African Parks Network

(Non-profit company)
(Registration number: 2007/030803/08)

Annual financial statements

for the year ended 31 December 2017

Audited in accordance with the Companies Act of South Africa

Ayesha Jackaria,
Chief Financial Controller CA (SA), was responsible for the preparation of the financial statements

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Annual Financial Statements
for the year ended 31 December 2017

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Directors' report
for the year ended 31 December 2017

The directors have pleasure in presenting their report on the activities of the company and the group for the year ended 31 December 2017.

General

The nature of the business of the entities within the group is to ensure the long term sustainability of parks within Africa. The following parks are registered as legal entities with African Parks Network exercising majority control either through majority share ownership or board control: African Parks Majete Limited (99,98%), African Parks Zambia Limited (70%), Akagera Management Company Limited (51%), African Parks (Malawi) Limited and Bangweulu Wetlands Management Reserve. The remaining parks are treated as special purpose entities and are consolidated in the group financial statements.

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)
Fondation Odzala Kokoua (Congo)
Nkhotakota Wildlife Reserve (Malawi)
Liwonde National Park (Malawi)
Chinko Project (Central African Republic)
Pendjari National Park (Benin)

Financial results

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

The year 2017 was a satisfactory year for African Parks Network.

The group showed a profit for the year of USD104 995 (2016 – profit USD976 738) with donor income of USD32 664 710 (2016 – USD26 823 895) and other operating income of USD4 211 537 (2016 – USD2 862 591).

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	
Hon. J Lembeli	
V Chitalu	
R Rugamba	
EM Woods	

The current local representative addresses are as follows:

Business address	**Postal address**
Centurion Building The Oval Office Park Cnr Meadowbrook and Sloane Street Bryanston East	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 financial statements.

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, set out on pages 1 to 37, were approved by the board of directors on 20 June 2018 and are signed by:

P Fearnhead
Authorised Director

RJ van Ogtrop
Chairman

KPMG

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Independent auditor's report

To the directors of African Parks Network

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of African Parks Network (the group and company) set out on pages 7 to 37, which comprise the statements of financial position as at 31 December 2017, and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements 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 consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of African Parks Network as at 31 December 2017, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the directors' report as required by the Companies Act of South Africa, which we obtained prior to the date of this report. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

Responsibilities of the directors for the consolidated and separate financial statements
The directors are responsible for the preparation and fair presentation of the consolidated and separate 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and/or the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate 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 auditor's report. However, future events or conditions may cause the group and/or the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditor's responsibilities for the audit of the consolidated and separate financial statements (continued)
We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

KPMG Inc.

Per D Read
Chartered Accountant (SA)
Registered Auditor
Director
20 June 2018

African Parks Network
(Non-profit company)

Statements of financial position
at 31 December 2017

	Note	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
Assets					
Non-current assets		**26 084 560**	13 376 292	**9 535 601**	1 450 604
Property, plant and equipment	*2*	**19 764 560**	13 376 292	**3 214 731**	1 449 734
Investment in subsidiary parks	*3*	–	–	**870**	870
Investment property	*4*	**6 320 000**	–	**6 320 000**	–
Current assets		**19 841 344**	11 236 709	**14 767 663**	10 730 858
Inventories	*5*	**402 122**	167 141	–	–
Trade and other receivables	*6*	**14 167 329**	7 219 077	**11 548 171**	8 147 365
Cash and cash equivalents	*7*	**5 271 893**	3 850 491	**3 219 492**	2 583 493
Total assets		**45 925 904**	24 613 001	**24 303 264**	12 181 462
Equity and liabilities					
Capital and reserves					
Maintenance reserve		**321 778**	321 778	**321 778**	321 778
Foreign currency translation reserve	*8*	**(1 630 599)**	(1 416 382)	**59 537**	59 537
Retained earnings		**2 159 288**	2 079 590	**9 800 195**	1 856 084
Total equity attributable to equity holders of the company		**850 467**	984 986	**10 181 510**	2 237 399
Non-controlling interest		**(128 028)**	(153 296)	–	–
Total equity		**722 439**	831 690	**10 181 510**	2 237 399
Current liabilities		**45 203 465**	23 781 311	**14 121 754**	9 944 063
Provisions	*9*	**117 260**	101 343	**94 554**	78 093
Trade and other payables	*10*	**2 947 178**	1 719 994	**9 790 175**	7 635 738
Undrawn funds	*11*	**16 367 436**	9 013 754	**4 237 025**	2 230 232
Deferred income	*12*	**25 771 591**	12 946 220	–	–
Total equity and liabilities		**45 925 904**	24 613 001	**24 303 264**	12 181 462

African Parks Network
(Non-profit company)

Statements of comprehensive income
for the year ended 31 December 2017

	Note	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
Revenue	*13*	**32 664 710**	26 823 895	**11 977 950**	2 948 287
Other operating income	*14*	**4 211 537**	2 862 591	**404 323**	995 225
Employee benefit expenses		**(13 190 959)**	(9 992 179)	**(2 361 048)**	(1 601 583)
Depreciation		**(3 583 415)**	(2 517 658)	**(418 300)**	(408 365)
Administrative expenses		**(6 426 601)**	(4 340 267)	**(799 375)**	(903 993)
Other operating expenses		**(13 598 894)**	(11 847 400)	**(975 428)**	(944 354)
Results from operating activities	*15*	**76 378**	988 982	**7 828 122**	85 217
Finance expense	*16*	**(215 196)**	(238 484)	**–**	–
Finance income	*16*	**243 813**	226 240	**115 989**	208 583
Profit for the year		**104 995**	976 738	**7 944 111**	293 800
Other comprehensive loss					
Foreign currency translation differences		**(214 246)**	(128 258)	**–**	–
Total comprehensive (loss)/income for the year		**(109 251)**	848 480	**7 944 111**	293 800
Profit attributable to:					
Equity holder of parent		**79 698**	951 476	**7 944 111**	293 800
Non-controlling interest		**25 297**	25 262	**–**	–
Profit for the year		**104 995**	976 738	**7 944 111**	293 800
Other comprehensive loss attributable to:					
Equity holder of parent		**(214 217)**	(128 262)	**–**	–
Non-controlling interest		**(29)**	4	**–**	–
Other comprehensive loss for the year		**(214 246)**	(128 258)	**–**	–

African Parks Network
(Non-profit company)

Statements of changes in equity
for the year ended 31 December 2017

	Maintenance reserve $	Foreign currency translation reserve $	Retained earnings $	Total $	Non-controlling interest $	Total equity $
Group						
Balance at 31 December 2015	–	(1 288 120)	1 449 892	161 772	(178 562)	(16 790)
Profit for the year	–	–	951 476	951 476	25 262	976 738
Transfer to maintenance reserve	321 778	–	(321 778)	–	–	–
Other comprehensive income						
Foreign currency translation differences	–	(128 262)	–	(128 262)	4	(128 258)
Balance at 31 December 2016	321 778	(1 416 382)	2 079 590	984 986	(153 296)	831 690
Profit for the year	–	–	**79 698**	**79 698**	**25 297**	**104 995**
Other comprehensive income						
Foreign currency translation differences	–	**(214 217)**	–	**(214 217)**	**(29)**	**(214 246)**
Balance at 31 December 2017	**321 778**	**(1 630 599)**	**2 159 288**	**850 467**	**(128 028)**	**722 439**

The maintenance reserve represents funds reserved for the future maintenance of the helicopter.

African Parks Network
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Statements of changes in equity
for the year ended 31 December 2017 (continued)

Company	Maintenance reserve $	Foreign currency translation reserve $	Retained earnings $	Total $
Balance at 31 December 2015	–	59 537	1 884 062	1 943 599
Maintenance reserve	321 778	–	(321 778)	–
Profit for the year	–	–	293 800	293 800
Balance at 31 December 2016	321 778	59 537	1 856 084	2 237 399
Profit for the year	–	–	7 944 111	7 944 111
Balance at 31 December 2017	**321 778**	**59 537**	**9 800 195**	**10 181 510**

African Parks Network
(Non-profit company)

Statements of cash flows
for the year ended 31 December 2017

	Note	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
Cash flows from operating activities					
Cash (utilised)/generated by operations	*17.1*	**(2 381 718)**	(78 038)	**696 607**	413 645
Finance income	*16*	**243 813**	226 240	**115 989**	208 583
Finance expense	*16*	**(215 196)**	(238 484)	**–**	–
Net cash (outflow)/inflow from operating activities		**(2 353 101)**	(90 282)	**812 596**	622 228
Net cash outflow from investing activities		**(10 084 550)**	(6 736 229)	**(2 183 390)**	(263 070)
Acquisition of property, plant and equipment		**(10 088 786)**	(6 788 718)	**(2 183 530)**	(263 070)
Proceeds on disposal of property, plant and equipment	*17.2*	**4 236**	52 489	**140**	–
Net cash inflow/(outflow) from financing activities		**13 859 053**	4 995 858	**2 006 793**	(1 375 022)
Increase/(decrease) in undrawn funds		**7 353 682**	724 798	**2 006 793**	(1 375 022)
Increase in deferred income		**6 505 371**	4 271 060	**–**	–
Net increase/(decrease) in cash and cash equivalents		**1 421 402**	(1 830 653)	**635 999**	(1 015 864)
Cash and cash equivalents at beginning of year		**3 850 491**	5 681 144	**2 583 493**	3 599 357
Cash and cash equivalents at end of year	*7*	**5 271 893**	3 850 491	**3 219 492**	2 583 493

1. Significant accounting policies

African Parks Network is a company domiciled in South Africa. The consolidated financial statements for the year ended 31 December 2017 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. The financial statements were approved by the board of directors on 20 June 2018 and were signed by P Fearnhead and RJ van Ogtrop.

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.

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 whose 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.

1. Significant accounting policies *(continued)*

1.4 Basis of consolidation *(continued)*

Special purpose entities

Certain entities were established for operations 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.

1. Significant accounting policies *(continued)*

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

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.

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.

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 statements 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 and Chinko Projects are written-down to a net book value of US$nil at acquisition as both the value in use and net realisable value are valued at nil, due to the remote location of the parks.

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 assets 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 S30 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.

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.

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

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.

1.18 Investment property

Investment property is property held for capital appreciation and is stated at fair value at balance sheet date. Gains and losses arising from changes in fair value are included in profit or loss for the period in which they arise.

2. Property, plant and equipment

Group

2017	**Cost $**	**Accumulated depreciation $**	**Carrying value $**
Plant and machinery	3 462 833	(1 175 691)	2 287 142
Furniture and fittings	471 531	(298 162)	173 369
Office equipment	291 881	(209 712)	82 169
Infrastructural improvements	10 110 475	(2 793 236)	7 317 239
Computer equipment	378 358	(267 776)	110 582
Capital work-in-progress	3 634 385	–	3 634 385
Other	1 742 378	(1 121 068)	621 310
Aircraft	5 124 533	(1 674 563)	3 449 970
Motor vehicles	6 531 236	(4 442 842)	2 088 394
	31 747 610	**(11 983 050)**	**19 764 560**

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

Group *(continued)*

2016	Cost $	Accumulated depreciation $	Carrying value $
Plant and machinery	2 962 183	(904 451)	2 057 732
Furniture and fittings	446 327	(284 060)	162 267
Office equipment	296 396	(184 132)	112 264
Infrastructural improvements	5 601 909	(2 141 489)	3 460 420
Computer equipment	346 780	(242 833)	103 947
Aircraft	3 239 331	(1 361 841)	1 877 490
Motor vehicles	5 424 028	(3 675 558)	1 748 470
Capital work-in-progress	3 370 790	–	3 370 790
Other	1 527 890	(1 044 978)	482 912
	23 215 634	(9 839 342)	13 376 292

Company

2017			
Motor vehicles	**18 595**	**(2 089)**	**16 506**
Other	**1 403**	**(103)**	**1 300**
Plant and machinery	**179 200**	**(15 909)**	**163 291**
Furniture and fittings	**53 140**	**(36 737)**	**16 403**
Office equipment	**26 975**	**(19 271)**	**7 704**
Computer equipment	**86 496**	**(59 313)**	**27 183**
Aircraft	**4 363 051**	**(1 380 707)**	**2 982 344**
	4 728 860	**(1 514 129)**	**3 214 731**
2016			
Furniture and fittings	50 395	(30 937)	19 458
Office equipment	26 974	(14 980)	11 994
Computer equipment	64 451	(44 341)	20 110
Aircraft	2 404 291	(1 006 119)	1 398 172
	2 546 111	(1 096 377)	1 449 734

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for the year ended 31 December 2017 (continued)

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

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

Group

2017	Plant and machinery $	Furniture and fittings $	Office equipment $	Infra-structural improve-ments $	Computer equipment $	Capital work in progress $	Other* $	Aircraft $	Motor vehicles $	Total $
Carrying value at beginning of year	**2 057 732**	**162 267**	**112 264**	**3 460 420**	**103 947**	**3 370 790**	**482 912**	**1 877 490**	**1 748 470**	**13 376 292**
Additions	**503 978**	**76 033**	**21 283**	**2 854 811**	**102 677**	**2 559 693**	**403 932**	**2 043 929**	**1 522 450**	**10 088 786**
Disposals	–	–	–	**(4 717)**	–	–	–	–	–	**(4 717)**
Transfer from work in progress	**41 906**	–	–	**2 199 567**	–	**(2 241 473)**	–	–	–	–
Reclassifications	**15 189**	**7 682**	**(5 967)**	**10 547**	–	**(26 300)**	**(8 718)**	–	**7 567**	–
Depreciation charge	**(341 413)**	**(71 752)**	**(41 913)**	**(1 196 303)**	**(95 253)**	–	**(258 336)**	**(470 963)**	**(1 107 482)**	**(3 583 415)**
Foreign exchange differences	**9 750**	**(861)**	**(3 498)**	**(7 086)**	**(789)**	**(28 325)**	**1 520**	**(486)**	**(82 611)**	**(112 386)**
Carrying value at end of year	**2 287 142**	**173 369**	**82 169**	**7 317 239**	**110 582**	**3 634 385**	**621 310**	**3 449 970**	**2 088 394**	**19 764 560**
2016										
Carrying value at beginning of year	1 720 891	156 435	139 528	2 293 977	99 273	949 762	124 814	1 975 783	1 644 585	9 105 048
Additions	521 771	64 409	21 291	1 651 372	71 764	2 427 101	638 070	374 537	1 018 403	6 788 718
Disposals	–	–	–	–	(204)	–	–	–	(31 567)	(31 771)
Transfer from work in progress	–	–	–	21 120	–	(21 120)	–	–	–	–
Reclassifications	–	–	(3 544)	–	–	–	3 544	–	–	–
Depreciation charge	(189 993)	(59 569)	(41 894)	(485 845)	(68 683)	–	(284 691)	(472 830)	(914 153)	(2 517 658)
Foreign exchange differences	5 063	992	(3 117)	(20 204)	1 797	15 047	1 175	–	31 202	31 955
Carrying value at end of year	2 057 732	162 267	112 264	3 460 420	103 947	3 370 790	482 912	1 877 490	1 748 470	13 376 292

* includes radio and communication equipment.

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

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

Company	Plant and equipment $	Furniture and fittings $	Office equipment $	Computer equipment $	Aircraft $	Motor vehicles $	Other $	Total $
2017								
Carrying value at beginning of year	–	19 458	11 994	20 110	1 398 172	–	–	1 449 734
Additions	179 200	3 269	–	22 038	1 959 025	18 595	1 403	2 183 530
Disposals	–	–	–	–	–	–	–	–
Depreciation charge	(15 909)	(6 324)	(4 290)	(14 965)	(374 853)	(2 089)	(103)	(418 533)
Carrying value at end of year	163 291	16 403	7 704	27 183	2 982 344	16 506	1 300	3 214 731
2016								
Carrying value at beginning of year	–	21 268	16 391	10 072	1 547 298	21 829	–	1 616 858
Additions	–	3 958	560	17 687	240 865	–	–	263 070
Disposals	–	–	–	–	–	(21 829)	–	(21 829)
Depreciation charge	–	(5 768)	(4 957)	(7 649)	(389 991)	–	–	(408 365)
Carrying value at end of year	–	19 458	11 994	20 110	1 398 172	–	–	1 449 734

3. Investment in subsidiary parks	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
Akagera Management Company Limited	–	–	**867**	867
African Parks Majete Limited	–	–	**1**	1
Bangweulu Wetlands Management Reserve	–	–	**2**	2
	–	–	**870**	870

4. Investment property

At fair value

	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
Donation	**6 320 000**	–	**6 320 000**	–

The above property was a donation received during the financial year. The property is a set of farms located in the Alma region of South Africa.

The fair values of the investment property at 31 December 2017 have been determined on the basis of valuations carried out on 12 May 2016 by independent valuation experts. They have an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

5. Inventories	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
Consumables	**402 122**	167 141	–	–

6. Trade and other receivables

	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
Receivables due from related parties	**11 810 779**	5 732 906	**10 894 406**	7 757 236
Other receivables	**2 356 550**	1 486 171	**653 765**	390 129
	14 167 329	7 219 077	**11 548 171**	8 147 365

	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
7. Cash and cash equivalents				
Bank balances	**5 078 977**	3 667 032	**3 212 790**	2 579 835
Cash on hand	**192 916**	183 459	**6 702**	3 658
	5 271 893	3 850 491	**3 219 492**	2 583 493
8. Foreign currency translation reserve				
The foreign currency translation reserve comprises all foreign currency differences arising from the translation of subsidiary companies to the group presentation currency	**(1 630 599)**	(1 416 382)	**59 537**	59 537
9. Provisions				
Opening provision balance	**101 343**	135 593	**78 093**	111 826
Raised during the year	**137 269**	144 145	**16 461**	40 512
Utilised during the year	**(121 352)**	(178 395)	**–**	(74 245)
	117 260	101 343	**94 554**	78 093
10. Trade and other payables				
Amount owing to related parties	**58 772**	85 432	**9 141 886**	7 479 676
Trade payables	**1 118 529**	468 808	**29 550**	48 924
Other payables and accrued expenses	**1 769 877**	1 165 754	**618 739**	107 138
	2 947 178	1 719 994	**9 790 175**	7 635 738

Notes to the financial statements

for the year ended 31 December 2017 (continued)

11. Undrawn funds

	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
Acacia	**800 000**	–	**800 000**	–
Adessium Foundation	–	42 960	–	42 960
Arcus Foundation	**176 079**	–	–	–
Big Cat Rescue	**154 257**	–	**154 257**	–
Chinese Embassy	**55 788**	55 788	–	–
Dutch Postcode Lottery	**99 590**	1 328 005	**97 075**	126 963
Elephant Conservation Fund	**100 000**	–	–	–
European Union	**4 090 186**	530 260	–	–
Foundation Segre	**142 421**	210 264	–	–
Jumpstart Foundation	**221 848**	23 056	–	–
Lion Recovery Fund	**80 000**	–	–	
Other unrestricted donors	**406 500**	516 351	**215 228**	516 351
Other private donors	**5 461 787**	3 409 339	**2 648 941**	1 428 312
PREPAN/World Bank	–	40 000	–	–
Rwanda Development Board	**50 000**	50 000	–	–
Save the Elephants	**133 778**	–	–	–
Stichting African Parks Foundation Board of Directors	**106 207**	481 473	**106 207**	115 646
Stichting Dioraphte	–	27 969	–	–
The People's Postcode Lottery	**1 167 968**	886 467	**132 960**	–
The Rainforest Trust	–	15 378	–	–
The Wildcat Foundation	**433 809**	110 795	–	–
The Wyss Foundation	**2 029 960**	975 761	–	–
Tusk Trust	**22 893**	–	**22 893**	–
UESCO	–	15 429	–	–
UNSAID	**91 673**	–	–	–
USFW	**211 034**	131 242	–	–
Vulcan	**62 533**	–	**32 289**	–
The Walton Family Foundation	**27 175**	94 480	**27 175**	–
WCN	–	63 176	–	–
WWF – Belgium	**241 950**	–	–	–
WWF – Zambia	–	5 561	–	–
	16 367 436	9 013 754	**4 237 025**	2 230 232

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

12. Deferred income

	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
Opening balance	**12 946 220**	8 675 160	–	–
Additions to property, plant and equipment	**10 088 786**	6 788 718	–	–
Investment property donated	**6 320 000**	–	–	–
Depreciation	**(3 583 415)**	(2 517 658)	–	–
	25 771 591	12 946 220	–	–

Notes to the financial statements

for the year ended 31 December 2017 (continued)

13. Revenue	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
Donation income	**45 490 079**	31 094 955	**11 977 950**	2 948 287
Transfer to deferred income	**(12 825 369)**	(4 271 060)	–	–
	32 664 710	26 823 895	**11 977 950**	2 948 287
Donation income per specific donor				
Acacia Fund	–	200 000	–	–
Adessium Foundation	**323 154**	678 996	**253 479**	46 092
Arcus Foundation	**46 192**	–	–	
Don Quixote Foundation	**691 357**	–	–	
Dutch Postcode Lottery	**2 115 848**	3 321 273	**982 640**	539 082
Endowment Income	**1 077 471**	1 919 469	**1 077 471**	1 919 469
European Union	**3 689 833**	5 542 958	–	23 359
FFI	–	32 804	–	–
Government of Benin	**1 958 665**	–	–	–
GRASP	**39 435**	–	–	
Jumpstart Foundation	**248 908**	190 912	–	–
Kibali	**496 707**	204 361	–	–
PREPAN/World Bank	**686 443**	300 169	–	–
Ron Ulrich	**210 228**	–	–	
Rwandan Development Board	**250 000**	200 000	–	–
Save the Elephant	**133 235**	140 801	–	–
Segre Foundation	**1 396 296**	559 701	–	–
SGF	**8 190**	–	–	
Stichting African Parks Foundation	–	572 032	–	–
Stichting Dioraphte	**698 877**	617 171	–	–
Swedish PCL	**300 267**	–	–	
The People's Postcode Lottery	**860 078**	455 551	–	–
The People's Republic of China	–	10 381		
The Rainforest Trust	**74 623**	131 205	–	–
THRU/COM-Malaria Research Centre	**17 551**	–	–	
UNESCO	–	81 894	–	–
USAID	**1 673 084**	504 600	–	–
USFW	**847 550**	1 093 424	**54 546**	–
Vulcan	**54 278**	65 293	–	–
Walton Family Foundation	**1 072 825**	905 520	–	–
WCN	–	27 679	–	–
WWF Netherlands	**355 273**	543 463	–	–
WWF Zambia	**254 549**	112 767	–	–
Wyss Foundation	**3 844 023**	3 041 838	–	31 406
Other private non-disclosable donors and small donors	**22 065 139**	9 640 693	**9 609 814**	388 879
	45 490 079	31 094 955	**11 977 950**	2 948 287

Notes to the financial statements

for the year ended 31 December 2017 (continued)

	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
14. Other operating income				
Management fee income	–	–	**224 004**	367 331
Other operating income	**4 211 537**	2 862 591	**180 319**	627 894
	4 211 537	2 862 591	**404 323**	995 225
15. Results from operating activities				
Operating profit before dividend and financing costs is arrived at after taking into account:				
Auditors' remuneration – audit fees	**315 090**	293 218	**47 936**	51 077
Depreciation of property, plant and equipment	**3 583 415**	2 517 658	**418 533**	408 365
Consulting fees	**120 514**	134 803	–	70 170
(Profit)/loss on disposal of property, plant and equipment	**(481)**	(20 718)	**140**	21 829
Salary costs and pension contributions	**13 190 959**	9 992 179	**2 361 048**	1 601 583
16. Finance income/(expense)				
16.1 Finance income				
Interest received on bank balances	**16 248**	22 492	**6 746**	12 429
Foreign exchange gain	**227 565**	203 748	**109 243**	196 154
	243 813	226 240	**115 989**	208 583
16.2 Finance expense				
Foreign exchange losses	**(215 196)**	(238 484)	–	–

	Group		Company	
	2017	2016	**2017**	2016
	$	$	**$**	$
17. Notes to the statements of cash flows				
17.1 Cash (utilised)/generated by operations				
Profit for the year	**104 995**	976 738	**7 944 111**	293 800
Adjustments for –				
– finance expense	**215 196**	238 484	**–**	–
– finance income	**(243 813)**	(226 240)	**(115 989)**	(208 583)
– depreciation	**3 583 415**	2 517 658	**418 533**	408 365
– foreign exchange differences on operating activities	**112 386**	(31 955)	**–**	–
– loss/(profit) on disposal of property, plant and equipment	**481**	(20 718)	**(140)**	21 829
– donation of investment property	**–**	–	**(6 320 000)**	–
Operating profit before working capital changes	**3 772 660**	3 453 967	**1 926 515**	515 411
Increase in inventories	**(234 981)**	(84 773)	**–**	–
Increase in trade and other receivables	**(6 948 252)**	(3 339 958)	**(3 400 806)**	(5 402 606)
Increase in trade and other payables and provisions	**1 243 101**	20 984	**2 170 898**	5 300 840
Foreign currency translation reserve	**(214 246)**	(128 258)	**–**	–
	(2 381 718)	(78 038)	**696 607**	413 645
17.2 Proceeds on disposal of property, plant and equipment				
Carrying value of property, plant and equipment disposed	**4 717**	31 771	**–**	21 829
(Loss)/profit on disposal of property, plant and equipment	**(481)**	20 718	**140**	(21 829)
	4 236	52 489	**140**	–

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	
	2017	2016	**2017**	2016
	$	$	**$**	$
Less than one year	**76 715**	67 808	**76 715**	67 808
Between one and five years	**91 222**	135 618	**91 222**	135 618
	167 937	203 426	**167 937**	203 426

19. 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.

19.1 Market risk

19.1.1 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.

19. Financial instruments *(continued)*

19.1 Market risk *(continued)*

19.1.1 Foreign currency exposure *(continued)*

Exchange rates used for conversion of foreign items were:

	Group and Company	
	2017	2016
Rwandan Francs	**0.00118**	0.00122
Zambian Kwacha	**0.10010**	0.10101
West African CFA Franc	**0.00180**	0.00161
ZAR	**0.08000**	0.0725
Malawian Kwacha	**0.00137**	0.00367
Euro	**1.19700**	1.057
Great British Pound	**1.35140**	1.2469

As at 31 December 2017, if the currency had strengthened 1%, against the relevant currencies, with all other variables held constant, profit for the year would have been higher/(lower) for the following financial instruments:

	Group		Company	
	2017	2016	**2017**	2016
	$	$	**$**	$
Cash and cash equivalents				
Rwandan Francs	**47 620**	22 165	–	–
Zambian Kwacha	**23 949**	7 841	–	–
West African CFA Franc	**101 878**	281 134	–	–
ZAR	**110 752**	45 299	**110 752**	45 299
Malawian Kwacha	**743 590**	316 419	–	–
Euro	**1 279 250**	1 245 113	**1 042 212**	–
Great British Pound	**589**	693	–	–
	2 307 628	1 918 367	**1 152 964**	45 299

A 10% weakening in the US Dollar against the currencies, would have had an almost equal but opposite effect on the amounts above on the basis that all other variables remain constant.

19. Financial instruments *(continued)*

19.2 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	
	2017	2016	**2017**	2016
	$	$	**$**	$
Variable rate instruments				
– cash and cash equivalents	**5 271 893**	3 850 491	**3 219 492**	2 583 493

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 2016.

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				
2017				
US Dollar	**52 719**	**(52 719)**	**52 719**	**(52 719)**
2016				
US Dollar	38 505	(38 505)	38 505	(38 505)
Company				
2017				
US Dollar	**32 195**	**(32 195)**	**32 195**	**(32 195)**
2016				
US Dollar	25 834	(25 834)	25 834	(25 834)

19. Financial instruments *(continued)*

19.3 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:

		2017		2016	
Group		**Carrying value $**	**Fair value $**	Carrying value $	Fair value $
Financial assets					
Trade and other receivables	Loans and receivables	**14 167 329**	**14 167 329**	7 219 077	7 219 077
Cash and cash equivalents	Loans and receivables	**5 271 893**	**5 271 893**	3 850 491	3 850 491
Financial liabilities					
Trade and other payables	Other liabilities	**(2 947 178)**	**(2 947 178)**	(1 719 994)	(1 719 994)
Undrawn funds	Other liabilities	**(16 367 436)**	**(16 367 436)**	(9 013 754)	(9 013 754)
Deferred income	Other liabilities	**(25 771 591)**	**(25 771 591)**	(12 946 220)	(12 946 220)
Company					
Financial assets					
Trade and other receivables	Loans and receivables	**11 548 171**	**11 548 171**	8 147 365	8 147 365
Cash and cash equivalents	Loans and receivables	**3 219 492**	**3 219 492**	2 583 493	2 583 493
Financial liabilities					
Trade and other payables	Other liabilities	**(9 790 175)**	**(9 790 175)**	(7 635 738)	(7 635 738)
Undrawn funds	Other liabilities	**(4 237 025)**	**(4 237 025)**	(2 230 232)	(2 230 232)

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.

19. Financial instruments *(continued)*

19.4 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	
	2017	2016	**2017**	2016
	$	$	**$**	$
Trade and other and receivables	**14 167 329**	7 219 077	**11 548 171**	8 147 365
Cash and cash equivalents	**5 271 893**	3 850 491	**3 219 492**	2 583 493
	19 439 222	11 069 568	**14 767 663**	10 730 858

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

	Group		Company	
	2017	2016	**2017**	2016
	$	$	**$**	$
Foreign	**14 167 329**	7 219 077	**11 548 171**	8 147 365

The ageing of receivables at the reporting date was:

	2017			2016		
Group	**Gross $**	**Impairment $**	**Net $**	Gross $	Impairment $	Net $
Not past due	**14 167 329**	–	**14 167 329**	7 219 077	–	7 219 077

The ageing of the company receivables at the reporting date was not past due.

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.

19. Financial instruments *(continued)*

19.5 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 $
2017						
Non derivative-liabilities						
Trade and other payables	None	**(2 947 178)**	**(2 947 178)**	**(2 947 178)**	–	–
Deferred income	None	**(25 771 591)**	**(25 771 591)**	**(25 771 591)**	–	–
Undrawn funds	None	**(16 367 436)**	**(16 367 436)**	**(16 367 436)**	–	–
2016						
Non derivative-liabilities						
Trade and other payables	None	(1 719 994)	(1 719 994)	(1 719 994)	–	–
Deferred income	None	(12 946 220)	(12 946 220)	(12 946 220)	–	–
Undrawn funds	None	(9 013 754)	(9 013 754)	(9 013 754)	–	–

Company	Interest terms	Carrying amount $	Contractual cash flows $	1 year or less $	1 to 5 years $	Over 5 years $
2017						
Non derivative-liabilities						
Trade and other payables	None	**(9 790 175)**	**(9 790 175)**	**(9 790 175)**	–	–
Undrawn funds	None	**(4 237 025)**	**(4 237 025)**	**(4 237 025)**	–	–
2016						
Non derivative-liabilities						
Trade and other payables	None	(7 635 738)	(7 635 738)	(7 635 738)	–	–
Undrawn funds	None	(2 230 232)	(2 230 232)	(2 230 232)	–	–

Notes to the financial statements
for the year ended 31 December 2017 (continued)

20. Related parties

20.1 Identity of related parties

Related party	Relationship	2017 $	2016 $
Group			
Government partner`	Partner	**(58 772)**	–
Contracted donors	Funding partner	**–**	(3 001)
Contracted donors	Funding partner	**5 177 178**	2 635 162
Stichting African Parks Foundation	Funding partner	**4 046 964**	625 798
African Parks Foundation America	Funding partner	**2 540 000**	2 470 000
Stichting African Parks Foundation	Funding partner	**–**	(63 586)
Staff advances	Employees	**46 637**	1 946
Staff payables	Employees	**–**	(18 845)
		11 752 007	5 647 474
Total amount owing to related parties		**(58 772)**	(85 432)
Total amount due from related parties		**11 810 779**	5 732 906
		11 752 007	5 647 474
Directors' emoluments		**180 190**	164 920

Only the executive director receives emoluments.

Related party	Relationship	2017 $	2016 $
Company			
African Parks (Malawi) Limited	Subsidiary	**(1 780 572)**	(3 984 268)
African Parks (Malawi) Limited	Subsidiary	**277 264**	377 521
African Parks Foundation America	Funding partner	**2 540 000**	2 470 000
African Parks Majete Limited	Subsidiary	**320 048**	216 242
African Parks Majete Limited	Subsidiary	**(207 935)**	(199 956)
African Parks Zambia Limited	Subsidiary	**24 684**	29 669
African Parks Zambia Limited	Subsidiary	**(1 042 390)**	(390 997)
Akagera Management Company	Subsidiary	**328 777**	66 770
Akagera Management Company	Subsidiary	**(725 377)**	(1 049 424)
Bangweulu Wetlands Board	Subsidiary	**13 792**	32 767
Bangweulu Wetlands Board	Subsidiary	**(1 019 358)**	(200 354)
Chinko Project	Special purpose entity	**(173 626)**	(985 087)
Chinko Project	Special purpose entity	**–**	1 209 834
Garamba National Park	Special purpose entity	**1 289 999**	775 241
Garamba National Park	Special purpose entity	**(2 144 515)**	(242 997)
Odzala-Kokoua National Park	Special purpose entity	**787 017**	1 657 293
Odzala-Kokoua National Park	Special purpose entity	**(200 640)**	(219 661)
Stichting African Parks Foundation	Funding partner	**–**	(63 586)
Stichting African Parks Foundation	Funding partner	**4 046 965**	445 052
Zakouma National Park	Special purpose entity	**1 178 577**	476 847
Zakouma National Park	Special purpose entity	**(401 675)**	(143 346)
Pendjari National Park	Special purpose entity	**(1 445 798)**	–
Donor receivable	Funding partner	**87 283**	–
		1 752 520	277 560
Amount owing to related parties		**(9 141 886)**	(7 479 676)
Amount receivable from related parties		**10 894 406**	7 757 236
		1 751 520	277 560
Management fee			
Garamba National Park		**224 004**	116 368
Zakouma National Park		**–**	128 271
Odzala-Kokoua National Park		**–**	122 692
		224 004	367 331

21. Standards and interpretations not yet effective

At the date of authorisation of the financial statements for the year ended 31 December 2017, the following standards and interpretations were in issue but not yet effective:

Effective for the financial year commencing 1 January 2018

- IFRS 15 Revenue from contracts with customers
- IFRS 9 Financial instruments
- Classification and measurement of share-based payment transactions (amendments to IFRS 2)
- Applying IFRS 9 Financial instruments with IFRS 4 insurance contracts (amendments to IFRS 4)
- Transfers of investment property (Amendments to IAS 40)
- IFRIC 22 Foreign currency transactions and advance considerations

Effective for the financial year commencing 1 January 2019

- IFRS 16 Leases
- IFRIC 23 Uncertainty over income tax treatments
- Prepayment features with negative compensation (amendments to IFRS 9)
- Long-term interests in associates and joint ventures (Amendment to IAS 28)

Effective for the financial year commencing 1 January 2021

- IFRS 17 Insurance contracts

All standards and interpretations will be adopted at their effective date except for those standards and interpretations that are not applicable to the entity.

IFRS 2, IFRS 4, IFRIC 22, IFRIC 23, IAS 28 and IFRS 17 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 15 Revenue from contracts with customers

This standard replaces IAS 11 Construction contracts, IAS 18 Revenue, IFRIC 13 Customer loyalty programmes, IFRIC 15 Agreements for the construction of real estate, IFRIC 18 Transfer of assets from customers and SIC-31 Revenue – barter of transactions involving advertising services.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

Based on the fact that revenue for the group relates mainly to donations, the directors believe that this standard will have no material impact on the group.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

21. Standards and interpretations not yet effective *(continued)*

IFRS 9 Financial instruments

On 24 July 2014, the IASB issued the final IFRS 9 Financial instruments standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial instruments: recognition and measurement.

This standard could have a significant impact on the group, in terms of changes in the measurement bases of the group's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the provision for bad debts.

The directors do not believe that this standard will have any material impact on the group based on their analysis of the group's financial instruments and the fact that they are not impacted by bad debt provisions.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application, early adoption is permitted.

IFRS 16 Leases

IFRS 16 was published in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases Standard, IAS 17 Leases, and related interpretations. IFRS 16 includes a single model for lessees which will result in almost all leases being included in the statement of financial position. No significant changes have been included for lessors. IFRS 16 also includes extensive new disclosure requirements for both lesees and lessors.

The group has begun assessing the potential impact of IFRS 16 on the financial statements. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted only if the entity also adopts IFRS 15.

22. 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 financial statements.