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African Parks Network
(Association incorporated under S21)

Annual Financial Statements

for the year ended 31 December 2010

African Parks Network
(Association incorporated under S21)

Annual Financial Statements
for the year ended 31 December 2010

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African Parks Network

(Association incorporated under S21)

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 2010, 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 in the manner required by 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 8 April 2011 and are signed on its behalf by:

P Fearnhead
Director

RJ van Ogtrop
Director

KPMG

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KPMG Crescent
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Private Bag 9, Parkview, 2122, South Africa

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Independent auditor's report

To the member of African Parks Network

Report on the financial statements

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 2010, 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 in the manner required by 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 2010, 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 in the manner required by the Companies Act of South Africa.

KPMG Inc.

Per D Read
Chartered Accountant (SA)
Registered Auditor
Director
8 April 2011

KPMG Inc is a company incorporated under the South African Companies Act and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG Inc is a Registered Auditor, in public practice, in terms of the Auditing Profession Act, 26 of 2005.

Registration number 1999/021543/21

Policy Board
Chief Executive: RM Kgosana
Executive Directors: TH Bashall*, DC Duffield, A Hari, TH Hoole, FB Leith, JS McIntosh, AM Mokgabudi, D van Heerden
Other Directors: LP Fourie, T Fubu, A Jaffer, E Magondo, CM Read, Y Suleman (Chairman of the Board), A Thunström, JM Vice

The company's principal place of business is at KPMG Crescent, 85 Empire Road, Parktown, where a list of the directors' names is available for inspection.

* British citizen

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African Parks Network

(Association incorporated under S21)

Directors' report

for the year ended 31 December 2010

The directors have pleasure in presenting their report on the activities of the company and the group for the year ended 31 December 2010.

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 98,98%, Liuwa Plain National Park (70%) and Akagera National Park (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) – management contract entered into during the current financial year
Odzala National Park (Congo) – management contract entered into during the current financial year

Financial results

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

The year 2010 was a satisfactory year for African Parks Network.

The group showed a profit for the year of USD553 661 (2009: USD268 750).

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	
V Chitalu	

The current local representative addresses are as follows:

Business address	**Postal address**
Regent Hill Office Park	PO Box 2336
Leslie & Turley Roads	Lonehill
Lonehill	2062
2032	

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

(Association incorporated under S21)

Statements of financial position

at 31 December 2010

	Note	Group 2010 $	Group 2009 $	Company 2010 $	Company 2009 $
Assets					
Non-current assets		**3 259 940**	2 747 360	**277 283**	312 891
Property, plant and equipment	2	**3 259 940**	2 746 441	**276 413**	311 969
Investment in subsidiary parks	3	–	–	**870**	3
Intangible assets	4	–	919	–	919
Current assets		**3 170 398**	2 279 446	**2 037 879**	1 229 749
Inventories	5	**29 452**	17 868	–	–
Trade and other receivables	6	**1 380 651**	1 462 395	**998 393**	790 925
Cash and cash equivalents	7	**1 760 295**	799 183	**1 039 486**	438 824
Total assets		**6 430 338**	5 026 806	**2 315 162**	1 542 640
Equity and liabilities					
Capital and reserves					
Foreign currency translation reserve	8	**(97 705)**	127 087	**59 537**	59 537
Retained earnings		**3 505 949**	3 192 693	**626 175**	529 001
Total equity attributable to equity holders of the company		**3 408 244**	3 319 780	**685 712**	588 538
Minority interest in equity		**299 780**	58 542	–	–
Total equity		**3 708 024**	3 378 322	**685 712**	588 538
Current liabilities		**2 722 314**	1 648 484	**1 629 450**	954 102
Trade and other payables	9	**1 506 827**	1 648 484	**1 629 450**	954 102
Deferred income		**1 160 936**	–	–	–
Taxation payable	14	**54 551**	–	–	–
Total equity and liabilities		**6 430 338**	5 026 806	**2 315 162**	1 542 640

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African Parks Network

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Statements of comprehensive income

for the year ended 31 December 2010

	Note	Group		Company	
		2010	2009	**2010**	2009
		$	$	**$**	$
Revenue	*10*	**8 452 231**	7 386 232	**1 734 836**	1 959 595
Other operating income	*11*	**702 959**	245 768	**190 574**	18 598
Employee benefit expenses		**(3 155 819)**	(2 707 257)	**(529 310)**	(707 885)
Depreciation		**(609 881)**	(722 082)	**(41 861)**	(27 680)
Amortisation		**(919)**	(237)	**(919)**	(237)
Administrative expenses		**(1 001 441)**	(627 796)	**(318 292)**	(244 768)
Foreign exchange losses		**4 287**	(229 481)	**–**	(193 891)
Other operating expenses		**(3 731 044)**	(3 250 706)	**(949 005)**	(479 130)
Results from operating activities	*12*	**660 373**	94 441	**86 023**	324 602
Finance expense	*13*	**(64 071)**	–	**(417)**	–
Finance income	*13*	**12 010**	180 842	**11 568**	32 846
Profit before income tax		**608 212**	275 283	**97 174**	357 448
Income tax expense	*14*	**(54 551)**	(6 713)	**–**	–
Total comprehensive income for the period		**553 661**	268 570	**97 174**	357 448
Profit attributable to:					
Equity holder of parent		**313 256**	212 447		357 448
Minority interest		**240 405**	56 123	**–**	–
Profit for the year		**553 661**	268 570	**97 174**	357 448

African Parks Network

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Statements of changes in equity

for the year ended 31 December 2010

Group	Foreign currency translation reserve $	Retained earnings $	Attributable to equity holder of parent $	Minority interest $	Total $
Balance at 31 December 2008	(53 870)	2 980 246	2 926 376	2 419	2 928 795
Profit for the year	–	212 447	212 447	56 123	268 570
Foreign currency translation differences	180 957	–	180 957	–	180 957
Balance at 31 December 2009	127 087	3 192 693	3 319 780	58 542	3 378 322
Acquisition of subsidiary	–	–	–	**833**	**833**
Profit for the year	–	**313 256**	**313 256**	**240 405**	**553 661**
Foreign currency translation differences	**(224 792)**	–	**(224 792)**	–	**(224 792)**
Balance at 31 December 2010	**(97 705)**	**3 505 949**	**3 408 244**	**299 780**	**3 708 024**

African Parks Network
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Statements of changes in equity
for the year ended 31 December 2010 (continued)

Company	Equity capital contribution $	Foreign currency translation reserve $	Retained earnings $	Total $
Balance at 31 December 2008	197 631	(24 034)	171 553	345 150
Profit for the year	–	–	357 448	357 448
Write-off of acquisition investment	(197 631)	–	–	(197 631)
Foreign currency translation differences	–	83 571	–	83 571
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**

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African Parks Network

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Statements of cash flows

for the year ended 31 December 2010

	Note	Group 2010 $	Group 2009 $	Company 2010 $	Company 2009 $
Cash flows from operating activities					
Cash generated by operations	*15.1*	**2 602 038**	1 261 909	**596 683**	555 716
Finance income	*13*	**12 010**	180 842	**11 568**	32 846
Finance expense	*13*	**(64 071)**	–	**(417)**	–
Net cash from operating activities		**2 549 977**	1 442 751	**607 834**	588 562
Net cash from investing activities		**(1 588 865)**	(1 031 654)	**(7 172)**	(198 605)
Acquisition of property, plant and equipment		**(1 623 337)**	(1 135 867)	**(6 305)**	(281 090)
Proceeds from disposal of property, plant and equipment	*15.2*	**34 472**	104 373	**–**	82 645
Investment in subsidiary		**–**	–	**(867)**	–
Acquisition of intangible assets		**–**	(160)	**–**	(160)
Net cash flow from financing activities		**–**	–	**–**	–
Net increase in cash and cash equivalents		**961 112**	411 097	**600 662**	389 957
Cash and cash equivalents at beginning of year		**799 183**	388 086	**438 824**	48 867
Cash and cash equivalents at end of year	*7*	**1 760 295**	799 183	**1 039 486**	438 824

1. Significant accounting policies

African Parks Network is a company domiciled in South Africa. The consolidated financial statements for the year ended 31 December 2010 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 (Act no.61 of 1973), as amended.

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 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.

1. Significant accounting policies

1.4 Basis of consolidation *(continued)*

Special purpose entity

Garamba National Park was established for trading and investment purposes. The group does not have any direct or indirect shareholdings in this entity. Garamba National Park is consolidated into the group as the substance of its relationship with the group is that the group controls the Special Purpose Entity. The terms under which the entity was established resulted in the group receiving the majority of the benefits related to the entity's operations and net assets, exposure to the majority of the risks incidental to the entity's activities and it retains the majority of the residual or ownership risks related to the entity's 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 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 dates of the transactions.

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

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.

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 in accordance with IAS 20 Government Grants.

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 Intangible assets (other than goodwill)

Intangible assets (other than goodwill) are initially recognised at cost if acquired externally, or at fair value if acquired as part of a business combination.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit and loss as incurred.

Intangible assets which have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment. Intangible assets that are assessed as having a finite useful life, are amortised over their useful lives on a straight-line basis and tested for impairment if indications exist that they may be impaired.

Intangible assets which have infinite useful lives are measured at cost less accumulated impairment. Intangible assets that are assessed as having an infinite useful life, are tested for impairment if indications exist that they may be impaired.

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

Acquired computer software licences	3 years.

Amortisation method, residual values and remaining useful lives of intangible assets with finite useful lives are reassessed annually and adjusted if appropriate.

1.10 Goodwill

In respect of business acquisitions that have occurred on or after 31 March 2004, business combinations are accounted for by applying the purchase method.

Goodwill represents the premium on acquisition arising from the difference between the purchase price paid and the group's interest in the fair value of the net identifiable assets acquired at the date of the transaction.

1. Significant accounting policies *(continued)*

1.10 Goodwill *(continued)*

Goodwill arising from a business combination is included in intangible assets.

Goodwill is stated at cost less any accumulated impairment losses. It is not amortised, but is tested annually for impairment.

Negative goodwill arising on an acquisition is recognised directly in the statement of comprehensive income.

The calculation of the gain or loss on disposal of a subsidiary includes the balance of the goodwill relating to the subsidiary disposed of.

1.11 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.

1.12 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 goodwill, 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.

As goodwill is not capable of generating cash flows independently of other assets, in assessing the recoverable amount of goodwill, the goodwill is allocated to cash-generating units on a reasonable and consistent basis. Where appropriate, corporate assets are also allocated to cash-generating units on a reasonable and consistent basis. The recoverable amount of the cash-generating unit (including an allocation of goodwill and corporate assets) is assessed with reference to the future cash flows of the cash-generating unit. Where an impairment is identified for a cash-generating unit, the impairment is applied first to the goodwill allocated to the cash-generating unit and then to other assets on a pro rata basis comprising the cash-generating unit provided that each identifiable asset is not reduced to below its recoverable amount.

1. Significant accounting policies *(continued)*

1.12 Impairment of assets *(continued)*

Non-financial assets (continued)

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.

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)*

1.13 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.

1.14 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.

1.15 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 trade payables.

Amounts received to fund operating expenses
The donor indicates that the funds contributed be used to fund the operating expenses of African Parks Network. The donations are recognised as income upon receipt.

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 income upon receipt.

1.16 Lease payments

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

2. Property, plant and equipment

Group

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**
2009			
Plant and machinery	171 533	(110 947)	60 586
Furniture and fittings	131 236	(72 854)	58 382
Office equipment	66 134	(26 912)	39 222
Infrastructural improvements	2 241 016	(695 969)	1 545 047
Computer equipment	29 301	(10 345)	18 956
Other	297 072	(177 485)	119 587
Aircraft	463 640	(119 367)	344 273
Motor vehicles	1 251 353	(690 965)	560 388
	4 651 285	(1 904 844)	2 746 441

Company

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**
2009			
Furniture and fittings	17 039	(5 733)	11 306
Office equipment	3 875	(1 085)	2 790
Computer equipment	18 253	(8 013)	10 240
Other	555	(277)	278
Aircraft	312 086	(24 731)	287 355
	351 808	(39 839)	311 969

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

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

Group

2010	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	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

Notes to the financial statements
for the year ended 31 December 2010 (continued)

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

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

Group

2009	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	110 908	65 021	20 884	1 558 939	14 908	36 768	70 786	115 167	324 393	2 317 774
Additions	6 395	32 731	15 611	252 215	16 891	–	43 461	357 158	411 405	1 135 867
Disposals	–	–	(1 007)	–	–	–	–	(64 414)	(5 422)	(70 843)
Transfers	–	–	–	35 293	–	(35 293)	–	–	–	–
Foreign exchange differences	(35 063)	5 270	14 238	(9 261)	1 059	(1 475)	39 813	43 463	27 681	85 725
Depreciation charge	(21 654)	(44 640)	(10 504)	(292 139)	(13 902)	–	(34 473)	(107 101)	(197 669)	(722 082)
Carrying value at end of year	60 586	58 382	39 222	1 545 047	18 956	–	119 587	344 273	560 388	2 746 441

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 $
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**
2009						
Carrying value at beginning of year	9 430	2 962	9 433	326	56 631	78 782
Additions	2 122	–	3 837	–	275 131	281 090
Disposals	–	(191)	–	–	(64 414)	(64 605)
Foreign exchange differences	2 513	707	2 398	76	38 688	44 382
Depreciation charge	(2 759)	(688)	(5 428)	(124)	(18 681)	(27 680)
Carrying value at end of year	11 306	2 790	10 240	278	287 355	311 969

3. Investment in subsidiary

	Group		Company	
	2010	2009	**2010**	2009
	$	$	**$**	$
Akagera Management Company Limited	**–**	–	**867**	–
African Parks Majete	**–**	–	**1**	1
Bangweulu Wetlands Board	**–**	–	**2**	2
	–	–	**870**	3

4. Intangible assets

The carrying amount of the group and company intangible assets can be reconciled as follows:

2010	**Group Computer software licences $**	**Company Computer software licences $**
Carrying amount as at 1 January 2010	**919**	**919**
Additions	**–**	**–**
Amortisation	**(919)**	**(919)**
Carrying amount as at 31 December 2010	**–**	**–**
Cost	**1 300**	**1 300**
Accumulated amortisation and impairment	**(1 300)**	**(1 300)**
Carrying amount as at 31 December 2010	**–**	**–**
2009		
Carrying amount as at 1 January 2009	774	774
Additions	160	160
Amortisation	(237)	(237)
Foreign exchange gains	222	222
Carrying amount as at 31 December 2009	919	919
Cost	1 300	1 300
Accumulated amortisation and impairment	(381)	(381)
Carrying amount as at 31 December 2009	919	919

	Group 2010 $	Group 2009 $	Company 2010 $	Company 2009 $
5. Inventories				
Consumables	**29 452**	17 868	**–**	–
6. Trade and other receivables				
Receivables due from related parties	**671 220**	1 028 357	**986 234**	417 922
Other receivables	**709 431**	434 038	**12 159**	373 003
	1 380 651	1 462 395	**998 393**	790 925
7. Cash and cash equivalents				
Bank balances	**1 723 940**	719 776	**1 037 988**	438 631
Cash on hand	**36 355**	79 407	**1 498**	193
	1 760 295	799 183	**1 039 486**	438 824
8. Foreign currency translation reserve				
The foreign currency translation reserve comprises all foreign currency differences arising from the translation of transactions denominated in foreign currencies.	**(97 705)**	127 087	**59 537**	59 537
9. Trade and other payables				
Amount owing to related parties	**1 068 976**	715 897	**1 547 372**	723 795
Trade payables	**52 659**	10 952	**3 719**	10 925
Other payables and accrued expenses	**385 192**	921 635	**78 359**	219 382
	1 506 827	1 648 484	**1 629 450**	954 102

Notes to the financial statements

for the year ended 31 December 2010 (continued)

	Group		Company	
	2010	2009	**2010**	2009
10. Revenue	**$**	$	**$**	$
Donation income	**8 452 231**	7 386 232	**1 734 836**	1 959 595
Below is a break down of the donations received and the specific donor:				
Stichting African Parks Foundation	**1 620 914**	957 329	**1 359 835**	208 768
Family Fentener van Vlissingen	**1 359 835**	1 555 107	**–**	1 555 106
Stichting DOEN	**840 215**	393 855	**–**	–
Walton Family Foundation	**177 028**	1 403 402	**–**	–
Adessium Foundation	**799 491**	684 641	**375 001**	–
Liberty Wildlife Fund	**–**	27 325	**–**	–
European Union	**865 107**	899 275	**–**	–
Spanish Government	**632 847**	612 686	**–**	–
UNDP	**172 071**	–	**–**	–
De Koornzaayer Foundation	**240 709**	278 831	**–**	–
Rwandan Development Board	**217 107**	–	**–**	195 721
WWF Netherlands	**1 208 830**	–	**–**	–
Anna McWane Foundation	**92 337**	–	**–**	–
Other	**225 740**	573 784	**–**	–
	8 452 231	7 386 232	**1 734 836**	1 959 595
11. Other operating income				
Net gain on sale of property, plant and equipment	**22 366**	33 530	**–**	18 040
Operating income	**680 593**	212 238	**190 574**	558
	702 959	245 768	**190 574**	18 598
12. Results from operating activities				
Operating profit before dividend and financing costs is arrived at after taking into account:				
	702 959	245 768	**190 574**	18 598
Net gain on sale of property, plant and equipment	**22 366**	33 530	**–**	18 040
Operating income	**680 593**	212 238	**190 574**	558
Auditors' remuneration – audit fees	**128 638**	124 352	**54 478**	32 886
Depreciation of property, plant and equipment	**609 884**	722 082	**41 861**	27 680
Amortisation	**919**	237	**919**	237
Consulting fees	**39 088**	21 341	**35 815**	21 341
Salary costs and pension contributions	**3 155 819**	2 707 257	**529 310**	707 885

	Group 2010 $	Group 2009 $	Company 2010 $	Company 2009 $
13. Finance income/(expenses)				
Interest received on bank balances	**12 010**	180 842	**11 568**	32 846
Bank interest paid	**(64 071)**	–	**(417)**	–
	52 061	180 842	**11 151**	32 846
14. Taxation				
Rwandan normal tax				
– current year	**54 551**	–	–	–

All the entities within the group are exempt from paying normal taxation. As at 31 December 2010 taxation exemption for Akagera Management Company was pending approval 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.

15. Notes to the statement of cash flows

15.1 Cash (utilised)/generated by operations

	Group 2010 $	Group 2009 $	Company 2010 $	Company 2009 $
Profit before income tax	**608 212**	275 283	**97 174**	357 448
Adjustments for –				
– finance expense	**64 071**	–	**417**	–
– finance income	**(12 010)**	(180 842)	**(11 568)**	(32 846)
– depreciation	**609 884**	722 082	**41 861**	27 680
– amortisation of intangible assets	**919**	237	**919**	237
– foreign exchange differences on operating activities	**488 681**	(92 660)	–	(44 604)
– Gain on sale of property, plant and equipment	**(22 366)**	(33 530)	–	(18 040)
Operating profit before working capital changes	**1 737 391**	690 570	**128 803**	289 875
Increase in inventories	**(11 584)**	(5 196)	–	–
Decrease/(increase) in trade and other receivables	**81 744**	815 449	**(207 468)**	546 502
Increase/(decrease) in trade and other payables	**1 019 279**	(419 871)	**675 348**	(364 232)
Foreign currency translation reserve	**(224 792)**	180 957	–	83 571
	2 602 038	1 261 909	**596 683**	555 716

Notes to the financial statements

for the year ended 31 December 2010 (continued)

	Group 2010 $	Group 2009 $	Company 2010 $	Company 2009 $
15. Notes to the statement of cash flows *(continued)*				
15.2 Proceeds from disposal of property, plant and equipment				
Carrying value of property, plant and equipment disposed	**12 106**	70 843	–	64 605
Profit on disposal of property, plant and equipment	**22 366**	33 530	–	18 040
	34 472	104 373	–	82 645
15.3 Taxation paid				
Balance owing at 1 January 2010	–	–	–	–
Charge to the statement of comprehensive income	**54 551**	–	–	–
Balance owing at 31 December 2010	**(54 551)**	–	–	–
Taxation paid	–	–	–	–

16. Lease commitments

Operating lease commitments

The group leases premises under an operating lease.

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

	Group 2010 $	Group 2009 $	Company 2010 $	Company 2009 $
Less than one year	**41 471**	42 850	**41 471**	42 850
Between one and five years	**48 862**	42 850	**48 862**	42 850
	90 333	85 700	**90 333**	85 700

17. 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.

17.1 Market risk

17.1.1 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.

17.2 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	
	2010	2009	**2010**	2009
	$	$	**$**	$
Variable rate instruments				
– cash and cash equivalents	**1 760 295**	799 183	**1 039 486**	438 824

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 2009.

17. Financial instruments *(continued)*

17.2 Interest rate risk *(continued)*

Effect:

Group	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
2010	**$**	**$**	**$**	**$**
US Dollar	**12 797**	**(12 797)**	**12 797**	**(12 797)**
2009				
US Dollar	1 808	(1 808)	1 808	(1 808)
Company				
2010				
US Dollar	**7 392**	**(7 392)**	**7 392**	**(7 392)**
2009				
US Dollar	328	(328)	328	(328)

17.3 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 2010		31 December 2009	
		Carrying value	**Fair value**	Carrying value	Fair value
Group		**$**	**$**	$	$
Financial assets					
Trade and other receivables	Loans and receivables	**1 380 651**	**1 380 651**	1 462 395	1 462 395
Cash and cash equivalents	Loans and receivables	**1 760 295**	**1 760 295**	799 183	799 183
Financial liabilities					
Trade and other payables	Other liabilities	**(1 506 827)**	**(1 506 827)**	(1 648 484)	(1 648 484)
Deferred income	Other liabilities	**(1 160 936)**	**(1 160 936)**	-	-
Company					
Financial assets					
Trade and other receivables	Loans and receivables	**998 393**	**998 393**	790 925	790 925
Cash and cash equivalents	Loans and receivables	**1 039 486**	**1 039 486**	438 824	438 824
Financial liabilities					
Trade and other payables	Other liabilities	**(1 629 450)**	**(1 629 450)**	(954 102)	(954 102)

17. Financial instruments *(continued)*

17.3 Fair values of financial instruments *(continued)*

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.

17.4 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	
	2010	2009	**2010**	2009
	$	$	**$**	$
Trade and other and receivables	**1 380 651**	1 462 395	**998 393**	790 925
Cash and cash equivalents	**1 760 295**	799 183	**1 039 486**	438 824
	3 140 946	2 261 578	**2 037 879**	1 229 749

17. Financial instruments *(continued)*

17.4 Credit risk management *(continued)*

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

	Group		Company	
	2010	2009	**2010**	2009
	$	$	**$**	$
Foreign	**1 380 651**	1 462 395	**998 393**	790 925

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

All receivables for the years ended 31 December 2009 and 31 December 2010 for group and company are current.

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

17.5 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. The group makes use of external funding facilities to meet its requirements.

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.

	Interest terms	**Carrying amount $**	**Contractual cash flows $**	**1 year or less $**	**1 to 5 years $**	**Over 5 year $**
Group						
2010						
Non derivative-liabilities						
Trade and other payables	None	**(1 506 827)**	**(1 506 827)**	**(1 506 827)**		
Deferred income		**(1 160 936)**	**(1 160 936)**	**(1 160 936)**	–	–
2009						
Non derivative-liabilities						
Trade and other payables	None	(1 648 484)	(1 648 484)	(1 648 484)	–	–

17. Financial instruments *(continued)*

17.5 Liquidity risk management *(continued)*

Liquidity and interest risk tables (continued)

Company	Interest terms	Carrying amount $	Contractual cash flows $	1 year or less $	1 to 5 years $	Over 5 year $
2010						
Non derivative-liabilities						
Trade and other payables	None	**1 629 450**	**1 629 450**	**1 629 450**	–	–
2009						
Non derivative-liabilities						
Trade and other payables	None	(954 102)	(954 102)	(954 102)	–	–

18. Related parties

18.1 Identity of related parties

Related party	**Relationship**	**2010 $**	2009 $
Group			
African Parks Foundation – Netherlands for South Africa	Special purpose entity	–	883 006
Bangweulu Wetlands Board from African Parks Foundation – Netherlands	Subsidiary	**171 955**	36 851
African Parks Zambia from African Parks Foundation – Netherlands	Subsidiary	**231 990**	108 500
African Parks Foundation – Netherlands for Bangweulu Wetlands Board	Funding partner	**(115 104)**	–
African Parks Foundation – undrawn funds	Funding partner	**(885 564)**	(715 897)
African Parks Foundation receivable	Funding partner	**256 551**	–
African Parks Foundation payable	Funding partner	**(57 584)**	–
		(397 756)	312 460
Total amount owing to related parties		**(1 068 976)**	(715 897)
Total amount due from related parties		**671 220**	1 028 357
		(397 756)	312 460
Directors' emoluments		**1 085 610**	1 054 298

18. Related parties *(continued)*

18.1 Identity of related parties *(continued)*

Related party	Relationship	2010 $	2009 $
Company			
Garamba National Park	Special purpose entity	**711 211**	369 877
African Parks Majete Limited	Subsidiary	**–**	11 194
Garamba National Park	Special purpose entity	**(173 767)**	–
West Lunga National Park	Subsidiary	**–**	(594 715)
Bangweulu Wetlands Board	Subsidiary	**13 639**	36 851
African Parks Zambia Limited	Subsidiary	**(378 074)**	(7 898)
African Parks Majete Limited	Subsidiary	**(105 396)**	(121 182)
African Parks Foundation – Netherlands	Funding partner	**256 551**	–
African Parks Foundation – Netherlands	Funding partner	**(57 584)**	–
African Parks Foundation –undrawn funds	Funding partner	**(827 718)**	–
		(561 138)	(305 873)
Total amount owing to related parties		**(1 542 539)**	(723 795)
Total amount due from related parties		**981 401**	417 922
		(561 138)	(305 873)

19. Relevant standards and interpretations becoming effective for years ending after 31 December 2010

At the date of authorisation of the financial statements of African Parks Network for the year ended 31 December 2010, the following Standards and Interpretations were in issue but not yet effective:

Standard/Interpretation		Effective date
IAS 24 (AC 126) (revised)	*Related Party Disclosures*	Annual periods beginning on or after 1 January 2011
IAS 32 (AC 125) amendment	*IAS 32 (AC 125) Financial Instruments: Presentation: Classification of Rights Issues*	Annual periods beginning on or after 1 February 2010
11 individual amendments to 6 standards	*Improvements to International Financial Reporting Standards 2010*	Amendments are effective for annual periods beginning on or after 1 July 2010 or for annual periods beginning on or after 1 January 2011
IFRIS 1 (AC 138) amendment	*First-time adoption of International Financial Reporting Standards*	Annual periods beginning on or after 1 July 2010

19. Relevant standards and interpretations becoming effective for years ending after 31 December 2010 *(continued)*

Standard/Interpretation		**Effective date**
IFRS 7 amendment	*Disclosures – Transfers of Financial Assets*	Annual periods beginning on or after 1 July 2011
IFRS 9 (AC 146)	*Financial Instruments*	Annual periods beginning on or after 1 January 2013
IFRS 9	*Additions to IFRS 9 Financial Instruments*	Annual periods beginning on or after 1 January 2013
IFRIC 14 (AC 447) amendment	*Prepayments of a Minimum Funding Requirement*	Annual periods beginning on or after 1 January 2011
IFRIC 19 (AC 452)	*Extinguishing Financial Liabilities with Equity Instruments*	Annual periods beginning on or after 1 July 2010

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 24 (AC 126) (revised)

IAS 24 (AC 126) (revised) will be adopted by African Parks Network for the first time for its financial reporting period ending 31 December 2011. The standard will be applied retrospectively.

IAS 24 (AC 126) (revised) addresses the disclosure requirements in respect of related parties, with the main changes relating to the definition of a related party and disclosure requirements by government-related entities.

The change in the definition of a related party has resulted in a number of new related party relationships being identified.

IAS 32 (AC 125) amendment

The amendment to IAS 32 (AC 125) will be adopted by African Parks Network for the first time for its financial reporting period ending 31 December 2011.

IAS 32 (AC 125) requires that rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

IFRS 7 amendment

The amendments to IFRS 7 will be adopted by African Parks Network for the first time for its financial reporting period ending 31 December 2012.

In terms of the amendments additional disclosure will be provided regarding transfers of financial assets.

19. Relevant standards and interpretations becoming effective for years ending after 31 December 2010 *(continued)*

IFRS 9 (AC 146)

IFRS 9 (AC 146) 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, subject to transitional provisions.

IFRS 9 (AC 146) addresses the initial measurement and classification of financial assets and will replace the relevant sections of IAS 39 (AC 133).

Under IFRS 9 (AC 146) 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 for African Parks Network has not yet been estimated.

Additions to IFRS 9

The additions to IFRS 9 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, subject to transitional provisions.

Under IFRS 9 (2010), the classification and measurement requirements of financial liabilities are the same as per IAS 39, barring 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, attributable to the changes in the credit risk of the liability will be presented in other comprehensive income (OCI). The remaining change is recognised in profit or loss. However, if the 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, derivatives embedded in host contracts that are not financial assets, and the requirements of IFRIC 9 Reassessment of Embedded Derivatives.

The impact on the financial statements for African Parks Network has not yet been estimated.

19. Relevant standards and interpretations becoming effective for years ending after 31 December 2010 *(continued)*

IFRIC 14 (AC 447) amendment

The amendments to IFRIC 14 (AC 447) will be adopted by African Parks Network for the first time for its financial reporting period ending 31 December 2011. The amendments will be applied prospectively from the beginning of the earliest comparative period presented.

The amendments to IFRIC 14 (AC 447) address the accounting treatment for prepayments made when there is a minimum funding requirement (MFR).

IFRIC 19 (AC 452)

IFRIC 19 (AC 452) will be adopted by African Parks Network for the first time for its financial reporting period ending 31 December 2011. The standard will be applied retrospectively.

IFRIC 19 (AC 452) addresses the accounting treatment for the extinguishment of financial liabilities with equity instruments.