African Parks Network

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

Consolidated and separate annual financial statements

for the year ended 31 December 2020

The consolidated and separate financial statements of African Parks Network have been audited in accordance with the Companies Act of South Africa

Ayesha Jackaria,
Finance and Administration Director CA (SA), and
Kudakwashe Masiya,
Senior Financial Account CA (SA),
were responsible for the preparation of the consolidated and separate financial statements

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Consolidated and separate annual Financial Statements

For the year ended 31 December 2020

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The consolidated and separate financial statements for the year ended 31 December 2020 comprise the company, its subsidiaries and special purpose entities (collectively referred to as "the group"). The directors have pleasure in presenting their report on the activities of the company and the group for the year ended 31 December 2020.

General

African Parks is a non-profit conservation organisation that takes on the complete responsibility for the rehabilitation and long-term management of national parks in partnership with governments and local communities. The following parks are registered as legal entities with African Parks Network exercising majority control either through majority share ownership or board control: African Parks Majete Limited (99,98%), African Parks Zambia Limited (70%), Akagera Management Company Limited (51%), African Parks (Malawi) Limited, Nyungwe Management Company Ltd (100%), Bangweulu Wetlands Management Reserve. African Parks also provided technical assistance in Aouk (Chad) and W National Park (Benin). The costs relating to these are included in the consolidated and separate financial statements. The remaining parks are treated as special purpose entities and are consolidated in the group financial statements.

The following parks are managed by African Parks Network:

1. Majete Wildlife Reserve (Malawi)
2. Liuwa Plain National Park (Zambia)
3. Garamba National Park (Democratic Republic of Congo)
4. Bangweulu Wetlands (Zambia)
5. Akagera National Park (Rwanda)
6. Zakouma National Park (Chad)
7. Odzala Kokoua National Park (Congo)
8. Chinko Project (Central African Republic)
9. Nkhotakota Wildlife Reserve (Malawi)
10. Liwonde National Park (Malawi)
11. Siniaka Minia Wildlife Reserve (Chad)
12. Bazaruto Archipelago National Park (Mozambique
13. Pendjari National Park (Benin)
14. Ennedi Natural and Cultural Reserve (Chad)
15. Mangochi Forest Reserve (Malawi)
16. Matusadona National Park (Zimbabwe)
17. Iona National Park (Angola)
18. W National Park (Benin)
19. Nyungwe National Park (Rwanda)

Financial results

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

The 2020 year was a satisfactory year for African Parks Network.

The group showed a deficit for the year of USD 47 183 (2019 – surplus USD 24 699) with donor income of USD 62 149 882 (2019 – USD 55 840 491) and other operating income of USD 3 444 651 (2019 – USD 6 354 059).

The company showed a deficit for the year of USD 1 102 221 (2019 – surplus USD 7 155 483) with donor income of USD 7 003 784 (2019 – USD 14 193 730) and other operating income of USD 541 783 (2019 – USD 805 964).

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	Non-Executive	(resigned 24 November 2020)
Hon. J Lembeli	Non-Executive	
V Chitalu	Non-Executive	
R Rugamba	Non-Executive	
EM Woods	Non-Executive	
H Wyss	Non-Executive	
TM Skwambane	Non-Executive	(appointed 24 November 2020)
V Narasimhan	Non-Executive	

The current local representative addresses are as follows:

Business address	**Postal address**
Fairway Office Park	PO Box 2336
52 Grosvenor Road	Lonehill
Bryanston East	2062
Johannesburg	Johannesburg
South Africa	South Africa

Subsequent events

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report which requires adjustment to or disclosure in these financial statements.

The asset held for sale (USD 4 128 646) has been sold subsequent to year-end with the sale effective on 10 April 2021, being the date that the funds for the farm were received and transfer effective. The farms were sold for a total amount of R61 000 000 (USD 4 178 000). R60 498 000 of this related to the land and the rest related to movables. Management considers it to be a non-adjusting event for the year under review.

Going concern

The consolidated and separate financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments, will occur in the ordinary course of business.

The current liabilities of the group exceeded its current assets as at 31 December 2020 by USD 319 003 (2019 – USD 6 795 888). The current liabilities include an amount of USD 5 039 202 (2019 – USD 7 192 350) in respect of deferred income and an amount of USD 27 284 298 (2019 – USD 27 836 033) in respect of unutilised funds. These are non-cash items and will not result in a cash outflow. Once removed, the current assets exceed the current liabilities.

The current assets of the company exceeded its current liabilities as at 31 December 2020 by USD 5 891 089. Management has assessed the going concern of the company and considers it to be solvent.

In performing its going concern assessment, management has considered the impact of COVID-19 on its funding sources (being donor income and commercial income) for the 2021 financial year. The impact on commercial income has been material, given the travel ban imposed on most countries. Management has been conservative in budgeting for its 2021 commercial revenue. Management has also scanned all its 2021 donor commitments to ensure that there is no further impact on grant revenue. As of date of signature of the financials, there has been no significant loss in funding. A scenario analysis has been completed by management that would trigger additional cost cutting measures should there be additional loss in revenue. It is through this scenario analysis that management has concluded on the entity's ability to operate as a going concern.

Approval of consolidated and separate annual financial statements

The consolidated and separate annual financial statements of African Parks Network, set out on pages 1 to 41, were approved by the board of directors on 24 May 2021 and are signed by:

P.W. Fearnhead.

P Fearnhead
Authorised Director

E.M Woods
Authorised Director

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Independent Auditor's Report

To the directors of African Parks Network

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of African Parks Network (the group and company) set out on pages 8 to 41, which comprise the statements of financial position as at 31 December 2020, and the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of African Parks Network as at 31 December 2020, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

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

Other information
The directors are responsible for the other information. The other information comprises the information included in the document titled "African Parks Network Annual Financial Statements for the year ended 31 December 2020", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and company's internal control.

Auditor's responsibilities for the audit of the consolidated and separate financial statements *(continued)*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Inc.
Registered Auditor

Per A McKeaveney
Chartered Accountant (SA)
Registered Auditor
Director
14 June 2021

African Parks Network
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Statements of financial position
at 31 December 2020

	Note	Group 2020 $	Group 2019 $	Company 2020 $	Company 2019 $
Assets					
Non-current assets		**42 784 929**	42 910 675	**9 676 908**	15 131 348
Property, plant and equipment	*2*	**42 523 971**	37 581 039	**9 422 586**	9 818 541
Right-of-use assets	*3*	**260 958**	343 834	**253 452**	326 135
Investment in subsidiary parks	*4*	**–**	–	**870**	870
Non-current assets held-for-sale	*5*	**–**	4 985 802	**–**	4 985 802
Current assets		**35 167 378**	33 031 629	**24 118 397**	18 082 202
Assets held-for-sale	*5*	**4 128 646**	–	**4 128 646**	–
Inventories	*6*	**951 395**	774 447	**–**	–
Trade and other receivables	*7*	**13 240 766**	12 336 669	**13 164 350**	10 668 555
Cash and cash equivalents	*8*	**16 846 571**	19 920 513	**6 825 401**	7 413 647
Total assets		**77 952 307**	75 942 304	**33 795 305**	33 213 550
Equity and liabilities					
Capital and reserves					
Maintenance reserve		**321 778**	321 778	**321 778**	321 778
Foreign currency translation reserve	*9*	**(1 763 645)**	(1 747 394)	**59 537**	59 537
Retained earnings		**2 072 487**	2 105 783	**14 960 433**	16 062 654
Total equity attributable to equity holders of the company		**630 620**	680 167	**15 341 748**	16 443 969
Non-controlling interest		**(625 796)**	(611 909)	**–**	–
Total equity		**4 824**	68 258	**15 341 748**	16 443 969
Non-current liabilities		**42 461 102**	36 046 529	**226 249**	286 528
Lease liabilities	*3*	**226 249**	293 711	**226 249**	286 528
Deferred income	*10*	**41 416 242**	35 073 011	**–**	–
Deferred taxation	*11*	**818 611**	679 807	**–**	–
Current liabilities		**35 486 381**	39 827 517	**18 227 308**	16 483 053
Provisions	*12*	**317 593**	179 373	**111 244**	99 276
Trade and other payables	*13*	**2 775 798**	4 559 862	**10 256 824**	12 809 242
Unutilised funds	*14*	**27 284 298**	27 836 033	**7 800 765**	3 527 213
Lease liabilities	*3*	**67 371**	59 899	**58 475**	47 322
Deferred income	*10*	**5 039 202**	7 192 350	**–**	–
Income tax payable		**2 119**	–	**–**	–
Total equity and liabilities		**77 952 307**	75 942 304	**33 795 305**	33 213 550

African Parks Network
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Statements of comprehensive income
for the year ended 31 December 2020

		Group		Company	
	Note	**2020**	2019	**2020**	2019
		$	$	**$**	$
Revenue	*15*	**62 149 882**	55 840 491	**7 003 784**	14 193 730
Other operating income	*16*	**3 444 651**	6 354 059	**541 783**	805 964
Total income		**65 594 533**	62 194 550	**7 545 567**	14 999 694
Employee benefit expenses		**(26 556 460)**	(20 871 504)	**(4 067 109)**	(3 612 484)
Depreciation		**(5 122 509)**	(7 230 219)	**(434 904)**	(220 565)
Administrative expenses		**(12 282 354)**	(12 300 940)	**(3 217 100)**	(3 629 274)
Other operating expenses		**(21 170 740)**	(21 249 015)	**(543 329)**	(305 129)
Total expenses		**(65 132 063)**	(61 651 678)	**(8 262 442)**	(7 767 452)
Results from operating activities	*17*	**462 470**	542 872	**(716 875)**	7 232 242
Finance expense	*18*	**(826 305)**	(386 258)	**(401 901)**	(99 390)
Finance income	*18*	**457 575**	129 775	**16 555**	22 631
Surplus/(deficit) before tax		**93 740**	286 389	**(1 102 221)**	7 155 483
Income tax expense	*19*	**(140 923)**	(261 690)	**–**	–
Surplus/(deficit) for the year		**(47 183)**	24 699	**(1 102 221)**	7 155 483
Other comprehensive loss					
Foreign currency translation differences		**(16 251)**	(4 881)	**–**	–
Total comprehensive surplus/(deficit) for the year		**(63 434)**	19 818	**(1 102 221)**	7 155 483
Surplus/(deficit) attributable to:					
Equity holder of parent		**(33 296)**	277 814	**(1 102 221)**	7 155 483
Non-controlling interest		**(13 887)**	(253 115)	**–**	–
Surplus/(deficit) for the year		**(47 183)**	24 699	**(1 102 221)**	7 155 483
Other comprehensive loss attributable to:					
Equity holder of parent		**(16 251)**	(4 885)	**–**	–
Non-controlling interest		**–**	4	**–**	–
Other comprehensive loss for the year		**(16 251)**	(4 881)	**–**	–

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Statements of changes in equity
for the year ended 31 December 2020

	Maintenance reserve $	Foreign currency translation reserve $	Retained earnings $	Total $	Non-controlling interest $	Total equity $
Group						
Balance at 31 December 2018	321 778	(1 742 509)	1 827 969	407 238	(358 798)	48 440
Surplus for the year	–	–	277 814	277 814	(253 115)	24 699
Other comprehensive income						
Foreign currency translation differences	–	(4 885)	–	(4 885)	4	(4 881)
Balance at 31 December 2019	321 778	(1 747 394)	2 105 783	680 167	(611 909)	68 258
Deficit for the year	**–**	**–**	**(33 296)**	**(33 296)**	**(13 887)**	**(47 183)**
Other comprehensive income						
Foreign currency translation differences	**–**	**(16 251)**	**–**	**(16 251)**	**–**	**(16 251)**
Balance at 31 December 2020	**321 778**	**(1 763 645)**	**2 072 487**	**630 620**	**(625 796)**	**4 824**

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

African Parks Network
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Statements of changes in equity
for the year ended 31 December 2020 (continued)

Company	**Maintenance reserve $**	**Foreign currency translation reserve $**	**Retained earnings $**	**Total $**
Balance at 31 December 2018	321 778	59 537	8 907 171	9 288 486
Surplus for the year	–	–	7 155 483	7 155 483
Balance at 31 December 2019	321 778	59 537	16 062 654	16 443 969
Deficit for the year	**–**	**–**	**(1 102 221)**	**(1 102 221)**
Balance at 31 December 2020	**321 778**	**59 537**	**14 960 433**	**15 341 748**

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

African Parks Network
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Statements of cash flows
for the year ended 31 December 2020

	Note	Group		Company	
		2020	2019	**2020**	2019
		$	$	**$**	$
Cash flows from operating activities					
Cash generated from/ (utilised in) operations	*20.1*	**8 036 793**	10 335 203	**(4 402 736)**	2 570 757
Finance income	*18*	**457 575**	129 775	**16 555**	22 631
Finance expense	*18*	**(826 305)**	(386 258)	**(401 901)**	(99 390)
Net cash inflow/(outflow) from operating activities		**7 668 063**	10 078 720	**(4 788 082)**	2 493 998
Net cash outflow from investing activities		**(10 130 280)**	(13 257 490)	**(24 590)**	(1 555 060)
Acquisition of property, plant and equipment		**(10 201 221)**	(13 294 968)	**(24 943)**	(1 559 132)
Proceeds on disposal of property, plant and equipment	*20.2*	**70 941**	37 478	**353**	4 072
Net cash (outflow)/inflow from financing activities		**(611 725)**	(1 029 188)	**4 224 426**	(223 581)
(Decrease)/increase in unutilised funds		**(551 735)**	(1 001 095)	**4 273 552**	(206 010)
Repayment of lease liabilities		**(59 991)**	(28 093)	**(49 126)**	(17 571)
Net (decrease)/increase in cash and cash equivalents		**(3 073 942)**	(4 207 958)	**(588 246)**	715 357
Cash and cash equivalents at beginning of year		**19 920 513**	24 128 471	**7 413 647**	6 698 290
Cash and cash equivalents at end of year	*8*	**16 846 571**	19 920 513	**6 825 401**	7 413 647

1. Significant accounting policies

African Parks Network is a company domiciled in South Africa. The consolidated and separate financial statements for the year ended 31 December 2020 comprise the company, its subsidiaries and special purpose entities (collectively referred to as "the group").

1.1 Statement of compliance

The consolidated and separate financial statements for the group are prepared in accordance with International Financial Reporting Standards ("IFRS"), its interpretations adopted by the International Accounting Standards Board ("IASB") and the South African Companies Act. The financial statements were approved by the board of directors on 24 May 2021 and were signed by P Fearnhead and EM Woods.

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 and separate 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 and separate financial statements from the date that control was acquired and, where applicable, up to the date that control ceases.

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

1. Significant accounting policies *(continued)*

1.4 Basis of consolidation *(continued)*

Special purpose entities

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

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated and separate 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 and separate 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. Exchange differences arising out of the translation of foreign entities with functional currencies other than US Dollar are considered within the foreign currency translation reserve.

1. Significant accounting policies *(continued)*

1.6 Financial instruments

Initial recognition and measurement

Trade receivables and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the group becomes party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measures at :amortised cost; Fair value through other comprehensive income (‘FVOCI’) – debt; FVOCI – equity instruments; or fair value through profit or loss (‘FVTPL’)

Financial assets are not reclassified subsequent to their initial recognition unless the group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first date of the first reporting period following the change in the business model.

A financial asset is measured at amortised costs if it meets both the following conditions and is not designated as at FVTPL:

- It is held within the business model whose objective is to hold assets to collect contractual cash flows: and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both the following conditions and is not designated as at FVTPL:

- It is held within the business model whose objective is to hold assets to collect contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in the investment’s fair value in OCI. This election is made on an investment-by investment basis.

All financial assets not classified as measured at amortised cost of FVOCI as described above are measured at FVTPL.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised costs or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

1. Significant accounting policies *(continued)*

1.6 Financial instruments *(continued)*

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.

Offset

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

Trade and other receivables

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

Cash and cash equivalents

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

Trade and other payables

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

1. Significant accounting policies *(continued)*

1.7 Property, plant and equipment

Recognition and measurement

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

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

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

Borrowing costs are expensed as incurred.

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

Subsequent costs

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

Depreciation

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

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

Computer equipment	3 years
Furniture and fittings	5 years
Office equipment	5 years
Aircrafts	10 years for aircrafts and rotor wing helicopters is based on use
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. A component approach to depreciation is used for helicopters.

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

1. Significant accounting policies *(continued)*

1.7 Property, plant and equipment *(continued)*

Depreciation (continued)

The recognition of property, plant and equipment of parks has been done on the basis that African Parks has a long-term management agreement with the government of the countries of operation. Should Africa Parks leave to operate in any of the parks, all immovable assets will be left behind in the park. This is expected to have nil impact on the income statement.

1.8 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.

1.9 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.

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.

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.

1. Significant accounting policies *(continued)*

1.9 Impairment of assets *(continued)*

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

The group has initially applied IFRS 9 from 1 January 2018. IFRS 9 *Financial Instruments* sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaced IAS 39 *Financial Instruments: Recognition and Measurement*.

Trade receivables are still accounted for under IFRS 15 in terms of classification and measurement but the impairment and expected credit losses are accounted for under IFRS 9. IFRS 9 replaced the incurred loss model in IAS 39 with a more judgemental and forward looking approach. This is the expected loss model.

As African Parks Network is not a trading entity, it does not have customers. It receives its funding from donors and trade receivables are mainly due from donors. There are no receivables which are past due, the group does not have an expected loss allowance. All related party receivables are controlled by the company.

The group and company do not have contract customers. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure expected credit losses, trade receivables have been grouped based on days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade receivables are presented as net impairment losses within operating expenses. Subsequent recoveries of amount previously written off are credited against operating expenses in profit or loss.

1. Significant accounting policies *(continued)*

1.10 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.

1.11 Revenue

Donor income

Amounts received to fund specific projects

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

Amount received to fund general expenses (no restriction)

The donor indicates that the funds contributed are to be used to fund the expenses of African Parks Network or any park within the group. The donations are recognised as unutilised funds upon receipt and are released to revenue as and when they are expensed.

Other operating income

Tourism revenue

Tourism revenue is received in the form of park entry fees, accommodation and activity fees that are received from customers who visit the parks. This revenue is recognised when the service has been rendered i.e. for accommodation bookings, when the customer has checked in and for day visitors, when the visitor has entered the park.

1.12 Leases

The group leases a few office buildings. Rental contracts are typically concluded for an initial fixed period of 1 to 5 years with an extension option.

Until the 2018 financial year, the leasing of office buildings was accounted for as an expense. From 1 January 2019 with the adoption of IFRS 16, leases are recognised as a right-of-use asset with a corresponding liability at the date which the leased asset is available for use by the group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments. Lease payments are fixed with an annual escalation of 7 –10% compounded annually.

Property rates and taxes are considered to be variable lease payments that do not depend on an index or rate, therefore these payments have not been included in the measurement of the lease liability.

1. Significant accounting policies *(continued)*

1.12 Leases *(continued)*

The group uses the discount rate as the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the lease payments are discounted using the incremental borrowing rate that the group would have paid to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability and
- any initial direct costs

Right-of-use assets are depreciated over the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

1.13 Unutilised funds

Unutilised funds represent cash received from donors that has not yet been expended. Unutilised funds are recognised as revenue as and when these are incurred to finance operating or capital expenses. These are classified as liabilities as, should the projects not happen, African Parks would be required to pay back these funds to the donors.

1.14 Deferred income

Deferred income represents donations that have been expended on the acquisition of property, plant and equipment. Deferred income is released to profit or loss as and when these items of property, plant and equipment are depreciated. Deferred income liability consists of a current and non-current portion. The current portion is estimated to be the current year's depreciation expense and that is the amount that is expected to be released to profit or loss within one year.

1.15 Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the group will comply with the conditions associated with the grant, and are then recognised in profit or loss 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 on a systematic basis in the periods in which the expenses are recognised.

1. Significant accounting policies *(continued)*

1.16 Assets held-for-sale

Current and non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

1.17 Income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the related tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised for losses carried forward to the extent that sufficient taxable temporary differences are available or realisation of the related tax benefit through the future taxable profits is probable. The assessment of whether a deferred tax asset should be recognised on the basis of the availability of future taxable profits take into account all factors concerning the entity's expected future profitability, both favourable and unfavourable.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority, on either the same taxable entity or different taxable entities, where there is an intention to settle the balances on a net basis.

As the company is registered as an organisation not for gain under S30 of the Income Tax Act, the company is exempt from income tax.

2. Property, plant and equipment

Group

2020	**Cost** **$**	**Accumulated depreciation** **$**	**Carrying value** **$**
Plant and machinery	**7 220 891**	**(2 791 121)**	**4 429 770**
Furniture and fittings	**766 745**	**(507 130)**	**259 615**
Office equipment	**277 475**	**(170 908)**	**106 567**
Infrastructural improvements	**19 980 333**	**(8 059 473)**	**11 920 860**
Computer equipment	**1 308 666**	**(952 171)**	**356 495**
Capital work-in-progress	**8 793 442**	**–**	**8 793 442**
Other	**5 108 579**	**(3 609 410)**	**1 499 169**
Aircrafts	**12 473 642**	**(2 157 088)**	**10 316 554**
Motor vehicles	**13 882 250**	**(9 040 751)**	**4 841 499**
	69 812 023	**(27 288 052)**	**42 523 971**
2019			
Plant and machinery	6 854 593	(2 162 515)	4 692 078
Furniture and fittings	733 536	(438 483)	295 053
Office equipment	206 322	(118 816)	87 506
Infrastructural improvements	14 862 019	(5 910 201)	8 951 818
Computer equipment	1 197 013	(866 030)	330 983
Capital work-in-progress	7 556 198	–	7 556 198
Other	4 237 848	(2 834 966)	1 402 882
Aircrafts	12 115 298	(1 740 231)	10 375 067
Motor vehicles	11 310 598	(7 421 144)	3 889 454
	59 073 425	(21 492 386)	37 581 039

Company

2020			
Plant and machinery	**179 200**	**(131 984)**	**47 216**
Furniture and fittings	**46 092**	**(29 821)**	**16 271**
Office equipment	**24 343**	**(14 320)**	**10 023**
Infrastructural improvements	**39 767**	**(7 579)**	**32 188**
Computer equipment	**119 820**	**(80 867)**	**38 953**
Aircrafts	**10 158 471**	**(887 485)**	**9 270 986**
Motor vehicles	**18 595**	**(14 135)**	**4 460**
Other	**3 943**	**(1 454)**	**2 489**
	10 590 231	**(1 167 645)**	**9 422 586**
2019			
Plant and machinery	179 200	(95 502)	83 698
Furniture and fittings	45 004	(25 376)	19 628
Office equipment	23 501	(11 148)	12 353
Infrastructural improvements	39 767	(4 135)	35 632
Computer equipment	105 752	(65 653)	40 099
Aircrafts	10 243 958	(625 564)	9 618 394
Motor vehicles	18 595	(10 349)	8 246
Other	1 403	(912)	491
	10 657 180	(838 639)	9 818 541

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

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

Group

2020	Plant and machinery $	Furniture and fittings $	Office equipment $	Infra-structural improve-ments $	Computer equipment $	Capital work in progress $	Other* $	Aircrafts $	Motor vehicles $	Total $
Carrying value at beginning of year	**4 692 078**	**295 053**	**87 506**	**8 951 818**	**330 983**	**7 556 198**	**1 402 882**	**10 375 067**	**3 889 454**	**37 581 039**
Additions	**429 880**	**88 909**	**22 694**	**2 353 740**	**237 451**	**3 346 986**	**756 023**	**376 935**	**2 588 603**	**10 201 221**
Disposals	**–**	**–**	**–**	**–**	**(1 404)**	**–**	**(818)**	**(58 677)**	**(53 881)**	**(114 780)**
Transfer from work-in-progress	**(1 611)**	**–**	**–**	**83 025**	**–**	**(81 414)**	**–**	**–**	**–**	**–**
Reclassifications	**(53 534)**	**(45 144)**	**31 423**	**2 147 257**	**(15 120)**	**(2 054 334)**	**(2 680)**	**2 136**	**(10 004)**	**–**
Depreciation charge	**(637 208)**	**(79 294)**	**(35 896)**	**(1 536 019)**	**(195 745)**	**–**	**(647 329)**	**(378 888)**	**(1 528 823)**	**(5 039 202)**
Foreign exchange differences	**165**	**91**	**840**	**(78 961)**	**330**	**26 006**	**(8 909)**	**(19)**	**(43 850)**	**(104 307)**
Carrying value at end of year	**4 429 770**	**259 615**	**106 567**	**11 920 860**	**356 495**	**8 793 442**	**1 499 169**	**10 316 554**	**4 841 499**	**42 523 971**
2019										
Carrying value at beginning of year	2 606 989	228 368	89 465	7 500 242	220 664	8 432 775	1 046 659	2 431 189	2 616 844	25 173 195
Additions	697 809	167 442	36 565	1 820 639	511 397	4 205 140	1 020 774	8 515 403	2 615 107	19 590 276
Disposals	–	(2 818)	(1 621)	–	(268)	–	–	–	(5 035)	(9 742)
Reclassifications	2 134 443	–	(7 584)	1 643 033	34 355	(5 052 053)	440 011	290 626	517 169	–
Depreciation charge	(725 823)	(88 561)	(32 473)	(2 056 668)	(435 927)	–	(1 092 894)	(861 035)	(1 898 969)	(7 192 350)
Foreign exchange differences	(21 340)	(9 378)	3 154	44 572	762	(29 664)	(11 668)	(1 116)	44 338	19 660
Carrying value at end of year	4 692 078	295 053	87 506	8 951 818	330 983	7 556 198	1 402 882	10 375 067	3 889 454	37 581 039

* includes radio and communication equipment.

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

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

Company	Plant and machinery $	Furniture and fittings $	Office equipment $	Infrastructural improvements $	Computer equipment $	Aircrafts $	Motor vehicles $	Other $	Total $
2020									
Carrying value at beginning of year	**83 698**	**19 628**	**12 353**	**35 632**	**40 099**	**9 618 394**	**8 246**	**491**	**9 818 541**
Additions	**–**	**1 088**	**842**	**–**	**20 473**	**–**	**–**	**2 540**	**24 943**
Disposals	**–**	**–**	**–**	**–**	**–**	**(58 677)**	**–**	**–**	**(58 677)**
Depreciation charge	**(36 482)**	**(4 445)**	**(3 172)**	**(3 444)**	**(21 619)**	**(288 731)**	**(3 786)**	**(542)**	**(362 221)**
Carrying value at end of year	**47 216**	**16 271**	**10 023**	**32 188**	**38 953**	**9 270 986**	**4 460**	**2 489**	**9 422 586**
2019									
Carrying value at beginning of year	127 549	10 157	13 570	39 549	38 660	1 921 913	11 870	818	2 164 086
Additions	–	18 135	4 955	–	26 042	7 805 308	–	–	7 854 440
Disposals	–	(2 817)	(1 621)	–	(268)	–	–	–	(4 706)
Depreciation charge	(43 851)	(5 847)	(4 551)	(3 917)	(24 335)	(108 827)	(3 624)	(327)	(195 279)
Carrying value at end of year	83 698	19 628	12 353	35 632	40 099	9 618 394	8 246	491	9 818 541

3. Right-of-use assets and lease liabilities

The right-of-use asset on the statement of financial position consists of office buildings that are leased over various periods.

The initial lease liability recognised on 1 January 2019 amounted to USD 341 737.

		Group		Company	
		2020	2019	**2020**	2019
3.1	Right-of-use assets	**$**	$	**$**	$
	Carrying amount at the beginning of the year	**343 834**	381 703	**326 135**	351 421
	Depreciation	**(82 876)**	(37 869)	**(72 683)**	(25 286)
	Carrying amount at the end of the year	**260 958**	343 834	**253 452**	326 135
3.2	Lease liabilities				
	Carrying amount at the beginning of the year	**353 610**	367 408	**333 850**	341 737
	Interest paid	**36 320**	14 295	**34 114**	9 684
	Lease payments made	**(96 310)**	(28 093)	**(83 240)**	(17 571)
	Balance at 31 December 2020	**293 620**	353 610	**284 724**	333 850
	Total lease liability				
	Current	**67 371**	59 899	**58 475**	47 322
	Non-current	**226 249**	293 711	**226 249**	286 528
	Balance at 31 December 2020	**293 620**	353 610	**284 724**	333 850
	Amounts recognised in the statements of financial position				
	Right-of-use assets	**260 958**	343 834	**253 452**	326 135
	Lease liabilities	**(293 620)**	(353 610)	**(284 724)**	(333 850)
	Current liabilities	**(67 371)**	(59 899)	**(58 475)**	(47 322)
	Non-current liabilities	**(226 249)**	(293 711)	**(226 249)**	(286 528)
		(293 620)	(353 610)	**(284 724)**	(333 850)
	Amounts recognised in the statements of comprehensive income				
	Depreciation charge	**82 876**	37 869	**72 683**	25 286
	Interest expense	**36 320**	14 295	**34 114**	9 684
	Cash outflow				
	The capital portion	**59 990**	28 093	**49 126**	17 571
	Total interest portion	**36 320**	14 295	**34 114**	9 684

		Group		Company	
		2020	2019	**2020**	2019
3.	**Right-of-use assets and lease liabilities** *(continued)*	**$**	$	**$**	$
3.2	Lease liabilities *(continued)*				
	Maturity analysis of lease payments to be paid at the reporting date				
	Future lease payments				
	Year 1	**(94 999)**	(95 313)	**(85 654)**	(80 183)
	Year 2	**(92 078)**	(93 762	**(92 078)**	(86 197)
	Year 3	**(98 984)**	(92 662)	**(98 984)**	(92 662)
	Year 4	**(70 521)**	(99 611)	**(70 521)**	(99 611)
	Year 5 – end of lease	**–**	(70 968)	**–**	(70 968)
		(356 582)	(452 316)	**(347 237)**	(429 621)
	Future finance costs				
	Year 1	**27 628**	35 414	**27 179**	32 861
	Year 2	**20 420**	27 733	**20 420**	27 352
	Year 3	**12 185**	20 550	**12 185**	20 550
	Year 4	**2 729**	12 262	**2 729**	12 262
	Year 5 – end of lease	**–**	2 747	**–**	2 747
		62 962	98 706	**62 513**	95 772
4.	**Investment in subsidiary parks**				
	Akagera Management Company Limited	**–**	–	**867**	867
	African Parks Majete Limited	**–**	–	**1**	1
	Bangweulu Wetlands Management Reserve	**–**	–	**2**	2
		–	–	**870**	870
5.	**Assets held-for-sale**	**4 128 646**	4 985 802	**4 128 646**	4 985 802

The property relates to a farm that was donated to African Parks Network and is currently marked to sell with the sale expecting to take place within 1 year. The farm is located in the Alma Area in South Africa. The asset will be sold as is together with all infrastructure and other immovable assets present. The asset is measured at fair value less cost to sell. The fair value adjustment to the property in the current year is $857 156 (2019 – $879 613). The farm was held for sale in the 2019 financial year, but was not sold within 12 months after year-end and is classified as non-current in 2019. The sale has realized within 12 months of the 2020 financial year and is classified as current in 2020. For further details, refer to note 25 on the subsequent events disclosed.

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
6. Inventories				
Consumables	**951 395**	774 447	**–**	–
7. Trade and other receivables				
Receivables due from related parties (note 22)	**7 125 095**	5 613 127	**12 665 952**	10 025 216
Deposits and prepayments	**490 453**	576 240	**201 831**	341 084
Other receivables	**5 625 218**	6 147 302	**296 567**	302 255
	13 240 766	12 336 669	**13 164 350**	10 668 555
8. Cash and cash equivalents				
Bank balances	**16 481 494**	19 670 778	**6 817 508**	7 406 453
Cash on hand	**365 077**	249 735	**7 893**	7 194
	16 846 571	19 920 513	**6 825 401**	7 413 647
9. Foreign currency translation reserve				
The foreign currency translation reserve comprises all foreign currency differences arising from the translation of subsidiary companies to the group presentation currency	**(1 763 645)**	(1 747 394)	**59 537**	59 537
10. Deferred income				
Opening balance	**42 265 361**	30 747 048	**–**	–
Additions to property, plant and equipment	**10 201 221**	19 590 276	**–**	–
Fair value adjustment of asset held for sale	**(857 156)**	(879 613)	**–**	–
Depreciation	**(5 039 202)**	(7 192 350)	**–**	–
Disposals	**(114 780)**	–	**–**	–
	46 455 444	42 265 361	**–**	–
Short-term portion	**(5 039 202)**	(7 192 350)	**–**	–
Long-term portion	**41 416 242**	35 073 011	**–**	–

Deferred income represents grant funding that has been expended on the acquisition of property, plant and equipment. This is released to comprehensive income as and when these items of property, plant and equipment are depreciated.

African Parks Network
(Non-profit company)

Notes to the consolidated and separate financial statements
for the year ended 31 December 2020 (continued)

		Group		Company	
		2020	2019	**2020**	2019
		$	$	**$**	$
11.	**Deferred taxation**				
	The deferred taxation balance is attributable to the following:				
	Differential in accounting and taxation depreciation rates	**818 611**	679 807	**–**	–
12.	**Provisions**				
	Opening provision balance	**179 372**	179 578	**99 276**	91 810
	Raised during the year	**193 718**	264 169	**37 766**	20 069
	Utilised during the year	**(55 497)**	(264 374)	**(25 798)**	(12 603)
		317 593	179 373	**111 244**	99 276
13.	**Trade and other payables**				
	Amount owing to related parties (note 22)	**18 004**	967 361	**9 988 473**	12 450 952
	Trade payables	**1 626 632**	1 523 594	**112 582**	101 060
	Other payables and accrued expenses	**1 131 162**	2 068 907	**155 769**	257 230
		2 775 798	4 559 862	**10 256 824**	12 809 242
14.	**Unutilised funds**				
	Individual donors	**8 971 235**	7 050 042	**2 521 129**	2 657 645
	Conservation organization	**2 303 524**	1 631 094	**27 489**	27 489
	Government	**9 040 428**	14 807 385	**126 973**	350 286
	Corporate	**173 770**	178 677	**–**	–
	Foundation	**729 854**	803 053	**29 504**	48 429
	Lotteries	**4 131 385**	3 362 960	**3 161 568**	440 542
	Other	**1 934 102**	–	**1 934 102**	–
	Endowment	**–**	2 822	**–**	2 822
		27 284 298	27 836 033	**7 800 765**	3 527 213

Unutilised 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.

15. Revenue

The group generates revenue from donor funding, tourism income and rental income. Tourism and rental income is reflected as "other operating income”.

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
Donation income	**66 339 965**	67 358 804	**7 003 784**	14 193 730
Transfer to deferred income	**(4 190 083)**	(11 518 313)	**–**	–
	62 149 882	55 840 491	**7 003 784**	14 193 730
Donation income per category donor				
Individual donors	**19 908 783**	26 868 257	**2 547 666**	10 454 932
Conservation organization	**4 214 494**	3 870 240	**20 000**	–
Government	**27 841 816**	24 492 784	**264 730**	161 695
Corporate	**905 790**	89 120	**242 933**	–
Foundation	**8 607 271**	7 776 720	**1 167 091**	888 479
Lotteries	**3 101 818**	2 584 504	**1 001 371**	1 011 445
Endowment	**1 759 993**	1 677 179	**1 759 993**	1 677 179
	66 339 965	67 358 804	**7 003 784**	14 193 730

In the following table, revenue from donors is disaggregated by primary geographical market:

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
Europe	**37 324 026**	33 093 291	**5 691 539**	5 425 371
USA	**22 268 888**	29 538 742	**1 312 245**	8 335 017
Africa	**6 747 051**	4 726 771	**–**	433 342
	66 339 965	67 358 804	**7 003 784**	14 193 730

16. Other operating income

Other operating income	**3 444 651**	6 354 059	**541 783**	805 964

Other operating income consists in majority of commercial revenue generated by the parks. To note that the revenue generated by Bazaruto is not recognised in the financials being presented. This is due to the fact that the control on this revenue remains with the Mozambique government and is allocated back to the park by the government.

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
17. Results from operating activities				
Results from operating activities is arrived at after taking into account:				
Auditors' remuneration – audit fees	**426 323**	362 704	**79 465**	58 034
Depreciation of property, plant and equipment	**5 039 202**	7 192 350	**362 221**	195 279
Depreciation on right-of-use asset	**82 876**	37 869	**72 683**	25 286
Consulting fees	**1 812 635**	1 290 922	**272 473**	189 797
Loss/(profit) on disposal of property, plant and equipment	**43 839**	(27 736)	**58 324**	634
Salary costs and pension contributions	**26 556 460**	20 871 504	**4 067 109**	3 612 484
18. Finance income/(expense)				
18.1 Finance income				
Interest received on bank balances	**31 151**	86 035	**15 941**	22 631
Foreign exchange gain	**426 424**	43 740	**614**	–
	457 575	129 775	**16 555**	22 631
18.2 Finance expense				
Interest expenses	**(36 320)**	(11 841)	**(34 114)**	(11 841)
Foreign exchange losses	**(789 985)**	(374 417)	**(367 787)**	(87 549)
	(826 305)	(386 258)	**(401 901)**	(99 390)
19. Income tax expense				
Income tax expense	**(2 119)**	–	**–**	–
Deferred tax expense	**(138 804)**	(261 690)	**–**	–
	(140 923)	(261 690)	**–**	–

Notes to the consolidated and separate financial statements

for the year ended 31 December 2020 (continued)

		Group		Company	
		2020	2019	**2020**	2019
		$	$	**$**	$
20.	**Notes to the statements of cash flows**				
20.1	Cash generated from/(utilised in) operations				
	Surplus/(deficit) before tax	**93 740**	286 389	**(1 102 221)**	7 155 483
	Adjustments for –				
	– finance expense	**826 305**	386 258	**401 901**	99 390
	– finance income	**(457 575)**	(129 775)	**(16 555)**	(22 631)
	– depreciation	**5 039 202**	7 192 350	**362 221**	195 279
	– depreciation of right-of-use asset	**82 876**	37 869	**72 683**	25 286
	– foreign exchange differences on operating activities	**104 307**	(19 660)	**–**	–
	– loss/(profit) on disposal of property, plant and equipment	**43 839**	(27 736)	**58 324**	634
	– fair value adjustment on asset held for sale	**857 156**	879 613	**857 156**	879 613
	– helicopter donated	**–**	(6 295 308)	**–**	(6 295 308)
	– increase in deferred income	**4 190 083**	11 518 313	**–**	–
	Operating profit before working capital changes	**10 779 933**	13 828 313	**633 509**	2 037 746
	Increase in inventories	**(176 948)**	(94 955)	**–**	–
	Increase in trade and other receivables	**(904 097)**	(4 751 922)	**(2 495 795)**	(2 531 742)
	(Decrease)/increase in trade and other payables and provisions	**(1 645 844)**	1 358 648	**(2 540 450)**	3 064 753
	Foreign currency translation reserve	**(16 251)**	(4 881)	**–**	–
		8 036 793	10 335 203	**(4 402 736)**	2 570 757
20.2	Proceeds on disposal of property, plant and equipment				
	Carrying value of property, plant and equipment disposed	**114 780**	9 742	**58 677**	4 706
	Profit/(loss) on disposal of property, plant and equipment	**(43 839)**	27 736	**(58 324)**	(634)
		70 941	37 478	**353**	4 072

21. Financial risk management

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

- Market risk
- Interest rate 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 and separate 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.

21.1 Market risk

21.1.1 Foreign currency exposure

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

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

Exchange rates used for conversion of foreign items were:

	Group and Company	
	2020	2019
Rwandan Francs	**0.00103**	0.00108
Zambian Kwacha	**0.04734**	0.07117
West African CFA Franc	**0.00187**	0.00168
South African Rands	**0.06824**	0.07123
Malawian Kwacha	**0.00132**	0.00134
Euro	**1.22656**	1.10050
Great British Pound	**1.36512**	1.31846

21. Financial risk management *(continued)*

21.1 Market risk *(continued)*

21.1.1 Foreign currency exposure *(continued)*

As at 31 December 2020, if the currency had strengthened 1%, against the relevant currencies, with all other variables held constant, surplus/(deficit) for the year would have been higher/ (lower) for the following financial instruments:

	Group		**Company**	
	2020	2019	**2020**	2019
	$	$	**$**	$
Cash and cash equivalents				
Rwandan Francs	**172 958**	238 506	**–**	–
Zambian Kwacha	**36 609**	51 957	**–**	–
West African CFA Franc	**1 812 342**	377 716	**–**	–
South African Rands	**109 329**	113 369	**109 329**	113 369
Malawian Kwacha	**108 618**	186 665	**–**	–
Euro	**384 805**	6 918	**261 693**	–
Great British Pound	**2 846 179**	1 316 491	**2 846 179**	1 316 491
	5 470 840	2 291 622	**3 217 201**	1 429 860

A 1% weakening in the US Dollar against the currencies, would have had an almost equal but opposite effect on the amounts above on the basis that all other variables remain constant.

21.2 Interest rate risk

As the group has no significant interest-bearing assets, the group's surplus 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**	
	2020	2019	**2020**	2019
	$	$	**$**	$
Variable rate instruments				
– cash and cash equivalents	**16 846 571**	19 920 513	**6 825 401**	7 413 647

21. Financial risk management *(continued)*

21.2 Interest rate risk *(continued)*

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 2019.

Effect:	**Increase in equity from 100 bp increase**	**Decrease in equity from 100 bp decrease**	**Increase in surplus from 100 bp increase**	**Decrease in surplus from 100 bp decrease**
Group	**$**	**$**	**$**	**$**
2020				
US Dollar	**168 465**	**(168 465)**	**168 465**	**(168 465)**
2019				
US Dollar	199 205	(199 205)	199 205	(199 205)
Company				
2020				
US Dollar	**68 254**	**(68 254)**	**68 254**	**(68 254)**
2019				
US Dollar	74 136	(74 136)	74 136	(74 136)

21.3 Fair values of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. The carrying value approximated the fair value for all financial assets and liabilities at year end. IFRS 9 sets out the requirements for recognising and measuring financial assets and financial liabilities. This standard replaced IAS39 Financial Instruments: Recognition and Measurement.

		2020		2019	
		Carrying value	**Fair value**	Carrying value	Fair value
Group		**$**	**$**	$	$
Financial assets					
Trade and other receivables	Loans and receivables	**13 240 766**	**13 240 766**	12 336 669	12 336 669
Cash and cash equivalents	Loans and receivables	**16 846 571**	**16 846 571**	19 920 513	19 920 513
Financial liabilities					
Trade and other payables	Other liabilities	**(2 775 798)**	**(2 775 798)**	(4 559 862)	(4 559 862)
Unutilised funds	Other liabilities	**(27 284 298)**	**(27 284 298)**	(27 836 033)	(27 836 033)
Deferred income	Other liabilities	**(46 455 444)**	**(46 455 444)**	(42 265 361)	(42 265 361)

21. Financial risk management *(continued)*

21.3 Fair values of financial instruments *(continued)*

		2020		2019	
		Carrying value **$**	**Fair value** **$**	Carrying value $	Fair value $
Company					
Financial assets					
Trade and other receivables	Loans and receivables	**13 164 350**	**13 164 350**	10 668 555	10 668 555
Cash and cash equivalents	Loans and receivables	**6 825 401**	**6 825 401**	7 413 647	7 413 647
Financial liabilities					
Trade and other payables	Other liabilities	**(10 256 824)**	**(10 256 824)**	12 809 242	12 809 242
Unutilised funds	Other liabilities	**(7 800 765)**	**(7 800 765)**	3 527 213	3 527 213

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
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
The carrying amount approximates fair value because of the short period to maturity of these instruments.

21.4 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	
	2020 **$**	2019 $	**2020** **$**	2019 $
Trade and other receivables	**13 240 766**	12 336 669	**13 164 350**	10 668 555
Cash and cash equivalents	**16 846 571**	19 920 513	**6 825 401**	7 413 647
	30 087 337	32 257 182	**19 989 751**	18 082 202

21. Financial risk management *(continued)*

21.4 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	
	2020	2019	**2020**	2019
	$	$	**$**	$
Foreign	**13 240 766**	12 336 669	**13 164 350**	10 668 555

The ageing of receivables at the reporting date was:

	2020			2019		
	Gross	**Impairment**	**Net**	Gross	Impairment	Net
Group	**$**	**$**	**$**	$	$	$
Not past due	**13 240 766**	**–**	**13 240 766**	12 336 669	–	12 336 669

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.

21.5 Liquidity risk management

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

Liquidity and interest risk tables

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

The group and company hold no derivative financial instruments.

Group	**Interest terms**	**Carrying amount $**	**Contractual cash flows $**	**1 year or less $**	**1 to 5 years $**	**Over 5 years $**
2020						
Non derivative-liabilities						
Trade and other payables	None	**(2 775 798)**	**(2 775 798)**	**(2 775 798)**	**–**	**–**
Deferred income	None	**(46 455 444)**	**(46 455 444)**	**(5 039 202)**	**(41 416 242)**	**–**
Unutilised funds	None	**(27 284 298)**	**(27 284 298)**	**(27 284 298)**	**–**	**–**
Lease liabilities	Prime rate	**(293 620)**	**(293 620)**	**(67 371)**	**(226 249)**	**–**
2019						
Non derivative-liabilities						
Trade and other payables	None	(4 559 862)	(4 559 862)	(4 559 862)	–	–
Deferred income	None	(42 265 361)	(42 265 361)	(7 192 350)	(35 073 011)	–
Unutilised funds	None	(27 836 033)	(27 836 033)	(27 836 033)	–	–
Lease liabilities	Prime rate	(353 610)	(353 610)	(59 899)	(293 711)	–

21. Financial risk management *(continued)*

21.5 Liquidity risk management

Liquidity and interest risk tables (continued)

Company	Interest terms	Carrying amount $	Contractual cash flows $	1 year or less $	1 to 5 years $	Over 5 years $
2020						
Non derivative-liabilities						
Trade and other payables	None	**(10 256 824)**	**(10 256 824)**	**(10 256 824)**	–	–
Unutilised funds	None	**(7 800 765)**	**(7 800 765)**	**(7 800 765)**	–	–
Lease liabilities	Prime rate	**(284 724)**	**(284 724)**	**(58 475)**	**(226 249)**	–
2019						
Non derivative-liabilities						
Trade and other payables	None	(12 809 242)	(12 809 242)	(12 809 242)	–	–
Unutilised funds	None	(3 527 213)	(3 527 213)	(3 527 213)	–	–
Lease liabilities	Prime rate	(333 850)	(333 850)	(47 322)	(286 528)	–

22. Related parties

22.1 Identity of related parties

Related party	Relationship	2020 $	2019 $
Group			
Iona	Affiliated entity	**–**	(3 788)
Matusadona	Affiliated entity	**–**	(963 573)
Honey with Heart	Affiliated entity	**4 746**	13 021
Contracted donors	Funding partner	**6 474 291**	1 779 002
Stichting African Parks Foundation	Funding partner	**37 443**	890 583
African Parks Foundation America	Funding partner	**550 702**	2 637 928
African Parks Foundation Switzerland	Funding partner	**18 504**	267 709
Staff advances	Employees	**21 405**	24 884
		7 107 091	4 645 766
Total amount owing to related parties		**(18 004)**	(967 361)
Total amount due from related parties		**7 125 095**	5 613 127
		7 107 091	4 645 766
Director's emoluments		**223 254**	229 611

Only the Chief Executive Officer receives emoluments.

22. Related parties *(continued)*

22.1 Identity of related parties *(continued)*

Related party	Relationship	2020 $	2019 $
Company			
African Parks Foundation Switzerland	Funding partner	**18 504**	267 709
Bazaruto Archipelago National Park	Special purpose entity	**42 655**	158 496
Bazaruto Archipelago National Park	Special purpose entity	**(1 475 105)**	(651 968)
Ennedi Cultural Reserve	Special purpose entity	**148 394**	275 489
Ennedi Cultural Reserve	Special purpose entity	**(10 000)**	(10 000)
African Parks (Malawi) Limited	Subsidiary	**1 013 190**	1 854 909
African Parks (Malawi) Limited	Subsidiary	**(375 759)**	(883 219)
African Parks Foundation America	Funding partner	**550 702**	2 637 928
African Parks Majete Limited	Subsidiary	**351 991**	426 119
African Parks Majete Limited	Subsidiary	**(141 681)**	(191 983)
African Parks Zambia Limited	Subsidiary	**224 895**	208 842
African Parks Zambia Limited	Subsidiary	**(5 054)**	(233 507)
Akagera Management Company	Subsidiary	**236 868**	–
Akagera Management Company	Subsidiary	**(21 184)**	(813 552)
Bangweulu Wetlands Management Board	Subsidiary	**100 804**	208 254
Bangweulu Wetlands Management Board	Subsidiary	**(114 162)**	(270)
Chinko Project	Special purpose entity	**1 766 429**	798 328
Chinko Project	Special purpose entity	**(1 044 383)**	(870 705)
African Parks Congo	Special purpose entity	**2 690 742**	–
African Parks Congo	Special purpose entity	**(3 808 147)**	(5 283 412)
Foundation Odzala-Kokoua National Park	Special purpose entity	**1 078 500**	1 130 284
Foundation Odzala-Kokoua National Park	Special purpose entity	**442**	(628 953)
Pendjari National Park	Funding partner	**–**	158 250
Pendjari National Park	Special purpose entity	**(112 706)**	(12 517)
Stichting African Parks Foundation	Funding partner	**37 443**	890 583
Zakouma National Park	Special purpose entity	**3 086 468**	–
Zakouma National Park	Special purpose entity	**(147 876)**	(1 039 708)
Parc W	Special purpose entity	**–**	122 595
Parc W	Special purpose entity	**(1 018 966)**	–
Nyungwe National Park	Subsidiary	**275 518**	–
Nyungwe National Park	Subsidiary	**(61 319)**	–
Matusadona National Park	Affiliated entity	**146 216**	–
Matusadona National Park	Affiliated entity	**(1 040 829)**	(963 573)
Iona National Park	Subsidiary	**708 457**	–
Iona National Park	Subsidiary	**(611 302)**	–
Malawi Country Office	Special purpose entity	**225**	–
Honey with Heart	Affiliated entity	**349**	13 021
Aouk	Special purpose entity	**187 160**	6 824
		2 677 479	(2 425 736)
Amount owing to related parties		**(9 988 473)**	(12 450 952)
Amount receivable from related parties		**12 665 952**	10 025 216
		2 677 479	(2 425 736)

23. Standards and interpretations not yet effective

At the date of authorisation of the financial statements for the year ended 31 December 2020, the following standards and interpretations were in issue but not yet effective:

Effective for the financial year commencing 1 January 2021
- *Interest Rate Benchmark Reform – Phase 2 (IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Amendments)*

Effective for the financial year commencing 1 January 2022
- *Onerous Contracts: Cost of Fulfilling a Contract (IAS 37 amendment)*
- *Annual Improvements to IFRS Standards (2018 – 2020) (IFRS 1, IFRS 9, IFRS 16 and IAS 41 amendments)*
- *Property, Plant and Equipment: Proceeds before Intended Use (IAS 16 amendment)*
- *Reference to the Conceptual Framework (IFRS 3 Amendment)*

Effective for the financial year commencing 1 January 2023
- *Insurance Contracts (IFRS 17 and Amendments)*
- *Classification of liabilities as current or non-current (IAS 1 amendment)*
- *Definition of Accounting Estimates (IAS 8 amendment)*
- *Disclosure Initiative: Accounting Policies (IAS 1 and IFRS Practice Statement 2 amendment)*

All standards and interpretations will be adopted at their effective date (except for those standards and interpretations that are not applicable to the entity). The directors have reviewed the above standards and interpretations and have concluded that the above standards and interpretations will not have a significant impact on the entity.

24. Going concern

The consolidated and separate financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments, will occur in the ordinary course of business.

The current liabilities of the group exceeded its current assets as at 31 December 2020 by USD 319 003 (2019 – USD 6 795 888). The current liabilities include an amount of USD 5 039 202 (2019 – USD 7 192 350) in respect of deferred income and an amount of USD 27 284 298 (2019 – USD 27 836 033) in respect of unutilised funds. These are non-cash items and will not result in a cash outflow. Once removed, the current assets exceed the current liabilities.

The current assets of the company exceeded its current liabilities as at 31 December 2020 by USD 5 891 089. Management has assessed the going concern of the company and considers it to be solvent.

24. Going concern *(continued)*

In performing its going concern assessment, management has considered the impact of COVID-19 on its funding sources (being donor income and commercial income) for the 2021 financial year. The impact on commercial income has been material, given the travel ban imposed on most countries. Management has reviewed its 2020 budget and reduced or postponed operational activities in order to contain the financial impact of the loss in commercial revenue. Management has also scanned all its 2021 donor commitments to ensure that there is no further impact on grant revenue. As of date of signature of the financials, there has been no significant loss in funding. A scenario analysis has been completed by management that would trigger additional cost cutting measures should there be additional loss in revenue. It is through this scenario analysis that management has concluded on the entity's ability to operate as a going concern.

25. Subsequent events

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report which requires adjustment to or disclosure in these financial statements.

The asset held for sale (USD 4 128 646) has been sold subsequent to year-end with the sale effective on 10 April 2021, being the date that the funds for the farm were received and transfer effective. The farms were sold for a total amount of R61 000 000 (USD 4 178 000). R60 498 000 of this related to the land and the rest related to movables. Management considers it to be a non-adjusting event for the year under review**.**