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African Parks Network

(Association incorporated under S21)

Annual Financial Statements

for the year ended 31 December 2011

Audited

Prepared by: Ayesha Jackaria
Group Financial Officer CA (SA)

KPMG

African Parks Network

(Association incorporated under S21)
(Registration number: 2007/030803/08)

Annual Financial Statements

for the year ended 31 December 2011

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African Parks Network

(Association incorporated under S21)
(Registration number: 2007/030803/08)

Directors' responsibility statement

The directors are responsible for the preparation and fair presentation of the group annual financial statements and annual financial statements of African Parks Network, comprising the statements of financial position at 31 December 2011, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report, in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the company and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the group annual financial statements and annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of group annual financial statements and separate parent annual financial statements

The group annual financial statements and annual financial statements of African Parks Network, as identified in the first paragraph, were approved by the board of directors on 5 April 2012 and are signed by:

P Fearnhead
Director

RJ van Ogtrop
Director

KPMG

KPMG Inc
KPMG Crescent
85 Empire Road, Parktown, 2193
Private Bag 9, Parkview, 2122, South Africa

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Docex 472 Johannesburg

Independent auditor's report

To the shareholder of African Parks Network

We have audited the group annual financial statements and the annual financial statements of African Parks Network, which comprise the statements of financial position at 31 December 2011, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 4 to 35.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of African Parks Network at 31 December 2011, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

KPMG Inc.

Per D Read
Chartered Accountant (SA)
Registered Auditor
Director
5 April 2012

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African Parks Network

(Association incorporated under S21)

Directors' report

for the year ended 31 December 2011

The directors have pleasure in presenting their report on the activities of the company and the group for the year ended 31 December 2011.

General

The nature of the business of the entities within the group is to ensure the long term sustainability of parks within Africa. African Parks Network has a direct investment in the management company for Majete Wildlife Reserve (99,98%), African Parks Zambia Limited (70%) and Akagera Management Company Limited (51%).

The following parks are managed by African Parks Network:

Majete Wildlife Reserve (Malawi)
Liuwa Plain National Park (Zambia)
Garamba National Park (Democratic Republic of Congo)
Bangweulu Wetlands (Zambia)
Akagera National Park (Rwanda)
Zakouma National Park (Chad)
Odzala-Kokoua National Park (Congo)

Financial results

The results for the year are clearly set out in of the annual financial statements.

The year 2011 was a satisfactory year for African Parks Network.

The group showed a loss for the year of USD64 369 (2010: USD459 792) with donor income of USD10 908 945 (2010: USD7 438 678) and operating income of USD816 930 (2010: USD702 959).

Directors

The directors of the company throughout the year and at the date of this report are:

P Fearnhead	Chief Executive Officer
RJ van Ogtrop	Chairman
M Msimang	
C Ramaphosa	
Hon. J Lembeli	
Justice R Banda	(resigned 25 July 2011)
V Chitalu	

The current local representative addresses are as follows:

Business address

5 Lone Close
Lonehill Office Park
Block B
Lonehill
2032

Postal address

PO Box 2336
Lonehill
2062

Subsequent events

No material fact or circumstance has occurred between the reporting date and the date of this report, which requires disclosure or adjustment in these annual financial statements.

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African Parks Network

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Statements of financial position

at 31 December 2011

	Note	Group 2011 $	Group 2010* $	Group 2009* $	Company 2011 $	Company 2010 $	Company 2009 $
Assets							
Non-current assets		**4 110 419**	3 259 940	2 747 360	**243 716**	277 283	312 891
Property, plant and equipment	2	**4 110 419**	3 259 940	2 746 441	**242 846**	276 413	311 969
Investment in subsidiary parks	3	–	–	–	**870**	870	3
Intangible assets		–	–	919	–	–	919
Current assets		**4 594 862**	3 170 398	2 279 446	**2 112 374**	2 037 879	1 229 749
Inventories	4	**68 845**	29 452	17 868	–	–	–
Trade and other receivables	5	**1 359 349**	1 380 651	1 462 395	**969 031**	998 393	790 925
Cash and cash equivalents	6	**3 166 668**	1 760 295	799 183	**1 143 343**	1 039 486	438 824
Total assets		**8 705 281**	6 430 338	5 026 806	**2 356 090**	2 315 162	1 542 640
Equity and liabilities							
Capital and reserves							
Foreign currency translation reserve	7	**(266 929)**	(97 705)	127 087	**59 537**	59 537	59 537
Retained earnings		**2 279 433**	2 335 708	2 812 665	**558 651**	626 175	529 001
Total equity attributable to equity holders of the company		**2 012 504**	2 238 003	2 939 752	**618 188**	685 712	588 538
Non-controlling interest		**31 716**	42 783	24 785	–	–	–
Total equity		**2 044 220**	2 280 786	2 964 537	**618 188**	685 712	588 538
Current liabilities		**6 661 061**	4 149 552	2 062 269	**1 737 902**	1 629 450	954 102
Provisions	8	**158 125**	–	–	–	–	–
Trade and other payables	9	**824 780**	1 506 827	1 648 484	**827 245**	1 629 450	954 102
Undrawn funds	10	**3 205 986**	1 160 936	–	**910 657**	–	–
Deferred income	11	**2 417 619**	1 427 238	413 785	–	–	–
Taxation payable		**54 551**	54 551	–	–	–	–
Total equity and liabilities		**8 705 281**	6 430 338	5 026 806	**2 356 090**	2 315 162	1 542 640

* Restated

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Statements of comprehensive income
for the year ended 31 December 2011

	Note	Group 2011 $	Group 2010* $	Company 2011 $	Company 2010 $
Revenue	12	**10 908 945**	7 438 678	**1 420 992**	1 734 836
Other operating income	13	**816 930**	702 959	**233 728**	190 574
Employee benefit expenses		**(5 010 454)**	(3 155 819)	**(913 100)**	(529 310)
Depreciation		**(968 641)**	(609 881)	**(42 500)**	(41 861)
Amortisation		**–**	(919)	**–**	(919)
Administrative expenses		**(1 493 308)**	(997 154)	**(205 232)**	(318 292)
Other operating expenses		**(4 303 130)**	(3 731 044)	**(563 027)**	(949 005)
Results from operating activities	14	**(49 658)**	(353 180)	**(69 139)**	86 023
Finance expense	15	**(18 006)**	(64 071)	**–**	(417)
Finance income	15	**3 295**	12 010	**1 615**	11 568
(Loss)/profit before income tax		**(64 369)**	(405 241)	**(67 524)**	97 174
Income tax expense	16	**–**	(54 551)	**–**	–
Total comprehensive (loss)/ income for the period		**(64 369)**	(459 792)	**(67 524)**	97 174
(Loss)/profit attributable to:					
Equity holder of parent		**(56 275)**	(476 957)	**–**	–
Non-controlling interest		**(8 094)**	17 165	**–**	–
(Loss)/profit for the year		**(64 369)**	(459 792)	**(67 524)**	97 174

* Restated

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Statements of changes in equity
for the year ended 31 December 2011

Group	*Note*	Foreign currency translation reserve $	Retained earnings $	Total $	Non-controlling interest $	Total equity $
Balance at 31 December 2008		(53 870)	2 980 246	2 926 376	2 419	2 928 795
Prior period restatement	*19*	–	(380 028)	(380 028)	(33 757)	(413 785)
Profit for the year as previously reported		–	212 447	212 447	56 123	268 570
Other comprehensive income						
Foreign currency translation differences		180 957	–	180 957	–	180 957
Balance at 31 December 2009		127 087	2 812 665	2 939 752	24 785	2 964 537
Acquisition of subsidiary		–	–	–	833	833
Prior period restatement	*19*	–	(790 213)	(790 213)	(223 240)	(1 013 453)
Profit for the year as previously reported		–	313 256	313 256	240 405	553 661
Other comprehensive income						
Foreign currency translation differences		(224 792)	–	(224 792)	–	(224 792)
Balance at 31 December 2010		(97 705)	2 335 708	2 238 003	42 783	2 280 786
Loss for the year			**(56 275)**	**(56 275)**	**(8 094)**	**(64 369)**
Other comprehensive income						
Foreign currency translation differences		**(169 224)**	–	**(169 224)**	**(2 973)**	**(172 197)**
Balance at 31 December 2011		**(266 929)**	**2 279 433**	**2 012 504**	**31 716**	**2 044 220**

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Statements of changes in equity
for the year ended 31 December 2011 (continued)

Company	Equity capital contribution $	Foreign currency translation reserve $	Retained earnings $	Total $
Balance at 31 December 2009	–	59 537	529 001	588 538
Profit for the year	–	–	97 174	97 174
Balance at 31 December 2010	–	59 537	626 175	685 712
Loss for the year	–	–	(67 524)	(67 524)
Balance at 31 December 2011	–	**59 537**	**558 651**	**618 188**

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Statements of cash flows
for the year ended 31 December 2011

	Note	Group 2011 $	Group 2010 * $	Company 2011 $	Company 2010 $
Cash flows from operating activities					
Cash generated/(utilised) by operations	17.1	**344 675**	427 649	**(799 482)**	596 683
Finance income	15	**3 295**	12 010	**1 615**	11 568
Finance expense	15	**(18 006)**	(64 071)	**–**	(417)
Net cash inflow/(outflow) from operating activities		**329 964**	375 588	**(797 867)**	607 834
Net cash outflow from investing activities		**(1 959 022)**	(1 588 865)	**(8 933)**	(7 172)
Acquisition of property, plant and equipment		**(1 959 022)**	(1 623 337)	**(8 933)**	(6 305)
Proceeds from disposal of property, plant and equipment	17.2	**–**	34 472	**–**	–
Investment in subsidiary		**–**	–	**–**	(867)
Net cash inflow from financing activities		**3 035 431**	2 174 389	**910 657**	–
Increase in undrawn funds		**2 045 050**	1 160 936	**910 657**	–
Increase in deferred income		**990 381**	1 013 453	**–**	–
Net increase in cash and cash equivalents		**1 406 373**	961 112	**103 857**	600 662
Cash and cash equivalents at beginning of year		**1 760 295**	799 183	**1 039 486**	438 824
Cash and cash equivalents at end of year	6	**3 166 668**	1 760 295	**1 143 343**	1 039 486

* Restated

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African Parks Network
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Notes to the financial statements
for the year ended 31 December 2011

1. Significant accounting policies

African Parks Network is a company domiciled in South Africa. The consolidated financial statements for the year ended 31 December 2011 comprise the company and its subsidiaries (collectively referred to as "the group").

1.1 Statement of compliance

The consolidated financial statements for the group are prepared in accordance with International Financial Reporting Standards ("IFRS"), its interpretations adopted by the International Accounting Standards Board ("IASB") and the South African Companies Act, 2008 (as amended) and Companies Regulations, 2011.

1.2 Basis of preparation

The group's financial statements are presented in US Dollars, which is the presentation currency of the group. The company's financial statements are presented in US Dollars, which is the functional currency of the company. They are prepared on the basis that the group is a going concern, using the historical cost basis of measurement unless otherwise stated.

The accounting policies set out below have been applied consistently in all material respects to all periods presented in these consolidated financial statements, except where the group has adopted the IFRS statements, IFRIC interpretations and amendments that became effective during the year. IAS 20 Government Grants was adopted at a group level in the current year. Refer to note 19 for details.

1.3 Significant accounting estimates and assumptions

The preparation of the financial statements in conformity with IFRS's requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

1.4 Basis of consolidation

The group financial statements include the financial statements of the company and its subsidiaries.

Subsidiaries are those entities over who's financial and operating policies the group has the power, directly or indirectly, to exercise control, so as to obtain benefits from their activities. In assessing control, potential voting rights that are currently exercisable are taken into account. The financial results of subsidiaries are included in the consolidated financial statements from the date that control was acquired and, where applicable, up to the date that control ceases.

The company carries its investments in subsidiaries at cost less accumulated impairment.

African Parks Network
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Notes to the financial statements
for the year ended 31 December 2011 (continued)

1. Significant accounting policies

1.4 Basis of consolidation *(continued)*

Special purpose entities

Garamba National Park, Odzala-Kokoua National Park and Zakouma National Park were established for trading and investment purposes. The group does not have any direct or indirect shareholdings in these entities. They are consolidated into the group as the substance of their relationship with the group is that the group controls the Special Purpose Entities. The terms under which the entities were established resulted in the group receiving the majority of the benefits related to the entities' operations and net assets, exposure to the majority of the risks incidental to the entities' activities and it retains the majority of the residual or ownership risks related to the entities' activities and assets.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

1.5 Foreign currency

Functional and presentation currency

All items in the financial statements of the group's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates ("the functional currency"). The group's consolidated financial statements are presented in US Dollars, which is African Parks Network functional and presentation currency.

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of group entities at rates of exchange ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the rates of exchange ruling at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for the effective interest and payments during the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign exchange differences arising on translation are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to US Dollar at exchange rates at the reporting date. The income and expenses of foreign operations are translated to US Dollar at exchange rates at the average exchange rates over the reporting period.

For all prior periods such differences have been recognised in the foreign currency translation reserves.

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Notes to the financial statements
for the year ended 31 December 2011 (continued)

1. Significant accounting policies

1.6 Financial instruments

Financial instruments are initially recognised at fair value less transaction costs except for financial instruments that are classified as being carried at fair value through profit and loss. Subsequent to initial recognition, these instruments are classified according to their nature and are measured at either amortised cost or fair value, as appropriate to their financial instrument category. The subsequent measurement of each financial instrument is explained in more detail below.

Offset

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the group has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Trade and other receivables and loans receivable

Trade and other receivables are categorised as loans and receivables. These financial assets originated by the group providing goods, services or money directly to a debtor and are initially recognised at fair value plus any directly attributable transaction costs. Subsequently these financial assets are measured at amortised cost using the effective interest rate method less any accumulated impairment losses.

Cash and cash equivalents

Cash and cash equivalents are stated at fair value. Cash comprised cash on hand and demand deposits. Cash equivalents are short-term liquid investments that are readily converted to known amounts of cash, which are not subject to significant risk of changes in fair value. For cash flow purposes this included bank overdrafts.

Outstanding cheques are included in trade and other payables.

Trade and other payables

Initially such financial liabilities are recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement these financial liabilities are measured at amortised cost using the effective interest method.

De-recognition

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

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Notes to the financial statements
for the year ended 31 December 2011 (continued)

1. Significant accounting policies *(continued)*

1.7 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Installation and other costs, which comprise materials and direct labour costs necessarily incurred in order to acquire or bring the property, plant and equipment to a working condition for their intended use, are also included in cost.

When parts of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Borrowing costs are expensed as incurred.

Gains or losses on the disposal of property, plant and equipment, comprising the difference between the net disposal proceeds and the carrying amount of the asset, are recognised net within other income in profit or loss.

Subsequent costs

Subsequent expenditure relating to an item of property, plant and equipment is capitalised when it is probable that future economic benefits embodied within the item will flow to the group and its cost can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Depreciation

Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of the assets in order to reduce the cost of the asset to its residual value. Residual value is the net amount expected to be recovered from disposal of the asset at the end of its estimated useful life. Residual values and useful lives are reassessed annually.

The estimated useful lives for the current and comparative periods are as follows:

Computer equipment	3 years
Furniture and fittings	5 years
Office equipment	5 years
Aircraft	10 years
Motor vehicles	4 years
Plant and machinery	5 years
Infrastructural improvements	10 years
Other	4 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Plant and equipment held by Garamba National Park are written-down to a net book value of Rnil at acquisition as both the value in use and net realisable value are valued at nil, due to the remote location of the park.

1. Significant accounting policies *(continued)*

1.8 Leases

Leases of assets under which substantially all of the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Minimum lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

1.9 Inventories

Consumables have been valued on the first-in first-out basis and are stated at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition and is stated net of purchase incentives. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to complete and sell the product. The cost of consumables sold includes normal shrinkage, wastage and inventory losses. Obsolete, redundant and slow moving inventories are identified on a regular basis and are written down to their net realisable value.

1.10 Impairment of assets

Non-financial assets

The carrying amounts of the group's non-financial assets other than inventories (see accounting policy note for inventories) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date.

Whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, an impairment loss is recognised in the statement of comprehensive income.

Recoverable amount

The recoverable amount of an asset is the greater of its fair value less cost to sell and its value in use. Recoverable amounts are estimated for individual assets or, if an asset does not generate largely independent cash flows, for a cash-generating unit. A cash-generating unit is the smallest collection of assets capable of generating cash flows independent of other assets or cash-generating units.

1. Significant accounting policies *(continued)*

1.10 Impairment of assets *(continued)*

Non-financial assets (continued)

Recoverable amount (continued)

The fair value less cost to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash-generating unit and from its disposal at the end of its useful life. The estimated future cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Reversal of impairment losses

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or has decreased; either as a result of an event occurring after the impairment loss was recognised or if there has been a change in the estimates used to calculate the recoverable amount.

An impairment loss is reversed only to the extent that the carrying amount of the affected asset is not increased to an amount higher than the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised in prior years. The reversal is recorded as income in the statement of comprehensive income.

An impairment loss in respect of goodwill is never reversed.

Financial assets

At each reporting date, an assessment is made as to whether objective evidence exists that a financial asset or a group of financial asset is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of the asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

1. Significant accounting policies *(continued)*

1.11 Taxation

As the company is registered as an organisation not for gain under S21 of the Income Tax Act, the company is exempt from tax.

1.12 Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits is recognised as an expense during the period in which the employee renders the related service.

Accruals for employee entitlements to wages, salaries, bonuses, annual and sick leave represent the amount which the group has a present obligation to pay as a result of employees' services provided to the reporting date. The accruals have been calculated at undiscounted amounts based on current wage and salary rates.

Long-term employee benefits

Liabilities for long-term employee benefits, other than pension plans, which are not expected to be settled within twelve months, are discounted to present value using the market yields, at the reporting date, on high quality bonds with maturity dates that most closely match the terms of maturity of the group's related liabilities.

Defined benefit plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.13 Revenue

Revenue comprises donations, which is broken down into the following categories:

Amounts received to fund specific projects
The donor requires the funds contributed to be utilised for a specific project. The donations are recognised as income to the extent that they have been utilised in the relevant projects. Amounts not utilised at year end are included in undrawn funds.

Amounts received to fund core expenses
The donor indicates that the funds contributed be used to fund the core expenses of African Parks Network or any park within the group. The donations are recognised as undrawn funds upon receipt and released to revenue as and when they are expended in terms of IAS 20 Accounting for Government Grants.

Other donations
The donor does not specify how the funds should be used. These are typically ad hoc donations from the general public. The donations are recognised as undrawn funds upon receipt.

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Notes to the financial statements
for the year ended 31 December 2011 (continued)

1. Significant accounting policies *(continued)*

1.14 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

1.15 Undrawn funds

Undrawn funds represent cash received from donors that has not yet been expended. Undrawn funds are recognised as revenue as and when these are incurred to finance operating or capital expenses.

1.16 Deferred income

Deferred income represents donations that have been expended on the acquisition of property, plant and equipment. Deferred income is released to the statement of comprehensive income as and when these items of property, plant and equipment are depreciated.

1.17 Government grants

An unconditional government grant related to a biological asset is recognised in profit or loss as other income when the grant becomes receivable. Other government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the group will comply with the conditions associated with the grant, and are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised.

2. Property, plant and equipment

Group

2011	**Cost $**	**Accumulated depreciation $**	**Carrying amount $**
Plant and machinery	484 141	(320 756)	163 385
Furniture and fittings	155 339	(63 879)	91 460
Office equipment	135 982	(80 285)	55 697
Infrastructural improvements	3 034 918	(980 561)	2 054 357
Computer equipment	98 352	(51 321)	47 031
Capital work-in-progress	546 544	–	546 544
Other	422 537	(201 455)	221 082
Aircraft	456 584	(192 999)	263 585
Motor vehicles	1 755 611	(1 088 333)	667 278
	7 090 008	(2 979 589)	4 110 419

2. Property, plant and equipment *(continued)*

Group *(continued)*

2010	Cost $	Accumulated depreciation $	Carrying amount $
Plant and machinery	270 604	(212 346)	58 258
Furniture and fittings	158 192	(122 576)	35 616
Office equipment	113 266	(40 263)	73 003
Infrastructural improvements	2 796 686	(967 945)	1 828 741
Computer equipment	46 892	(26 275)	20 617
Capital work-in-progress	17 254	–	17 254
Other	256 441	(142 926)	113 515
Aircraft	426 300	(124 209)	302 091
Motor vehicles	1 880 056	(1 069 211)	810 845
	5 965 691	(2 705 751)	3 259 940

Company

2011			
Furniture and fittings	**20 322**	**(13 174)**	**7 148**
Office equipment	**7 200**	**(3 261)**	**3 939**
Computer equipment	**26 883**	**(20 061)**	**6 822**
Other	**555**	**(555)**	**–**
Aircraft	**312 086**	**(87 149)**	**224 937**
	367 046	**(124 200)**	**242 846**

2010			
Furniture and fittings	18 947	(9 181)	9 766
Office equipment	5 964	(1 992)	3 972
Computer equipment	20 561	(14 171)	6 390
Other	555	(416)	139
Aircraft	312 086	(55 940)	256 146
	358 113	(81 700)	276 413

Notes to the financial statements
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2. Property, plant and equipment *(continued)*

Reconciliation of the movement on property, plant and equipment for the year

Group

	Plant and machinery $	Furniture and fittings $	Office equipment $	Infra-structural improve-ments $	Computer equipment $	Capital work in progress $	Other * $	Aircraft $	Motor vehicles $	Total $
2011										
Carrying value at beginning of year	58 258	35 616	73 003	1 828 741	20 617	17 254	113 515	302 091	810 845	3 259 940
Additions	64 758	81 909	24 439	692 244	48 263	530 742	270 627	–	246 040	1 959 022
Disposals	(2 063)	–	–	(9 467)	–	–	–	–	(4 361)	(15 891)
Foreign exchange differences	74 903	4 841	(6 900)	(140 570)	(527)	(1 452)	(25 382)	(719)	(28 205)	(124 011)
Depreciation charge	(32 471)	(30 906)	(34 845)	(316 591)	(21 322)	–	(137 678)	(37 787)	(357 041)	(968 641)
Carrying value at end of year	163 385	91 460	55 697	2 054 357	47 031	546 544	221 082	263 585	667 278	4 110 419
2010										
Carrying value at beginning of year	60 586	58 382	39 222	1 545 047	18 956	–	119 587	344 273	560 388	2 746 441
Additions	111 177	26 956	47 132	555 670	17 591	17 227	136 854	82 027	628 703	1 623 337
Disposals	(12 106)	–	–	–	–	–	–	–	–	(12 106)
Foreign exchange differences	(77 247)	(33 598)	6 826	(115 910)	(2 820)	27	(86 776)	(86 287)	(92 063)	(487 848)
Depreciation charge	(24 152)	(16 124)	(20 177)	(156 066)	(13 110)	–	(56 150)	(37 922)	(286 183)	(609 884)
Carrying value at end of year	58 258	35 616	73 003	1 828 741	20 617	17 254	113 515	302 091	810 845	3 259 940

* includes radio and communication equipment.

2. Property, plant and equipment *(continued)*

Reconciliation of the movement on property, plant and equipment for the year

Company	Furniture and fittings $	Office equipment $	Computer equipment $	Other $	Aircraft $	Total $
2011						
Carrying value at beginning of year	9 766	3 972	6 390	139	256 146	276 413
Additions	1 375	1 236	6 322	–	–	8 933
Depreciation charge	(3 993)	(1 269)	(5 890)	(139)	(31 209)	(42 500)
Carrying value at end of year	7 148	3 939	6 822	–	224 937	242 846
2010						
Carrying value at beginning of year	11 306	2 790	10 240	278	287 355	311 969
Additions	1 908	2 089	2 308	–	–	6 305
Depreciation charge	(3 448)	(907)	(6 158)	(139)	(31 209)	(41 861)
Carrying value at end of year	9 766	3 972	6 390	139	256 146	276 413

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for the year ended 31 December 2011 (continued)

3. Investment in subsidiary parks

	Group		Company	
	2011	2010	**2011**	2010
	$	$	**$**	$
Akagera Management Company Limited	**–**	–	**867**	867
African Parks Majete Limited	**–**	–	**1**	1
Bangweulu Wetlands Management Board	**–**	–	**2**	2
	–	–	**870**	870

4. Inventories

Consumables	**68 845**	29 452	**–**	–

5. Trade and other receivables

Receivables due from related parties	**577 408**	671 220	**908 484**	986 234
Other receivables	**781 941**	709 431	**60 547**	12 159
	1 359 349	1 380 651	**969 031**	998 393

6. Cash and cash equivalents

Bank balances	**3 082 519**	1 723 940	**1 141 179**	1 037 988
Cash on hand	**84 149**	36 355	**2 164**	1 498
	3 166 668	1 760 295	**1 143 343**	1 039 486

7. Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of transactions denominated in foreign currencies.	**(266 929)**	(97 705)	**59 537**	59 537

8. Provisions

Bonus provision				
Opening provision balance	**–**	–	**–**	–
Raised during the year	**158 125**	–	**–**	–
Utilised during the year	**–**	–	**–**	–
	158 125	–	**–**	–

	Group 2011 $	Group 2010 $	Company 2011 $	Company 2010 $
9. Trade and other payables				
Amount owing to related parties	**576 830**	1 068 976	**733 391**	1 547 372
Trade payables	**9 413**	52 659	–	3 719
Other payables and accrued expenses	**238 537**	385 192	**93 854**	78 359
	824 780	1 506 827	**827 245**	1 629 450
10. Undrawn funds				
Adessium Foundation	**290 507**	277 255	**290 507**	–
Stichting Doen	**347 650**	–	**347 650**	–
WWF Netherlands	**210 521**	382 222	**90 000**	–
African Parks Network Board of Directors	**162 500**	–	**162 500**	–
Walton Family Foundation	**112 522**	314 882	–	–
Stichting African Parks Foundation	**55 000**	–	–	–
Réseau des Aires Protégées d'Afrique Centrale	**1 042 895**	–	–	–
Spanish Government	**266 880**	–	–	–
Ms Sabine Plattner	**31 377**	–	–	–
European Union	**406 120**	–	–	–
Other	**280 014**	186 577	**20 000**	–
	3 205 986	1 160 936	**910 657**	–

Undrawn funds represent cash received from donors. Expenses related to this revenue have not yet been incurred and therefore the revenue has not yet been recognised.

	Group 2011 $	Group 2010 $	Company 2011 $	Company 2010 $
11. Deferred income				
Opening balance	**1 427 238**	413 785	–	–
Additions to property, plant and equipment	**1 959 022**	1 623 337	–	–
Depreciation	**(968 641)**	(609 884)	–	–
	2 417 619	1 427 238	–	–

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Notes to the financial statements
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	Group 2011 $	Group 2010* $	Company 2011 $	Company 2010* $
12. Revenue				
Donation income	**11 731 337**	8 452 131	**1 420 992**	1 734 836
Transfer to deferred income	**(990 381)**	(1 013 453)	–	–
Underprovision of prior year revenue[1]	**167 989**	–	–	–
	10 908 945	7 438 678	**1 420 992**	1 734 836
Donation income per specific donor				
Adessium Foundation	**838 999**	799 491	**294 500**	375 001
Africom	**36 017**	–	–	–
Anna McWane Foundation	–	92 337	–	–
De Koornzaayer Foundation	–	240 709	–	–
Dutch Poscode Lottery	**691 281**	–	–	–
African Parks Endowment Fund	**768 561**	–	**768 561**	–
European Union	**3 646 462**	865 107	–	–
Family Fentener van Vlissingen	–	1 359 835	–	–
Liberty Wildlife Fund	**90 593**	–	–	–
Mr Paul Tudor Jones	**71 895**	–	–	–
Ms Sabine Plattner	**486 982**	–	–	–
Réseau des Aires Protégées d'Afrique Centrale	**689 291**	–	–	–
Rwandan Development Board	**469 810**	217 107	–	–
Spanish Government	**199 797**	632 847	–	–
Stichting African Parks Foundation	**1 489 604**	1 620 914	**344 931**	1 359 835
Stichting Doen	–	840 215	–	–
UNDP	–	172 071	–	–
Walton Family Foundation	**681 790**	177 028	–	–
Wildlife Conservation Society	**18 373**	–	–	–
WWF Netherlands	**1 318 782**	1 208 830	–	–
Other	**233 100**	225 640	**13 000**	–
	11 731 337	8 452 131	**1 420 992**	1 734 836

[1] The group underprovided revenue in the prior year. The amount was not considered material and was corrected in the current year.

	Group 2011 $	Group 2010* $	Company 2011 $	Company 2010* $
13. Other operating income				
Net gain on sale of property, plant and equipment	–	22 366	–	–
Operating income	**816 930**	680 593	**233 728**	190 574
	816 930	702 959	**233 728**	190 574

* Restated

	Group 2011 $	Group 2010 $	Company 2011 $	Company 2010 $
14. Results from operating activities				
Operating profit before dividend and financing costs is arrived at after taking into account:				
	816 930	702 959	**233 728**	190 574
Net gain on sale of property, plant and equipment	**–**	22 366	**–**	–
Operating income	**816 930**	680 593	**233 728**	190 574
Auditors' remuneration – audit fees	**172 317**	128 638	**35 417**	54 478
Depreciation of property, plant and equipment	**968 641**	609 884	**42 500**	41 861
Amortisation	**–**	919	**–**	919
Consulting fees	**158 007**	39 088	**9 967**	35 815
Loss on sale of property, plant and equipment	**15 891**	–	**–**	–
Salary costs and pension contributions	**5 010 454**	3 155 819	**913 100**	529 310
15. Finance income/(expenses)				
Interest received on bank balances	**3 295**	12 010	**1 615**	11 568
Bank interest paid	**(18 006)**	(64 071)	**–**	(417)
	(14 711)	52 061	**1 615**	11 151
16. Taxation				
Rwandan normal tax – current year	**–**	54 551	**–**	–

All the entities within the group are exempt from paying income taxation with the possible exception of Akagera Management Company. As at 31 December 2011, however, there was adequate provision for income tax payable, resulting in a nil tax expense. As at 31 December 2011 taxation exemption for Akagera Management Company was pending clarification from the Rwandan Revenue Authority and based on this a provision for normal taxation was made. No tax rate reconciliation is presented due to the tax exempt nature of the entity.

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Notes to the financial statements
for the year ended 31 December 2011 (continued)

	Group 2011 $	Group 2010* $	Company 2011 $	Company 2010 $
17. Notes to the statement of cash flows				
17.1 Cash generated/(utilised) by operations				
(Loss)/profit before income tax	**(64 369)**	(405 241)	**(67 524)**	97 174
Adjustments for –				
– finance expense	**18 006**	64 071	**–**	417
– finance income	**(3 295)**	(12 010)	**(1 615)**	(11 568)
– depreciation	**968 641**	609 884	**42 500**	41 861
– amortisation of intangible assets	**–**	919	**–**	919
– foreign exchange differences on operating activities	**124 011**	488 681	**–**	–
– loss/(gain) on sale of property, plant and equipment	**15 891**	(22 366)	**–**	–
Operating profit before working capital changes	**1 058 885**	723 938	**(26 639)**	128 803
Increase in inventories	**(39 393)**	(11 584)	**–**	–
Decrease/(increase) in trade and other receivables	**21 302**	81 744	**29 362**	(207 468)
(Decrease)/increase in trade and other payables and provisions	**(523 922)**	(141 657)	**(802 205)**	675 348
Foreign currency translation reserve	**(172 197)**	(224 792)	**–**	–
	344 675	427 649	**(799 482)**	596 683

* Restated

	Group 2011 $	Group 2010* $	Company 2011 $	Company 2010 $
17.2 Proceeds from disposal of property, plant and equipment				
Carrying value of property, plant and equipment disposed	**15 891**	12 106	**–**	–
(Loss)/profit on disposal of property, plant and equipment	**(15 891)**	22 366	**–**	–
	–	34 472	**–**	–
17.3 Taxation paid				
Balance owing at 1 January 2011	**54 551**	–	**–**	–
Charge to the statement of comprehensive income	**–**	54 551	**–**	–
Balance owing at 31 December 2011	**(54 551)**	(54 551)	**–**	–
Taxation paid	**–**	–	**–**	–

18. Lease commitments

Operating lease commitments

The group leases premises under an operating lease.

Future minimum lease payments under non-cancellable operating leases due:

	Group		Company	
	2011	2010	**2011**	2010
	$	$	**$**	$
Less than one year	–	41 471	–	41 471
Between one and five years	–	48 862	–	48 862
	–	90 333	–	90 333

19. Prior period restatement

Adoption of IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*

The group adopted IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* as being the guidance statement for recognising donor income. Using the income approach under the same statement, donor contributions received in recognition of specific expenses have been recognised in the statement of comprehensive income in the same period as the relevant expenses. Similarly, donor contributions relating to depreciable assets have been recognised in the statement of comprehensive income over the periods and in the proportions in which depreciation expense on those assets were recognised.

The purpose of this change is to enhance the quality of the group financial reporting by ensuring that income is matched to expenses. All prior periods have been restated.

19. Prior period restatement *(continued)*

The effect of the restatement is as follows:

	2010	2009
	$	$
Statement of comprehensive income		
Decrease in revenue	**(1 013 453)**	(413 785)
Statement of financial position		
Decrease in retained earnings	**(1 170 241)**	(380 028)
Increase in deferred income	**1 427 238**	413 785
Decrease in non-controlling interest	**(256 997)**	(33 757)

20. Financial instruments

The group's activities expose it to a variety of financial risks:

- Market risk
- Liquidity risk
- Credit risk

This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

20.1 Market risk

21.1.1 Foreign currency exposure

The group incurs currency risk as a result of transactions which are denominated in a currency other than the entities' functional currencies.

The settlement of these transactions takes place within a normal business cycle. Speculative use of financial instruments is not permitted and no such use occurred during any of the periods presented. The local company has a policy of not taking out forward exchange contracts for foreign transactions entered into.

20. Financial instruments *(continued)*

20.2 Interest rate risk

As the group has no significant interest bearing assets, the group's income and operating cash flows are substantially independent of changes in market interest rates.

The group is exposed to interest rate risk arising from cash and cash equivalents. The group is not exposed to fair value interest rate risk as they do not have any fixed interest bearing financial instruments carried at fair value.

The interest rate risk profile of the interest bearing financial instruments was:

	Group		Company	
	2011	2010	**2011**	2010
	$	$	**$**	$
Variable rate instruments				
– cash and cash equivalents	**3 166 668**	1 760 295	**1 143 343**	1 039 486

Sensitivity analysis for variable-rate instruments

A change in 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below for a period of one year compounded monthly. This analysis assumes that all other variables, in particular foreign exchange rates, remain constant. This analysis is performed on the same basis for 2010.

Effect:

	Increase in equity from 100 bp increase	**Decrease in equity from 100 bp decrease**	**Increase in profit from 100 bp increase**	**Decrease in profit from 100 bp decrease**
Group				
2011	**$**	**$**	**$**	**$**
US Dollar	**30 825**	**(30 825)**	**30 825**	**(30 825)**
2010				
US Dollar	12 797	(12 797)	12 797	(12 797)
Company				
2011				
US Dollar	**11 412**	**(11 412)**	**11 412**	**(11 412)**
2010				
US Dollar	7 392	(7 392)	7 392	(7 392)

20. Financial instruments *(continued)*

20.3 Fair values of financial instruments

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

		31 December 2011		31 December 2010	
Group		**Carrying value $**	**Fair value $**	Carrying value $	Fair value $
Financial assets					
Trade and other receivables	Loans and receivables	**1 359 349**	**1 359 349**	1 380 651	1 380 651
Cash and cash equivalents	Loans and receivables	**3 166 668**	**3 166 668**	1 760 295	1 760 295
Financial liabilities					
Trade and other payables	Other liabilities	**(824 780)**	**(824 780)**	(1 506 827)	(1 506 827)
Undrawn funds	Other liabilities	**(3 205 986)**	**(3 205 986)**	(1 160 936)	(1 160 936)
Deferred income	Other liabilities	**(2 417 619)**	**(2 417 619)**	(1 427 238)	(1 427 238)
Company					
Financial assets					
Trade and other receivables	Loans and receivables	**969 031**	**969 031**	998 393	998 393
Cash and cash equivalents	Loans and receivables	**1 143 343**	**1 143 343**	1 039 486	1 039 486
Financial liabilities					
Trade and other payables	Other liabilities	**(827 245)**	**(827 245)**	(1 629 450)	(1 629 450)
Undrawn funds	Other liabilities	**(910 657)**	**(910 657)**	–	–

The carrying values of short term financial instruments are assumed to approximate their fair values.

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

Trade and other receivables and loans and other borrowings
For receivables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. All other receivables are discounted to determine the fair value.

Cash and cash equivalents
The carrying amount of cash and mutual accounts approximate fair value due to relatively short-term maturity of these financial instruments.

Trade and other payables and borrowings
The carrying amount approximates fair value because of the short period to maturity of these instruments.

20. Financial instruments *(continued)*

20.4 Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the group. The group is exposed to credit risk arising from cash equivalents as well as trade and other receivables. The concentrations of credit risk with respect to trade receivables are limited due to the cash nature of the business. For banks and financial institutions cash balances are only placed with highly reputable financial institutions. Trade and other receivables are limited to amounts owing from external funders with good credit ratings.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Group Carrying amount		Company Carrying amount	
	2011	2010	**2011**	2010
	$	$	**$**	$
Trade and other and receivables	**1 359 349**	1 380 651	**969 031**	998 393
Cash and cash equivalents	**3 166 668**	1 760 295	**1 143 343**	1 039 486
	4 526 017	3 140 946	**2 112 374**	2 037 879

The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was:

	Group		Company	
	2011	2010	**2011**	2010
	$	$	**$**	$
Foreign	**1 359 349**	1 380 651	**969 031**	998 393

The ageing of receivables at the reporting date was:

Group	**Gross** **$**	**Impairment** **$**	**Net** **$**
Not past due	**1 334 278**	–	**1 334 278**
Past due 0 – 30 days	**7 694**	–	**7 694**
Past due 30 to 60 days	**–**	–	**–**
Past due > 60 days	**17 377**	–	**17 377**
	1 359 349	–	**1 359 349**

The majority of cash and cash equivalents are foreign. The group utilises a reputable banking institution with a good credit rating.

There was no allowance for impairment in respect of trade receivables during the current or comparative year.

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20. Financial instruments *(continued)*

20.5 Liquidity risk management

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the group's reputation.

Liquidity and interest risk tables

The following tables detail the group's remaining contractual maturity for its financial liabilities, including interest payments and excluding the impact of netting agreements:

The group and company hold no derivative financial instruments.

Group	**Interest terms**	**Carrying amount $**	**Contractual cash flows $**	**1 year or less $**	**1 to 5 years $**	**Over 5 years $**
2011						
Non derivative-liabilities						
Trade and other payables	None	**(824 780)**	**(824 780)**	**(824 780)**	-	-
Undrawn funds	None	**(3 205 986)**	**(3 205 986)**	**(3 205 986)**	-	-
Deferred income	None	**(2 417 619)**	**(2 417 619)**	**(2 417 619)**	-	-
2010						
Non derivative-liabilities						
Trade and other payables	None	(1 506 827)	(1 506 827)	(1 506 827)	-	-
Undrawn funds	None	(1 160 936)	(1 160 936)	(1 160 936)	-	-
Deferred income		(1 427 238)	(1 427 238)	(1 427 238)	-	-

Company	**Interest terms**	**Carrying amount $**	**Contractual cash flows $**	**1 year or less $**	**1 to 5 years $**	**Over 5 years $**
2011						
Non derivative-liabilities						
Trade and other payables	None	**(827 245)**	**(827 245)**	**(827 245)**	-	-
Undrawn funds	None	**(910 657)**	**(910 657)**	**(910 657)**	-	-
2010						
Non derivative-liabilities						
Trade and other payables	None	(1 629 450)	(1 629 450)	(1 629 450)	-	-

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21. Related parties

21.1 Identity of related parties

Related party	Relationship	2011 $	2010 $
Group			
African Parks Endowment Fund	Employees	**(34 577)**	–
Bangweulu Wetlands Board from African Parks Foundation – Netherlands	Subsidiary	–	171 955
African Parks Zambia from African Parks Foundation – Netherlands	Subsidiary	–	231 990
African Parks Foundation – Netherlands for Bangweulu Wetlands Board	Funding partner	–	(115 104)
African Parks Foundation – undrawn funds	Funding partner	–	(885 564)
Stichting African Parks Foundation receivable	Funding partner	**577 408**	256 551
Stichting African Parks Foundation payable	Funding partner	**(542 253)**	(57 584)
		578	(397 756)
Total amount owing to related parties		**(576 830)**	(1 068 976)
Total amount due from related parties		**577 408**	671 220
		578	(397 756)
Directors' emoluments		**166 308**	244 421
Company			
Akagera Management Company	Subsidiary	**2 000**	–
Akagera Management Company	Subsidiary	**(147 821)**	–
Zakouma National Park	Special purpose entity	**154 335**	–
Odzala-Kokoua National Park	Special purpose entity	**(174 538)**	–
Odzala-Kokoua National Park	Special purpose entity	**29 331**	–
Garamba National Park	Special purpose entity	**104 926**	711 211
Garamba National Park	Special purpose entity	–	(173 767)
Bangweulu Wetlands Board	Subsidiary	**35 710**	13 639
African Parks Zambia Limited	Subsidiary	**(29 756)**	(378 074)
African Parks Majete Limited	Subsidiary	**(5 573)**	(105 396)
African Parks Foundation – Netherlands	Funding partner	**577 408**	256 551
African Parks Foundation – Netherlands	Funding partner	**(341 126)**	(57 584)
African Parks Foundation –undrawn funds	Funding partner		(827 718)
Staff advances	Employees	**4 774**	–
African Parks Endowment Fund	Employees	**(34 577)**	–
		175 093	(561 138)
Total amount owing to related parties		**(733 391)**	(1 542 539)
Total amount due from related parties		**908 484**	981 401
		175 093	(561 138)

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22. Standards and interpretations in issue but not yet effective

At the date of authorisation of the financial statements of African Parks Network for the year ended 31 December 2011, the following Standards and Interpretations were in issue but not yet effective:

Standard/Interpretation		Effective date
IAS 1 amendment	*Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income*	Annual periods beginning on or after 1 July 2012
IAS 12 amendment	*Deferred tax: Recovery of Underlying Assets*	Annual periods beginning on or after 1 January 2012
IAS 19 amendments	*Employee Benefits: Defined benefit plans*	Annual periods beginning on or after 1 January 2013
IAS 27	*Separate Financial Statements (2011)*	Annual periods beginning on or after 1 January 2013
IAS 28	*Investments in Associates and Joint Ventures (2011)*	Annual periods beginning on or after 1 January 2013
IFRS 1 amendment	*Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*	Annual periods beginning on or after 1 July 2011
IFRS 7 amendment	*Disclosures – Transfers of Financial Assets*	Annual periods beginning on or after 1 July 2011
IFRS 9 (2009)	*Financial Instruments*	Annual periods beginning on or after 1 January 2015
IFRS 9 (2010)	*Financial Instruments*	Annual periods beginning on or after 1 January 2015
IFRS 10	*Consolidated Financial Statements*	Annual periods beginning on or after 1 January 2013
IFRS 11	*Joint Arrangements*	Annual periods beginning on or after 1 January 2013
IFRS 12	*Disclosure of Interests in Other Entities*	Annual periods beginning on or after 1 January 2013

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(Association incorporated under S21)

Notes to the financial statements

for the year ended 31 December 2011 (continued)

22. Standards and interpretations in issue but not yet effective *(continued)*

Standard/Interpretation		Effective date
IFRS 13	*Fair Value Measurement*	Annual periods beginning on or after 1 January 2013
IFRIC 20	*Stripping Costs in the Production Phase of a Surface Mine*	Annual periods beginning on or after 1 January 2013

All Standards and Interpretations will be adopted at their effective date (except for those Standards and Interpretations that are not applicable to the entity).

IAS 1, IAS 12, IAS 19, IAS 27, IAS 28, IFRS 1, IFRS 7 amendment, IFRS 11, IFRS 12 and IFRIC 20 are not applicable to the business of the entity and will therefore have no impact on future financial statements. The directors are of the opinion that the impact of the application of the remaining Standards and Interpretations will be as follows:

IFRS 10 Consolidated Financial Statements

IFRS 10 will be adopted by African Parks Network for the first time for its financial reporting period ending 31 December 2013. The standard will be applied retrospectively if there is a change in the control conclusion between IAS 27/SIC 12 and IFRS 10.

IFRS 10 introduces a single control model to assess whether an investee should be consolidated. This control model requires entities to perform the following in determining whether control exists:

- Identify how decisions about the relevant activities are made,
- Assess whether the entity has power over the relevant activities by considering only the entity's substantive rights,
- Assess whether the entity is exposed to variability in returns, and
- Assess whether the entity is able to use its power over the investee to affect returns for its own benefit.

Control should be assessed on a continuous basis and should be reassessed as facts and circumstances change.

The impact on the financial statements for African Parks Network cannot be reasonably estimated as at 31 December 2011.

IFRS 9 (2009) Financial Instruments

IFRS 9 will be adopted for the first time for its financial reporting period ending 31 December 2015. The standard will be applied retrospectively, subject to transitional provisions.

IFRS 9 addresses the initial measurement and classification of financial assets and will replace the relevant sections of IAS 39.

Under IFRS 9 there are two options in respect of classification of financial assets, namely, financial assets measured at amortised cost or at fair value. Financial assets are measured at amortised cost when the business model is to hold assets in order to collect contractual cash flows and when they give rise to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets are measured at fair value. Embedded derivatives are no longer separated from hybrid contracts that have a financial asset host.

The impact on the financial statements cannot be reasonably estimated as at 31 December 2011.

22. Standards and interpretations in issue but not yet effective *(continued)*

IFRS 9 (2010) Financial Instruments

IFRS 9 (2010) will be adopted for the first time for its financial reporting period ending 31 December 2015. The standard will be applied retrospectively, subject to transitional provisions.

IFRS 9 (2010) addresses the measurement and classification of financial liabilities and will replace the relevant sections of IAS 39.

Under IFRS 9 (2010), the classification and measurement requirements of financial liabilities are the same as per IAS 39, except for the following two aspects:

- fair value changes for financial liabilities (other than financial guarantees and loan commitments) designated at fair value through profit or loss, that are attributable to the changes in the credit risk of the liability will be presented in other comprehensive income (OCI). The remaining amount of the fair value change is recognised in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, then the whole fair value change is presented in profit or loss. The determination as to whether such presentation would create or enlarge an accounting mismatch is made on initial recognition and is not subsequently reassessed.
- Under IFRS 9 (2010) derivative liabilities that are linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, are measured at fair value.

IFRS 9 (2010) incorporates, the guidance in IAS 39 dealing with fair value measurement and accounting for derivatives embedded in a host contract that is not a financial asset, as well as the requirements of IFRIC 9 *Reassessment of Embedded Derivatives.*

The impact on the financial statements cannot be reasonably estimated as at 31 December 2011.

IFRS 13 *Fair Value Measurement*

IFRS 13 will be adopted by African Parks Network for the first time for its financial reporting period ending 31 December 2014. The standard will be applied prospectively and comparatives will not be restated.

IFRS 13 introduces a single source of guidance on fair value measurement for both financial and non-financial assets and liabilities by defining fair value, establishing a framework for measuring fair value and setting out disclosures requirements for fair value measurements. The key principles in IFRS 13 are as follows:

- Fair value is an exit price
- Measurement considers characteristics of the asset or liability and not entity-specific characteristics
- Measurement assumes a transaction in the entity's principle (or most advantageous) market between market participants
- Price is not adjusted for transaction costs
- Measurement maximises the use of relevant observable inputs and minimises the use of unobservable inputs
- The three-level fair value hierarchy is extended to all fair value measurements

The impact on the financial statements for African Parks Network cannot be reasonably estimated as at 31 December 2011.