



# **BirdLife South Africa**

(Reg. No. 001-298NPO)

Financial Statements

for the year ended 31 December 2022

Audited

# **BirdLife South Africa**

## **Financial Statements**

*for the year ended 31 December 2022*

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MC Krog CA (SA), Honorary Treasurer, was responsible for the supervision of the preparation of these financial statements.

### **Board of Directors' approval of the financial statements**

The Board of Directors has assessed BirdLife South Africa's ability to continue as a going concern and has no reason to believe the organisation will not be a going concern in the year ahead.

The financial statements for the year ended 31 December 2022 set out on pages 2 to 32 were approved by the Board of Directors on 18 May 2023 and are signed on its behalf by –



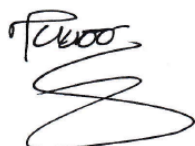
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**P Calinikos – Chairman**



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**MD Anderson – Chief Executive Officer**



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**MC Krog – Honorary Treasurer**

# BirdLife South Africa

## Board of Directors' Report

*for the year ended 31 December 2022*

### Constitution and main business

BirdLife South Africa is a separate legal entity with the vision to see a country and region where nature and people live in greater harmony, more equitably and sustainably. BirdLife South Africa's mission is to strive to conserve birds, their habitats and biodiversity through scientifically based programmes, through supporting the sustainable and equitable use of natural resources and by encouraging people to enjoy and value nature.

The core administrative operations of BirdLife South Africa are funded by membership subscriptions, donor funding, fundraising and promotional activities. The publications are funded by subscriptions, advertisement revenue and income emanating from the Clancey Bequest Fund. Funding for programmes and projects conducted in accordance with its main objectives is received from corporations and trusts, NGOs with similar objectives and related BirdLife International organisations.

### Financial objectives

It is the intention that all programmes and projects should be self-funded and further funding is sought to cover core administrative costs. Management strives for a surplus result to build up reserves. While bequests and donations for long-term sustainability and a surplus on disposal of assets are reflected as income, such income is not considered when measuring operating results. Bequests and donations for long-term sustainability are donated to the BirdLife National Trust in the following year if there is no immediate need for it in BirdLife South Africa.

### Operating results

Operating results consist of income received and expenses incurred in maintaining the day-to-day activities of the organisation. Operational activities are undertaken in the Business and Conservation Divisions, each consisting of several programmes which in turn consist of several projects.

We are pleased to report net income from operations for the year ended 31 December 2022 amounting to R955 705 (2021 – R67 206).

- We continue to be successful in attracting substantial unencumbered donor funding to help cover the cost of administration and any loss-making core programmes and projects. Total donor funding receipts for the year comprised the following –

	<b>2022</b>	2021
	<b>R</b>	R
Golden Bird Patron initiative	<b>2 570 000</b>	2 714 567
Other donations, grants and sundry income	<b>412 495</b>	520 340
	<b>2 982 495</b>	3 234 907

BirdLife South Africa is particularly thankful to these generous donors who appreciate and have faith in the good work that we do.

# BirdLife South Africa

## Board of Directors' Report

for the year ended 31 December 2022 (continued)

### Financial objectives and operating results (continued)

#### Operating results (continued)

- When compared to 2021, total revenue from operating activities increased by 29.2% from R31 997 396 to R41 339 742 (2021 – increased by 5.0%). At the same time, gross expenditure for the year increased by 26.5% from R31 930 190 to R40 384 037 (2021 – increased by 6.3%) for the year under review. The increases in abovementioned revenue and expenditure are due to the Flock to Marion fundraising event and an increase in Conservation Division activities during 2022. Administration expenses, which support the main bird and habitat conservation activities of the organisation, are stated after recoveries from projects. Net administration expenditure has increased after recoveries from projects by 7.5% from R4 400 180 to R4 730 243 (2021 – decreased by 3.5%). The increase is due to the impact of inflation on costs and a general increase in business activities after the COVID-19 pandemic. Net administration expenditure, when expressed as a percentage of total revenue, amounted to 11.4% (2021 – 13.8%).

- Several successful events were held during the year, including –

The Owl Awards  
Flock to Marion  
Bird of the Year  
The Virtual African Bird Fair  
A Virtual Annual General Meeting  
Birding Big Day

Pleasingly, the Events Programme achieved a net income of R2 126 221 (2021 – R384 790) for the year under review. This was largely due to the profitable *Flock to Marion* fundraising cruise.

- Membership subscription income and member numbers comprise the following –

	2022		2021	
	Number	R	Number	R
Ordinary	2 949	515 732	2 971	499 856
Corporate	13	169 565	13	229 565
Conservation League Donations	–	790 884	–	536 525
Related activities and recoveries	–	314 129	–	318 927
	<b>2 962</b>	<b>1 790 310</b>	2 984	1 584 873

- Publications include the *African Birdlife* magazine, the annual BirdLife South Africa calendar and the *Ostrich* journal. Income from calendar sales, direct sales of the magazine and advertising income remains respectable. Unfortunately, the economic fallout from the COVID-19 pandemic is still having an impact on the profitability of the magazine. A decrease in subscriptions and rising production costs resulted in a net loss from publications of R328 315 (2021 – R283 573). The Board is optimistic that the magazine footprint will grow again in 2023.

# **BirdLife South Africa**

## **Board of Directors' Report**

*for the year ended 31 December 2022 (continued)*

### **Financial objectives and operating results (continued)**

#### **Operating results (continued)**

- At the Wakkerstroom Tourism & Education Centre, gross revenue is derived from the letting of facilities and guiding activities. The operational loss at Wakkerstroom increased from R300 909 in 2021 to R393 166 in 2022. This was mainly due to the impact of inflation on costs and generally low occupancy levels in the accommodation facilities. A sponsor for the Wakkerstroom Centre would be most welcome.
- It is pleasing to note that the activities of the Conservation Division increased in 2022. This is reflected in the operating expenses of the division which increased by 16.2% from R21 434 973 in 2021 to R24 912 347 in 2022. Funding levels covered all these expenses.

#### **Other non-operating income/expenses**

Bequests and donations to the organisation's long-term sustainability received total R134 300 (2021 – R66 034). A further bequest of R5 553 680 was specifically earmarked for conservation projects. BirdLife South Africa donated this bequest to the BirdLife National Trust, to be invested in a ring-fenced Conservation Fund. No further donations were made to the BirdLife National Trust in the current year (2021 – R336 757).

#### **Net income for the year**

The net income for the year, including income from operations and other non-operating income/expenses, amounted to R1 090 005 (2021 – net loss of R204 391).

#### **Donors**

The names of those corporations, trusts, NGOs and individuals who contributed to BirdLife South Africa during the year under review, both financially and in kind, are reflected in Annexure A.

#### **Governance**

- Professor Anusuya Chinsamy-Turan is the Honorary President of BirdLife South Africa.
- BirdLife South Africa is governed by a Board of Directors comprising:
  - i. The Chairman and Honorary Treasurer
  - ii. The Chief Executive Officer
  - iii. Four Members' Directors
  - iv. A maximum of seven co-opted members with particular expertise in a number of key competencies

Day to day management of BirdLife South Africa is delegated to the Chief Executive Officer by the Board of Directors. The Board of Directors meets every second month.

# **BirdLife South Africa**

## **Board of Directors' Report**

*for the year ended 31 December 2022 (continued)*

### **Events after the reporting period**

The Board of Directors is not aware of any subsequent events that require disclosure in, or adjustments to, the financial statements.

### **Going concern**

The Board of Directors has assessed the ability of BirdLife South Africa to continue as a going concern and has no reason to believe the organisation will not be a going concern in the year ahead.

### **Governance**

The following were members of the Board of Directors during the year under review and at the date of this report:

Philip Calinikos	Chairman
Mark D. Anderson	Chief Executive Officer
Manuela Krog	Honorary Treasurer
Fanie du Plessis	Chief Financial Officer (appointed 28 May 2022)
Ismail Bhorat	Co-opted
David Chamberlain	Co-opted
Peter Divall	KwaZulu-Natal Regional Forum (position became redundant 28 May 2022)
Nicholus Funda	Co-opted
Linda Hart	Co-opted
Vernon Head	Co-opted
Galeboe Modisapodi	Co-opted
Yvonne Pennington	Members' Director (appointed 28 May 2022)
Louise Coetzee	Members' Director (appointed 28 May 2022)
Matthew Biden	Members' Director (appointed 28 May 2022)
Nicolette Forbes	Members' Director (appointed 28 May 2022)

- An Audit & Risk Committee which fulfils the function traditionally allocated to an audit committee is in effect. The committee comprises five members, with Andrew Mitchell appointed as Chairman.

The Audit & Risk Committee has conducted an annual review regarding the effectiveness and performance of both the Board and BirdLife South Africa as a whole. The results of the review are expressed in an opinion included elsewhere in these financial statements.

- Duly appointed Regional Forums meet regularly during the year and provide feedback to the Board of Directors.

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South Africa

# **BirdLife South Africa**

## **Annual review of the performance and effectiveness of BirdLife South Africa** *for the year ended 31 December 2022*

### **Review by Board of Directors**

#### **Mandate**

A critical aspect of the governance structure of the organisation is encompassed in clause 10 of our country's Constitution.

This requires the Board to commission an annual review, at each year end, of the performance of the organisation as a whole, as well as of the Board itself, which review shall result in a report prepared by the Chairman of the Board, reviewed by the Audit & Risk Committee for its members' comment and input, and finally included in the organisation's annual report, which is presented to members at the Annual General Meeting.

The results of this review are encapsulated in this report.

We strive as an organisation to maintain the highest level of corporate governance as prescribed by the King IV Report of 2016. In terms of the King IV report, the governance role of the Board consists of four themes:

- Strategy: directing the core purpose of the organisation and setting of its short-, medium- and long-term direction.
- Policy: giving effect to the strategy by approving policy – rules, structures and processes that define courses of action and boundaries within which decisions can be made.
- Oversight: providing oversight of implementation of strategy and policy by management.
- Disclosure: disclosing the organisation's performance and creation of sustainable value.

In addition, the King IV supplement dealing specifically with NPOs such as ours refers to three major responsibilities of the leaders of NPOs. These are highlighted in the Department of Social Development's Code and their purpose is to ensure survival and growth.

They are:

- The service programme is meeting the community's needs effectively and efficiently.
- A reliable and sustainable support base is established to fulfil its work.
- Procedures are put in place to ensure the careful and accountable handling of its resources and programmes.

#### **Organisational review**

A special general meeting was held on 10 March 2022 to consider alterations to the Constitution that mainly concerned section 8. The amendment to section 8 would provide a greater opportunity for members to nominate and elect members to the Board and thus allow for greater representation of the members on the Board. The alterations were duly approved and a process was initiated by the independent chairman of the Nominations Committee, Imran Vanker, to call for nominations for the appointment of three members' directors to the Board. The process resulted in four nominees being approved by the Board to stand for election at last year's Annual General Meeting. Three of these nominees were duly elected and they joined the Board in May 2022. A comprehensive induction programme was then undertaken to familiarise them fully with the organisation and the role that they are required to fulfil.

# **BirdLife South Africa**

## **Annual review of the performance and effectiveness of BirdLife South Africa**

*for the year ended 31 December 2022 (continued)*

### **Review by Board of Directors (continued)**

#### **Organisational review (continued)**

One of the governance roles that the Board has to fulfil is that of setting strategy and directing the core purpose of the organisation. A strategy discussion meeting, which was attended by most of our Board members, was held at our Wakkerstroom Tourism and Education Centre. A variety of topics were discussed, including the alignment of our strategy with that of BirdLife International, which was approved at the BirdLife World Congress in the United Kingdom in September 2022. Other strategic areas that were addressed were membership, fundraising, Board functionality, compliance with King IV, the Landscape Conservation Programme's structure, and our approach to ESG (Environmental, Social and Governance) issues.

As an organisation, we strive to address as many of the threats to birds as we can within the limits of the funding and personnel that we have available. As there's much to do, we use science to determine where our efforts are best expended. We believe that we are making a meaningful contribution to the conservation of South Africa's birds. Our management and staff have worked tirelessly to deal with conservation initiatives in a prioritised manner within the constraints imposed on them.

At the beginning of each year, BirdLife South Africa prepares targets that are included in a detailed Strategic Framework document. This is coordinated by the two division managers and the contributions are then reviewed by the CEO, who collates them into the final document. It should also be noted that BirdLife South Africa's annual targets are closely aligned with BirdLife International's strategy, a strategy we are obliged to implement in our country. BirdLife South Africa is recognised as one of the 117 BirdLife Partners that makes a large and important contribution to implementing the global strategy and hence the conservation of the world's birds.

The strategic goals of the organisation, as encapsulated in the 2022 Strategic Framework, can be summarised as follows:

- To realise, both efficiently and effectively, key national and international conservation goals and objectives.
- To be a conservation organisation that is influential and well respected locally and globally.
- To be a well-financed, sustainable organisation that is driven by a team of competent and committed staff.
- To have a diverse, engaged and committed membership, and an engaged and representative audience.

The Framework document charts the performance against organisational objectives across both the business and the conservation divisions. It also contains key indicators that provide an aggregated view of the performance of the organisation across important functional areas.

For the operational (business) part of the organisation, the results for the 2022 year were as follows:

- 18 targets fully achieved.
- Four targets partly achieved with work ongoing.
- Three targets not achieved.

The three targets that were not achieved related to membership: decreasing membership and subscription numbers and lack of diversity in our membership. It is envisaged that our new communication and fundraising strategies will result in improvements in the future.

The separate review of BirdLife South Africa's conservation work by David Allan confirms that the Conservation Division continues to perform exceptionally well.



## **BirdLife South Africa**

### **Annual review of the performance and effectiveness of BirdLife South Africa** *for the year ended 31 December 2022 (continued)*

#### **Review by Board of Directors (continued)**

##### **Board self-assessment**

The Nominations Committee of the Board is mandated to oversee this assessment process. Board members individually and independently completed an evaluation document of the Board's performance as a whole.

The process was overseen by Imran Vanker, the independent chairman of the Nominations Committee. Based on the responses received, he confirmed that the Board of BirdLife South Africa has demonstrated a strong commitment to its mission of bird conservation.

The survey results indicated that the Board was functioning effectively in various areas, including strategic planning, decision-making and communication. He was pleased to note that there were many areas of good practice, and no major deficiencies were identified relating to the Board's performance overall.

##### **Opinion**

Based on the above, the Board of Directors of BirdLife South Africa:

- Confirms that it is satisfied with the effectiveness of both the Board of Directors and the organisation as a whole, and
- Commends management on the significant progress made during the year under review.



**Philip Calinikos**  
*Chairman*  
*26 April 2023*

# **BirdLife South Africa**

## **Annual review of the performance and effectiveness of BirdLife South Africa** *for the year ended 31 December 2022 (continued)*

### **Review of BirdLife South Africa's conservation work**

This is the eighth review of BirdLife South Africa's conservation activities as mandated by the organisation's Constitution. It is informed by six questions put to the conservation team. Due to space constraints, only selected aspects are mentioned here.

Highlights included the first nesting of African Penguins at an artificially established colony at De Hoop. Middelpunt Wetland, the sole known southern hemisphere breeding site of the White-winged Flufftail, was proclaimed a private nature reserve, as were several other key sites. Ingula Nature Reserve and the Berg River Estuary were declared wetlands of international importance under the Ramsar Convention. Ground-breaking research further confirmed the dangers of lead ammunition to birds (and more generally). The Birds and Renewable Energy Project, which has occupied a critically influential role, reached its 10-year anniversary. Even greater heights seem in store, with the appointment of an additional staff member and exploration of an 'African Wind-Wildlife Partnership'. A Regional Red Listing process was initiated. Innovations included an automated camera system to assess seabird bycatch, automated penguin monitoring systems for colonies and at sea, and an automation script for telemetry projects. A wildlife-friendly fence design is being tested.

Staff burnout related to excessive workloads and digital over-accessibility is a challenge. Fundraising is a constant, and sometimes morale-sapping, trial. The effects of Covid-19 thankfully waned, for example allowing an in-person 15th PAOC, although the 28th IOC was forced to be completely virtual. The Conservation Division made invaluable contributions to both these (and other) gatherings. The lingering economic effect of the pandemic seems its most significant negative legacy, including some donor fatigue.

Upcoming priorities include funding (as always), establishing a Conservation Committee and filling critical staff positions. Relevant to gaps in conservation effort, deteriorating management of state protected areas is an existential danger to many threatened birds. Resource constraints result in many threatened species, including endemics, not receiving due attention. The impact of pesticides and water quality on birdlife requires targeted investigation. The over-exploitation of pelagic fish stocks remains problematic. BirdLife South Africa continues to support SABAP2, but other valuable citizen-science projects, such as SAFRING, CWAC and CAR, also require aid and tactical leadership. Drawing local communities into bird conservation initiatives is an escalating need.

Parallel to these 'mainland' matters is the greatest conservation challenge ever faced by BirdLife South Africa: the Mouse-Free Marion Project. The logistics of this R450-million effort, scheduled for the winter of 2025, are daunting. A fleet of helicopters and some 60 people need to be effectively operational on this distant island for several months. The planning must be meticulously thorough and perfectly synchronised. The remoteness of the location rules out any last-minute rectifications. A perusal of the voluminous project documents thus far suggests that all is firmly on track, with everything considered, from the number of cooks required to feed the team to the rodent-detecting dogs obligatory to evaluate success. The requisite local and international network of expertise, experience and visionary donors has been assembled to give the project its best chance of success.

## **BirdLife South Africa**

### **Annual review of the performance and effectiveness of BirdLife South Africa**

*for the year ended 31 December 2022 (continued)*

#### **Review of BirdLife South Africa's conservation work (continued)**

The overriding impression from this review is extraordinarily encouraging. The Conservation Division has invested in a highly strategic and committed long-term plan that is propelling its progress. This investment is paying dividends, not least in the number of awards garnered. Many of the gains documented in the past year are the fruits of seeds planted long ago and carefully nurtured. BirdLife South Africa's conservation team are to be congratulated for foundations that are so firmly grounded.



**David Allan**

*Retired Curator of Birds, Durban Natural Science Museum*

*12 April 2023*

#### **Audit & Risk Committee annual review, financial year end 31 December 2022**

##### **Mandate**

The constitution of BirdLife South Africa requires that the Audit & Risk Committee express an opinion annually regarding the effectiveness and performance of both the Board and BirdLife South Africa as a whole.

The Audit & Risk Committee has reviewed:

- A report titled 'Review by Board of Directors' for the 2022 reporting period, prepared by the Chairman of BirdLife South Africa.
- A report titled 'Review of BirdLife South Africa's Conservation Work' by David Allan.
- BirdLife South Africa Board performance evaluation.
- The preparation of the financial statements of BirdLife South Africa and the External Auditors' report thereon.

During the course of the year, the Audit & Risk Committee has also reviewed:

- The financial performance of BirdLife South Africa against the budget approved by the Board.
- Risk assessment and mitigation measures determined by the Board and Management.
- The Delegation of Authorities of BirdLife South Africa.

##### **Opinion**

Based on the above and as is required in terms of the Constitution, the Audit & Risk Committee is satisfied with the effectiveness and performance of both the Board and BirdLife South Africa as a whole.



**Andrew Mitchell**

*Chairman, Audit & Risk Committee*

*10 May 2023*



## **KPMG Inc**

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## **Independent Auditor's Report**

**To the members of BirdLife South Africa**

### ***Opinion***

We have audited the financial statements of BirdLife South Africa (the Organisation) set out on pages 14 to 29, which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement 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 financial statements present fairly, in all material respects, the financial position of BirdLife South Africa as at 31 December 2022, and its financial performance and cash flows for the year then ended then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

### ***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 financial statements* section of our report. We are independent of the Organisation 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 "BirdLife South Africa Annual Financial Statements for the year ended 31 December 2022", which includes the Directors' Report, the annual review of performance and effectiveness of BirdLife South Africa and Annexure A. The other information does not include the financial statements and our auditor's report thereon.

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

KPMG Incorporated, a South African company with registration number 1999/021543/21 and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English Company limited by guarantee.

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

Chairman: Prof W Nkuhlu  
Chief Executive: I Schoole  
Directors: Full list on website

The company's principal place of business is at KPMG Crescent, 85 Empire Road, Parktown



***Other information (continued)***

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 financial statements***

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Organisation'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 or to cease operations, or have no realistic alternative but to do so.

***Auditor's responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the 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 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 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation'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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

✓



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.**

A handwritten signature in black ink, appearing to read 'DD Thompson', written over a light blue rectangular background.

Per DD Thompson  
Chartered Accountant (SA)  
Registered Auditor  
Associate Director  
18 May 2023

# BirdLife South Africa

## Statement of comprehensive income

for the year ended 31 December 2022

Business Division	2022			2021		
	Revenue R	Expenditure R	Net income/(loss) R	Revenue R	Expenditure R	Net income/(loss) R
Donor funding	2 982 495	–	2 982 495	3 234 907	–	3 234 907
Investment income (note 3)	1 574 484	–	1 574 484	940 591	–	940 591
Administration expenditure	–	4 730 243	(4 730 243)	–	4 400 180	(4 400 180)
<i>Core operational results</i>	<b>4 556 979</b>	<b>4 730 243</b>	<b>(173 264)</b>	<b>4 175 498</b>	<b>4 400 180</b>	<b>(224 682)</b>
Events	5 905 029	3 778 808	2 126 221	998 400	613 610	384 790
Membership	1 790 310	1 186 441	603 869	1 584 873	1 053 787	531 086
Communications	–	847 999	(847 999)	–	–	–
Publications	3 313 665	3 641 980	(328 315)	3 117 947	3 401 520	(283 573)
Shop for the Birds!	461 565	493 206	(31 641)	252 310	291 816	(39 506)
Wakkerstroom operations	399 847	793 013	(393 166)	433 395	734 304	(300 909)
	<b>16 427 395</b>	<b>15 471 690</b>	<b>955 705</b>	<b>10 562 423</b>	<b>10 495 217</b>	<b>67 206</b>
<b>Conservation Division</b>	<b>24 912 347</b>	<b>24 912 347</b>	<b>–</b>	<b>21 434 973</b>	<b>21 434 973</b>	<b>–</b>
Head of Conservation	1 678 555	1 678 555	–	1 281 999	1 281 999	–
Landscape Conservation	7 574 333	7 574 333	–	9 051 743	9 051 743	–
Seabird Conservation	6 304 246	6 304 246	–	5 025 502	5 025 502	–
Empowering People	3 334 309	3 334 309	–	1 275 117	1 275 117	–
Regional Conservation	2 465 475	2 465 475	–	2 230 880	2 230 880	–
Science and Innovation	2 030 894	2 030 894	–	1 834 609	1 834 609	–
Policy and Advocacy	1 524 535	1 524 535	–	735 123	735 123	–
<b>Gross income/expenditure</b>	<b>41 339 742</b>	<b>40 384 037</b>		<b>31 997 396</b>	<b>31 930 190</b>	
<b>Net income from operations</b>			<b>955 705</b>			<b>67 206</b>
<b>Other non-operating income/(expenses)</b>						
Donations to BirdLife National Trust			(5 553 680)			(336 757)
Bequests and donations for long-term sustainability			5 687 980			66 034
Loss on disposal of assets			–			(874)
<b>Net income/(loss) for the year (note 4)</b>			<b>1 090 005</b>			<b>(204 391)</b>

# BirdLife South Africa

## Statement of financial position

at 31 December 2022

	<i>Note</i>	<b>2022</b> <b>R</b>	2021 <b>R</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, vehicles, furniture and equipment	6	<b>4 994 386</b>	398 264
<b>Current assets</b>			
Inventories	7	<b>492 787</b>	189 043
Trade and other receivables	8	<b>2 191 552</b>	2 313 046
Cash and cash equivalents	9	<b>28 307 531</b>	29 954 036
<b>Total assets</b>		<b>35 986 256</b>	32 854 389
<b>Equity and liabilities</b>			
<b>Reserves</b>			
Retained earnings		<b>7 132 242</b>	6 042 237
<b>Non-current liabilities</b>			
Loan payable	10	<b>4 500 000</b>	–
<b>Current liabilities</b>			
Income received in advance	11	<b>21 046 463</b>	22 509 216
Trade and other payables	12	<b>3 307 551</b>	4 302 936
<b>Total equity and liabilities</b>		<b>35 986 256</b>	32 854 389



# BirdLife South Africa

## Statement of changes in equity

for the year ended 31 December 2022

	<b>Retained earnings R</b>	<b>Clancey bequest* R</b>	<b>Total R</b>
<b>Balance at 31 December 2020</b>	5 946 628	300 000	6 246 628
<i>Total comprehensive loss for the year</i> Loss for the year	<u>(204 391)</u>	<u>–</u>	<u>(204 391)</u>
<b>Balance at 31 December 2021</b>	5 742 237	300 000	6 042 237
<i>Total comprehensive income for the year</i> Income for the year	<u><b>1 090 005</b></u>	<u>–</u>	<u><b>1 090 005</b></u>
<b>Balance at 31 December 2022</b>	<u><b>6 832 242</b></u>	<u><b>300 000</b></u>	<u><b>7 132 242</b></u>

\* Interest earned on capital was fully allocated to the Ostrich publication. This interest was fully utilised in financing the publication's expenses, hence the net movement for the year being disclosed as Rnil. Ostrich revenue and expenditure were included in Publications in the statement of comprehensive income.

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# BirdLife South Africa

## Statement of cash flows

for the year ended 31 December 2022

	<i>Note</i>	<b>2022</b> <b>R</b>	2021 <b>R</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	13	2 891 947	55 190
Cash donations to related parties	14.4	(5 553 680)	(336 757)
Interest received		1 574 484	940 591
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(1 087 249)</b>	659 024
<b>Cash flows from investing activities</b>			
Purchase of property, vehicles, furniture and equipment		(5 059 256)	(448 160)
Proceeds on disposal of furniture and equipment		–	13 938
<b>Net cash outflow from investing activities</b>		<b>(5 059 256)</b>	(434 222)
<b>Cash inflows from financing activities</b>			
Loan acquired		4 500 000	–
<b>Net (decrease)/increase in cash and cash equivalents for the year</b>		<b>(1 646 505)</b>	224 802
Cash and cash equivalents at beginning of the year		29 954 036	29 729 234
<b>Cash and cash equivalents at end of the year</b>		<b>28 307 531</b>	29 954 036

✓

# BirdLife South Africa

## Notes to the financial statements

for the year ended 31 December 2022

### 1. Accounting policies

#### Basis of preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The financial statements were approved by the Board of Directors on 18 May 2023.

#### Basis of measurement and presentation

The financial statements are presented in Rands, which is the entity's functional currency. They are prepared on the historical cost basis except for certain financial instruments recognised at fair value.

#### 1.1 Property, vehicles, furniture and equipment

Property, vehicles, furniture and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on the straight-line basis over the estimated useful lives of assets. Depreciation is not provided on land.

Depreciation is calculated to write-off the cost of items of buildings, vehicles, furniture and equipment less their residual values using the straight-line method over their estimated useful lives and is recognised in profit or loss.

The estimated useful lives are as follows –

Buildings	50 years
Furniture and equipment	3 – 10 years
Motor vehicles	4 – 5 years

The residual values, useful lives and depreciation method are reassessed annually.

Subsequent expenditure relating to property, vehicles, furniture and equipment is capitalised when it is probable that the use of assets will result in future economic benefits and the costs can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Gains and losses on derecognition of an item of property, vehicles, furniture and equipment are determined by the entity's proceeds from disposal, if applicable, with the carrying amount of the item and are recognised directly in profit or loss.

#### 1.2 Financial instruments

BirdLife South Africa classifies non-derivative financial assets into the following category:

- loans and receivables



# BirdLife South Africa

## Notes to the financial statements

for the year ended 31 December 2022 (continued)

### 1. Accounting policies (continued)

#### 1.2 Financial instruments (continued)

##### *Non-derivative financial assets and financial liabilities – recognition and derecognition*

BirdLife South Africa initially recognises loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

BirdLife South Africa derecognises 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, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the organisation is recognised as a separate asset or liability.

The organisation derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

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

##### *Non-derivative financial assets – measurement*

Loans and receivables

Loans and receivables include trade and other receivables and cash and cash equivalents.

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method less any impairment losses.

The carrying value of non-derivative financial assets are as follows:

	<i>Note</i>	<b>2022</b> <b>R</b>	2021 R
Trade and other receivables	8	<b>2 191 552</b>	2 313 046
Cash and cash equivalents	9	<b>28 307 531</b>	29 954 036

#### 1.3 Inventory

Inventory is carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Obsolete, redundant and slow-moving inventory are identified and written down to their estimated net realisable values.

#### 1.4 Impairment

##### *Non-financial assets*

The carrying amounts of the organisation's assets are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether there is any indication of impairment. If an impairment indicator exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of its fair value less costs to sell and its value in use.

# BirdLife South Africa

## Notes to the financial statements

for the year ended 31 December 2022 (continued)

### 1. Accounting policies (continued)

#### 1.4 Impairment (continued)

##### *Non-financial assets (continued)*

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-taxation discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The impairment loss recognised in profit or loss is the excess of the carrying amount over the recoverable amount.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years.

##### *Non-derivative financial assets*

Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to BirdLife South Africa on terms that BirdLife South Africa would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

##### *Financial assets measured at amortised cost*

BirdLife South Africa considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for an impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, BirdLife South Africa uses historical information on the timing of recoveries and the amount of loss incurred and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When BirdLife South Africa considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written-off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.



# BirdLife South Africa

## Notes to the financial statements

for the year ended 31 December 2022 (continued)

### 1. Accounting policies (continued)

#### 1.5 Employee benefits

##### *Short term employee benefits*

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

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

##### *Retirement benefits*

The organisation does not provide pension or other retirement benefits to its employees.

#### 1.6 Revenue

Revenue comprises the aggregate of subscriptions and income received in respect of membership, publications, donor funding, fundraising and promotions and project funding, excluding VAT.

Revenue is measured at the fair value of the consideration received or receivable.

Receipts in respect of ordinary membership and publication subscriptions are recognised over the subscription period applicable from the date of receipt. Once off receipts of corporate membership subscriptions are recognised upon receipt.

##### *Funding related to income*

Donor funding received in respect of fully funded projects is accounted for to the extent that expenditure is incurred. Donor funding for self-funding projects and administration is accounted for when received. Unspent project funding is accounted for and included in deferred revenue.

The organisation recognises funding related to an item of Property, vehicles, furniture and equipment when the funding is receivable. Funding is initially recognised as deferred revenue at fair value and recognised in profit and loss as revenue on a systematic basis over the useful life of the asset.

##### *Funding related to assets*

Revenue from fundraising and promotion activities is recognised when the events take place and receipt is assured.

Grant funding that is specifically utilised to acquire assets is deducted from the carrying amount of the assets concerned. This is termed 'deferred revenue relating to Property, vehicles, furniture and equipment (PPE)' in the notes.

#### 1.7 Investment and dividend income

Interest is recognised using the effective rate method.



# BirdLife South Africa

## Notes to the financial statements

for the year ended 31 December 2022 (continued)

### 1. Accounting policies (continued)

#### 1.8 Bequests

Income attributed to the Clancey bequest (interest derived from capital amount) each year is allocated in full towards the costs of producing the *Ostrich* scientific journal.

#### 1.9 Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Gains and losses arising on translation are credited to or charged against income.

No gains or losses on foreign exchange differences were recognised during the year of assessment or the prior year. For all income received in foreign currencies, the transaction date corresponded with date of receipt.

#### 1.10 Donated assets

The organisation accounts for donated property at a nominal amount.

### 2. Determination of fair values

BirdLife South Africa's accounting policies and disclosures require the determination of fair value for financial assets and liabilities. Fair values have been determined for measurement and/or 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 these assets or liabilities.

#### 2.1 Trade and other receivables

The fair value of trade and other receivables approximates carrying value.

#### 2.2 Non-derivative financial liabilities

The fair value approximates carrying value.

#### 2.3 Cash and cash equivalents

The carrying value of cash and cash equivalents is the fair value thereof.

### 3. Investment income

Interest income on cash and cash equivalents

2022	2021
R	R

1 574 484	940 591
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# BirdLife South Africa

## Notes to the financial statements

for the year ended 31 December 2022 (continued)

	2022 R	2021 R
<b>4. Net income/(loss) for the year</b>		
Net income/(loss) for the year is arrived at after taking into account the following expenses:		
Auditor's remuneration		
– audit services	55 170	55 423
Depreciation	381 081	364 658
– motor vehicles	152 020	130 408
– furniture and equipment	229 061	234 250
Operating lease of Isdell House (note 14.4)	1 200	1 200
Donations to related parties (note 14.4)	5 553 680	336 757
Staff costs	19 416 201	16 872 968
– prescribed officers' emoluments (note 14.8)	3 922 035	3 666 230
– other staff costs	15 494 166	13 206 738
Number of permanent employee positions	39	36
Number employed	39	36

## 5. Taxation

BirdLife South Africa is registered as a Public Benefit Organisation and is exempt from income tax in terms of Section 10(1)(cN) of the Income Tax Act.

## 6. Property, vehicles, furniture and equipment

	Cost R	Accumulated depreciation R	Deferred revenue relating to PPE R	Carrying amount R
<b>2022</b>				
Land and buildings	4 561 431	–	–	4 561 431
Furniture and equipment	2 336 397	(1 632 821)	(270 621)	432 955
Motor vehicles	2 264 977	(1 959 594)	(305 383)	–
	<b>9 162 805</b>	<b>(3 592 415)</b>	<b>(576 004)</b>	<b>4 994 386</b>
<b>2021</b>				
Land and buildings	1	–	–	1
Furniture and equipment	2 197 049	(1 511 934)	(286 852)	398 263
Motor vehicles	2 073 883	(1 866 785)	(207 098)	–
	<b>4 270 933</b>	<b>(3 378 719)</b>	<b>(493 950)</b>	<b>398 264</b>

Deferred revenue relating to PPE relates to grant funds used to purchase assets. This unwinds over the useful life of the asset.



# BirdLife South Africa

## Notes to the financial statements

for the year ended 31 December 2022 (continued)

### 6. Property, vehicles, furniture and equipment (continued)

Deferred revenue relating to PPE balances per project:

2022	Furniture and equipment R	Motor vehicles R	Total R
Head of Conservation	5 918	–	5 918
Landscape Conservation Programme	25 989	–	25 989
Raptors and Large Terrestrial Birds Project	6 569	65 049	71 618
Vultures Project	11 568	–	11 568
White-winged Flufftail Project	4 078	–	4 078
Ingula Project	3 405	47 391	50 796
Western Cape Estuaries Project	12 585	–	12 585
Seabird Conservation Programme	6 854	–	6 854
Coastal Seabird Project	1 426	–	1 426
Penguins Project	1 426	–	1 426
Albatross Task Force	11 659	–	11 659
Seabird Indicator Project	69 916	–	69 916
Empowering People Programme	10 502	192 943	203 445
Avitourism Project	52 919	–	52 919
Regional Conservation Programme	9 333	–	9 333
Science and Innovation Programme	11 980	–	11 980
Data and Spatial Planning Project	6 955	–	6 955
Policy and Advocacy Programme	16 304	–	16 304
Wakkerstroom Operations	1 235	–	1 235
	<b>270 621</b>	<b>305 383</b>	<b>576 004</b>
2021			
Head of Conservation	13 222	–	13 222
Landscape Conservation Programme	23 379	–	23 379
Raptors and Large Terrestrial Birds Project	10 750	136 011	146 761
Vultures Project	17 387	–	17 387
White-winged Flufftail Project	11 538	–	11 538
Ingula Project	7 169	71 087	78 256
Western Cape Estuaries Project	19 991	–	19 991
Seabird Conservation Programme	17 502	–	17 502
Coastal Seabird Project	4 347	–	4 347
Penguins Project	4 347	–	4 347
Albatross Task Force	7 257	–	7 257
Avitourism Project	77 950	–	77 950
Regional Conservation Programme	3 442	–	3 442
Science and Innovation Programme	24 676	–	24 676
Data and Spatial Planning Project	10 774	–	10 774
Policy and Advocacy Programme	25 685	–	25 685
Wakkerstroom Operations	7 436	–	7 436
	<b>286 852</b>	<b>207 098</b>	<b>493 950</b>

# BirdLife South Africa

## Notes to the financial statements

for the year ended 31 December 2022 (continued)

### 6. Property, vehicles, furniture and equipment (continued)

	Land and buildings R	Furniture and equipment R	Motor vehicles R	Total R
<b>2022</b>				
Carrying amount at beginning of year	1	398 263	–	398 264
Additions	4 561 430	247 522	250 304	5 059 256
Movement in project funded assets	–	16 231	(98 284)	(82 053)
Depreciation	–	(229 061)	(152 020)	(381 081)
Carrying amount at end of year	<b>4 561 431</b>	<b>432 955</b>	<b>–</b>	<b>4 994 386</b>
<b>2021</b>				
Carrying amount at beginning of year	1	348 863	–	348 864
Additions	–	353 377	94 783	448 160
Movement in project funded assets	–	(54 915)	35 625	(19 290)
Carrying amount of disposals	–	(14 812)	–	(14 812)
Depreciation	–	(234 250)	(130 408)	(364 658)
Carrying amount at end of year	1	398 263	–	398 264

Included in furniture and equipment is BirdLife South Africa's artwork and the library housed at the FitzPatrick Institute of African Ornithology at the University of Cape Town.

Land and buildings comprise:

- Portion 87 of the Farm Townlands of Marthinus Wesselstroom No 121, Registration division H.T., Province of Mpumalanga. This property was donated to BirdLife South Africa in 2013. The value of the property at the time of the donation was R980 000. The property is held on condition that it is used for ongoing biodiversity conservation activities and pursuit of BirdLife South Africa's conservation activities in the region. BirdLife South Africa elected to recognise the property at a nominal value of R1.

- Erf 56911, located at 257 Main Road, Claremont, Cape Town. This property was acquired for R4 561 430 in 2022 through a loan received from the BirdLife National Trust. The premises will be renovated in early 2023, with occupation planned for May 2023. The property will serve as offices for Cape Town-based staff.

	2022 R	2021 R
<b>7. Inventory</b>		
Merchandise held-for-sale	<b>492 787</b>	189 043

No inventories were recognised as expenses, no impairment losses were recognised on inventories, and no inventories were pledged as security for liabilities during the year.

# BirdLife South Africa

## Notes to the financial statements

for the year ended 31 December 2022 (continued)

	2022 R	2021 R
<b>8. Trade and other receivables</b>		
Trade receivables	846 300	166 591
Other receivables and prepayments	1 345 252	2 146 455
– due from related parties (note 14.1)	302 134	300 000
– prepaid expenses	378 240	1 784 046
– VAT and PAYE	637 071	–
– other	27 807	62 409
	<b>2 191 552</b>	<b>2 313 046</b>

### Impairment losses

The aging of trade receivables at the reporting date was:

	Gross 2022 R	Impairment 2022 R	Gross 2021 R	Impairment 2021 R
Not past due (within 90 days)	846 300	–	121 436	–
More than 90 days	–	–	45 155	–
Total	<b>846 300</b>	<b>–</b>	<b>166 591</b>	<b>–</b>

Management assessed that no impairment was needed in 2022.

	2022 R	2021 R
<b>9. Cash and cash equivalents</b>		
Cash and cash equivalents comprise:		
Investec Bank – money market	8 481 658	8 077 660
Nedbank – money market	5 201 697	4 938 189
First National Bank – money market	11 957 616	16 090 843
– current accounts	2 607 509	807 160
Petty cash accounts – project specific accounts	59 051	40 184
	<b>28 307 531</b>	<b>29 954 036</b>

Cash and cash equivalents include cash held in respect of the income received in advance as detailed in note 11.

### 10. Loan payable

Loan payable to related parties (note 14.1)	4 500 000	–
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A loan of R4 500 000 was obtained from the BirdLife National Trust to finance the purchase of a property in Claremont, Cape Town. Refer to note 6 for more information.

# BirdLife South Africa

## Notes to the financial statements

for the year ended 31 December 2022 (continued)

	2022 R	2021 R
<b>11. Income received in advance</b>		
Deferred project revenue	20 355 533	21 863 632
Revenue received in advance	<u>690 930</u>	<u>645 584</u>
	<b>21 046 463</b>	<b>22 509 216</b>
<b>12. Trade and other payables</b>		
<i>Financial liabilities</i>		
Trade payables	353 644	463 811
Other payables	1 781 331	2 878 728
– due to related parties (note 14.1)	<u>1 308 999</u>	<u>937 864</u>
– other	<u>472 332</u>	<u>1 940 864</u>
Payroll accruals	<u>1 172 576</u>	<u>960 397</u>
	<b>3 307 551</b>	<b>4 302 936</b>
<b>13. Notes to the statement of cash flows</b>		
Cash generated from operations		
Net income/(loss) for the year	1 090 005	(204 391)
Adjustments for:		
Depreciation	381 081	364 658
Interest received	(1 574 484)	(940 591)
Loss/(surplus) on disposal of assets	–	874
Donations to related parties (note 14.4)	<u>5 553 680</u>	<u>336 757</u>
Operating profit/(loss) before working capital changes	5 450 282	(442 693)
Decrease/(increase) in trade and other receivables	121 494	(692 671)
(Increase)/decrease in inventory	(303 745)	32 961
(Decrease)/increase in trade and other payables and income received in advance	<u>(2 458 138)</u>	<u>1 138 303</u>
Increase in deferred revenue relating to PPE	<u>82 054</u>	<u>19 290</u>
Cash generated from operations	<b>2 891 947</b>	<b>55 190</b>
<b>14. Related parties</b>		
14.1 Transactions and balances with related parties		
	2022 R	2021 R
Payment of fees to BirdLife International – membership fees	<u>18 942</u>	<u>19 531</u>
Receipt of funding from:		
Royal Society for the Protection of Birds		
– projects	2 478 078	1 918 713
BirdLife International, partners and affiliates		
– administration	258 182	–
– projects	<u>663 688</u>	<u>241 740</u>

# BirdLife South Africa

## Notes to the financial statements

for the year ended 31 December 2022 (continued)

### 14. Related parties (continued)

#### 14.1 Transactions and balances with related parties (continued)

	<i>Note</i>	<b>2022</b> <b>R</b>	2021 <b>R</b>
Amounts due from – Mouse-Free Marion Non-Profit Company		<b>300 000</b>	300 000
– BirdLife National Trust		<b>2 134</b>	–
	<b>8</b>	<b>302 134</b>	<b>300 000</b>
Amounts owing to – Bird clubs		<b>36 180</b>	27 045
Amounts owing to – Mouse-Free Marion Non-Profit Company		<b>1 272 819</b>	910 819
	<b>12</b>	<b>1 308 999</b>	<b>937 854</b>
Amounts owing to – BirdLife National Trust	<b>10</b>	<b>4 500 000</b>	–

These amounts are unsecured and interest free. Settlement is expected in the next 12 months, except for the R4 500 000 which will be settled after more than 12 months.

14.2 BirdLife South Africa is a partner of BirdLife International, an umbrella body which, together with partners and affiliates worldwide, strives to conserve birds, their habitats and global biodiversity. BirdLife South Africa participates in the development and adoption of BirdLife strategies, policies and programmes. During the year under review the following transactions took place involving related parties.

14.3 On 31 December 2022 there were 39 (2021 – 41) bird clubs which have agreed to be affiliated to BirdLife South Africa. During the year R19 672 (2021 – R16 456) was received in affiliation fees. Each club has a separate constitution and is an independent legal entity having similar objectives as BirdLife South Africa. BirdLife South Africa accounts for certain club member subscriptions, paying such subscriptions to the club upon receipt thereof. On 31 December 2022 amounts payable to clubs in respect of membership fees collected on their behalf amounted to R36 180 (2021 – R27 045). BirdLife South Africa has no further financial responsibilities to clubs.

A number of bird clubs have contributed towards the funding of BirdLife South Africa during the year.

14.4 The BirdLife National Trust (BLNT) receives donations and bequests independent of BirdLife South Africa and, in so doing, is able to financially assist BirdLife South Africa should the need arise. Non-current liabilities include the loan of R4 500 000 (2021 – Rnil) due to the Trust.

BirdLife South Africa leases Isdell House from the BLNT for a nominal amount of R100 per month or R1 200 per annum (note 4). The operating lease came into effect on 1 August 2015, for an initial lease term of 10 years. The lease can be renewed for a further period of 10 years, subject to the written consent of the BLNT. The total of future lease payments under the operating lease until the initial termination date are as follows:

	<b>2022</b> <b>R</b>	2021 <b>R</b>
No later than one year	<b>1 200</b>	1 200
Later than one year and not later than 5 years	<b>1 900</b>	3 100

In lieu of a market-related rental, BirdLife South Africa pays rates and taxes, insurance, water, electricity, security, routine maintenance, and other similar service charges. These costs amounted to R447 357 in the current year (2021 – R369 751).

# BirdLife South Africa

## Notes to the financial statements

for the year ended 31 December 2022 (continued)

### 14. Related parties (continued)

#### 14.4 Continued

Any bequests and donations received towards long-term sustainability, and not deemed to be required for operational expenditure in the year following these bequests and donations, are donated to the BLNT. These costs amounted to R0 (2021 – R336 757). In 2022, a R5 553 680 (note 4) bequest was received, specifically earmarked for conservation projects. These funds were donated to the BirdLife National Trust and invested in a ring-fenced Conservation Fund.

The trustees of the BLNT are as follows –

#### *Independent of BirdLife South Africa:*

David Lawrence (Chairman of the Board of Trustees)

Michael Spicer (Passed away 9 March 2022)

Humphrey Borkum

Roger Wanless

Nicky Newton-King (Appointed 27 June 2022)

#### *Not independent of BirdLife South Africa:*

Philip Calinikos (Chairman of BirdLife South Africa)

Manuela Krog (Honorary Treasurer of BirdLife South Africa)

#### 14.5 BirdLife South Africa is one of more than 115 BirdLife International Partners.

BirdLife South Africa also participates in regional activities through the BirdLife Africa Partnership and has regular contact with the BirdLife Africa Secretariat in Nairobi.

#### 14.6 BirdLife South Africa participates in the management of the Middelpunt Wetland Trust which is involved in the conservation, rehabilitation and protection of wetlands as well as the conservation of the critically endangered White-winged Flufftail.

#### 14.7 BirdLife South Africa is involved in the management and is responsible for the financial administration of the Mouse-Free Marion Non-Profit Company (MFM NPC). The BirdLife South Africa CEO, Chairman and Honorary Treasurer also serve on the board of the company. The company was established in 2021 with the sole objective of implementing an island restoration project on Marion Island. The project will involve the eradication of introduced house mice from the island, which are preying on the chicks of threatened seabirds annually. On 31 December 2022 the MFM NPC owed BirdLife South Africa R300 000 in administration fees. On the same date, BirdLife South Africa owed the MFM NPC R1 272 819 relating to donations received towards the mouse eradication project but paid by donors to BirdLife South Africa.

	2022	2021
	R	R
14.8 Key management personnel compensation (note 4)	3 922 035	3 666 230

### 15. Going concern

The Board of Directors assessed the ability of BirdLife South Africa to continue as a going concern and has no reason to believe the organisation will not be a going concern in the year ahead.

### 16. Events after the reporting period

The Board of Directors is not aware of any subsequent events that require disclosure in, or adjustments to, the financial statements.

# BirdLife South Africa

## Sponsors and supporters 2022

## Annexure A

### Sponsors and supporters

BirdLife South Africa is very grateful to the many people, organisations and companies which support its work. These include the bird clubs and volunteers who serve on the Board of Directors and Audit & Risk, Animal Research Ethics, Flock, Fundraising, Kruger Challenge, List, Marketing, Nominations, and Rarities committees. Many BirdLife South Africa members also serve on bird club committees and the regional fora. We are also grateful to the volunteers who assist at BirdLife South Africa's head office and Wakkerstroom Tourism and Education Centre.

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