

**Blue Action Fund**  
**Frankfurt am Main/Germany**

Annual Financial Statements for the Financial Year

from 1 January to 31 December 2018



Blue Action Fund  
Frankfurt am Main, Germany  
Statement of Profit and Loss for the Financial Year from 1 January to 31 December 2018

	2018 EUR	2018 EUR	2017 EUR	2017 EUR
<b>1. Investment income and other revenue</b>				
a) Investment income				
aa) Dividends	180,822.37		0.00	
ab) Interest and similar income	200,516.45		21,749.01	
ac) Losses from realised asset shifts	-43,597.38		0.00	
ad) Exchange gains	7,411.18		0.00	
		345,152.62		21,749.01
b) Expenses for asset investments		-341,610.68		-58,333.34
<b>Net investment income</b>		<b>3,541.94</b>		<b>-36,584.33</b>
c) Income from grants and subsidies		2,819,018.98		5,189,252.02
<b>Net income</b>		<b>2,822,560.92</b>		<b>5,152,667.69</b>
<b>2. Project and program expenses as well as other expenses</b>				
<b>Direct project support</b>				
a) Program grants and projects	-1,331,033.87		0.00	
b) Expenses for knowledge exchange and research	0.00		-16,743.22	
		-1,331,033.87		-16,743.22
<b>Program development and management</b>		-115,001.40		-91,344.33
<b>Administrative and other expenses</b>				
a) Administrative expense	-234,896.52		-162,617.62	
b) Fundraising and promotional expense	-25,819.37		-21,984.05	
		-260,715.89		-184,601.67
<b>Total project expenses and other expenses</b>		<b>-1,706,751.16</b>		<b>-292,689.22</b>
<b>3. Profit for the period</b>		<b>1,115,809.76</b>		<b>4,859,978.47</b>
<b>4. Funds brought forward from the prior year</b>		<b>5,159,978.47</b>		<b>0.00</b>
<b>5. Withdrawals from the spendable capital</b>		<b>150,000.00</b>		<b>300,000.00</b>
<b>6. Withdrawals from the reserve for the endowment with assets</b>		<b>945,775.40</b>		<b>0.00</b>
<b>7. Allocations to the reserves</b>				
a) Allocation to the project reserve	-6,828,000.00		0.00	
b) Allocation to the free reserve	-281,901.90		0.00	
c) Allocation to the savings reserve	-3,541.94		0.00	
		-7,113,443.84		0.00
<b>8. Funds carried forward</b>		<b>258,119.79</b>		<b>5,159,978.47</b>

# Blue Action Fund, Frankfurt am Main/Germany

## Notes to the Financial Statements for the Financial Year 2018

### General Information and Explanations on the Annual Financial Statements

Blue Action Fund was established as a foundation under civil law under the name Blue Action Fund with foundation business dated 1 December 2016. The recognition by the district president took place on 7 December 2016. The Foundation is registered within the foundation register of the Darmstadt district.

As a general rule, the financial year is the calendar year. The annual financial statements as at 31 December 2018 were prepared in accordance with the provisions under German commercial law as well as in compliance with the supplementary provisions of the charter. Here, the Company has principally applied the provisions under German commercial law applicable for small corporations (Section 267 (1) German Commercial Code (HGB)).

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

### Accounting and Valuation Principles

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

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

Other assets are measured at acquisition cost or at lower fair value on balance sheet date.

Bank balances are recognised at nominal value.

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

Liabilities are carried at settlement amount.

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

## Notes to the Balance Sheet

### Fixed Assets

Classification of and movements in fixed assets are included in the attached statement of movements in fixed assets.

### Financial Assets

As regards the security portfolio making part of the financial assets with a book value of EUR 21,370,955.83 as at the end of the reporting year, the following securities are disclosed over their fair values (market rates as of balance sheet date):

	Nominal value/number	Book value	Fair value
	EUR	EUR	EUR
<b>Bonds</b>			
VAR.% Bank of Montreal	300,000.00	302,196.00	300,180.00
DNB Boligkred.	300,000.00	300,270.00	300,105.00
Var.% Bank of Nova	300,000.00	303,117.00	301,350.00
Skandinaviska Enskilda	200,000.00	200,672.00	199,660.00
Westpac Banking	300,000.00	298,320.00	296,370.00
Svenska Handelsbanken	300,000.00	301,752.00	299,700.00
Vovonia Finance	300,000.00	304,428.00	300,120.00
Nord.BK.AB	300,000.00	300,306.00	297,180.00
Amadeus IT Group	200,000.00	200,566.00	198,880.00
KfW	242,688.00	239,462.39	228,298.40
Evonik	200,000.00	205,728.00	202,960.00
Sampo OYJ	300,000.00	304,476.00	300,495.00
Grenke Finance	200,000.00	202,954.00	199,080.00
ARG.NET.B.V.	300,000.00	302,316.00	301,380.00
LEG Immobilien AG	200,000.00	202,986.00	195,820.00
Glaxosmithkline	200,000.00	207,760.00	205,360.00
Merck Financial	200,000.00	208,088.00	207,180.00
Covestro AG	200,000.00	211,856.88	205,200.00
Teleperformance	200,000.00	201,060.00	198,540.00
BK Nederlandse Ge	200,000.00	221,782.00	220,200.00

Deutsche Bahn	300,000.00	335,895.00	331,650.00
ACCOR	200,000.00	213,489.91	207,760.00
Akzo Nobel Sweden	300,000.00	328,752.96	321,780.00
Carlsberg Breweries	300,000.00	329,250.00	324,750.00
Aeroports de Paris	200,000.00	228,036.00	226,480.00
Macquarie Group	250,000.00	244,967.50	240,550.00
KBC Groep	300,000.00	300,180.00	293,940.00
United Overseas	300,000.00	299,235.00	298,602.00
Italien B.T.P.V.	300,000.00	297,141.00	285,300.00
Medioba	300,000.00	297,555.00	284,580.00
Unio Banc	250,000.00	248,617.50	235,375.00
Elisa Oyj MTN	200,000.00	198,056.88	197,860.00
Italien B.T.P.V.	300,000.00	299,808.00	291,900.00
Amgen	300,000.00	309,702.00	306,600.00
Vonovia Finance	200,000.00	200,380.00	194,420.00
Italien B.T.P.V.	275,000.00	283,654.25	274,807.50
Teleperformance SE	300,000.00	304,800.00	297,330.00
Fresenius	250,000.00	257,575.00	250,100.00
Atlantia S.P.A.MTN.	200,000.00	202,270.00	174,000.00
Easyjet	250,000.00	262,280.00	253,425.00
Stada Arzneimittel	275,000.00	280,912.50	274,697.50
Merlin Propert	250,000.00	249,305.00	241,200.00
Thermo Fisher	250,000.00	267,172.50	263,317.50
Merlin Proper	250,000.00	263,750.00	256,750.00
PROSIEBENSAT.1	200,000.00	209,362.00	202,100.00
Rumänien MTN	250,000.00	286,152.50	282,750.00
Arcelik A.S.NT	200,000.00	212,780.00	197,520.00
Portugal OBR.V.	250,000.00	319,820.00	311,325.00
		<b>12,550,996.77</b>	<b>12,278,927.90</b>

Investment shares	Units	EUR	EUR
Aareal Bank AG	4,800	188,932.85	126,048.00
Amundi	1,780	120,260.50	80,082.20
AXA S.A.Actions	7,300	174,737.74	135,692.40
Blackrock Inc.reg	450	195,939.31	150,700.50
Booking Holdings Inc.	90	154,884.95	133,702.20
Edwards Lifesciences	900	125,074.16	115,731.00
Electronic Arts	1,500	143,361.83	102,990.00
Equinix Inc	400	141,086.82	120,112.00
ESSILOR-INTL-CIE GénLE	1,100	125,081.12	120,065.00
Fanuc Corp.	700	140,400.20	90,356.00
Fresenius Medical Care	1,400	119,728.85	78,624.00

Henkel AG & Co.	1,800	199,978.10	169,848.00
Infineon Technologies AG	12,500	275,345.25	210,000.00
Kerry Group PLC	1,370	129,457.08	116,792.50
Nordea Bank	18,700	178,972.13	135,275.80
Orpea Actions Port	1,420	149,751.06	122,546.00
Royal Caribbean Cruises	1,500	146,324.96	123,210.00
AIA Group Ltd	10,000	78,294.90	70,700.00
Atlas Copco	2,750	72,736.75	55,082.50
AXA S.A. Actions	3,600	72,271.42	66,916.80
Beiersdorf AG	900	82,738.21	81,180.00
Blackrock Inc	165	71,821.29	55,256.85
Carrefour S.A.	5000	93,280.16	72,775.00
Caterpillar	660	84,533.71	72,289.80
China Construction	95000	86,496.43	66,405.00
China Life Insurance	26000	63,195.97	46,020.00
CIE Génle ÈTS	800	100,801.20	67,040.00
Cognizant Technol.Sol.	1300	83,909.87	71,006.00
CTRIIP.COM INTL.	2200	80,292.52	53,812.00
EMS-Chemie Holding AG	150	82,258.69	61,080.00
Estee Lauder Comp.	975	109,443.84	107,971.50
Fresenius Medial Care	1250	106,694.36	70,200.00
Gea Group AG	2600	96,629.38	57,850.00
Illinois Tool Works Inc	600	76,408.04	64,884.00
Infineon	3500	80,104.22	58,800.00
KBC Groep N.V.	1275	96,071.00	70,788.00
Kubota	6000	84,987.31	72,120.00
Lagardère S.C.A.	3000	69,467.04	64,260.00
Oversea Chinese BNKG	9000	69,329.99	62,910.00
Ping AN Insurance	7000	61,353.41	52,220.00
Schneider Electric	1175	84,700.48	68,878.50
Stanley Black & Decker	550	71,802.44	57,161.50
Swiss Life Holding AG	225	76,252.68	72,990.00
Techtronic IND	12000	63,912.83	53,280.00
Toyota Industries	1700	87,716.56	67,218.00
Vivendi S.A. Actions	3400	72,927.86	70,958.00
Procredit Holding AG & Co. KGAA	25250	287,969.00	246,187.50
		<b>5,357,718.47</b>	<b>4,290,016.55</b>
<b>Total</b>		<b>17,908,715.24</b>	<b>16,568,944.45</b>

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

## **Other Assets**

The other assets include a receivable of EUR 15,235.66 from Nature Trust Alliance GbR, Frankfurt am Main/Germany, whose shareholders are Blue Action Fund as well as Caucas Nature Fund and Prespa Ohrid Nature Trust (PONT).

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

## **Bank Balances Denominated in Foreign Currencies**

As of the balance sheet date, the Foundation discloses bank balances denominated in foreign currencies of USD 147,038.28 (EUR 128,486.84), JPY 690,606.00 (EUR 5,483.68), CHF 1,803.75 (EUR 1,603.47) and GBP 342.09 (EUR 380.75).

## **Foundation Capital**

The former permanent endowment fund remained unchanged as of the balance sheet date. According to the charter, the spendable capital was used in an amount of 5% of the original amount of EUR 3,000,000.00 and thus in an amount of EUR 150,000.00 in the financial year.

## **Reserve for Endowment with Assets in Accordance with Section 62 (3) No. 2 German Tax Code (AO)**

Via the KfW Development Bank, Frankfurt am main/Germany, the Federal Ministry for Economic Cooperation and Development (BMZ), Berlin/Germany, has made an endowment of EUR 11,100,000.00 in the reserve for endowment with assets in accordance with Section 62 (3) No. 2 German Tax Code (AO). In the financial year, an amount of EUR 945,775.40 was withdrawn from the reserve.

## **Project Reserve in Accordance with Section 62 (1) No. 1 German Tax Code (AO)**

For payment commitments from three agreed program grants, project reserves in terms of Section 62 (1) No. 1 German Tax Code (AO) were set up in an amount of EUR 6,828,000.00.

## **Reserves in Accordance with Section 62 (3) German Tax Code (AO)**

An amount of EUR 281,901.90 was allocated to the free reserve (Section 62 (1) No. 3 German Tax Code (AO)) in the reporting year.

## **Savings Reserve in Accordance with Section 62 (4) German Tax Code (AO)**

An amount of EUR 3,541.94 was allocated to the so-called savings reserve (Section 62 (62) No. 4 German Tax Code (AO)) in the reporting year.

## **Provisions**

The other provisions include outstanding invoices for investment advice and asset management services received in the reporting year, for deposit fees, accounting services, costs for the annual financial statements as well as provisions for bonus payments and not yet taken vacation of the employees.



## Liabilities

Liabilities from contingently repayable donations result from a donation of EUR 2,500,000.00 made by Agence Française de Développement (AFD), which is linked to a concrete, individually agreed condition and/or an individually agreed provision as regards its use, so that it must be used for the specific purpose. In case of non-compliance with this condition/provision, Agence Française de Développement may reclaim the donation.

The other liabilities result from a payment commitment for contractually promised funds within the scope of a funding project.

The liabilities from contingently repayable donations have a residual term of up to five years. Like in the prior year, all other liabilities have a term of up to one year.

## Notes to the Statement of Profit and Loss

The dividends result from long-term securities.

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

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

The income from grants and subsidies disclosed for the financial year 2018 result from the Swedish Ministry for Foreign Affairs (SE MFA).

The expenses for program grants and projects relate to direct costs for expenses to non-governmental organisations (NGOs).

The expenses for program development and management relate to staff and travel costs as well as to costs for procured external services.

The administrative expenses comprise staff costs, rental expenses and other office expenses of Nature Trust Alliance GbR, employee costs, audit and external accounting fees, insurances, fees and sundry operational expenses.

The borrowing and advertising expense includes costs for events, expenses for the preparation of documents for public relations work and sundry fundraising expenses.

## Other Disclosures

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

The so far taken commitments for future program grants amount to EUR 11,289,286.00 as of the balance sheet date.

## Use of the Donated Funds

The funds endowed to the Foundation (spendable capital, reserve of endowment with assets and received grants and subsidies) are fully or proportionately used for certain projects and/or expense types and have developed as follows:

### a) Program costs

Grant program	Original grant	Balance as of 31 December 2017	Use in the year 2018	Total use since granting	Balance as of 31 December 2018
<b>BMZ financing phases 1&amp;2</b>	19,000,000.00	19,000,000.00	945,775.40	945,775.40	18,054,224.60
<b>BMZ financing phase 3</b>	18,400,000.00	18,400,000.00	-	-	18,400,000.00
<b>BMZ financing phase 4</b>	10,212,000.00	10,212,000.00	-	-	10,212,000.00
<b>Total BMZ</b>	47,612,000.00	47,612,000.00	945,775.40	945,775.40	46,666,224.60
<b>SE MFA Financing 1</b>	4,540,595.52	4,540,595.52	385,258.47	385,258.47	4,155,337.05
<b>SE MFA Financing 2</b>	2,466,641.98	2,466,641.98	-	-	2,466,641.98
<b>Total SE MFA</b>	7,007,237.50	7,007,237.50	385,258.47	385,258.47	6,621,979.03
<b>AFD financing 1</b>	2,187,500.00	2,187,500.00	-	-	2,187,500.00
<b>Total program cost</b>	56,806,737.50	56,806,737.50	1,331,033.87	1,331,033.87	55,475,703.63

### b) Operative expenses

The operative expenses (i.e. expenses for program development and management as well as administrative expenses and other expenses) are covered by withdrawals of EUR 150,000 from the spendable capital, 12.5% of the financing amounts of the Swedish Ministry of Foreign Affairs and the Agence Française de Développement as well as 8% of the donations of the BMZ from the financing phases 3 and 4.

Grants operative expenses	Original grant	Balance as of 31 December 2017	Use in the year 2018	Use since granting	Balance as of 31 December 2018
<b>BMZ spendable capital</b>	3,000,000.00	2,700,000.00	150,000.00	450,000.00	2,550,000.00
<b>BMZ financing phases 3 &amp; 4</b>	2,488,000.00	2,488,000.00	-	-	2,488,000.00
<b>Total BMZ</b>	5,488,000.00	5,188,000.00	150,000.00	450,000.00	5,038,000.00
<b>SE MFA Financingsf1 &amp; 2</b>	1,001,033.50	971,759.95	225,717.29	254,990.84	746,042.66
<b>AFD financing 1</b>	312,500.00	312,500.00	-	-	312,500.00
<b>Total operative expenses</b>	6,801,533.50	6,472,259.95	375,717.29	704,990.84	6,096,542.66

The supervisory board of the Foundation Blue Action Fund resolved that program expenses that do not directly take the form of direct payments, e.g. expenses for surveys and research activities and knowledge exchange and information of decision takers, shall currently be financed with the funds for covering operative expenses.

#### **Management board**

Mr Markus Knigge, executive director of the management board, Berlin/Germany

Mr David Fielding Morrison, Berlin/Germany

Mr Ralph Kadel, Mörlenbach/Germany

#### **Supervisory board**

Ms Ingrid-Gabriela Hoven, chair of supervisory board, BMZ, Head of Directorate Global Issues, Bonn/Germany

Mr Stefan Opitz, deputy chair, KfW, member of the management committee KfW Development Bank, Frankfurt am Main/Germany

Ms Helen Ågren, Swedish Ministry of Foreign Affairs, Ambassador for the Ocean, Stockholm/Sweden

#### **Number of Employees**

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

#### **Major Post-Balance-Sheet-Date Events**

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

Frankfurt am Main/Germany, 13 May 2019

Blue Action Fund

The Management Board

Blue Action Fund, Frankfurt am Main/Germany

Movements in Fixed Assets in the Financial Year 2018

	Acquisition cost				Accumulated amortisation, depreciation and write-downs				Book value	Book value
	1 Jan. 2018 EUR	Additions EUR	Disposals EUR	31 Dec. 2018 EUR	1 Jan. 2018 EUR	Additions EUR	Disposals EUR	31 Dec. 2018 EUR	31 Dec. 2018 EUR	31 Dec. 2017 EUR
<b>A. Fixed assets</b>										
<b>I. Property, plant and equipment</b>										
Operating and office equipment	1,316.08	1,774.98	0.00	3,091.06	256.08	1,220.97	0.00	1,477.05	1,614.01	1,060.00
<b>II. Financial assets</b>										
Long-term securities	0.00	25,972,476.58	4,601,520.75	21,370,955.83	0.00	0.00	0.00	0.00	21,370,955.83	0.00
<b>Total fixed assets</b>	<b>1,316.08</b>	<b>25,974,251.56</b>	<b>4,601,520.75</b>	<b>21,374,046.89</b>	<b>256.08</b>	<b>1,220.97</b>	<b>0.00</b>	<b>1,477.05</b>	<b>21,372,569.84</b>	<b>1,060.00</b>