



## African Parks Network

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

Annual Financial Statements

for the year ended 31 December 2013

The financial statements of African Parks Network  
have been audited in compliance with Section 30  
of the Companies Act of South Africa

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

**African Parks Network**  
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**Annual Financial Statements**  
*for the year ended 31 December 2013*

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## **African Parks Network**

(Non-profit company)

(Registration number: 2007/030803/08)

### **Directors' responsibility statement**

The directors are responsible for the preparation and fair presentation of the group annual financial statements and annual financial statements of African Parks Network, comprising the statements of financial position at 31 December 2013, 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, in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa. In addition, the directors are responsible for preparing the directors' report.

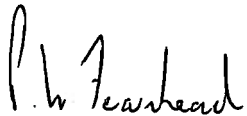
The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk 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 financial statements and 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 27 March 2014 and are signed by:



P Fearnhead  
Authorised Director



RJ van Ogtrop  
Authorised Director



# **African Parks Network**

(Non-profit company)

(Registration number: 2007/030803/08)

## **Directors' report**

*for the year ended 31 December 2013*

The directors have pleasure in presenting their report on the activities of the company and the group for the year ended 31 December 2013.

### **General**

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

The following parks are managed by African Parks Network:

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

### **Financial results**

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

The year 2013 was a satisfactory year for African Parks Network.

The group showed a loss for the year of USD179 103 (2012 – USD119 860) with donor income of USD12 650 883 (2012 – USD12 322 091) and operating income of USD1 771 628 (2012 – USD1 279 913).

### **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	
V Chitalu	
R Rugamba	(Appointed June 2013)

The current local representative addresses are as follows:

<b>Business address</b>	<b>Postal address</b>
5 Lone Close	PO Box 2336
Lonehill Office Park	Lonehill
Block B	2062
Lonehill	
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.



**KPMG Inc**  
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Private Bag 9, Parkview, 2122, South Africa

Telephone +27 (0)11 647 7111  
Fax +27 (0)11 647 8000  
Docex 472 Johannesburg

## Independent auditor's report

### To the members of African Parks Network

We have audited the group financial statements and the financial statements of African Parks Network, which comprise the statements of financial position at 31 December 2013, 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, as set out on pages 6 to 35.

#### *Directors' responsibility for the financial statements*

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

#### *Auditor's responsibility*

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

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

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

#### *Opinion*

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of African Parks Network at 31 December 2013, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

KPMG Inc 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: T Fubu, A Hari, E Magondo, JS McIntosh, CAT Smit, D van Heerden

Other Directors: DC Duffield, LP Fourie, N Fubu, TH Hooie, A Jaffer, M Letsitsi, A Masemola, AM Mokgabudi, Y Suleman (Chairman of the Board), A Thunstrom

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.



*Other reports required by the Companies Act*

As part of our audit of the financial statements for the year ended 31 December 2013, we have read the directors' report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. This report is the responsibility of the respective preparers. Based on reading this report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.

**KPMG Inc.**

A handwritten signature in black ink, appearing to be 'D Read', written over a horizontal line.

Per D Read  
Chartered Accountant (SA)  
Registered Auditor  
Director  
27 March 2014

# African Parks Network

(Non-profit company)

## Statements of financial position

at 31 December 2013

	Note	Group		Company	
		2013 \$	2012 \$	2013 \$	2012 \$
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	2	5 027 416	4 612 260	186 951	213 570
Investment in subsidiary parks	3	–	–	870	870
<b>Current assets</b>					
Inventories	4	88 282	81 172	–	–
Trade and other receivables	5	2 928 898	866 819	2 610 600	680 035
Cash and cash equivalents	6	3 581 797	3 688 668	1 973 496	2 147 805
<b>Total assets</b>		<b>11 626 393</b>	<b>9 248 919</b>	<b>4 771 047</b>	<b>3 041 410</b>
<b>Equity and liabilities</b>					
<b>Capital and reserves</b>					
Foreign currency translation reserve	7	(1 067 758)	(926 179)	59 537	59 537
Retained earnings		2 083 382	2 206 682	389 154	503 187
Total equity attributable to equity holders of the company		1 015 624	1 280 503	448 691	562 724
Non-controlling interest		(71 357)	(15 525)	–	–
Total equity		944 267	1 264 978	448 691	562 724
<b>Current liabilities</b>					
Provisions	8	123 543	202 934	–	–
Trade and other payables	9	732 013	1 341 379	94 298	1 038 479
Undrawn funds	10	5 523 263	2 808 637	4 228 058	1 440 207
Deferred income	11	4 303 307	3 576 440	–	–
Taxation payable		–	54 551	–	–
<b>Total equity and liabilities</b>		<b>11 626 393</b>	<b>9 248 919</b>	<b>4 771 047</b>	<b>3 041 410</b>

# African Parks Network

(Non-profit company)

## Statements of comprehensive income

for the year ended 31 December 2013

	Note	Group		Company	
		2013	2012	2013	2012
		\$	\$	\$	\$
<b>Revenue</b>	12	12 650 883	12 322 091	1 119 486	1 767 308
Other operating income	13	1 771 628	1 279 913	462 986	427 200
Employee benefit expenses		(5 973 387)	(5 320 951)	(853 818)	(935 797)
Depreciation		(791 174)	(1 004 039)	(40 120)	(41 178)
Administrative expenses		(2 534 705)	(1 987 727)	(355 660)	(171 311)
Other operating expenses		<u>(5 297 738)</u>	<u>(5 266 776)</u>	<u>(360 431)</u>	<u>(1 031 374)</u>
<b>Results from operating activities</b>	14	(174 493)	22 511	(27 557)	14 848
Finance expense	15	(125 867)	(159 275)	(90 364)	(78 460)
Finance income	15	<u>66 706</u>	<u>16 904</u>	<u>3 888</u>	<u>8 148</u>
<b>Loss before income tax</b>		(233 654)	(119 860)	(114 033)	(55 464)
Taxation – prior year overprovision		<u>54 551</u>	<u>–</u>	<u>–</u>	<u>–</u>
<b>Loss for the year</b>		<u>(179 103)</u>	<u>(119 860)</u>	<u>(114 033)</u>	<u>(55 464)</u>
<b>Other comprehensive loss</b>					
Foreign currency translation differences		<u>(141 608)</u>	<u>(659 382)</u>	<u>–</u>	<u>–</u>
<b>Total comprehensive loss for the year</b>		<u>(320 711)</u>	<u>(779 242)</u>	<u>–</u>	<u>–</u>
<b>Loss attributable to:</b>					
Equity holder of parent		(123 300)	(72 751)	(114 033)	(55 464)
Non-controlling interest		<u>(55 803)</u>	<u>(47 109)</u>	<u>–</u>	<u>–</u>
<b>Loss for the year</b>		<u>(179 103)</u>	<u>(119 860)</u>	<u>(114 033)</u>	<u>(55 464)</u>
<b>Other comprehensive loss attributable to:</b>					
Equity holder of parent		(141 579)	(659 250)	–	–
Non-controlling interest		<u>(29)</u>	<u>(132)</u>	<u>–</u>	<u>–</u>
<b>Other comprehensive loss for the year</b>		<u>(141 608)</u>	<u>(659 382)</u>	<u>–</u>	<u>–</u>



**African Parks Network**  
(Non-profit company)

**Statements of changes in equity**  
*for the year ended 31 December 2013*

<b>Group</b>	<b>Note</b>	<b>Foreign currency translation reserve \$</b>	<b>Retained earnings \$</b>	<b>Total \$</b>	<b>Non- controlling interest \$</b>	<b>Total equity \$</b>
<b>Balance at 31 December 2011</b>		(266 929)	2 279 433	2 012 504	31 716	2 044 220
Loss for the year		–	(72 751)	(72 751)	(47 109)	(119 860)
<b>Other comprehensive income</b>						
Foreign currency translation differences		(659 250)	–	(659 250)	(132)	(659 382)
<b>Balance at 31 December 2012</b>		(926 179)	2 206 682	1 280 503	(15 525)	1 264 978
Loss for the year		–	(123 300)	(123 300)	(55 803)	(179 103)
<b>Other comprehensive income</b>						
Foreign currency translation differences		(141 579)	–	(141 579)	(29)	(141 608)
<b>Balance at 31 December 2013</b>		(1 067 758)	2 083 382	1 015 624	(71 357)	944 267

## **African Parks Network**

(Non-profit company)

### **Statements of changes in equity**

*for the year ended 31 December 2013 (continued)*

<b>Company</b>	<b>Foreign currency translation reserve \$</b>	<b>Retained earnings \$</b>	<b>Total \$</b>
<b>Balance at 31 December 2011</b>	59 537	558 651	618 188
Loss for the year	—	(55 464)	(55 464)
<b>Balance at 31 December 2012</b>	59 537	503 187	562 724
Loss for the year	—	(114 033)	(114 033)
<b>Balance at 31 December 2013</b>	<b>59 537</b>	<b>389 154</b>	<b>448 691</b>

# African Parks Network

(Non-profit company)

## Statements of cash flows

for the year ended 31 December 2013

	Note	Group		Company	
		2013 \$	2012 \$	2013 \$	2012 \$
<b>Cash flows from operating activities</b>					
Cash (utilised)/generated by operations	16.1	(2 012 584)	2 033 516	(2 860 780)	556 378
Finance income	15	66 706	16 904	3 888	8 148
Finance expense	15	(125 867)	(159 275)	(90 364)	(78 460)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(2 071 745)</b>	<b>1 891 145</b>	<b>(2 947 256)</b>	<b>486 066</b>
<b>Net cash outflow from investing activities</b>					
Acquisition of property, plant and equipment		(1 476 619)	(2 130 617)	(14 904)	(11 154)
Proceeds from disposal of property, plant and equipment	16.2	(1 518 041)	(2 162 860)	(14 904)	(12 943)
		41 422	32 243	–	1 789
<b>Net cash inflow from financing activities</b>		<b>3 441 493</b>	<b>761 472</b>	<b>2 787 851</b>	<b>529 550</b>
(Decrease)/increase in undrawn funds		2 714 626	(397 349)	2 787 851	529 550
Increase in deferred income		726 867	1 158 821	–	–
<b>Net increase in cash and cash equivalents</b>		<b>(106 871)</b>	<b>522 000</b>	<b>(174 309)</b>	<b>1 004 462</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>3 688 668</b>	<b>3 166 668</b>	<b>2 147 805</b>	<b>1 143 343</b>
<b>Cash and cash equivalents at end of year</b>	6	<b>3 581 797</b>	<b>3 688 668</b>	<b>1 973 496</b>	<b>2 147 805</b>



# **African Parks Network**

(Non-profit company)

## **Notes to the financial statements**

*for the year ended 31 December 2013*

### **1. Significant accounting policies**

African Parks Network is a company domiciled in South Africa. The consolidated financial statements for the year ended 31 December 2013 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.

#### **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.



# African Parks Network

(Non-profit company)

## Notes to the financial statements

for the year ended 31 December 2013 (continued)

### 1. Significant accounting policies (continued)

#### 1.4 Basis of consolidation (continued)

##### *Special purpose entities*

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

##### *Transactions eliminated on consolidation*

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

#### 1.5 Foreign currency

##### *Functional and presentation currency*

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

##### *Foreign currency transactions*

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

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

##### *Foreign operations*

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

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

# African Parks Network

(Non-profit company)

## Notes to the financial statements

for the year ended 31 December 2013 (continued)

### 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 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.

# African Parks Network

(Non-profit company)

## Notes to the financial statements

for the year ended 31 December 2013 (continued)

### 1. Significant accounting policies (continued)

#### 1.7 Property, plant and equipment

##### *Recognition and measurement*

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

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

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

Borrowing costs are expensed as incurred.

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

##### *Subsequent costs*

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

##### *Depreciation*

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

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

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

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

Plant and equipment held by Garamba National Park are written-down to a net book value of 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 park.



# **African Parks Network**

(Non-profit company)

## **Notes to the financial statements**

*for the year ended 31 December 2013 (continued)*

### **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.



# African Parks Network

(Non-profit company)

## Notes to the financial statements

for the year ended 31 December 2013 (continued)

### 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.

# African Parks Network

(Non-profit company)

## Notes to the financial statements

for the year ended 31 December 2013 (continued)

### 1. Significant accounting policies (continued)

#### 1.11 Taxation

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

#### 1.12 Employee benefits

##### *Short-term employee benefits*

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

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

#### 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.

# African Parks Network

(Non-profit company)

## Notes to the financial statements

for the year ended 31 December 2013 (continued)

### 1. Significant accounting policies (continued)

#### 1.14 Lease payments

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

#### 1.15 Undrawn funds

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

#### 1.16 Deferred income

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

#### 1.17 Government grants

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

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

### 2. Property, plant and equipment

Group	Cost	Accumulated depreciation	Carrying amount
2013	\$	\$	\$
Plant and machinery	1 822 368	(297 556)	1 524 812
Furniture and fittings	241 684	(132 908)	108 776
Office equipment	152 038	(99 523)	52 515
Infrastructural improvements	2 459 531	(760 816)	1 698 715
Computer equipment	128 722	(87 667)	41 055
Capital work-in-progress	360 255	–	360 255
Other	684 977	(452 569)	232 408
Aircraft	547 723	(359 050)	188 673
Motor vehicles	2 370 991	(1 550 784)	820 207
	<u>8 768 289</u>	<u>(3 740 873)</u>	<u>5 027 416</u>

# African Parks Network

(Non-profit company)

## Notes to the financial statements

for the year ended 31 December 2013 (continued)

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

#### Group (continued)

	Cost \$	Accumulated depreciation \$	Carrying amount \$
2012			
Plant and machinery	1 493 901	(262 371)	1 231 530
Furniture and fittings	218 637	(102 018)	116 619
Office equipment	124 076	(79 335)	44 741
Infrastructural improvements	2 488 729	(766 297)	1 722 432
Computer equipment	108 614	(65 330)	43 284
Capital work-in-progress	283 834	–	283 834
Other	615 096	(307 786)	307 310
Aircraft	547 723	(321 594)	226 129
Motor vehicles	1 934 002	(1 297 621)	636 381
	<u>7 814 612</u>	<u>(3 202 352)</u>	<u>4 612 260</u>

#### Company

##### 2013

Furniture and fittings	26 194	(19 516)	6 678
Office equipment	9 624	(4 089)	5 535
Computer equipment	35 942	(24 593)	11 349
Other	555	(555)	–
Aircraft	312 086	(149 567)	162 519
	<u>384 401</u>	<u>(198 320)</u>	<u>186 081</u>

##### 2012

Furniture and fittings	21 510	(17 226)	4 284
Office equipment	8 574	(2 358)	6 216
Computer equipment	29 663	(21 191)	8 472
Other	555	(555)	–
Aircraft	312 086	(118 358)	193 728
	<u>372 388</u>	<u>(159 688)</u>	<u>212 700</u>

## African Parks Network

(Non-profit company)

### Notes to the financial statements

for the year ended 31 December 2013 (continued)

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

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

Group	Plant and machinery \$	Furniture and fittings \$	Office equipment \$	Infra-structural improvements \$	Computer equipment \$	Capital work in progress \$	Other * \$	Aircraft \$	Motor vehicles \$	Total \$
2013										
Carrying value at beginning of year	1 231 530	116 619	44 741	1 722 432	43 284	283 834	307 310	226 129	636 381	4 612 260
Additions	386 413	31 467	28 259	1 777 611	26 078	250 741	67 684	—	549 788	1 518 041
Disposals	(1 676)	—	—	—	(1 403)	—	—	—	—	(3 079)
Write-off of work in progress	—	—	—	—	—	(174 320)	—	—	—	(174 320)
Foreign exchange differences	(13 334)	4 485	(6 770)	(114 391)	(8 044)	—	(3 641)	—	7 383	(134 312)
Depreciation charge	(78 121)	(43 795)	(13 715)	(86 937)	(18 860)	—	(138 945)	(37 456)	(373 345)	(791 174)
Carrying value at end of year	1 524 812	108 776	52 515	1 698 715	41 055	360 255	232 408	188 673	820 207	5 027 416
2012										
Carrying value at beginning of year	1 63 385	91 460	55 697	2 054 357	47 031	546 544	221 082	263 585	667 278	4 110 419
Additions	679 513	48 906	28 390	388 915	29 901	220 124	210 504	92 816	463 791	2 162 860
Disposals	(1 345)	(123)	(509)	—	(1 954)	—	—	(1 676)	—	(5 607)
Transfer from work in progress	482 834	—	—	—	—	(482 834)	—	—	—	—
Foreign exchange differences	(60 422)	8 468	(17 171)	(545 492)	(4 072)	—	(246)	—	(32 438)	(651 373)
Depreciation charge	(32 435)	(32 092)	(21 666)	(175 348)	(27 622)	—	(124 030)	(128 596)	(462 250)	(1 004 039)
Carrying value at end of year	1 231 530	116 619	44 741	1 722 432	43 284	283 834	307 310	226 129	636 381	4 612 260

\* includes radio and communication equipment.

**African Parks Network**  
(Non-profit company)

**Notes to the financial statements**  
*for the year ended 31 December 2013 (continued)*

**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 \$	Aircraft \$	Total \$
<b>2013</b>					
Carrying value at beginning of year	4 284	6 216	8 472	193 728	212 700
Additions	4 684	1 050	9 170	—	14 904
Disposals	—	—	(1 403)	—	(1 403)
Depreciation charge	(2 290)	(1 731)	(4 890)	(31 209)	(40 120)
Carrying value at end of year	6 678	5 535	11 349	162 519	186 081
<b>2012</b>					
Carrying value at beginning of year	7 148	3 939	6 822	224 937	242 846
Additions	1 538	4 687	6 718	—	12 943
Disposals	(123)	(509)	(1 279)	—	(1 911)
Depreciation charge	(4 279)	(1 901)	(3 789)	(31 209)	(41 178)
Carrying value at end of year	4 284	6 216	8 472	193 728	212 700

# African Parks Network

(Non-profit company)

## Notes to the financial statements

for the year ended 31 December 2013 (continued)

### 3. Investment in subsidiary parks

	Group		Company	
	2013	2012	2013	2012
	\$	\$	\$	\$
Akagera Management Company Limited	–	–	867	867
African Parks Majete Limited	–	–	1	1
Bangweulu Wetlands Management Board	–	–	2	2
	<u>–</u>	<u>–</u>	<u>870</u>	<u>870</u>
<b>4. Inventories</b>				
Consumables	<u>88 282</u>	<u>81 172</u>	<u>–</u>	<u>–</u>
<b>5. Trade and other receivables</b>				
Receivables due from related parties	1 044 846	478 234	2 588 289	635 284
Other receivables	<u>1 884 052</u>	<u>388 585</u>	<u>22 311</u>	<u>44 751</u>
	<u>2 928 898</u>	<u>866 819</u>	<u>2 610 600</u>	<u>680 035</u>
<b>6. Cash and cash equivalents</b>				
Bank balances	3 439 483	3 596 740	1 972 422	2 146 778
Cash on hand	<u>142 314</u>	<u>91 928</u>	<u>1 074</u>	<u>1 027</u>
	<u>3 581 797</u>	<u>3 688 668</u>	<u>1 973 496</u>	<u>2 147 805</u>
<b>7. Foreign currency translation reserve</b>				
The foreign currency translation reserve comprises all foreign currency differences arising from the translation of transactions denominated in foreign currencies.	<u>(1 067 758)</u>	<u>(926 179)</u>	<u>59 537</u>	<u>59 537</u>
<b>8. Provisions</b>				
<b>Bonus provision</b>				
Opening provision balance	202 934	158 125	–	–
Raised during the year	123 026	133 708	–	–
Utilised during the year	<u>(202 417)</u>	<u>(88 899)</u>	<u>–</u>	<u>–</u>
	<u>123 543</u>	<u>202 934</u>	<u>–</u>	<u>–</u>

# African Parks Network

(Non-profit company)

## Notes to the financial statements

for the year ended 31 December 2013 (continued)

	Group		Company	
	2013 \$	2012 \$	2013 \$	2012 \$
<b>9. Trade and other payables</b>				
Amount owing to related parties	208 796	959 345	10 210	961 303
Trade payables	20 299	54 788	3 573	3 942
Other payables and accrued expenses	502 918	327 246	80 515	73 234
	<u>732 013</u>	<u>1 341 379</u>	<u>94 298</u>	<u>1 038 479</u>
<b>10. Undrawn funds</b>				
African Parks Foundation UK	10 618	64 271	–	64 271
African Parks Foundation America	26 537	355 488	26 537	355 488
Adessium Foundation	450 908	110 535	450 908	96 361
Dutch Postcode Lottery	1 149 394	–	1 149 394	–
Stichting Doen	219 150	219 150	219 150	219 150
WWF Netherlands	105 002	90 048	95 921	90 048
Stichting African Parks				
Foundation Board of Directors	497 986	325 861	497 986	325 861
Walton Family Foundation	–	11 985	–	–
Odzala Community Fund	34 168	–	–	–
Stichting African Parks				
Foundation	271 489	252 652	–	–
Réseau des Aires Protégées				
d'Afrique Centrale	530 732	336 119	–	–
Spanish Government	158 659	66 132	–	–
USFW	333 330	–	298 202	–
European Union	92 412	447 994	–	–
Swedish Postcode Lottery	225 734	–	225 734	–
Other	1 417 144	528 402	1 264 226	289 028
	<u>5 523 263</u>	<u>2 808 637</u>	<u>4 228 058</u>	<u>1 440 207</u>

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.

### 11. Deferred income

Opening balance	3 576 440	2 417 619	–	–
Additions to property, plant and equipment	1 518 041	2 162 860	–	–
Depreciation	(791 174)	(1 004 039)	–	–
	<u>4 303 307</u>	<u>3 576 440</u>	<u>–</u>	<u>–</u>



# African Parks Network

(Non-profit company)

## Notes to the financial statements

for the year ended 31 December 2013 (continued)

	Group		Company	
	2013	2012	2013	2012
	\$	\$	\$	\$
<b>12. Revenue</b>				
Donation income	13 377 750	13 480 912	1 119 486	1 767 308
Transfer to deferred income	(726 867)	(1 158 821)	–	–
	<u>12 650 883</u>	<u>12 322 091</u>	<u>1 119 486</u>	<u>1 767 308</u>
Donation income per specific donor				
Adessium Foundation	399 787	920 083	75 709	549 238
Dutch Postcode Lottery	1 292 672	1 296 600	249 351	420 000
African Parks Endowment Fund	781 250	718 275	781 250	718 275
European Union	5 374 292	3 927 482	–	–
Mr Paul Tudor Jones	–	25 000	–	–
Réseau des Aires Protégées d'Afrique Centrale	265 095	1 658 315	–	–
Rwandan Development Board	250 000	405 828	–	–
Spanish Government	131 009	397 088	–	–
Stichting African Parks Foundation	852 429	1 552 217	–	–
USFW	70 129	–	–	–
World Bank	896 234	418 137	–	–
Walton Family Foundation	511 985	500 000	–	–
Wildlife Conservation Society	13 231	108 874	–	–
WWF Netherlands	864 319	988 361	–	–
Other	1 675 318	564 652	13 176	79 795
	<u>13 377 750</u>	<u>13 480 912</u>	<u>1 119 486</u>	<u>1 767 308</u>
<b>13. Other operating income</b>				
Management fee income	105 000	21 000	462 986	334 948
Other operating income	1 666 628	1 258 913	–	92 252
	<u>1 771 628</u>	<u>1 279 913</u>	<u>462 986</u>	<u>427 200</u>

# African Parks Network

(Non-profit company)

## Notes to the financial statements

for the year ended 31 December 2013 (continued)

	Group		Company	
	2013	2012	2013	2012
	\$	\$	\$	\$
<b>14. Results from operating activities</b>				
Operating profit before dividend and financing costs is arrived at after taking into account:				
Operating income	1 826 179	1 279 913	462 986	427 200
Auditors' remuneration – audit fees	163 564	198 123	34 529	48 750
Depreciation of property, plant and equipment	791 174	1 004 039	40 120	41 178
Consulting fees	52 571	73 982	46 934	56 444
(Profit)/loss on sale of property, plant and equipment	(38 343)	(26 636)	1 403	122
Salary costs and pension contributions	5 973 387	5 320 951	853 818	935 797
<b>15. Finance income/(expenses)</b>				
<b>15.1 Finance income</b>				
Interest received on bank balances	4 119	9 148	3 888	8 148
Foreign exchange gain	62 587	7 756	–	–
	<u>66 706</u>	<u>16 904</u>	<u>3 888</u>	<u>8 148</u>
<b>15.2 Finance expenses</b>				
Bank interest paid	(27 280)	(15)	(3)	(15)
Foreign exchange losses	(98 587)	(159 260)	(90 361)	(78 445)
	<u>(125 867)</u>	<u>(159 275)</u>	<u>(90 364)</u>	<u>(78 460)</u>



# African Parks Network

(Non-profit company)

## Notes to the financial statements

for the year ended 31 December 2013 (continued)

	Group		Company	
	2013	2012	2013	2012
	\$	\$	\$	\$
<b>16. Notes to the statements of cash flows</b>				
<b>16.1 Cash (utilised)/generated by operations</b>				
Loss before income tax	(233 654)	(119 860)	(114 033)	(55 464)
Adjustments for –				
– finance expense	125 867	159 275	90 364	78 460
– finance income	(66 706)	(16 904)	(3 888)	(8 148)
– depreciation	791 174	1 004 039	40 120	41 178
– foreign exchange differences on operating activities	134 312	651 373	–	–
– (profit)/loss on sale of property, plant and equipment	(38 343)	(26 636)	1 403	122
– write-off of work-in-progress	174 320	–	–	–
Operating profit before working capital changes	886 970	1 651 287	13 966	56 148
Increase in inventories	(7 110)	(12 327)	–	–
(Increase)/decrease in trade and other receivables	(2 062 079)	492 530	(1 930 565)	288 996
(Decrease)/increase in trade and other payables and provisions	(688 757)	561 408	(944 181)	211 234
Foreign currency translation reserve	(141 608)	(659 382)	–	–
	<b>(2 012 584)</b>	<b>2 033 516</b>	<b>(2 860 780)</b>	<b>556 378</b>
<b>16.2 Proceeds from disposal of property, plant and equipment</b>				
Carrying value of property, plant and equipment disposed	3 079	5 607	1 403	1 911
Profit/(loss) on disposal of property, plant and equipment	38 343	26 636	(1 403)	(122)
	<b>41 422</b>	<b>32 243</b>	<b>–</b>	<b>1 789</b>
<b>16.3 Taxation paid</b>				
Balance owing at 1 January	54 551	54 551	–	–
Credit to the statement of comprehensive income	(54 551)	–	–	–
Balance owing at 31 December	–	(54 551)	–	–
Taxation paid	–	–	–	–

# African Parks Network

(Non-profit company)

## Notes to the financial statements

for the year ended 31 December 2013 (continued)

### 17. 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	
	2013	2012	2013	2012
	\$	\$	\$	\$
Less than one year	24 992	39 282	24 992	39 282
Between one and five years	63 568	154 639	63 568	154 639
	<u>88 560</u>	<u>193 921</u>	<u>88 560</u>	<u>193 921</u>

### 18. 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.

#### 18.1 Market risk

##### 18.1.1 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.

# African Parks Network

(Non-profit company)

## Notes to the financial statements

for the year ended 31 December 2013 (continued)

### 18. Financial instruments (continued)

#### 18.2 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	
	2013	2012	2013	2012
	\$	\$	\$	\$
Variable rate instruments				
– cash and cash equivalents	<u>3 581 797</u>	<u>3 688 668</u>	<u>1 973 496</u>	<u>2 147 805</u>

#### 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 2012.

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	\$	\$	\$	\$
2013				
US Dollar	<u>35 818</u>	<u>(35 818)</u>	<u>35 818</u>	<u>(35 818)</u>
2012				
US Dollar	<u>35 967</u>	<u>(35 967)</u>	<u>35 967</u>	<u>(35 967)</u>
Company				
2013				
US Dollar	<u>19 735</u>	<u>(19 735)</u>	<u>19 735</u>	<u>(19 735)</u>
2012				
US Dollar	<u>21 468</u>	<u>(21 468)</u>	<u>21 468</u>	<u>(21 468)</u>

# African Parks Network

(Non-profit company)

## Notes to the financial statements

for the year ended 31 December 2013 (continued)

### 18. Financial instruments (continued)

#### 18.3 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:

Group		2013		2012	
		Carrying value \$	Fair value \$	Carrying value \$	Fair value \$
<b>Financial assets</b>					
Trade and other receivables	Loans and receivables	2 928 898	2 928 898	866 819	866 819
Cash and cash equivalents	Loans and receivables	3 581 797	3 581 797	3 688 668	3 688 668
<b>Financial liabilities</b>					
Trade and other payables	Other liabilities	(732 013)	(732 013)	(1 341 379)	(1 341 379)
Undrawn funds	Other liabilities	(5 523 263)	(5 523 263)	(2 808 637)	(2 808 637)
Deferred income	Other liabilities	(4 303 307)	(4 303 307)	(3 576 440)	(3 576 440)
<b>Company</b>					
<b>Financial assets</b>					
Trade and other receivables	Loans and receivables	2 610 600	2 610 600	680 035	680 035
Cash and cash equivalents	Loans and receivables	1 973 496	1 973 496	2 147 805	2 147 805
<b>Financial liabilities</b>					
Trade and other payables	Other liabilities	(94 298)	(94 298)	(1 038 479)	(1 038 479)
Undrawn funds	Other liabilities	(4 228 058)	(4 228 058)	(1 440 207)	(1 440 207)

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.

# African Parks Network

(Non-profit company)

## Notes to the financial statements

for the year ended 31 December 2013 (continued)

### 18. Financial instruments (continued)

#### 18.4 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	
	2013	2012	2013	2012
	\$	\$	\$	\$
Trade and other and receivables	2 928 898	866 819	2 610 600	680 035
Cash and cash equivalents	3 581 797	3 688 668	1 973 496	2 147 805
	<u>6 510 695</u>	<u>4 555 487</u>	<u>4 584 096</u>	<u>2 827 840</u>

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

	Group		Company	
	2013	2012	2013	2012
	\$	\$	\$	\$
Foreign	2 928 898	866 819	2 610 600	680 035

The ageing of receivables at the reporting date was:

Group	2013			2012		
	Gross \$	Impairment \$	Net \$	Gross \$	Impairment \$	Net \$
Not past due	2 928 898	–	2 928 898	858 810	–	858 810
Past due 0 – 30 days	–	–	–	–	–	–
Past due 30 to 60 days	–	–	–	7 195	–	7 195
Past due > 60 days	–	–	–	814	–	814
	<u>2 928 898</u>	<u>–</u>	<u>2 928 898</u>	<u>866 819</u>	<u>–</u>	<u>866 819</u>

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.

# African Parks Network

(Non-profit company)

## Notes to the financial statements

for the year ended 31 December 2013 (continued)

### 20. Financial instruments (continued)

#### 20.5 Liquidity risk management

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

#### Liquidity and interest risk tables

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

The group and company hold no derivative financial instruments.

	Interest terms	Carrying amount \$	Contractual cash flows \$	1 year or less \$	1 to 5 years \$	Over 5 years \$
<b>Group</b>						
<b>2013</b>						
<b>Non derivative-liabilities</b>						
Trade and other payables	None	(732 013)	(732 013)	(732 013)	–	–
Undrawn funds	None	(5 223 263)	(5 223 263)	(5 223 263)	–	–
Deferred income	None	(4 303 307)	(4 303 307)	(4 303 307)	–	–
<hr/>						
<b>2012</b>						
<b>Non derivative-liabilities</b>						
Trade and other payables	None	(1 341 379)	(1 341 379)	(1 341 379)	–	–
Undrawn funds	None	(2 808 637)	(2 808 637)	(2 808 637)	–	–
Deferred income	None	(3 576 440)	(3 576 440)	(3 576 440)	–	–
<hr/>						
	Interest terms	Carrying amount \$	Contractual cash flows \$	1 year or less \$	1 to 5 years \$	Over 5 years \$
<b>Company</b>						
<b>2013</b>						
<b>Non derivative-liabilities</b>						
Trade and other payables	None	(94 298)	(94 298)	(94 298)	–	–
Undrawn funds	None	(4 228 058)	(4 228 058)	(4 228 058)	–	–
<hr/>						
<b>2012</b>						
<b>Non derivative-liabilities</b>						
Trade and other payables	None	(1 038 479)	(1 038 479)	(1 038 479)	–	–
Undrawn funds	None	(1 440 207)	(1 440 207)	(1 440 207)	–	–
<hr/>						



# African Parks Network

(Non-profit company)

## Notes to the financial statements

for the year ended 31 December 2013 (continued)

### 21. Related parties

#### 21.1 Identity of related parties

Related party	Relationship	2013 \$	2012 \$
<b>Group</b>			
Spanish Government	Funding partner	–	225 629
Rwanda Development Board	Government partner	–	811
African Parks Foundation America	Funding partner	1 037 866	51 075
Bangweulu Wetlands Board	Funding partner	–	(62 212)
Stichting African Parks Foundation – for Majete	Funding partner	–	(45 548)
Stichting African Parks Foundation receivable	Funding partner	–	176 536
Stichting African Parks Foundation Staff advances	Funding partner	(208 796)	(851 585)
	Employees	6 980	24 183
		<u>836 050</u>	<u>(481 111)</u>
Total amount owing to related parties		(208 796)	(959 345)
Total amount due from related parties		<u>1 044 846</u>	<u>478 234</u>
		<u>836 050</u>	<u>(481 111)</u>
Directors' emoluments		<u>152 984</u>	<u>172 433</u>

# African Parks Network

(Non-profit company)

## Notes to the financial statements

for the year ended 31 December 2013 (continued)

### 21. Related parties (continued)

#### 21.1 Identity of related parties (continued)

Related party	Relationship	2013 \$	2012 \$
<b>Company</b>			
African Parks Foundation America	Funding partner	1 037 866	51 075
Akagera Management Company	Subsidiary	75 348	61 450
Zakouma National Park	Special purpose entity	160 907	144 283
Odzala-Kokoua National Park	Special purpose entity	–	(26 736)
Odzala-Kokoua National Park	Special purpose entity	206 337	110 838
Garamba National Park	Special purpose entity	772 678	65 525
Bangweulu Wetlands Board	Subsidiary	–	1 394
African Parks Zambia Limited	Subsidiary	–	(14 572)
African Parks Majete Limited	Subsidiary	–	(68 410)
African Parks Zambia Limited	Subsidiary	(10 210)	–
Stichting African Parks Foundation	Funding partner	328 173	176 536
Stichting African Parks Foundation	Funding partner	–	(851 585)
Staff advances	Employees	6 980	24 183
		<u>2 578 079</u>	<u>(326 019)</u>
Total amount owing to related parties		(10 210)	(961 303)
Total amount due from related parties		<u>2 588 289</u>	<u>635 284</u>
		<u>2 578 079</u>	<u>(326 019)</u>

# African Parks Network

(Non-profit company)

## Notes to the financial statements

for the year ended 31 December 2013 (continued)

### 22. Standards and interpretations in issue but not yet effective

In terms of International Financial Reporting Standards, the company is required to include in its annual financial statements disclosure about the future impact of Standards and Interpretations issued but not yet effective at the reporting date.

At the date of authorisation of the financial statements of African Parks Network for the year ended 31 December 2013, the following Standards and Interpretations were in issue but not yet effective:

	<b>Standard/Interpretation</b>	<b>Effective date</b>
IFRS 10, IFRS 12 and IAS 27 amendment	<i>Investment Entities</i>	Annual periods beginning on or after 1 January 2014
IAS 32	<i>Offsetting Financial Assets and Financial Liabilities</i>	Annual periods beginning on or after 1 January 2014
IAS 36	<i>Recoverable amount disclosures for Non-financial Assets</i>	Annual periods beginning on or after 1 January 2014
IFRIC 21	<i>Levies</i>	Annual periods beginning on or after 1 January 2014
IAS 39	<i>Novation of Derivatives and Continuation of Hedge Accounting</i>	Annual periods beginning on or after 1 January 2014
IAS 19	<i>Defined Benefit Plans: Employee Contributions</i>	Annual periods beginning on or after 1 January 2015
IFRS 9 (2009)	<i>Financial Instruments</i>	To be decided
IFRS 9 (2010)	<i>Financial Instruments</i>	To be decided

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 19, IAS 36, IAS 39 and IFRIC 21 are not applicable to the business of the entity and will therefore have no impact on future financial statements. IFRS 10, IFRS 12, IAS 27 amendment will not have an 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:

#### ***Amendments to IAS 32 Financial Instruments Presentation: Offsetting Financial Assets and Financial Liabilities***

The amendments clarify when an entity can offset financial assets and financial liabilities. This amendment is effective for annual periods beginning on or after 1 January 2014 with early adoption permitted.



# **African Parks Network**

(Non-profit company)

## **Notes to the financial statements**

*for the year ended 31 December 2013 (continued)*

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

#### ***IFRS 9 Financial Instruments***

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets and hedge accounting.

The effective date of IFRS 9 was 1 January 2015. The effective date has been postponed and a new date is yet to be specified. The company will adopt the standard in the first annual period beginning on or after the mandatory effective date (once specified). The impact of the adoption of IFRS 9 has not yet been estimated as the standard is still being revised and impairment and macro-hedge accounting guidance is still outstanding.

