709,334	1,709,334	–	(52,138)	(52,138)
Reconciliation of funds:							
Total funds brought forward		16,076	11,869,357	11,885,433	–	–	–
Total funds carried forward		65,415	19,101,273	19,166,688	16,076	11,869,357	11,885,433

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 13 to the financial statements.

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Balance sheet

Company number: 08794664

As at 31 December 2020

	Note	2020 £	2019 £
Non current assets:			
Tangible assets	9	4,111	–
Investments	8	19,101,273	11,869,357
		<u>19,105,384</u>	<u>11,869,357</u>
Current assets:			
Debtors	10	18,089	11,907
Cash at bank and in hand		66,642	23,017
		<u>84,731</u>	<u>34,924</u>
Liabilities:			
Creditors: amounts falling due within one year	11	(23,427)	(18,848)
		<u>61,304</u>	<u>16,076</u>
Net current assets		<u>61,304</u>	<u>16,076</u>
Total net assets		<u><u>19,166,688</u></u>	<u><u>11,885,433</u></u>
The funds of the charity:	13		
Restricted funds:			
Endowment Fund		19,101,273	11,869,357
Unrestricted funds		<u>65,415</u>	<u>16,076</u>
Total charity funds		<u><u>19,166,688</u></u>	<u><u>11,885,433</u></u>

Approved by the trustees on 5 July 2021 and signed on their behalf by

Bob Tumba

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Statement of cash flows

For the year ended 31 December 2020

	Note	2020 £	£	2019 £	£
Cash flows from operating activities					
Net income for the reporting period (as per the statement of financial activities)		7,281,255		11,885,433	
Depreciation charges		1,097		–	
Eliminate (gains)/ losses on investments		(1,709,334)		52,138	
Eliminate losses/ (gains) from foreign exchange		340,416		(1,579)	
Income from investments		142,636		–	
(Increase) /decrease in debtors		(6,182)		36,861	
Increase/(decrease) in creditors		4,579		(29,920)	
Net cash provided by operating activities		6,054,467		11,942,933	
Cash flows from investing activities:					
Purchase of investments		(15,910,748)		(11,870,592)	
Proceeds from sale of investments		10,479,479		–	
Purchase of fixed assets		(5,208)		–	
Income from investments		(142,636)		–	
Movement in cash held by investment manager		(91,313)		(50,903)	
Net cash used in investing activities		(5,670,426)		(11,921,495)	
Change in cash and cash equivalents in the year		384,041		21,438	
Cash and cash equivalents at the beginning of the year		23,017		–	
Change in cash and cash equivalents due to exchange rate movements		(340,416)		1,579	
Cash and cash equivalents at the end of the year		66,642		23,017	

Notes to the financial statements

For the year ended 31 December 2020

1 Accounting policies

a) Statutory information

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is 10 Queen Street Place, London, EC4R 1BE.

b) Basis of preparation

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) – (Charities SORP FRS 102). The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006/Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The Okapi Fund received a capital contribution €14 million from the German Ministry for Cooperation and Development through the KfW Development Bank in December 2019. After 31 December 2018, the KfW Development Bank committed to continue operational support by allocating an additional €1 million. KfW reiterated this support in a letter dated 28th August 2019, for the development stage over the next 2–3 years. For operational support, KfW provided out of the €1 million commitment (i) a sum of 59,427.84 Euros in August 2019; (ii) a sum of € 224,015 in March 2020 and (iii) a sum of € 98 112,9 in November 2020. Capital contribution from the World Bank, for an amount of 7,4 million US\$, was received in January 2020.

Due to the Covid-19 crisis and its impact on the financial markets and the world economic outlook, it is possible that the portfolio's profitability targets will not be met in 2021. The impact on the Okapi Fund's activities will nevertheless be limited for the following reasons:

1. The financial crisis, if it is to be materialized, will not have an impact on the operating budget of the Okapi Fund, which is secured for the coming years by the funds made available by KfW, whose financial strength is not threatened by the current crisis;
2. In 2021, the Okapi Fund is not expecting to distribute funds to finance projects in the Protected Areas. As we do not have a short-term distribution imperative, we can wait until the crisis subsides and maintain a prudent investment policy in the meantime;
3. The portfolio's profitability objective for the year 2020 was largely exceeded, as the portfolio achieved a Return on Investment of 13% in 2020, double the objective set in our Investment Policy Statement. Thus, even though 2021 may be a difficult year for the financial markets, the impact on the Okapi Fund should be mitigated by the portfolio's strong performance in 2020.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' 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.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Expenditure and irrecoverable VAT

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

Notes to the financial statements

For the year ended 31 December 2020

1 Accounting policies (continued)

g) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

h) Debtors

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

i) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

j) Financial instruments

The charity 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.

k) Foreign exchange policy

Transactions in foreign currencies are translated at the average rate for the year using HMRC rates. All exchange gains/losses are charged to the statement of financial activities and separately disclosed.

l) Presentational currency

The financial statements are presented in British Sterling. The functional currency is between United States Dollars and Euros.

m) Funds

The restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

The unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

The endowment funds include permanent endowment funds, where the capital must be retained, and expendable endowment funds, which can be converted into income at the discretion of the Trustees. The totality of the funds received from the World Bank (US\$ 7.4 million) are treated as Permanent Endowment Funds according the wishes expressed by the donor.

Following the wished of the donor, the funds received form KfW, namely Euro 14 million received in December 2019, are treated as:

- Permanent Endowment funds for the value of US\$ 7.4 million (based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).
- Expendable Endowment Funds for the value of EURO 14 million less the amount mentioned above (14M euros – 7.4M US\$ based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).

n) Fixed assets

Items of equipment are capitalised where purchased. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

The depreciation rates of fixed assets are as follows:

- IT equipment – 3 years straight line
- Furniture and Fittings – 4 years straight line

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Notes to the financial statements

For the year ended 31 December 2020

2 Income from donations and legacies (unrestricted)

	Unrestricted £	Endowment £	2020 Total £	2019 Total £
Donations:				
World Bank	–	5,796,043	5,796,043	–
KfW	285,234	–	285,234	11,973,893
Gift in Kind:				
World Bank	–	–	–	6,424
KfW	6,937	–	6,937	86,669
	292,171	5,796,043	6,088,214	12,066,986

All income from the prior year was unrestricted.

3a Analysis of expenditure

	Charitable activities £	Support costs £	Governance costs £	2020 Total £	2019 Total £
Staff Costs (note 5)	–	169,509	–	169,509	–
Payroll provision	–	–	–	–	–
Consultancy	–	6,274	–	6,274	102,783
Legal fees	–	–	4,587	4,587	3,487
Admin and Rent	–	41,107	–	41,107	11,303
Accountancy and audit fee	–	–	32,775	32,775	8,000
IT	–	1,726	–	1,726	–
Foreign exchange	–	340,416	–	340,416	1,579
Depreciation expense	–	1,096	–	1,096	–
Investment manager fees	–	61,153	–	61,153	–
Trustee expenses	–	–	286	286	2,263
	–	621,281	37,648	658,929	129,415
Support and Governance costs	658,929	(621,281)	(37,648)	–	–
Total expenditure 2020	658,929	–	–	658,929	129,415

3b Analysis of expenditure prior year

	Charitable activities £	Support costs £	Governance costs £	2019 Total £
Consultancy	–	102,783	–	102,783
Legal fees	–	–	3,487	3,487
Admin and Rent	–	11,303	–	11,303
Accountancy and Audit fee	–	–	8,000	8,000
Foreign exchange	–	1,579	–	1,579
Trustee expenses	–	–	2,263	2,263
	–	115,665	13,750	129,415
Support and Governance costs	129,415	(115,665)	(13,750)	–
Total expenditure 2019	129,415	–	–	129,415

Notes to the financial statements

For the year ended 31 December 2020

4 Net income for the year

This is stated after charging:

	2020 £	2019 £
Trustees' remuneration	–	–
Trustees' reimbursed expenses	564	4,239
Foreign exchange loss	340,416	1,579
Auditor's remuneration (excluding VAT):		
Audit	9,950	6,000
Other services	2,000	2,000

Notes to the financial statements

For the year ended 31 December 2020

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	160,464	–
Social security costs	15,319	–
	<u>175,783</u>	<u>–</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2020 No.	2019 No.
£130,000 – £139,999	<u>1</u>	<u>–</u>

In 2019, The Okapi Fund for Nature Conservation in The Democratic Republic of Congo did not have any directly employed staff in the year. However, KfW contracted a consultant to manage FOCON and he was brought on board in July 2019. From February 2020, he was employed as an employee of the Okapi Fund for Nature Conservation in The Democratic Republic of Congo. The total benefits of this key management personnel were £152,189, of which £150,240 were for remunerations and £1,950 were for expenses and flight costs (2019: £78,359).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

During 2019, trustees could claim a nominal amount of £44 (USD \$60) per calendar month in order to cover their costs of travel to board meetings and travel and communication costs incurred in the normal course of carrying out the governance function of The Okapi Fund for Nature Conservation in The Democratic Republic of Congo. In 2019, four of the nine trustees claimed this. The total amount claimed for trustee expenses of this kind was £2,121 in 2019. This policy was ended in 2020 and therefore no trustees received any nominal amounts in 2020.

Trustees' reimbursed expenses include travel, accommodation and disbursement costs in relation to overseas travel for one trustee (2019: one). The amount of £286 was reimbursed (2019: £1,981).

The average number of employees (head count based on number of staff employed) during the year was 2 (2019: 0).

6 Related party transactions

Verena Seiler is the head of the KfW bureau in Kinshasa and a Trustee for the Fund. Within the year, KfW covered the costs of a consultant and the Executive director costs for the amount of £6,937 (2019: £86,669).

The Okapi Fund also received funding from KfW of £6,081,277. Of this, £285,234 relates to funding to support the administration of the charity and £5,796,043 relates to an endowment fund set up in the year (2019: £11,973,893).

Jean-Philippe Waterschoot is the CEO of TEXAF, who is a trustee. TEXAF is the parent company of COTEX, from whom the Okapi Fund is leasing their new office. The lease was agreed on an arm's length basis and Jean-Philippe Waterschoot is not a signatory on the lease. A total of £23,276 was paid by the Okapi Fund to COTEX in the year, representing £11,560 of rental costs to cover the period from January to December 2020 and a £11,716 deposit. The deposit will be returned to the Okapi Fund on termination of the lease.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

7 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Notes to the financial statements

For the year ended 31 December 2020

8 Listed investments

Smith and Williamson Investment Management Limited were appointed fund managers in December 2019. The initial value of the investments was at 18 December 2019.

	2020 £	2019 £
Fair value at the start of the year	11,818,454	–
Additions at cost	15,910,748	11,870,592
Disposal proceeds	(10,479,479)	–
Net gain / (loss) on change in fair value	1,709,334	(52,138)
	18,959,057	11,818,454
Cash held by investment broker pending reinvestment	142,215	50,903
Fair value at the end of the year	19,101,273	11,869,357

9 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At the start of the year	–	–	–
Additions in year	3,038	2,170	5,208
At the end of the year	3,038	2,170	5,208
Depreciation			
At the start of the year	–	–	–
Charge for the year	658	439	1,097
At the end of the year	658	439	1,097
Net book value			
At the end of the year	2,380	1,731	4,111
At the start of the year	–	–	–

All of the above assets are used for charitable purposes.

10 Debtors

	2020 £	2019 £
Trade debtor	4,071	–
Other Debtors	2,302	–
Prepayments	11,716	11,907
	18,089	11,907

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Notes to the financial statements

For the year ended 31 December 2020

11 Creditors: amounts falling due within one year

	2020 £	2019 £
Payroll creditor	7,264	–
Trade creditors	575	–
Accruals	15,588	18,848
	23,427	18,848

12a Analysis of net assets between funds (current year)

	General unrestricted £	Endowment £	Total funds £
Fixed assets	4,112	–	4,112
Investments	–	19,101,273	19,101,273
Net current assets	61,303	–	61,303
Net assets at 31 December 2020	65,415	19,101,273	19,166,688

12b Analysis of net assets between funds (prior year)

	General unrestricted £	Endowment £	Total funds £
Investments	–	11,869,357	11,869,357
Net current assets	16,076	–	16,076
Net assets at 31 December 2019	16,076	11,869,357	11,885,433

13a Movements in funds

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	At the end of the year £
Restricted funds:				
Permanent Endowment	5,637,611	7,427,217	(201,025)	12,863,803
Expendable Endowment	6,231,746	220,796	(215,072)	6,237,470
	11,869,357	7,648,013	(416,097)	19,101,273
Unrestricted funds:				
General funds	16,076	292,171	(242,832)	65,415
Total funds	11,885,433	7,940,184	(658,929)	19,166,688

The Okapi Fund for Nature Conservation in The Democratic Republic of Congo

Notes to the financial statements

For the year ended 31 December 2020

13b Movements in funds prior year

	At 1 January 2019 £	Incoming resources & gains £	Outgoing resources & losses £	At 31 December 2019 £
Restricted funds:				
Endowment funds	–	11,921,495	(52,138)	11,869,357
Unrestricted funds:				
General funds	–	145,491	(129,415)	16,076
Total funds	–	12,066,986	(181,553)	11,885,433

Purposes of Endowment funds

The Okapi Fund has received funding from KfW and the World Bank to support the pursuit of its charitable objectives. The endowment fund is intended to generate significant, stable and predictable financial resources for the management of selected protected areas in the DRC, with a focus on sustainably financing the management costs of Parc National Kahuzi-Biega (PNKB) and the Parc National Garamba (PNG). The totality of the funds received from the World Bank (US\$ 7.4 million) are treated as Permanent Endowment Funds according to the wishes expressed by the donor.

Following the wishes of the donor, the funds received from KfW, namely EURO 14 million received in December 2019, are treated as:

Permanent Endowment funds for the value of US\$ 7.4 million (based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).

Expendable Endowment Funds for the value of EURO 14 million less the amount mentioned above (14 million EURO – 7.4million US\$ based on the conversion rate in effect on the date of receipt of funds in the accounts held with Smith & Williamson).

14 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases

	Property 2020 £	2019 £
Less than one year	9,693	9,258
	9,693	9,258

15 Contingent Liability

Within the year it was noted that there are addition taxes for Expatriate employees within the DRC. Okapi should not have to paid this taxes due to its charitable status, however at the year end the charity was still awaiting confirmation that this was the case. The extended costs would be approximately £42k.

16 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.