

BirdLife South Africa

(Reg. No. 001-298NPO)

Financial Statements

for the year ended 31 December 2023

Audited

BirdLife South Africa

Financial Statements

for the year ended 31 December 2023

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Philip Calinikos 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 2023 set out on pages 2 to 34 were approved by the Board of Directors on 16 May 2024 and are signed on its behalf by –



YP Pennington – Chairperson



MD Anderson – Chief Executive Officer



P Calinikos – Honorary Treasurer

BirdLife South Africa

Board of Directors' Report

for the year ended 31 December 2023

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 2023 amounting to R2 377 347 (2022 – R955 705).

- 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:

	2023	2022
	R	R
Golden Bird Patron initiative	2 956 899	2 570 000
Other donations, grants and sundry income	2 289 749	412 495
	5 246 648	2 982 495

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 2023 (continued)

Financial objectives and operating results (continued)

Operating results (continued)

- When compared to 2022, total revenue from operating activities increased by 18.9% from R41 339 742 to R49 139 819 (2022 – increased by 29.2%). At the same time, gross expenditure for the year increased by 15.8% from R40 384 037 to R46 762 472 (2022 – increased by 26.5%) for the year under review. The increases in the abovementioned revenue and expenditure are due to an increase in Conservation Division activities during 2023. 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 13.1% from R4 730 243 to R5 349 224 (2022 – increased by 7.5%). The increase is due to the impact of inflation, the appointment of several staff members in new positions in the Business Division, and the additional operating costs associated with the new Cape Town office. Net administration expenditure, when expressed as a percentage of total revenue, amounted to 10.9% (2022 – 11.4%).

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

The Owl Awards

The inaugural Photography Competition

Bird of the Year

The African Bird Fair

Flock to Wilderness, which included the Annual General Meeting and Learn about Birds conference

Birding Big Day

The Events Programme achieved a net income of R295 205 (2022 – R2 126 221) for the year under review. The decrease from the prior year is due to income from the profitable *Flock to Marion* being recognised in 2022.

- Membership subscription income and member numbers comprise the following –

	2023		2022	
	Number	R	Number	R
Ordinary	2 831	532 975	2 949	515 732
Corporate	10	226 087	13	169 565
Conservation League Donations	–	702 640	–	790 884
Related activities and recoveries	–	451 296	–	314 129
	2 841	1 912 998	2 962	1 790 310

- A Philanthropy Officer was appointed in 2023 to assist the Chief Executive Officer with unrestricted fundraising for the Business Division activities.
- The Communications Programme, established in 2022, has significantly increased our social media footprint and brand awareness in a relatively short period.
- Publications include the *African Birdlife* magazine, the annual BirdLife South Africa calendar, and the *Ostrich* journal. Unfortunately, continued challenges experienced with magazine deliveries have resulted in a slight decrease in subscriptions, which, along with increasing production costs, resulted in a net loss from publications. An increase in calendar sales, bulk subscriptions and advertising revenue resulted in an improvement since the prior year, with a net loss from publications of R206 969 (2022 – R328 315).

BirdLife South Africa

Board of Directors' Report

for the year ended 31 December 2023 (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 decreased significantly from R393 166 in 2022 to R71 549 in 2023. This was due to generous once-off donations as well as improved occupancy rates at the Centre.
- It is pleasing to note that the activities of the Conservation Division increased in 2023. This is reflected in the operating expenses of the division which increased by 33.2% from R24 912 347 in 2022 to R33 191 388 in 2023 (2022 – increased by 16.2%). The Conservation Division's expansion included the addition of a Species Conservation Programme to focus on threatened terrestrial bird species. This work was previously incorporated into the Landscape Conservation Programme. Funding was adequate to cover all these expenses.

Other non-operating income/expenses

Bequests and donations received for the organisation's long-term sustainability totalled R1 914 861 (2022 – R134 300). The full R1 914 861 (2022 – Rnil) was donated to the BirdLife National Trust for long-term investing. In the prior year, a bequest of R5 553 680 was specifically earmarked for conservation projects. BirdLife South Africa donated this bequest to the BirdLife National Trust in 2022, to be invested in a ring-fenced Conservation Fund.

Net income for the year

The net income for the year, including income from operations and other non-operating income/expenses, amounted to R2 377 347 (2022 – net income of R1 090 005).

Donors

The names of these 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 and Chief Financial Officer
 - iii. A maximum of four Members' Directors
 - iv. A maximum of six co-opted members with particular expertise in several 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 quarter.

BirdLife South Africa

Board of Directors' Report

for the year ended 31 December 2023 (continued)

Events after the reporting period

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

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.

Governance

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

Yvonne Pennington	Chairperson (appointed 27 May 2023, previously Members' Director)
Mark D. Anderson	Chief Executive Officer
Philip Calinikos	Honorary Treasurer (appointed 27 May 2023, previously Chairperson)
Fanie du Plessis	Chief Financial Officer
Ismail Bhorat	Co-opted
David Chamberlain	Co-opted
Nicholus Funda	Co-opted
Linda Hart	Co-opted
Vernon Head	Co-opted
Galeboe Modisapodi	Co-opted
Louise Coetzee	Members' Director
Matthew Biden	Members' Director
Nicolette Forbes	Members' Director

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 Chairperson.

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.

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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 2023*

Review by Board of Directors

Mandate

A critical aspect of the governance structure of the organisation is contained in clause 10 of our Constitution which 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. This review shall result in a report prepared by the Chairperson of the Board, reviewed by the Audit and Risk Committee for its members' comment and input, and finally included in the organisation's annual report 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 namely:

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

In addition, the King IV supplement dealing specifically with Non-Profit Organisations 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

The first of the governance roles that the Board needs to fulfil is that of strategy setting and directing the core purpose of the organisation. Two strategy discussion meetings were held either virtually or at Isdell House at six-month intervals and were attended by most of the Board members. The first strategy session focussed on membership, which has been dropping, and categories of donorship. The second strategy session focussed entirely on the progress of the Mouse-Free Marion Project and its fundraising.

BirdLife South Africa

Annual review of the performance and effectiveness of BirdLife South Africa *for the year ended 31 December 2023 (continued)*

Review by Board of Directors (continued)

Organisational review (continued)

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

BirdLife South Africa prepares targets at the beginning of each year which are included in a detailed Strategic Framework document. This is coordinated by the two division managers, and the CEO reviews the contributions and collates them into the final document. BirdLife South Africa's annual targets are closely aligned with BirdLife International's strategy which we are obligated to implement in our country. As one of more than 120 BirdLife Partners, BirdLife South Africa is recognised for making one of the largest and most important contributions to the global strategy and hence to the conservation of Africa's and the world's birds.

The strategic goals of the organisation, as encapsulated in the 2023 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 conservation divisions. It also contains key performance indicators which provide an aggregated view of the performance of the organisation across key functional areas.

For the operational (business) part of the organisation, the results for the 2023 year were as follows:

- Eighteen targets fully achieved.
- Four targets which by their nature will always be ongoing and therefore partly achieved.
- 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. We continue through our communication and marketing strategies to seek improvements in these areas 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 2023 (continued)*

Review by Board of Directors (continued)

Board self-assessment

The Nominations Committee of the Board is mandated to oversee this assessment process. Again this year, Board members individually and independently completed an evaluation survey of various aspects of the Board's performance. The process was overseen by the independent Chairman of the Nominations Committee, Mr Imran Vanker.

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, as well as its work methods. He was pleased to note that the results reflect that there were many areas of good practice identified while 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.



Yvonne Pennington

Chairperson

6 May 2024

BirdLife South Africa

Annual review of the performance and effectiveness of BirdLife South Africa *for the year ended 31 December 2023 (continued)*

Review of BirdLife South Africa's conservation work

This review is informed by questions put to the BirdLife South Africa conservation team. Due to space constraints, only selected aspects come into focus here.

The conservation achievements during 2023, both strategic and material, sparkle with gems. The Mouse-Free Marion Project, one of the world's most ambitious and important conservation efforts, continues to gather momentum, support and global attention. Funding was secured for all Conservation Division positions in 2024. A Conservation Advisory Committee was established with two meetings held. BirdLife South Africa is substantially contributing to the Department of Forestry, Fisheries and the Environment's commitment to the 30x30 Global Biodiversity Framework Target 3 to conserve 30% of South Africa's ecosystems by 2030. This initiative presents an unparalleled opportunity to expand the extent of areas receiving effective conservation, e.g. through stewardship programmes, as the country scrambles to meet this obligation. Many of the Conservation Division's activities reflect progress in this direction, from Western Cape estuaries to Zululand game reserves.

The increase in the number of breeding pairs of African Penguins at De Hoop, although modest, is a much-needed source of hope for this highly imperilled icon. BirdLife South Africa continues to forge a leading role relevant to the dangers of lead ammunition to vultures, other wildlife and humans. The designation of Middelpunt Nature Reserve, the breeding site of the White-winged Flufftail, as a Ramsar site was a landmark achievement. Progress with the Ntsikeni Nature Reserve Community Project shows great promise for this jewel of an upland wetland and the local communities that surround it. The production of a Mitigation Hierarchy Guideline for environmental impact assessment was another ground-breaking contribution. This entrenches BirdLife South Africa's prominent role in this arena, as further evidenced by the world-class work of the indefatigable Birds and Renewable Energy team. Initiation of work on a wind-energy sensitivity map for the eastern Free State is a wise proactive step. The organisation's leadership role at a regional scale continues, with networking activities involving partners from throughout the continent.

In terms of innovations, BirdLife South Africa was a central player in a pioneering, multi-stakeholder (including international partners) and high-tech BioSoundSCapes Project, which incorporated an advanced acoustic monitoring component. The future of bird-conservation field surveys clearly lies in these remote-sensing technologies. Hookpod trials have been initiated aimed at reducing seabird bycatch and electronic tools are being further developed for effective monitoring of such bycatch. Further refinements have been implemented to automated penguin monitoring systems at key colonies.

Staff retention is an ongoing challenge stemming from factors such as more attractive remuneration in the private and government sectors, and funding uncertainties undermining job security. Fortunately, this problem is at least partly ameliorated by the ongoing successful recruitment of highly skilled and motivated replacements. The incapacity of government to meet its conservation obligations, placing ever more pressure on the under-resourced NGO sector, is an ongoing disappointment.

BirdLife South Africa

Annual review of the performance and effectiveness of BirdLife South Africa for the year ended 31 December 2023 (continued)

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

A prime example is the ineffective no-take zones relevant to the African Penguin, which has forced BirdLife South Africa (and partners) into litigation in this regard. It is gratifying though that the South African National Biodiversity Institute (SANBI) currently funds three positions directly linked to BirdLife South Africa. Particularly worrying is that 'championing' key citizen-science projects (SABAP2, CWAC and CAR) is becoming 'harder and harder', especially in the light of the critical national importance of these initiatives as front-line avian monitoring tools and the contribution they make to Red Listing efforts. Birding Big Day and focused atlas bashes indicate paths to partial solutions in this regard. The sheer weight of species and habitats coming under ever-escalating threat, without either sufficient conservation resources or scientific knowledge to match these trials is alarming. An example is Botha's Lark which seems to be sliding to extinction with little current understanding as to either how rapidly or why. Commendably this species is targeted for particular attention in the immediate future. The grasslands of the Eastern Cape Province have been identified as an overlooked area of significant avian habitat loss.

The Conservation Division is congratulated on another annual chapter of progress and success. These hard-won gains can be attributed to the outstanding calibre of the Division's management and staff, as well as to BirdLife South Africa's wise upper-management echelons and sound strategic frameworks. The conservation challenges can only escalate in a world increasingly ravished by habitat holocaust, devastating climate-change bombshells and increasing geopolitical strife. But BirdLife South Africa shines ever brighter as a beacon to a better world.



David Allan
Retired Curator of Birds, Durban Natural Science Museum
12 April 2024

Audit & Risk Committee annual review, financial year end 31 December 2023

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 2023 reporting period, prepared by the Chairperson 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.

BirdLife South Africa

Annual review of the performance and effectiveness of BirdLife South Africa for the year ended 31 December 2023 (continued)

Audit & Risk Committee annual review, financial year end 31 December 2023 (continued)

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.

A handwritten signature in black ink, appearing to read 'A. Mitchell'.

Andrew Mitchell
Chairman, Audit & Risk Committee
6 May 2024



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Independent Auditor's Report

To the members of BirdLife South Africa

Report on the audit of the financial statements

Opinion

We have audited the financial statements of BirdLife South Africa (the Organization) set out on pages 15 to 31, which comprise the statement of financial position as at 31 December 2023, 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/material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of BirdLife South Africa as at 31 December 2023, 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 and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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 2023", 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 the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Organisation 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 skepticism 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 Organisation 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 Organisation 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.

DocuSigned by:
KPMG Inc
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Per DD Thompson
Chartered Accountant (SA)
Registered Auditor
Associate Director
17 May 2024

BirdLife South Africa

Statement of comprehensive income

for the year ended 31 December 2023

Business Division	2023			2022		
	Revenue R	Expenditure R	Net income/(loss) R	Revenue R	Expenditure R	Net income/(loss) R
Donor funding	5 246 648	–	5 246 648	2 982 495	–	2 982 495
Investment income (note 3)	2 595 663	–	2 595 663	1 574 484	–	1 574 484
Administration expenditure	–	5 349 224	(5 349 224)	–	4 730 243	(4 730 243)
<i>Core operational results</i>	7 842 311	5 349 224	2 493 087	4 556 979	4 730 243	(173 264)
Events	1 284 507	989 302	295 205	5 905 029	3 778 808	2 126 221
Membership	1 912 998	1 154 370	758 628	1 790 310	1 186 441	603 869
Fundraising expenditure	–	151 499	(151 499)	–	–	–
Communications	145 042	905 575	(760 533)	–	847 999	(847 999)
Publications	3 225 456	3 432 425	(206 969)	3 313 665	3 641 980	(328 315)
Shop for the Birds!	753 212	732 235	20 977	461 565	493 206	(31 641)
Wakkerstroom operations	784 905	856 454	(71 549)	399 847	793 013	(393 166)
	15 948 431	13 571 084	2 377 347	16 427 395	15 471 690	955 705
Conservation Division	33 191 388	33 191 388	–	24 912 347	24 912 347	–
Head of Conservation	1 963 696	1 963 696	–	1 678 555	1 678 555	–
Landscape Conservation	8 954 203	8 954 203	–	7 574 333	7 574 333	–
Species Conservation	2 540 166	2 540 166	–	–	–	–
Seabird Conservation	6 127 429	6 127 429	–	6 304 246	6 304 246	–
Empowering People	4 001 764	4 001 764	–	3 334 309	3 334 309	–
Regional Conservation	3 635 063	3 635 063	–	2 465 475	2 465 475	–
Science and Innovation	3 087 611	3 087 611	–	2 030 894	2 030 894	–
Policy and Advocacy	2 881 456	2 881 456	–	1 524 535	1 524 535	–
Gross income/expenditure	49 139 819	46 762 472		41 339 742	40 384 037	
Net income from operations			2 377 347			955 705
Other non-operating income/(expenses)						
Bequests and donations for long-term sustainability			1 914 861			5 687 980
Donations to BirdLife National Trust			(1 914 861)			(5 553 680)
Net income for the year (note 4)			2 377 347			1 090 005

BirdLife South Africa

Statement of financial position

at 31 December 2023

	<i>Note</i>	2023 R	2022 R
Assets			
Non-current assets			
Property, vehicles, furniture and equipment	6	7 656 443	4 994 386
Current assets			
Inventory	7	503 195	492 787
Trade and other receivables	8	3 376 917	2 191 552
Cash and cash equivalents	9	38 421 111	28 307 531
Total assets		49 957 666	35 986 256
Equity and liabilities			
Reserves			
Retained earnings		9 509 589	7 132 242
Non-current liabilities			
Loan payable	10	–	4 500 000
Current liabilities			
Income received in advance	11	31 826 666	21 046 463
Trade and other payables	12	4 121 411	3 307 551
Loan payable	10	4 500 000	–
Total equity and liabilities		49 957 666	35 986 256

BirdLife South Africa

Statement of changes in equity

for the year ended 31 December 2023

	Retained earnings R	Clancey bequest* R	Total R
Balance at 31 December 2021	5 742 237	300 000	6 042 237
<i>Total comprehensive income for the year</i>			
Net income for the year	<u>1 090 005</u>	<u>–</u>	<u>1 090 005</u>
Balance at 31 December 2022	6 832 242	300 000	7 132 242
<i>Total comprehensive income for the year</i>			
Net income for the year	<u>2 377 347</u>	<u>–</u>	<u>2 377 347</u>
Balance at 31 December 2023	<u>9 209 589</u>	<u>300 000</u>	<u>9 509 589</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.

BirdLife South Africa

Statement of cash flows

for the year ended 31 December 2023

	<i>Note</i>	2023	2022
		R	R
Cash flows from operating activities			
Cash generated from operations	<i>13</i>	12 557 929	2 891 947
Cash donations to related parties	<i>14.4</i>	(1 914 861)	(5 553 680)
Interest received		2 595 663	1 574 484
Net cash inflow/(outflow) from operating activities		13 238 731	(1 087 249)
Cash flows from investing activities			
Purchase of property, vehicles, furniture and equipment		(3 162 741)	(5 059 256)
Proceeds on disposal of furniture and equipment		37 590	–
Net cash outflow from investing activities		(3 125 151)	(5 059 256)
Cash inflows from financing activities			
Loan raised		–	4 500 000
Net increase/(decrease) in cash and cash equivalents for the year		10 113 580	(1 646 505)
Cash and cash equivalents at beginning of the year		28 307 531	29 954 036
Cash and cash equivalents at end of the year		38 421 111	28 307 531

BirdLife South Africa

Notes to the financial statements

for the year ended 31 December 2023

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 16 May 2024.

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 2023 (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>	2023 R	2022 R
Trade and other receivables	8	3 376 917	2 191 552
Cash and cash equivalents	9	38 421 111	28 307 531

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 2023 (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 2023 (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 income

Interest is recognised using the effective rate method.

BirdLife South Africa

Notes to the financial statements

for the year ended 31 December 2023 (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

2023
R

2022
R

2 595 663

1 574 484

BirdLife South Africa

Notes to the financial statements

for the year ended 31 December 2023 (continued)

	2023 R	2022 R
4. Net income/(loss) for the year		
Net income/(loss) for the year is arrived at after taking into account the following expenses:		
Auditor's remuneration		
– audit services	62 820	55 170
Depreciation	471 730	381 081
– land and buildings	4 891	–
– motor vehicles	194 462	152 020
– furniture and equipment	272 377	229 061
Operating lease of Isdell House (note 14.4)	1 200	1 200
Donations to related parties (note 14.4)	1 914 861	5 553 680
Staff costs	21 178 899	19 416 201
– prescribed officers' emoluments (note 14.8)	4 224 374	3 922 035
– other staff costs	16 954 525	15 494 166
Number of permanent employee positions	45	39
Number employed	44	39

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 (PPE)

	Cost R	Accumulated depreciation R	Deferred revenue relating to PPE R	Carrying amount R
2023				
Land and buildings	6 986 893	(4 891)	–	6 982 002
Furniture and equipment	2 619 011	(1 576 422)	(368 148)	674 441
Motor vehicles	2 564 828	(2 144 831)	(419 997)	–
	<u>12 170 732</u>	<u>(3 726 144)</u>	<u>(788 145)</u>	<u>7 656 443</u>
2022				
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)	–
	<u>9 162 805</u>	<u>(3 592 415)</u>	<u>(576 004)</u>	<u>4 994 386</u>

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

BirdLife South Africa

Notes to the financial statements

for the year ended 31 December 2023 (continued)

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

Deferred revenue relating to PPE balances per project:

2023	Furniture and equipment R	Motor vehicles R	Total R
Head of Conservation	28 731	–	28 731
Landscape Conservation Programme	14 354	–	14 354
Raptors and Large Terrestrial Birds Project	2 388	–	2 388
Vulture Project	5 749	–	5 749
White-winged Flufftail Project	20 458	–	20 458
Ingula Project	19 822	23 696	43 518
Western Cape Estuaries Project	26 960	–	26 960
Seabird Conservation Programme	11 109	–	11 109
Coastal Seabird Project	90 004	–	90 004
African Penguin Project	14 470	–	14 470
Albatross Task Force	30 952	–	30 952
Seabird Indicator Project	–	–	–
Empowering People Programme	22 038	130 367	152 405
Avitourism Project	30 536	–	30 536
Regional Conservation Programme	5 924	–	5 924
Science and Innovation Programme	5 398	–	5 398
Data and Spatial Planning Project	3 137	–	3 137
Policy and Advocacy Programme	6 924	–	6 924
Wakkerstroom Operations	–	–	–
Secretarybird Project	5 844	265 934	271 778
Birds and Agrochemicals Project	11 675	–	11 675
Vulture Conservation Officer Project	11 675	–	11 675
	368 148	419 997	788 145
2022			
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
Vulture 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
African Penguin 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
	270 621	305 383	576 004

BirdLife South Africa

Notes to the financial statements

for the year ended 31 December 2023 (continued)

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

	Land and buildings R	Furniture and equipment R	Motor vehicles R	Total R
2023				
Carrying amount at beginning of year	4 561 431	432 955	–	4 994 386
Additions	2 425 462	648 981	309 076	3 383 519
Disposals	–	(37 590)	–	(37 590)
Movement in project funded assets	–	(97 528)	(114 614)	(212 142)
Depreciation	(4 891)	(272 377)	(194 462)	(471 730)
Carrying amount at end of year	<u>6 982 002</u>	<u>674 441</u>	<u>–</u>	<u>7 656 443</u>
2022				
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	<u>4 561 431</u>	<u>432 955</u>	<u>–</u>	<u>4 994 386</u>

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 in 2022 through a loan received from the BirdLife National Trust. Additions in 2023 represent refurbishments that were undertaken during the year, before occupation on 1 August 2023. The property serves as offices for Cape Town-based staff.

	2023 R	2022 R
7. Inventory		
Merchandise held-for-sale	<u>503 195</u>	<u>492 787</u>

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

BirdLife South Africa

Notes to the financial statements

for the year ended 31 December 2023 (continued)

	2023 R	2022 R
8. Trade and other receivables		
Trade receivables	2 073 369	846 300
– due from related parties (note 14.1)	664 626	–
– other	1 408 743	846 300
Other receivables and prepayments	1 303 548	1 345 252
– due from related parties (note 14.1)	301 096	302 134
– prepaid expenses	647 685	378 240
– VAT and PAYE payable	339 386	637 071
– other	15 381	27 807
	3 376 917	2 191 552

Impairment losses

The aging of trade receivables at the reporting date was:

	Gross 2023 R	Impairment 2023 R	Gross 2022 R	Impairment 2022 R
Not past due (within 90 days)	2 073 369	–	846 300	–

Management assessed that no impairment was needed in 2023.

	2023 R	2022 R
9. Cash and cash equivalents		
Cash and cash equivalents comprise:		
Investec Bank – money market	9 158 052	8 481 658
Nedbank – money market	5 639 052	5 201 697
First National Bank – money market	22 023 358	11 957 616
– current accounts	1 350 085	2 607 509
Petty cash accounts – project-specific accounts	47 620	59 051
Pre-funded credit cards	202 944	–
	38 421 111	28 307 531

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

BirdLife South Africa

Notes to the financial statements

for the year ended 31 December 2023 (continued)

	2023 R	2022 R
10. Loan payable		
No later than one year (note 14.1)	4 500 000	–
Later than one year and not later than 5 years (note 14.1)	–	4 500 000
<p>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. The loan will be settled in 2024.</p>		
11. Income received in advance		
Deferred project revenue	31 171 281	20 355 533
Membership and subscription revenue received in advance	655 385	690 930
	31 826 666	21 046 463
12. Trade and other payables		
<i>Financial liabilities</i>		
Trade payables	272 366	353 644
Other payables	2 429 476	1 781 331
– due to related parties (note 14.1)	1 924 475	1 308 999
– other	505 001	472 332
Payroll accruals	1 419 569	1 172 576
	4 121 411	3 307 551
13. Notes to the statement of cash flows		
Cash generated from operations		
Net income for the year	2 377 347	1 090 005
Adjustments for:		
Non-cash donations of PPE received	(220 778)	–
Depreciation	471 730	381 081
Interest received	(2 595 663)	(1 574 484)
Donations to related parties (note 14.4)	1 914 861	5 553 680
Operating cash flow before working capital changes	1 947 497	5 450 282
(Increase)/decrease in trade and other receivables	(1 185 365)	121 494
Increase in inventory	(10 408)	(303 745)
Increase/(decrease) in trade and other payables and income received in advance	11 594 064	(2 458 138)
Increase in deferred revenue relating to PPE	212 141	82 054
Cash generated from operations	12 557 929	2 891 947

BirdLife South Africa

Notes to the financial statements

for the year ended 31 December 2023 (continued)

14. Related parties

14.1 Transactions and balances with related parties

		2023 R	2022 R
Membership fees paid to BirdLife International		21 584	18 942
Receipt of funding from:			
Royal Society for the Protection of Birds			
– projects		3 219 907	2 478 078
BirdLife International, partners and affiliates			
– administration		368 122	258 182
– projects		9 291 875	663 688
Amounts due from			
– Mouse-Free Marion Non-Profit Company	8	365 700	300 000
– BirdLife National Trust	8	298 926	2 134
– Middelpunt Wetland Trust	8	301 096	–
		965 722	302 134
Amounts owing to			
– bird clubs		24 000	36 180
Amounts owing to			
– Mouse-Free Marion Non-Profit Company		–	1 272 819
Amounts owing to			
– BirdLife National Trust		1 900 475	–
	12	1 924 475	1 308 999
Amounts owing to			
– BirdLife National Trust (loan)	10	4 500 000	4 500 000

These amounts are unsecured, interest free and settlement is expected in the next 12 months.

14.2 BirdLife South Africa is a partner of BirdLife International, an umbrella body that, 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 2023 there were 39 (2022 – 39) bird clubs that agreed to be affiliated to BirdLife South Africa. During the year R26 698 (2022 – R19 672) 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 2023 amounts payable to clubs in respect of membership fees collected on their behalf amounted to R24 000 (2022 – R36 180). BirdLife South Africa has no further financial responsibilities to clubs.

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

BirdLife South Africa

Notes to the financial statements

for the year ended 31 December 2023 (continued)

14. Related parties (continued)

- 14.4 The BirdLife National Trust (BLNT) receives donations and bequests independent of BirdLife South Africa and, in so doing, can financially assist BirdLife South Africa should the need arise. Current liabilities include the loan of R4 500 000 (2022 – R4 500 000 non-current liabilities) 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 future lease payments under the operating lease until the initial termination date are as follows:

	2023 R	2022 R
No later than one year	1 200	1 200
Later than one year and not later than 5 years	700	1 900

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 related to Isdell House. These costs amounted to R411 085 (2022 – R447 357).

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 R1 914 861 (2022 – Rnil). In the prior year, 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)
Humphrey Borkum
Nicky Newton-King
Roger Wanless

Not independent of BirdLife South Africa:

Yvonne Pennington (Chairperson of BirdLife South Africa, appointed 27 May 2023)
Philip Calinikos (Honorary Treasurer of BirdLife South Africa, appointed 27 May 2023)
Manuela Krog (Honorary Treasurer of BirdLife South Africa, term ended 27 May 2023)

- 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.

BirdLife South Africa

Notes to the financial statements

for the year ended 31 December 2023 (continued)

14. Related parties (continued)

14.7 BirdLife South Africa is involved in the management and 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 predated on the chicks of threatened seabirds annually. On 31 December 2023 the MFM NPC owed BirdLife South Africa R318 000 (VAT excl.) (2022 – R300 000) in administration fees. On the same date, BirdLife South Africa owed the MFM NPC Rnil (2022 –R1 272 819) relating to donations received towards the mouse eradication project but paid by donors to BirdLife South Africa.

	2023	2022
	R	R
14.8 Key management personnel compensation (note 4)	4 224 374	3 922 035

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 events subsequent to the year-end that require disclosure in or adjustments to the financial statements.

BirdLife South Africa

Sponsors and supporters 2023

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.

Donors and funders

R1 000 000 and more

BirdLife International, Chamberlain Family Foundation, Charl Van Der Merwe Trust, Eskom Holdings, Industrial Development Corporation of SA, Isdell Family Foundation (Neville, Pamela and Cara Isdell), Italtile and Ceramic Foundation Trust, Re:Wild, Royal Society for the Protection of Birds (RSPB), Rupert Natuurstigting, South African National Biodiversity Institute (SANBI), WWF Nedbank Green Trust.

R500 000 – R999 999

Afrit, Airports Company South Africa, Ecological Restoration Fund, Ekapa, Hans Hoheisen Charitable Trust, Rifcon, Sonoma State University, The Lewis Foundation, WWF SA Elizabeth Harding Bequest.

R250 000 – R499 999

Briandez Legacy Trust, Stewart Horesji, Investec, Nick & Jane Prentice, Swarovski Optik/Whylo Distributors, Laetitia Steynberg, The Charities Aid Foundation, The Jell Foundation, Grace Thompson, Department of Economic Development and Tourism of the Western Cape Government.

R100 000 – R249 999

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