Forever Costa Rica Irrevocable Trust
Financial Statements
September 30, 2012

(With corresponding figures for the period of fifteen months and twenty-six days ended September 30, 2011)

(With Independent Auditors’ Report Thereon)

(Translation into English of the Original Independent Auditors’ Report Issued in Spanish)
### Forever Costa Rica Irrevocable Trust

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Management
Forever Costa Rica Irrevocable Trust

Report on the Financial Statements

We have audited the accompanying financial statements of the Forever Costa Rica Irrevocable Trust (the Trust), which comprise the statement of financial position for the year ended September 30, 2012, the statements of comprehensive activities, changes in net assets, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ 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 about 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 our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider 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, the financial statements present fairly, in all material respects, the financial position of the Trust for the year ended September 30, 2012, and of its financial performance and its cash flows for the year then ended in accordance with IFRSs.

April 1, 2013

San José, Costa Rica
Federico García G.
Member No. 5353
Policy No. 0116 FIG 7
Expires 9/30/2013

€1,000 tax stamp paid pursuant to Law No. 6663 and affixed to the original document
Forever Costa Rica Irrevocable Trust  
Statement of Financial Position  
As of September 30, 2012  
(With corresponding figures as of September 30, 2011)  
(In U.S. dollars)

<table>
<thead>
<tr>
<th></th>
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<tbody>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>6</td>
<td>8,278</td>
<td>14,546</td>
<td>22,824</td>
<td>13,901</td>
<td>724,281</td>
</tr>
<tr>
<td>Investments in financial instruments</td>
<td>7</td>
<td>1,522,157</td>
<td>22,578,142</td>
<td>24,100,299</td>
<td>692,998</td>
<td>18,160,923</td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>7</td>
<td>-</td>
<td>421</td>
<td>421</td>
<td>-</td>
<td>12,821</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interfund balances</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>165,813</td>
<td>(165,813)</td>
<td>-</td>
</tr>
<tr>
<td>Total assets</td>
<td>1,530,435</td>
<td>22,593,599</td>
<td>24,124,034</td>
<td>872,712</td>
<td>18,732,212</td>
<td>19,604,924</td>
</tr>
<tr>
<td>Liabilities and net assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,000</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,000</td>
</tr>
<tr>
<td>Net assets:</td>
<td>Unrealized gain (loss) on valuation of available-for-sale investments</td>
<td>-</td>
<td>1,181,854</td>
<td>1,181,854</td>
<td>-</td>
<td>(267,879)</td>
</tr>
<tr>
<td>Accrued surplus</td>
<td>1,530,435</td>
<td>21,411,745</td>
<td>22,942,180</td>
<td>872,712</td>
<td>18,997,091</td>
<td>19,869,803</td>
</tr>
<tr>
<td>Total net assets</td>
<td>1,530,435</td>
<td>22,593,599</td>
<td>24,124,034</td>
<td>872,712</td>
<td>18,729,212</td>
<td>19,601,924</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>1,530,435</td>
<td>22,593,599</td>
<td>24,124,034</td>
<td>872,712</td>
<td>18,732,212</td>
<td>19,604,924</td>
</tr>
</tbody>
</table>

The notes are an integral part of these financial statements.
Forever Costa Rica Irrevocable Trust
Statement of Comprehensive Activities
For the year ended September 30, 2012
(With corresponding figures for the period of fifteen months and twenty-six days ended September 30, 2011)
(In U.S. dollars)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th></th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amortization Fund</td>
<td>Endowment Fund</td>
<td>Total</td>
</tr>
<tr>
<td>Donations</td>
<td>767,086</td>
<td>2,615,830</td>
<td>3,382,916</td>
</tr>
<tr>
<td>Interest on cash and due from banks</td>
<td>376</td>
<td>376</td>
<td>1,321</td>
</tr>
<tr>
<td>Interest on available-for-sale investments</td>
<td>214,044</td>
<td>214,044</td>
<td></td>
</tr>
<tr>
<td>Gain on sale of available-for-sale investments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>72</td>
<td>72</td>
<td>1,001,382</td>
</tr>
<tr>
<td>Total income</td>
<td>767,534</td>
<td>2,829,874</td>
<td>3,597,408</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th></th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPENSES</td>
<td>Amortization Fund</td>
<td>Endowment Fund</td>
<td>Total</td>
</tr>
<tr>
<td>Trust management services</td>
<td>415,220</td>
<td>415,220</td>
<td></td>
</tr>
<tr>
<td>Advisory services</td>
<td>17,332</td>
<td>17,332</td>
<td>5,000</td>
</tr>
<tr>
<td>Management plans</td>
<td>91,064</td>
<td>91,064</td>
<td>116,942</td>
</tr>
<tr>
<td>Finance expenses</td>
<td>1,415</td>
<td>1,415</td>
<td>6,728</td>
</tr>
<tr>
<td>Total expenses</td>
<td>109,811</td>
<td>415,220</td>
<td>525,031</td>
</tr>
<tr>
<td>Increase in net assets (surplus)</td>
<td>657,723</td>
<td>2,414,654</td>
<td>3,072,377</td>
</tr>
</tbody>
</table>

Other transactions booked in comprehensive net assets:
- Unrealized gains (losses) on available-for-sale investments | 1,449,733   | 1,449,733       | (267,879)    | (267,879)    |
- Total other increases in comprehensive net assets | 1,449,733   | 1,449,733       | (267,879)    | (267,879)    |
- Total increase in comprehensive net assets | 657,723     | 3,864,387       | 4,522,110    | 872,712      | 18,997,091 | 19,869,803 |

The notes are an integral part of these financial statements.
Forever Costa Rica Irrevocable Trust
Statement of Changes in Net Assets
For the year ended September 30, 2012
(With corresponding figures for the period of fifteen months and twenty-six days ended September 30, 2011)
(In U.S. dollars)

<table>
<thead>
<tr>
<th>Net assets</th>
<th>Amortization Fund</th>
<th>Endowment Fund</th>
<th>Unrealized gains (losses) on valuation of financial instruments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total comprehensive income for the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized losses on available-for-sale investments</td>
<td>872,712</td>
<td>18,997,091</td>
<td>(267,879)</td>
<td>(267,879)</td>
</tr>
<tr>
<td>Increase in net assets for the year (surplus)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>872,712</td>
<td>18,997,091</td>
<td></td>
<td>19,869,803</td>
</tr>
<tr>
<td>Net assets at September 30, 2011</td>
<td></td>
<td></td>
<td></td>
<td>19,601,924</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized gains on available-for-sale investments</td>
<td>657,723</td>
<td>2,414,654</td>
<td>1,449,733</td>
<td>1,449,733</td>
</tr>
<tr>
<td>Increase in net assets for the year (surplus)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>657,723</td>
<td>2,414,654</td>
<td>1,449,733</td>
<td>4,522,110</td>
</tr>
<tr>
<td>Net assets at September 30, 2012</td>
<td>1,530,435</td>
<td>21,411,745</td>
<td>1,181,854</td>
<td>24,124,034</td>
</tr>
</tbody>
</table>

The notes are an integral part of these financial statements.
Forever Costa Rica Irrevocable Trust
Statement of Cash Flows
For the year ended September 30, 2012
(With corresponding figures for the period of fifteen months and twenty-six days ended September 30, 2011)
(In U.S. dollars)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in net assets for</td>
<td>4,522,110</td>
<td>19,601,924</td>
</tr>
<tr>
<td>the year (surplus)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance income</td>
<td>(214,044)</td>
<td>(70,685)</td>
</tr>
<tr>
<td></td>
<td>4,308,066</td>
<td>19,531,239</td>
</tr>
<tr>
<td>Changes in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(492)</td>
<td>-</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(3,000)</td>
<td>3,000</td>
</tr>
<tr>
<td></td>
<td>4,304,574</td>
<td>19,534,239</td>
</tr>
<tr>
<td>Interest received</td>
<td>226,444</td>
<td>57,864</td>
</tr>
<tr>
<td>Net cash from operating</td>
<td>4,531,018</td>
<td>19,592,103</td>
</tr>
<tr>
<td>activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in available-for-</td>
<td>(5,939,374)</td>
<td>(18,853,921)</td>
</tr>
<tr>
<td>sale investments</td>
<td>692,998</td>
<td>-</td>
</tr>
<tr>
<td>Decrease in available-for-</td>
<td>(5,246,376)</td>
<td>(18,853,921)</td>
</tr>
<tr>
<td>sale investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash used in investing</td>
<td>(715,358)</td>
<td>738,182</td>
</tr>
<tr>
<td>activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net (decrease) increase in</td>
<td></td>
<td></td>
</tr>
<tr>
<td>cash</td>
<td>738,182</td>
<td>-</td>
</tr>
<tr>
<td>Cash at beginning of year</td>
<td>22,824</td>
<td>738,182</td>
</tr>
<tr>
<td>Cash at end of year</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The notes are an integral part of these financial statements.
(1) **Organization and operations**

The Forever Costa Rica Irrevocable Trust (the Trust) was created on July 27, 2010 by the LINDEN TRUST FOR CONSERVATION (Trustor), an entity organized and existing under the laws of the United States of America; THE NATURE CONSERVANCY (TNC) (Trustor), an entity organized and existing under the laws of the Republic of Costa Rica; and the FOREVER COSTA RICA ASSOCIATION (Trustee), an entity organized and existing under the laws of the Republic of Costa Rica. The objective of this Trust is to finance the marine and terrestrial protected areas system of Costa Rica. As established in the Execution and Monitoring Plan, the purpose is that Costa Rica achieves the goals of the Programme of Work on Protected Areas (PoWPA) under the United Nations Convention on Biological Diversity (CBD), through the consolidation of a terrestrial, marine, and freshwater protected area system that is ecologically representative, resilient to global climate change, efficiently managed, and financially stable over the long term.

The trust funds include contributions from the founders of the trust (trustors) and other trustors and interest or returns generated from the aforementioned funds. The trust funds will be held in the custody of and managed by the Trustee and may not be used for purposes other than the one set forth in the Trust.

The Trustee shall allocate the trust funds, separately and independently, to an Endowment Fund, which will provide funding to defray the recurring expenses of the protected areas; and to an Amortization Fund, which will provide funding to defray project start-up expenses.

The Trust’s address is Forum I Office Park, Building G, Floor 7, Pozos, Santa Ana.
(2) Basis of preparation and significant accounting policies

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

The financial statements were authorized for issue by management on April 1, 2013.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for investments in financial instruments, which are measured at fair value.

The methods used to measure fair values are discussed further in note 4.

(c) Functional and presentation currency

The financial statements and notes thereto are expressed in dollars of the United States of America (U.S. dollars), which is the Trust's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and 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 recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is related to determination of the fair value of investments in financial instruments.

(3) Significant accounting policies

The accounting policies set out below have been consistently applied by the Trust.

(Continued)
Forever Costa Rica Irrevocable Trust

Notes to Financial Statements

a) Financial instruments

(i) Non-derivative financial assets

The Trust initially recognizes financial assets (including assets at fair value through profit or loss) on the trade date, which is the date that the Trust becomes a party to the contractual provisions of the instrument.

The Trust derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Trust is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Trust has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Trust’s non-derivative financial assets comprise cash, cash equivalents, investments in financial instruments, and accounts payable.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated at fair value through profit or loss if the Trust manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Trust’s documented risk management or investment strategy. On initial recognition, attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, with any changes therein recognized in profit or loss.
Held-to-maturity financial assets

If the Trust has the intent and ability to hold debt securities to maturity, then such financial assets are classified as held to maturity. Held-to-maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses. Held-to-maturity financial assets comprise bonds.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale and are not classified in any of the above categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign exchange differences on available-for-sale debt instruments, are recognized in the statement of financial position, presented in the fair value reserve under net assets. When an investment is derecognized, the gain or loss accumulated in equity is reclassified to the statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and demand deposits with original maturities of three months or less.

(ii) Non-derivative financial liabilities

All financial liabilities are initially recognized on the trade date, which is the date on which the Trust becomes a party to the contractual provisions of the instrument.

The Trust derecognizes a financial liability when its contractual obligations are cancelled or expire.

Non-derivative financial liabilities comprise accounts payable. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.
b) Impairment of assets

Financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the asset, and that loss event(s) had a negative impact on the estimated future cash flows of that asset.

Objective evidence that financial assets (including equity instruments) are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Trust on terms that the Trust would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset’s effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against accounts receivable. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

c) Accounts payable

Accounts payable are booked at amortized cost.

d) Provisions

A provision is recognized if, as a result of a past event, the Trust has a present legal or constructive obligation and it is probable that an outflow of economic benefits will be required to settle the obligation. The estimated value of the provision is adjusted at the reporting date, directly affecting results of operations.
Forever Costa Rica Irrevocable Trust

Notes to Financial Statements

e) Revenue recognition

The Trust’s income corresponds to donations from trustors, i.e. the Linden Trust for Conservation and TNC. Donations are booked when received.

f) Recognition of costs and expenses

Expenses are recognized in results of operations when incurred, i.e. on the accrual basis.

g) Finance income (expenses)

Finance income comprises interest income on funds invested (including available-for-sale financial assets), and fair value gains on financial assets at fair value through profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise fair value losses on financial assets at fair value through profit or loss.

h) New standards and interpretations not yet adopted

As of the reporting date, a number of standards, amendments to standards, and interpretations, issued by the International Accounting Standards Board (IASB), are not yet effective for the year ended September 30, 2012 and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the Trust’s financial statements.

(4) Determination of fair value

A number of the Trust’s accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(Continued)
Forever Costa Rica Irrevocable Trust

Notes to Financial Statements

The determination of fair values for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration of uncertain market factors, pricing assumptions, and other risks affecting the specific instrument.

Valuation techniques include the present value of discounted cash flows, comparison to similar instruments for which market observable prices exist, and other valuation models. The Trust selects the valuation model that most adequately reflects the fair value of each class of financial instrument based on its complexity. Unlike market prices, fair values cannot be implicitly determined using professional judgement. Models used are revised periodically to update market factors and allow the Trust to determine the fair value of its financial instruments.

The Trust’s management considers such valuations to be necessary and appropriate to ensure that its instruments are accurately presented in the financial statements.

(5) Financial risk management

The Trust has exposure to the following risks from its use of financial instruments:

(a) credit risk,
(b) liquidity risk, and
(c) market risk.

This note presents information about the Trust’s exposure to each of the above risks, the Trust’s objectives, policies, and procedures for measuring and managing risk. Further quantitative disclosures are included in the notes to the financial statements.

Financial Management has overall responsibility for the establishment and oversight of the conceptual framework for the Trust’s financial risks as well as for the formulation of strategies for developing and monitoring risk management policies.

Risk management policies are established to identify and analyze the Trust’s risk exposure, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Trust’s activities.
Forever Costa Rica Irrevocable Trust

Notes to Financial Statements

The Financial Manager of the Forever Costa Rica Association oversees how management monitors compliance with the Trust’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Trust.

(a) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to meet its contractual obligations, and arises principally from the Trust’s accounts receivable, if any.

The maximum exposure to credit risk is represented by the balance of each financial asset, mainly available-for-sale investments.

The Trust has exposure to credit risk, which is the risk that the counterparty will fail to comply with payments fully and in a timely manner. Financial assets that represent potential credit risk for the Trust mainly include interest-bearing bank deposits, investments in financial instruments, and interest receivable. Bank deposits are mainly placed in prestigious financial institutions.

As of September 30, the carrying amount of each financial asset represents the maximum exposure to credit risk:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>US$ 22,824</td>
<td>US$ 738,182</td>
</tr>
<tr>
<td>Available-for-sale investments</td>
<td>24,100,299</td>
<td>18,853,921</td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>421</td>
<td>12,821</td>
</tr>
<tr>
<td>US$</td>
<td>24,123,544</td>
<td>19,604,924</td>
</tr>
</tbody>
</table>

(b) Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting its financial obligations when due. The Trust’s approach to managing liquidity is to ensure, where 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 risking damage to the Trust’s reputation.

(Continued)
Forever Costa Rica Irrevocable Trust

Notes to Financial Statements

Management of the Forever Costa Rica Association manages liquidity risk by maintaining adequate cash reserves. In addition, the Trust continually monitors its cash flows and analyzes its matching of terms, which allows a timely attention to short- and medium-term obligations.

Currently, the Trust has no financial obligations; accordingly, its liquidity risk is low.

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates or equity prices, will affect the Trust's income or the value of its holdings of financial instruments. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk

This is the risk of fluctuations in the fair value or future cash flows of a financial instrument due to changes in market interest rates.

The Trust is exposed to the effects of changes in market interest rates on its financial position and cash flows.

(6) Cash

As of September 30, cash is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local public banks</td>
<td>US$ 8,278</td>
<td>13,901</td>
</tr>
<tr>
<td>Local private banks</td>
<td>US$ 3,984</td>
<td>713,809</td>
</tr>
<tr>
<td>Foreign banks</td>
<td>US$ 10,562</td>
<td>10,472</td>
</tr>
<tr>
<td></td>
<td><strong>22,824</strong></td>
<td><strong>738,182</strong></td>
</tr>
</tbody>
</table>
# Forever Costa Rica Irrevocable Trust

**Notes to Financial Statements**

(7) **Investments in financial instruments**

As of September 30, 2012, investments in financial instruments are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Amortization Fund</th>
<th>Endowment Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Available for sale</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in foreign financial entities</td>
<td>US$ 1,321,301</td>
<td>22,510,439</td>
</tr>
<tr>
<td>Subtotal</td>
<td>1,321,301</td>
<td>22,510,439</td>
</tr>
<tr>
<td><strong>At fair value through profit or loss</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment fund in State-owned bank</td>
<td>-</td>
<td>67,703</td>
</tr>
<tr>
<td>Subtotal</td>
<td>-</td>
<td>67,703</td>
</tr>
<tr>
<td><strong>Held to maturity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repurchase agreements with Stated-owned non-financial entities</td>
<td>200,856</td>
<td>-</td>
</tr>
<tr>
<td>Subtotal</td>
<td>200,856</td>
<td>-</td>
</tr>
<tr>
<td>Total investments</td>
<td>1,522,157</td>
<td>22,578,142</td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>-</td>
<td>421</td>
</tr>
</tbody>
</table>

**Total investments**

<table>
<thead>
<tr>
<th></th>
<th>US$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,522,157</td>
</tr>
</tbody>
</table>

As of September 30, 2011, investments in financial instruments are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Amortization Fund</th>
<th>Endowment Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Available for sale</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in foreign financial entities</td>
<td>US$ -</td>
<td>15,863,730</td>
</tr>
<tr>
<td>Certificate of investment in private bank</td>
<td>-</td>
<td>1,175,846</td>
</tr>
<tr>
<td>Subtotal</td>
<td>-</td>
<td>17,039,576</td>
</tr>
<tr>
<td><strong>At fair value through profit or loss</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment fund in State-owned bank</td>
<td>-</td>
<td>415,210</td>
</tr>
<tr>
<td>Subtotal</td>
<td>-</td>
<td>415,210</td>
</tr>
<tr>
<td><strong>Held to maturity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repurchase agreements with Stated-owned non-financial entities</td>
<td>692,998</td>
<td>706,137</td>
</tr>
<tr>
<td>Subtotal</td>
<td>692,998</td>
<td>706,137</td>
</tr>
<tr>
<td>Total investments</td>
<td>692,998</td>
<td>18,160,923</td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>-</td>
<td>12,821</td>
</tr>
</tbody>
</table>

**Total investments**

<table>
<thead>
<tr>
<th></th>
<th>US$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>692,998</td>
</tr>
</tbody>
</table>

(Continued)
Forever Costa Rica Irrevocable Trust

Notes to Financial Statements

(8) Income from donations

As of September 30, trust funds (donations) are comprised of contributions from the trustors (TNC) for the creation of the Trust and compliance with the purpose thereof. Trust funds are as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment Fund</td>
<td>US$ 2,615,830</td>
<td>18,925,484</td>
</tr>
<tr>
<td>Amortization Fund</td>
<td>US$ 767,086</td>
<td>1,000,000</td>
</tr>
<tr>
<td><strong>Total Trust Funds</strong></td>
<td><strong>US$ 3,382,916</strong></td>
<td><strong>19,925,484</strong></td>
</tr>
</tbody>
</table>

(9) Trust management services

As of September 30, 2012, the Trust pays Forever Costa Rica Association an amount of US$415,220 for “Budget support”. The Trust established that amount in the twentieth clause “Trustee Fees” of the “Fund Management Irrevocable Trust Agreement” subscribed by Linden Trust for Conservation and Forever Costa Rica Association.

(10) Management plans

As of September 30, expenses for management plans applied to the conservation of national parks are as follows:

<table>
<thead>
<tr>
<th>Park</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carara National Park</td>
<td>US$ 12,500</td>
<td>7,500</td>
</tr>
<tr>
<td>Guanacaste Conservation Area</td>
<td>-</td>
<td>27,060</td>
</tr>
<tr>
<td>Juan Castro Blanco National Park</td>
<td>12,407</td>
<td>12,407</td>
</tr>
<tr>
<td>Arenal Volcano National Park</td>
<td>12,407</td>
<td>12,407</td>
</tr>
<tr>
<td>Corral de Piedra Wetland</td>
<td>-</td>
<td>14,787</td>
</tr>
<tr>
<td>Hitoy Cerere</td>
<td>17,417</td>
<td>-</td>
</tr>
<tr>
<td>Palo Verde</td>
<td>7,377</td>
<td>-</td>
</tr>
<tr>
<td>Mata Redonda</td>
<td>10,000</td>
<td>-</td>
</tr>
<tr>
<td>Chirripó</td>
<td>7,465</td>
<td>-</td>
</tr>
<tr>
<td>Professional services</td>
<td>9,189</td>
<td>26,540</td>
</tr>
<tr>
<td>Sundry national parks</td>
<td>2,302</td>
<td>16,240</td>
</tr>
<tr>
<td><strong>Total Management Plans</strong></td>
<td><strong>US$ 91,064</strong></td>
<td><strong>116,942</strong></td>
</tr>
</tbody>
</table>

(Continued)
**Forever Costa Rica Irrevocable Trust**

**Notes to Financial Statements**

(11) **Fair value of financial instruments**

The fair values and carrying amounts of assets and liabilities are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2012 Carrying amount</th>
<th>Fair value</th>
<th>Fair value hierarchy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>US$ 22,824</td>
<td>22,824</td>
<td>Level 1</td>
</tr>
<tr>
<td>Investments in financial instruments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available for sale</td>
<td>US$ 23,831,740</td>
<td>23,831,740</td>
<td>Level 1</td>
</tr>
<tr>
<td>At fair value through profit or loss</td>
<td>US$ 67,703</td>
<td>67,703</td>
<td>Level 1</td>
</tr>
<tr>
<td>Held to maturity</td>
<td>US$ 200,856</td>
<td>200,856</td>
<td>Level 1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2011 Carrying amount</th>
<th>Fair value</th>
<th>Fair value hierarchy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>US$ 738,182</td>
<td>738,182</td>
<td>Level 1</td>
</tr>
<tr>
<td>Investments in financial instruments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available for sale</td>
<td>US$ 17,039,576</td>
<td>17,039,576</td>
<td>Level 1</td>
</tr>
<tr>
<td>At fair value through profit or loss</td>
<td>US$ 415,210</td>
<td>415,210</td>
<td>Level 1</td>
</tr>
<tr>
<td>Held to maturity</td>
<td>US$ 1,399,135</td>
<td>1,399,135</td>
<td>Level 1</td>
</tr>
</tbody>
</table>

The table above analyzes the fair value of financial instruments using a valuation method. The different levels have been defined as follows:

- Level 1: (unadjusted) quoted prices in active markets for identical assets and liabilities.
- Level 2: data other than the quoted prices included in Level 1 that is observable for assets and liabilities, directly (i.e. prices) or indirectly (i.e. price derivatives),
- Level 3: significant non-observable data for assets or liabilities.

Investments in available-for-sale financial instruments and in financial instruments at fair value through profit or loss are booked at fair value.

As of September 30, 2012 and 2011, the fair values of held-to-maturity investments are equivalent to their carrying amounts, since held-to-maturity investments correspond to investments in repurchase agreements, which are subject to insignificant risk of changes in fair values due to their short maturity.