

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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For the year ended 31 December 2023

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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

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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.

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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.

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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.

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- 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.

Trustees' annual report

For the year ended 31 December 2023

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.

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

Trustees' annual report

For the year ended 31 December 2023

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.

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

Trustees' annual report

For the year ended 31 December 2023

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.

Trustees' annual report

For the year ended 31 December 2023

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

Trustees' annual report

For the year ended 31 December 2023

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.

Trustees' annual report

For the year ended 31 December 2023

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)
	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

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
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 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.