

The Mohamed Bin Zayed Species Conservation Fund

Financial Statements

For the year ended 31 December 2018

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Financial statements

For the year ended 31 December 2018

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Board of Trustees' report

For the year ended 31 December 2018

The Board of Trustees' present their annual report together with the audited financial statements of The Mohamed Bin Zayed Species Conservation Fund (The "Fund") for the year ended 31 December 2018.

Principal activities

The Fund is a significant philanthropic endowment established to provide targeted grants to individual species conservation initiatives, recognise leaders in the field of species conservation and elevate the importance of species in the broader conservation debate.

Results for the year

The Fund has reported a net Surplus for the year ended 31 December 2018 of AED 1,987,830 (Deficit 2017: AED (934,996)).


Trustees

The Trustees of the Fund during the year and as of the date of the audit report were:

H.H. General Sheikh Mohamed Bin Zayed Al Nahyan	Chairman
H.E. Mohamed Ahmed Al Bowardi	Deputy Chairman
H.E. Razan Khalifa Al Mubarak	Managing Director
H.E. Majid Al Mansouri	Board Member
Dr. Frederic Launay	Trustee and Board Member
Dr. Russel Mittermeier	International Representative
Dr. Mike Maunder	International Representative

Release

The Trustees release both management and the external auditor from liability in connection with their duties for the year ended 31 December 2018.



Deputy Chairman
H.E. Mohamed Ahmed Al Bowardi



Managing Director
H.E. Razan Khalifa Al Mubarak



Trustee and Board Member
Dr. Frederic Launay

Independent Auditor's Report

To the Board of Trustees of Mohamed Bin Zayed Species Conservation Fund

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mohamed Bin Zayed Species Conservation Fund (the "Fund") which comprise the statement of financial position at 31 December 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). 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 Fund in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements of the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

This is the first year the Fund is issuing financial statements and the comparative financial information presented for the year ended 31 December 2017 provided by the management were not audited or reviewed by an independent auditor.

Other Information

Management is responsible for the other information in the Fund's Trustees' Report for the year ended 31 December 2018. The other information comprises the information included in the *Board of trustees' Report* but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

To the Board of Trustees of Mohamed Bin Zayed Species Conservation Fund (continued)

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund'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 management either intends to liquidate the Fund, cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditors' 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 auditors' 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 ISA 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.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report

To the Board of Trustees of Mohamed Bin Zayed Species Conservation Fund (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

We further confirm that we have obtained all information and explanations necessary for our audit; the financial statements comply, in all material respects, with the Fund's law of Establishment number (52) of 2008, the applicable requirements of law number (1) of 2017 on issuing the financial system of the Government of Abu Dhabi and the requirements of Abu Dhabi accountability authority's Chairman resolution number (1) of 2017 on Auditing the financial statements. We are not aware of any violations of the above-mentioned Laws having occurred during the year ended 31 December 2018 which may have a material effect on the Fund's financial statements.



GRANT THORNTON

Farouk Mohamed

Registration no. 86

Abu Dhabi, United Arab Emirates

25 March 2020



The Mohamed Bin Zayed Species Conservation Fund
Financial Statements

statement of financial position
As at 31 December 2018

	Notes	2018 AED	2017 AED (Un - audited)
ASSETS			
Non-current assets			
Office equipment	5	-	26,913
Investment in subsidiary	6	<u>116,146,633</u>	<u>116,146,633</u>
		<u>116,146,633</u>	<u>116,173,546</u>
Current assets			
Due from related party-MBZ Foundation	6.1	2,318,776	6,743,600
Prepayments and other debit balances	7	762,771	489,480
Cash and cash equivalents	8	<u>1,961,230</u>	<u>4,265,946</u>
		<u>5,042,777</u>	<u>11,499,026</u>
TOTAL ASSETS		<u>121,189,410</u>	<u>127,672,572</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	9	115,121,250	115,121,250
Accumulated Loss		<u>(2,536,013)</u>	<u>(4,523,843)</u>
TOTAL EQUITY		<u>112,585,237</u>	<u>110,597,407</u>
Non-current liabilities			
Provision for employees' end of service benefits	12	<u>1,757,123</u>	<u>1,575,250</u>
Current liabilities			
Trade and other payables	10	1,212,210	3,690,937
Deferred grant revenue	11	<u>5,635,477</u>	<u>11,808,978</u>
		<u>6,847,687</u>	<u>15,499,915</u>
Total liabilities		<u>8,604,810</u>	<u>17,075,165</u>
TOTAL EQUITY AND LIABILITIES		<u>121,190,047</u>	<u>127,672,572</u>

These financial statements were approved and authorized for issue on 25 March 2020 and signed by:



Deputy Chairman
H.E. Mohamed Ahmed Al Bowardi



Managing Director
H.E. Razan Khalifa Al Mubarak



Trustee and Board Member
Dr. Frederic Launay

The accompanying notes from 1 to 19 form an integral part of these financial statements.

The Mohamed Bin Zayed Species Conservation Fund
Financial Statements

statement of comprehensive income
For the year ended 31 December 2018

	Notes	2018 AED	2017 AED (Un - audited)
Revenue			
Grants revenue	13	27,381,671	22,911,454
Investment income		-	6,654,359
Other income		637	1,331,933
		<u>27,382,308</u>	<u>30,897,746</u>
Operating expenses			
Grant disbursements	14	(16,056,662)	(22,459,811)
Management charges		-	(768,331)
General and administrative expenses	16	(9,331,066)	(8,625,034)
		<u>(25,387,728)</u>	<u>(31,853,176)</u>
Operating Surplus / (deficit) for the year		1,994,580	(955,430)
Foreign exchange (loss) / gain		(6,750)	20,434
Surplus / (deficit) for the year		1,987,830	(934,996)
Other comprehensive income		-	-
Total comprehensive Surplus / (deficit) for the year		<u>1,987,830</u>	<u>(934,996)</u>

The accompanying notes from 1 to 19 form an integral part of these financial statements.

The Mohamed Bin Zayed Species Conservation Fund
Financial Statements

statement of changes in equity
For the year ended 31 December 2018

	Share Capital AED	Accumulated Loss AED	Total AED
Balance at 1 January 2017	115,121,250	(3,588,847)	111,532,403
Deficit for the year	-	(934,996)	(934,996)
Balance at 31 December 2017 (Un - audited)	115,121,250	(4,523,843)	110,597,407
Surplus for the year	-	1,987,830	1,987,830
Balance at 31 December 2018	115,121,250	(2,536,013)	112,585,237

The accompanying notes from 1 to 19 form an integral part of these financial statements.

The Mohamed Bin Zayed Species Conservation Fund
Financial Statements

statements of cash flow
for the year ended 31 December 2018

	Notes	2018 AED	2017 AED (Un - audited)
OPERATING ACTIVITIES			
Surplus / (Deficit) for the year		1,987,830	(934,996)
<i>Adjustments for non-cash items:</i>			
Depreciation	5	20,523	38,327
Write off of office equipment	5	6,390	-
Provision for employees' end of service benefit	12	245,223	356,726
Fair value change on financial assets at fair value through profit or loss		-	7,221,857
Fund Management fees		-	768,331
Foreign exchange		-	(21,733)
Operating loss before working capital changes		2,259,966	7,428,512
Changes in working capital:			
Prepayments and other debit balances		(273,291)	(273,231)
Due from related parties – MBZ Foundation		4,424,824	(6,699,032)
Deferred grant revenue		(6,173,501)	(5,545,474)
Trade and other payables		(2,478,727)	3,399,500
Employees' end of service indemnity paid	12	(63,350)	(930,669)
Net cash used in operating activities		(2,304,079)	(2,620,394)
INVESTING ACTIVITIES			
Withdrawals from financial assets at fair value through profit or loss		-	5,508,751
Investment in subsidiary		-	(5,918,061)
Net cash used in investing activities		-	(409,310)
Net decrease in cash and cash equivalents		(2,304,079)	(3,029,704)
Cash and cash equivalents at beginning of the year		4,265,946	7,295,649
Cash and cash equivalents at end of the year	8	1,961,867	4,265,945

The accompanying notes from 1 to 19 form an integral part of these financial statements.