



◀ Forest & Bird's Wellington branch organised a beach and under-water clean-up that hauled in more than half a tonne of rubbish.



◀ Forest & Bird South Waikato branch members and staff from Van Dyks Flooring Xtra in Putaruru work together at a planting day at Jim Barnett Reserve.

Forest & Bird acknowledges the following organisations for their generous support



**Forest & Bird**  
GIVING NATURE  
A VOICE

### Royal Forest & Bird Protection Society

Statement of Financial Performance for the year ended 28 February 2010					
	Note	Group		National Office	
		2010	2009	2010	2009
		\$	\$	\$	\$
<b>Income</b>					
Subscriptions					
- Forest & Bird		584,304	540,358	584,304	540,358
- Kiwi Conservation Club		93,785	75,149	93,785	75,149
Sustain		105,225	86,344	105,225	86,344
General Donations	13	609,560	1,281,799	657,201	311,984
Appeals	14	270,551	191,459	328,102	191,459
Grants	15	658,836	842,957	410,204	574,169
Sponsorship	16	137,617	71,971	136,617	71,971
Fundraising		14,475	-	14,475	-
Other Operating Income		460,829	474,035	184,830	196,798
Bequests	5	1,244,568	905,081	1,221,244	804,239
<b>Total Operating Income</b>		<b>4,179,750</b>	<b>4,469,153</b>	<b>3,735,987</b>	<b>2,852,471</b>
<b>Expenditure</b>	17				
Terrestrial Biodiversity		1,203,713	633,686	707,993	619,830
Freshwater		241,338	189,448	237,029	189,448
Marine		284,861	199,772	283,103	199,772
International		301,513	314,285	301,513	314,285
Communications & Promotions		714,060	765,099	649,749	700,313
KCC		345,146	196,831	332,159	176,826
Membership & Fundraising		877,564	538,526	850,895	538,140
Branch Support		199,370	273,978	233,437	305,719
Governance		170,427	237,594	125,473	146,980
Planning and Reporting		167,670	65,822	162,273	61,397
Branch Project Expenditure		-	571,155	-	-
Donations		44,373	-	-	-
Other Branch Operation Expenditure		161,556	231,604	-	-
<b>Total Operating Expenditure</b>		<b>4,711,591</b>	<b>4,217,800</b>	<b>3,883,624</b>	<b>3,252,710</b>
Operating Surplus / (Deficit) for the year	21	(531,841)	251,353	(147,638)	(400,239)
<b>Other Income</b>					
Interest Received		288,718	542,052	109,962	258,111
Sale of Assets		-	427,770	-	427,770
<b>Total Other Income</b>		<b>288,718</b>	<b>969,822</b>	<b>109,962</b>	<b>685,881</b>
<b>Other Expenditure</b>					
Loss on Sale of Shares		33,002	32,965	-	-
Donations - Endowment Fund	27	1,089,934	-	1,039,934	-
<b>Total Other Operating Expenditure</b>		<b>1,122,936</b>	<b>32,965</b>	<b>1,039,934</b>	<b>-</b>
<b>Surplus / (Deficit) for the year</b>		<b>(1,366,059)</b>	<b>1,188,210</b>	<b>(1,077,609)</b>	<b>285,641</b>

The attached notes form part of and are to be read in conjunction with this Statement of Financial Performance

Statement of Movements in Member Funds for the year ended 28 February 2010					
	Note	Group		National Office	
		2010	2009	2010	2009
		\$	\$	\$	\$
Opening Balance		8,263,781	2,886,336	3,171,977	2,886,336
Initial Recognition of Branches as previously reported		-	4,131,786	-	-
Opening Balance after initial recognition of Branches as previously stated		8,263,781	7,018,122	3,171,977	2,886,336
Adjustment to Closing Balance - Branches	26	-	57,447	-	-
Restated Opening Balance after initial recognition of Branches		8,263,781	7,075,569	3,171,977	2,886,336
Surplus for year as previously stated	26	-	1,187,513	-	285,641
		8,263,781	8,263,082	3,171,977	3,171,977
Plus Adjustment to previous year's Surplus	26	-	699	-	-
Restated Opening Balance as previously stated		8,263,781	8,263,781	3,171,977	3,171,977
Plus Current Year Surplus / (Deficit)		(1,366,059)	-	(1,077,609)	-
Transfer to Reserves		(135,910)	(427,770)	(135,910)	(427,770)
		6,761,812	7,836,011	1,958,458	2,744,207
<b>MOVEMENT IN RESERVES</b>					
Ruapehu Replacement Reserve		135,910	427,770	135,910	427,770
Closing Balance		6,897,722	8,263,781	2,094,368	3,171,977

Statement of Financial Position as at 28 February 2010					
	Note	Group		National Office	
		2010	2009	2010	2009
		\$	\$	\$	\$
<b>Members Funds</b>	26				
Opening Balance		8,263,781	7,075,569	3,171,977	2,886,336
Surplus / (Deficit)		(1,366,059)	1,188,212	(1,077,609)	285,641
Closing Balance		6,897,722	8,263,781	2,094,368	3,171,977
<b>Current Liabilities</b>					
Accounts Payable	6	539,176	353,517	488,082	324,951
Income Received in Advance	7	368,767	369,071	368,767	369,071
Rental Income Received in Advance	8	156,111	160,842	-	-
Deferred Income	9	642,404	840,742	434,715	333,646
<b>Other Liabilities</b>		1,706,458	1,724,172	1,291,564	1,027,668
Restricted Funds	12	881,417	111,288	1,094,900	1,113,816
<b>Total Members Funds &amp; Liabilities</b>		<b>9,485,597</b>	<b>10,099,241</b>	<b>4,480,832</b>	<b>5,313,461</b>
<b>Current Assets</b>					
Cash		472,667	468,927	172,697	176,779
Deposits (On Call)		345,779	336,355	10,494	7,315
Deposits (Fixed Term)		4,605,075	5,926,194	1,994,144	2,844,121
Accounts Receivable	10	734,717	888,458	587,322	736,600
Inventory		9,143	7,471	4,221	7,035
		6,167,381	7,627,405	2,768,879	3,771,849
<b>Investments</b>					
Shares and Other Securities		587,778	690,389	24,775	24,775
Fixed Assets	11	1,849,021	1,670,159	592,278	403,019
Other Assets		-	-	-	-
Restricted Funds	12	881,417	111,288	1,094,900	1,113,816
<b>Total Assets</b>		<b>9,485,597</b>	<b>10,099,241</b>	<b>4,480,832</b>	<b>5,313,461</b>

Date: 10 June 2010

G Bellamy – Treasurer  
For and on behalf of the Executive

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28 FEBRUARY 2010

### 1. Statutory Base

The financial statements relate to the activities of the National Office and Auckland, Tauranga, Christchurch, Dunedin and Nelson Field Offices and Branches. These financial statements have been prepared in accordance with the Incorporated Societies Act 1908, Charitable Trusts Act 2005 and the Financial Reporting Act 1993.

### 2. Measurement Base

- (i) The measurement base adopted is that of historical cost.
- (ii) Revenue earned and the expenses incurred are matched using accrual accounting concepts.
- (iii) Reliance is placed on the fact that the Society is a going concern.

### 3. Statement of Accounting Policies

The following accounting policies are recognised as appropriate and have been adopted in the preparation of the financial statements:

**Fixed Assets:** Fixed Assets are shown at cost less depreciation charged at the following rates over their estimated useful lives as stated:

Office Buildings	Straight Line	5 years
Lodge Buildings	Straight Line	40 years
Furniture and Fittings	Straight Line	5-10 years
Motor Vehicles	Straight Line	5 years
Office Equipment	Straight Line	5 years

**Inventory:** Inventory has been valued at the lower of cost or estimated net realisable value.

**Accounts Receivable:** Accounts Receivable are recorded at estimated realisable value.

**Investments:** Investments have been recorded at cost.

**Shares and Other Securities:** Shares have been valued at cost or at market value on the date of receipt of bequest.

**Gifted Land:** Land which has been bequeathed to the Society for no cost has not been recorded in the financial statements, due to difficulties and costs related to valuation procedures.

**Government Grants and Deferred Income:** Revenue from Government grants is taken up in the period that the qualifying expenditure is incurred. Other income is deferred if it can be matched to specific future expenditure with reasonable certainty.

**Taxation:** As the Society has been granted charitable status by the Inland Revenue Department, no taxation has been provided for in the accounts other than amounts payable or receivable for Goods and Services Tax.

**Website Development:** Website development expenditure is capitalised when incurred. In prior year, website expenditure was expensed in the year incurred.

**Goods and Services Tax (GST):** The accounts are prepared on a GST exclusive basis, except for Accounts receivable and accounts payable which are stated GST inclusive

**Differential Reporting:** The Society is a qualifying entity for differential reporting. Accordingly no statement of cash flows is required to be prepared. The society has taken full advantage of all available exemptions apart from GST, the statements are presented exclusive of GST

### 4. Changes in Accounting Policies

All policies have been applied on bases consistent with those used in the previous year except as disclosed above with regard to website development and that the society no longer offsets expenditure with revenue, as disclosed in Note 17.

### 5. Bequests

Bequests received during 2009/2010 for National Office were as follows:

Catherine Eglin \$2,523; CL Turner Trust \$500; Davis Trust \$1,372; Estate BB Stoker \$3,830; Estate Bradley \$10,000; Estate Cicely Prudence Pierce \$3,755; Estate DB Hatten \$50,000; Estate Doris May Uiterwyk \$38,693; Estate FH Adams \$3,926; Estate GM Elliot \$2,000; Estate HJC Keir \$2,000; Estate IH Brown \$8,750; Estate Joyce Margaret Richards \$1,000; Estate JW Barley \$20,000; Estate K Outram \$1,000; Estate M Williams \$20,600; Estate Margaret Mary Mercer \$4,823; Estate Margaret Oakley \$85,859; Estate MIC Stevenson \$10,758; Estate Mildred Collis Scott \$1,000; Estate Naomi Ann Morton \$1,000; Estate ND Wells \$58,390; Estate O Richards \$1,000; Estate PV Mobbs \$5,000; Estate Rattray \$176,366; Estate Russell Smith \$138,716; Estate Stephen Wilson \$10,662; Estate WE Geddes \$10,000; Hazel Mary Traynor Charitable Trust \$9,341; Lorna Harris Family Trust \$2,000; Margaret Hayes \$500,000; Sargood Bequest \$3,520.

Bequests received during 2009/2010 for Branches totalled \$23,324.

### 6. Accounts Payable

All accounts are paid as they fall due, and all known liabilities for events occurring before balance date have been accrued.

### 7. Income Received in Advance

Income received from members' subscriptions to Forest & Bird and Kiwi Conservation Club is matched using accrual accounting concepts. Membership fees are paid on an annual basis for a 12 month period and spans balance date for some members. In order to calculate income received in advance, it is assumed that the 12 month renewal period starts from the month the payment is received. Life Membership subscriptions are shown in deferred income and released to subscriptions income over fifteen years.

### 8. Rental Income Received in Advance

Rental income received in advance relates to property purchased by the Society on Waiheke Island. This purchase included a lease back to the vendor for a period of 34 years. Rental is to be allocated over this term at \$4,731 per annum.

### 9. Deferred Income

**Deferred Income - National Office:** This comprises Unspent Grants of \$381,214 (\$267,845); Life Membership Provision \$53,263 (\$65,563); Other Income In Advance \$238 (\$238)

**Deferred Income - Branches:** This comprises Unspent Grants of \$207,689 (\$511,700)

### 10. Accounts Receivable

National Office comprised Trade Receivables \$146,571 (\$15,399); Other Receivables \$440,751 (\$721,201).

Branch receivables totalled \$147,395 (\$42,101).

### 11. Fixed Assets

All land is stated at cost. No revaluations have been made.

	Cost or Valuation	Dep'n to date	Dep'n 2010	Book Value 2010	Book Value 2009
	\$	\$	\$	\$	\$
Land	159,415	-	-	159,415	159,415
Buildings	217,184	46,670	13,308	170,515	94,441
Furniture and Fittings	24,644	21,970	2,425	2,673	5,099
Office Equipment	517,697	260,932	43,788	256,766	137,982
Motor Vehicles	28,444	25,534	3,173	2,909	6,083
Total National Office					
Fixed Assets	947,384	355,106	62,694	592,278	403,020
Branch Fixed Assets	1,317,452	60,708	22,084	1,256,744	1,267,140
Total Fixed Assets	2,264,836	415,814	84,778	1,849,022	1,670,160

Due to the inherent difficulties with the valuation of reserve land, valuations have not been sought, or included in these financial statements.

### 12. Restricted Funds

The National Office has deposited funds at The National Bank of N.Z. on behalf of branches and other entities. These funds are administered by National Office. They are not available for use by the National Office for its general purposes. Total funds invested as at 28 February 2010 were \$1,094,900 (Balance as at 28/2/09 was \$1,115,085); Irwin Legacy \$66,042 (\$64,899); Nelson Branch \$27,493 (\$30,216); Rotorua Branch \$135,000 (\$135,000); Stewart Island Section \$60,932 (\$57,705); Sutherland Trust \$45,508 (\$49,505);Tautuku Lodge \$154,168 (\$143,764); Environmental Defence Fund \$187,794 (\$176,074); Tararua Branch \$0 (\$42,345); J Barrington Bequest \$25,843 (\$25,395); Horner Fund \$177,044 (\$182,133); Fensham Reserve \$30,354 (\$28,119); Manawatu Branch \$25,043 (\$24,595); Other Funds Totalled \$162,679 (\$154,336). In the consolidated figures, funds held on behalf of Branches have been eliminated to leave the other funds held of \$881,417 (\$111,288)

### 13. General Donations

Donations from Branches received during 2009/2010 for National Office were as follows: Lower Hutt \$1,125; Kapiti Mana \$10,000; Waikato \$10,000; Napier \$5,000; Mercury Bay \$149; Te Puke \$500; Central Auckland \$500; South Canterbury \$1,000; Nelson/Tasman \$2,000; Dunedin \$20,000; South Otago \$146; North Canterbury \$30,000; Wellington \$14,425 General donations include donations to the Kiwi Conservation Club of \$58,204 (\$14,325), made up as follows: Central Auckland \$50,000; North Canterbury \$4,260; Dunedin \$1,077; Mercury Bay \$130; Kapiti Mana \$250; Taupo \$75; Ashburton \$130; North Shore \$260; Upper Coromandel \$50; Rotorua \$260; other \$3,883. Donations received during 2009/2010 by Branches totalled \$94,163 (\$1,041,220).

### 14. Appeals

Ruapehu Lodge Appeal includes donations received from the following branches: Hastings-Havelock North \$3,000; Horowhenua \$200; Lower Hutt \$3,000; Mid-North \$2,000; North Canterbury \$20,000; Rotorua \$5,000; Southland \$500; Taupo \$250; Tauranga \$5,000; Te Puke \$2,000; Upper Coromandel \$225; Upper Hutt \$5,000; Waihi \$500; Waikato \$4,629. Other Appeal income was received from the following branches: Hastings-Havelock North \$1,000; Kaikoura \$20; North Canterbury \$45; Wellington \$82.20

### 15. Grants

Grants received during 2009/2010 for National Office were as follows: Biofunds (DOC) \$55,556; Biofunds (DOC) \$35,556; Biofunds (DOC) \$2,655; The Pew Environment Group \$32,203; Hewlett Trust \$1,000; Manukau City Council \$3,375; Rodmor No. 2 Trust \$5,000; T-Gear Trust \$29,695; NZ Lotteries \$20,730; NZ Lotteries \$23,400; Perry Foundation \$7,635; Pacific Development & Conservation Fund \$10,000; BirdLife International \$132,500; Seabirds Bequest \$50,899. Forest & Bird also received \$44,428 from Auckland Regional Council; \$30,300 from ASB Community Trust & \$3,000 from the JS Watson Trust to be used for the Ark in the Park project. Grants received during 2009/2010 for Branches totalled \$248,632 (\$266,183).

### 16. Sponsorship

Trade Me \$24,141; Flooring Xtra \$64,200; Vero Insurance \$1,892; Phantom Billstickers \$46; National Bank of New Zealand \$4,224; Phillips NZ Limited \$6,974; BNZ - Save the Kiwi \$25,000; Pitney Bowes \$220; Brita Water Filter Systems \$5,000; Telecom \$4,920.

### 17. Income offsetting Expenses

The change in accounting policy has been made to comply with the Statement of Concepts for General Purpose Financial Reporting. As a result of the change in accounting policy, the financial statements for the year ended 28 February 2009 have been restated as follows:

	Group			National Office		
	Original 2008/2009	Restated 2008/2009	Change	Original 2008/2009	Restated 2008/2009	Change
	\$	\$	\$	\$	\$	\$
<b>Income</b>						
General Donations	1,263,628	1,281,799	(18,171)	293,813	311,984	(18,171)
Grants	746,693	842,957	(96,264)	477,905	574,169	(96,264)
Other Operating Income	296,264	474,035	(177,771)	19,027	196,798	(177,771)
	2,306,585	2,598,791	(292,206)	790,745	1,082,951	(292,206)

### Expenses

Terrestrial Biodiversity	778,949	633,686	145,263	778,949	619,831	159,118
Freshwater	189,457	189,448	9	189,457	189,448	9
Marine	184,234	199,772	(15,538)	184,234	199,772	(15,538)
Communications & Promotions	700,560	765,099	(64,539)	635,774	700,313	(64,539)
Membership & Fundraising	508,618	538,526	(29,908)	508,232	538,140	(29,908)
Branch Support	273,991	273,978	13	305,732	305,719	13
Governance	227,001	237,594	(10,593)	136,387	146,980	(10,593)
KCC	196,836	196,831	5	176,831	176,826	5
Properties	(2,635)	-	(2,635)	(16,490)	-	(16,490)
Planning and Reporting	65,824	65,822	2	61,399	61,397	2
International	-	314,285	(314,285)	-	314,285	(314,285)
	3,122,835	3,415,041	(292,206)	2,960,505	3,252,711	(292,206)

### 18. Administered Funds

National Office also administers the funds of the Threatened Species Trust Programme and the JS Watson Conservation Trust. These funds are not included in the financial statements as the Society is effectively acting as a Trustee.

### 19. Operating Lease Commitments

National Office commitments under a non-cancellable operating lease:

	National Office	
	2010	2009
	\$	\$
Less than one year	152,676	126,997
One year to two years	135,284	120,588
Two years to five years	21,909	133,257
	<u>309,869</u>	<u>380,842</u>

Branches - no commitments existed under non-cancellable operating leases as at 28 February 2010.

### 20. Executive Honorarium

Honorarium paid to Executive Committee members during the year: B Wards \$2,055 (\$100); P Maddison \$0 (\$8,000); A Fenn \$1,000 (\$1,000); J Ledingham \$0 (\$1,434); S Phillips \$0 (\$1,000).

### 21. Operating Surplus / (Deficit) for the Year

	Group		National Office	
	2010	2009	2010	2009
	\$	\$	\$	\$
Operating Surplus / (Deficit) for the year after deducting:	(531,841)	251,353	(147,638)	(400,239)
Audit Fees - National Office	24,935	21,432	24,935	21,432
Audit Fees - Other Firms	5,522	4,425	-	-
Honoraria	12,563	11,559	3,055	10,434
Rent	168,722	145,053	167,270	145,053

### 22. Impact of New Zealand Equivalents to International Financial Reporting Standards

In November 2004 the Accounting Standards Review Board (ASRB) approved the adoption of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). At that time, the ASRB announced the adoption of NZ IFRS would be mandatory for reporting entities with accounting periods beginning on or after 1 January 2007. In September 2007 the ASRB announced that for certain small to medium size entities the mandatory adoption of NZ IFRS had been delayed. These entities can continue to apply New Zealand Generally Accepted Accounting Principles (NZ GAAP) as prescribed by New Zealand Financial Reporting Standards and Statements of Standard Accounting Practice. Royal Forest & Bird Protection Society meets the criteria for deferral of NZ IFRS due to not being publicly accountable and its size. The accounts have been prepared on a NZ GAAP basis, consistent with previous periods. The Ministry of Economic Development (MED) is considering the financial reporting regime for not for profit entities. It is not yet known what the outcome of this work will be, nor if there will be any change in NZ IFRS adoption requirements.

### 23. Contingent Liability

Forest & Bird is involved in Environment Court proceedings regarding resource consents to take water from the Conway River in Canterbury. Forest & Bird opposes the consents as applied for by Timothy Wilding and Jane Andrew Limited, because of the ecological damage that will ensue should the consents be granted. Forest & Bird participated in mediation with the consent applicants and as a result of a dispute arising from that, the Environment Court ordered (in Decision 071/2009), Forest & Bird to pay costs of \$13,400 to Timothy Wilding and Jane Andrew Limited. The Court hearing on whether the consents should be granted will be held this year, (no Court date has been set yet). Part of the delay with the hearing is the fact that the ecologists and hydrologists (contracted by Forest & Bird and the applicants) are still undertaking studies as to the effects of the consents should they be granted. If those experts find that there would be significant adverse effects if the consents go ahead, there is a strong chance that we will be able to negotiate a settlement rather than go to hearing. That settlement will no doubt involve the costs award that Forest & Bird has been ordered to pay. Similarly, if the hearing goes ahead and Forest & Bird is successful, (in that the Court declines to grant consents) Forest & Bird can apply for costs against Timothy Wilding and Jane Andrew Limited. If Forest & Bird is successful with that application, this can be offset against the amount to be paid by Forest & Bird. If, however, the Court decides in favour of the consent applications, Forest & Bird will have to pay the original amount of \$13,400.

### 24. Consolidation of Branches

The financial statements of the branches of the Royal Forest & Bird Protection Society for the year ended 28 February 2010 have been included in the consolidated financial statements using the purchase method. All significant inter entity transactions have been eliminated on consolidation. Branches included in the consolidation: Ashburton, Central Auckland, Central Hawkes Bay, Dunedin, Dunedin - LENZ, Eastern Bay of Plenty, Far North, Franklin, Gisborne, Golden Bay, Hastings/Havelock North, Hauraki Islands, Hibiscus Coast, Horowhenua, Kaikoura, Kaipara, Kapiti, Lower Hutt, Manawatu, Marlborough, Mercury Bay, Mid North, Napier, Nelson/Tasman, North Canterbury, North Shore, North Taranaki, Northern, Rangitikei, Rotorua, South Auckland, South Canterbury, South Otago, South Taranaki, South Waikato, Southland, Taupo, Tauranga, Te Puke, Thames/Hauraki, Central Otago Lakes, Upper Coromandel, Upper Hutt, Waihi, Waikato, Wairarapa, Waitakere, Wanganui, Wellington, West Coast.

### 25. Commitments

The Society has entered into a construction contract with Stanley Construction Limited to rebuild Ruapehu Lodge at Whakapapa. This is due for completion in July/August 2010, with a cost of \$898,485 (excluding GST).

### 26. Adjustment to Group Equity

	Group		
	Original 2008/2009	Restated 2008/2009	Change
	\$	\$	\$
Income			
Interest	541,354	542,052	(698)
	<u>541,354</u>	<u>542,052</u>	<u>(698)</u>
Members Funds			
Opening Balance 1 March 2008	7,018,119	7,075,569	(57,450)
Surplus/(Deficit) for year	1,187,513	1,188,211	(698)
Closing Balance 28 February 2009	<u>8,205,632</u>	<u>8,263,780</u>	<u>(58,148)</u>
<b>Current Liabilities</b>			
Deferred Income	845,346	840,741	4,605
<b>Other Liabilities</b>			
Restricted Funds	154,066	111,288	42,778
	<u>9,205,044</u>	<u>9,215,809</u>	<u>(10,765)</u>
<b>Current Assets</b>			
Cash	468,162	468,927	(765)
Deposits (Fixed Term)	6,509,030	5,926,194	582,836
<b>Investments</b>			
Shares and Other Securities	54,775	690,389	(635,614)
<b>Other Assets</b>			
Restricted Funds	154,066	111,288	42,778
	<u>7,186,033</u>	<u>7,196,798</u>	<u>(10,765)</u>

### 27. Donations - Endowment Fund

The Forest & Bird Endowment Fund was set up by Michael Lookman & Marilyn Somerville who are trustees of the T-Gear Charitable Trust. The purpose of the trust is to "preserve and protect the indigenous flora and fauna, and natural features of New Zealand for the benefit of the public and future generations." Donations from Forest & Bird to the Endowment Fund: Forest & Bird - Central Auckland Branch \$50,000; Forest & Bird - National Office \$1,039,934