



SKYLARK (NATUREPL.COM)



BLACK-THROATED DIVER BY L CAMPBELL (RSPB-IMAGES.COM)

THE RSPB 2002/3: what we achieved with your help



ANDREW HAY (RSPB-IMAGES.COM)

BY ALMOST ANY MEASURE, the RSPB has had an outstanding year. Despite the economic uncertainty, our conservation work was enhanced by increases in income and membership and we achieved real progress on many fronts. It is impossible to reflect everything that we have done in the past year, so we have chosen here some highlights that demonstrate our continued commitment to protecting our most precious wildlife.

It's been an exceptional year for increasing the number and size of our nature reserves. As well as being great for wildlife, these are stunningly beautiful places for people to enjoy. During the year, we spent more than £5 million on land, adding new reserves or extending existing ones, and we are grateful for the generous grants and donations we received to help make this possible.

New ventures include the purchase of Revack Forest, near Abernethy, in Highland, where sensitive management will benefit capercaillies, and the scenic Kinnabus estate on the Oa on Islay, where we will be directing our energies to help coughts. We've also acquired our first major reserve in Surrey, at Tilford near Farnham, where we plan to replace the conifer plantation with lowland heathland. This will provide ideal habitat for nightjars, woodlarks and sand lizards. We continue to work closely with the communities near these sites, explaining our plans and looking to encourage visiting and recreational use by local people. At Rye Meads, Hertfordshire, we completed an exciting £1 million partnership project to make the reserve's wildlife more accessible to local people and to help them understand more about it. The centrepiece is a new visitor centre with imaginative ways of bringing children closer to nature, enabling us to expand the reserve's popular environmental education programme. Supported by the Heritage Lottery Fund, we have worked with the Lea Valley Regional Park Authority, the local Wildlife Trust, the Environment Agency, local groups and businesses, and the project shows what can be achieved through effective partnership.

Some of the money we've spent has been to enhance the size and wildlife value of existing reserves, when suitable land comes up for sale at the right price. Examples include our lovely Inversnaid reserve on the shores of Loch Lomond, where we plan to do more for black grouse, and Amberley Wildbrooks, near our Pulborough Brooks reserve in West Sussex, where we've added some of the finest wetland habitat in



southern England to help wildfowl and wading birds, dragonflies and water voles. And at wild and beautiful Geltsdale in northern England, we've bought Tarn House Farm to improve conditions for upland species such as black grouse and golden plovers, and make these more accessible to visitors.

Helping vulnerable species remains at the core of our work. It's great to see birds such as red kites and ospreys, which have been our focus for several decades, doing even better. Thanks to the successful re-introduction project, red kites are once again a familiar sight in many parts of the UK. We have also created new opportunities for people to see some spectacular species through our Aren't Birds Brilliant! events. More than 170,000 people were thrilled to see birds as varied as black-throated divers in Scotland, choughs in Cornwall, black grouse in Wales, seabirds in Northern Ireland and, the biggest surprise of all, breeding bee-eaters in County Durham, the first in the UK since 1955.

But just as important as our direct conservation work are our efforts to influence the policies that have a bearing on the way land and natural resources are managed. Ideally, we are looking for changes that benefit birds and people and at a scale that enables nature to be brought back across the whole landscape. Our achievements in influencing water policy in Scotland mean that Scotland can now manage water catchments in a sustainable way that recognises how important wetlands

are for wildlife and people. The next step is to get similar legislation adopted elsewhere in the UK.

Our water policy team has been urging government to look at management of the water cycle as a whole, rather than in fragments. The key is getting land managed in sympathy with natural processes to reduce floods and pollution and, in the process, keep wetlands wet for wildlife. For example, if our uplands were managed so that they acted as sponges, we would get less sudden run-off of water and less pollution.

Further downstream, we're pleased that wet flood meadows are beginning to receive the recognition they deserve, and as a result we have been involved in early discussions with the Environment Agency on several innovative projects. As the rivers reach the sea, we're also at the forefront of demonstrating new ways of coping with rising sea levels and avoiding costly sea defences. By moving back existing sea defences and allowing the re-creation of saltmarsh, you make flooding less of a problem for people and produce habitats for wildlife. We are at the centre of two large schemes of this kind – at Freiston on the Wash in Lincolnshire and at Nigg Bay in Highland.

We're delighted that there are now firm commitments to improve the protection of wildlife sites in Northern Ireland and Scotland, mirroring the strengthening of the wildlife laws in England and Wales. But we are hugely

disappointed that development pressures on important sites for birds are still huge. We were beginning to think that government might be serious about sustainable development. Then along comes the extraordinary idea of building an airport twice the size of Heathrow on some of the most protected land anywhere in Europe, at Cliffe, obliterating the North Kent marshes and several RSPB reserves. We are determined this will not happen.

Our efforts to influence farming policy and the reform of the Common Agricultural Policy never stop: an essential part of our work to reverse the population declines in farmland birds. Closer to the ground, we are delighted to be working more with farmers, helping them help the wildlife on their farms, through our Volunteer & Farmer Alliance scheme. Last year, 1,000 volunteers surveyed farmland birds on 850 UK farms. The scheme has captured the interest of many farmers and enables us to work with them to develop realistic solutions to farmland bird declines. At our arable farm in Cambridgeshire, we're getting the first encouraging results on ways of growing wheat that encourage more skylarks to breed.

As the UK partner of BirdLife International, we have expanded our support for BirdLife partners to help them become more effective. One very positive outcome of this work was the launch of BirdLife Indonesia as an independent conservation organisation. In Europe, we worked with BirdLife

Cyprus on an exercise that resulted in the arrest of bird trappers and restaurant owners selling songbirds to eat. The major policy event of the year was the World Summit on Sustainable Development, where we promoted the economic value of global biodiversity, called for a set of global indicators for sustainable development and distributed an education pack to all schools in South Africa. We were delighted that the Secretary of State, Margaret Beckett, agreed to launch the project.

One final highlight – we ended the year with 1,036,869 members, nearly 15,000 more than last year. It is the strength and support of members that enables us to achieve progress year in, year out. And to those who have signed Gift Aid declarations – a special 'thank you'. With well over half our membership having now done so, that converted more than £4.5 million last year into funds for conservation action. Our work, and success, relies on the continued generosity of many – our members and supporters, the charitable trusts, the Heritage Lottery Fund, the landfill trusts, Government, and corporate organisations who work with us. We are indebted to them all.

Graham Wynne

GRAHAM WYNNE
RSPB Chief Executive

John Croxall

JOHN CROXALL
Chairman of RSPB Council

FROM YOUR PRESIDENT



This is now my second year as RSPB President and the more I learn, the more impressed I am by the scale of the RSPB's ambition. From extensive practical conservation on the ground (see our Chairman's report for more on that), to helping to shape the debate on the future of agriculture, and participating in educational projects on an international scale – the RSPB is at the forefront of a range of crucially important initiatives.

We did great work at the World Summit on Sustainable Development in Johannesburg and I was lucky enough to be involved in a project in Northern Ireland, which brought together a group of sixth form students from various schools and colleges and gave them a chance to be 'legislators' at the Stormont Assembly. They each represented their own areas of Northern Ireland, putting (real) ministers on the spot and arguing the case for making sustainable development a top priority across the board. I was hugely impressed by the talent, knowledge, and commitment of the participants who confirmed my belief that these vital issues are really starting to catch on in a big way. The media gave the event wide coverage, which ensured that the debate reached a large audience throughout Northern Ireland.

I am still a 'new boy' president with two ambitions for the year ahead: firstly, to learn more about our work and, secondly, to meet more members and supporters – you are at the very heart of our projects and your role is vital to our future.

Jonathan Dimbleby

Jonathan Dimbleby
RSPB President

Money matters

Amid considerable economic and political uncertainty, the RSPB has had one of the most successful years on record. Most sources of income increased over the previous year, allowing our charitable expenditure (capital and revenue combined) to increase by 19% to £54 million.

Alas, investment values fell for a third consecutive year. As the RSPB has always held low financial reserves and invests conservatively, we are pleased to report that the impact is manageable and our work has not been interrupted. Our free financial reserves now stand at £13.5 million, representing three months' expenditure.

Unfortunately, pension funds are generally more vulnerable to falling share prices and the RSPB's is no exception. More on this later.

Let's take a closer look at income – almost £58 million (net of costs). Our members and supporters provide more than three-quarters of our funding with legacies alone contributing more than £20 million. The bulk of the remainder comes from grant funding that has been increasing in recent years, contributing to new and innovative work. To everybody involved in providing these funds, a big thank you.

We would like to go beyond commenting on our traditional sources of income to provide a glimpse of the sheer diversity of our income streams. Such diversity is particularly appreciated in times of economic uncertainty.

Gift Aid is still a relatively new opportunity but already more than half of you have signed up, boosting the value of subscriptions and donations to the tune of £4.5 million last year at no cost to yourselves.

Our corporate partners have become an increasingly important source of funding. We value them all but, to mention just two, the Co-operative Bank Visa card contributed £500,000 (and £2.5 million in the last five years) and income from our partnership with CJ WildBird Foods was certainly not peanuts at almost £250,000! We have become even more imaginative in our relationships and RSPB supporters can now help us by buying, among other things, mobile phone ringtones, optics, duvet covers and mouse mats. While the sums involved are relatively small, this approach has helped fund many projects.

Turning to expenditure, thanks to the strength of income we were able to spend more than £5 million on new land. This includes £300,000 on the long awaited extension to The Lodge reserve, Bedfordshire, next to our UK Headquarters; £400,000 on Greylake, in the Somerset Levels, which we will restore to wetland; £400,000 on an extension to Inversnaid, Stirling, to create more native woodland for black grouse, and £1.7 million on Revack Forest, close to our existing nature reserve at Abernethy.

From the accounts, you can see that, while land purchase might be the most obvious area of our expenditure, it is certainly not the biggest. Buying land is one thing. Restoration, management and providing visitor facilities needs patience, imagination and hard work, and costs money. Across the 127,000 hectares (313,000 acres) we now look after, we spent £14.6 million on such work in 2002/03.

We'd like to highlight one further area of expenditure – research. Understanding trends in bird populations and the reasons behind these is the foundation of all our work. This was severely curtailed during the Foot and Mouth outbreak, so we are pleased to report that we are now making up for lost time. Expenditure increased by £500,000 (25%) over 2001/02 with financial support provided by DEFRA, the Scottish Executive, the Foreign and Commonwealth Office, English Nature and Scottish Natural Heritage.

And so to pensions. For many years, we have offered a pension linked to final salary, and this has helped the RSPB recruit and retain good people. The true cost to the RSPB of this scheme has been around 10% of salary and when the RSPB trustees have reviewed these arrangements before, they have always concluded that they offer us good value for money.

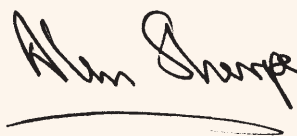
Recent falls in world stock markets have caused schemes of this kind to show significant deficits, presenting a dilemma to all who run them. Our choice is either to abandon a scheme that has served the RSPB well over many years or to be patient in the belief that the long-term advantages of such a scheme still outweigh the long-term costs. Neither approach solves the problem of the immediate deficit and in the absence of a swift and significant increase in share prices, the RSPB will be obliged to make capital contributions over the next three years to bridge the gap partially. We made such a contribution of £1.9 million in 2002/03 in recognition of the problem and this sum is included in the reported figures.

As to the longer-term future of the scheme, the results of a triennial review will be known this summer. The RSPB Council will then judge what is in the best long-term interests of the organisation. Council members (your honorary Treasurer included) are unpaid and independent trustees of the RSPB, with no personal interest in the pension fund, and are therefore well placed to assess matters objectively. Closing the scheme, reducing future benefits or increasing staff contributions will be among the options.

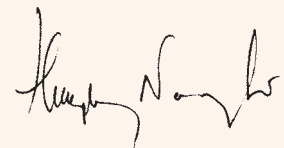
In spite of the pension fund difficulties, RSPB finances remain in good shape. One of the purposes of financial reserves is to provide stability at such times and it is comforting that they provide adequate cover in spite of the stock market falls. Having said this, we would all prefer our financial reserves to be used more directly for bird conservation and we shall bear this in mind as we tackle the pension issues.

Of course, the main reason why our finances (and the RSPB) remain in good shape is you, our members. Over 90% renewed membership last year and many also gave generously of time and money in support of our work.

To you all. . . thank you very much.



Alan Sharpe,
Director, Finance



Humphrey Norrington,
Honorary Treasurer

Thanks to the strength of income we were able to spend more than £5 million on new land, including the long awaited extension to The Lodge reserve, Bedfordshire, next to our UK Headquarters

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

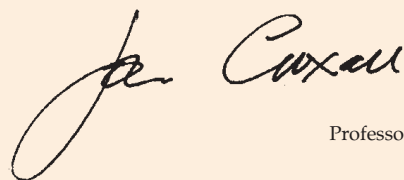
For the year ended 31 March 2003

	2003 £'000	2002 £'000
INCOMING RESOURCES		
VOLUNTARY INCOME		
• Membership subscriptions	21,914	19,951
• Legacies	21,046	16,957
• Grants	10,619	7,513
• Appeals	3,245	2,158
• General donations and reserve entry fees	1,236	1,172
• Commercial donations	856	1,318
• Trusts	539	528
• Local groups	310	319
Subtotal	59,765	49,916
ACTIVITIES TO FURTHER THE CHARITY'S OBJECTS		
• Land and farming income	1,219	1,062
• Fees and grants for services	573	268
• Media sales	454	459
Subtotal	2,246	1,789
Investment income and interest	635	611
Net gains on disposals of fixed assets	109	207
Subtotal	744	818
TOTAL CHARITABLE INCOME	62,755	52,523
ACTIVITIES TO GENERATE FUNDS		
• Mail order and shop income	9,047	7,852
• Media advertising and inserts	1,489	1,324
• Lotteries	895	896
• Commercial sponsorship	526	598
Subtotal	11,957	10,670
TOTAL INCOMING RESOURCES	74,712	63,193
LESS		
• Costs related to voluntary income	6,783	6,503
• Cost of goods and activities to generate funds	9,511	8,473
• Cost of investment management	58	53
• Cost of organisational support	539	484
TOTAL COST OF GENERATING INCOMING RESOURCES	16,891	15,513
NET RESOURCES AVAILABLE FOR CHARITABLE PURPOSES	57,821	47,680

THE FULL AUDITED ACCOUNTS were approved on 1 July 2003 and, together with the Annual Report, have been submitted to the Charity Commission. The opinion of the auditor was unqualified.

These summarised accounts may not contain sufficient information to allow for a full understanding of the financial affairs of the charity. For further information the full accounts, the auditors' report on those accounts and the Trustees' Annual Report should be consulted. Copies can be obtained, free of charge, from the Director of Finance, The RSPB, The Lodge, Sandy, Bedfordshire SG19 2DL. A more comprehensive record of the RSPB year is found in our annual review, *The RSPB 2002/3: what we achieved together*. Copies are available from Membership Services at The Lodge, for a suggested donation of £5.

Signed on behalf of the Council:



Professor John Croxall, Chairman
1 July 2003

AUDITORS' STATEMENT TO THE TRUSTEES OF THE RSPB

We have examined the summarised financial statements set out on pages 94 and 95.

Respective responsibilities of trustees and auditors

You are responsible as trustees for the preparation of the summary financial statements. We have agreed to report to you our opinion on the summarised statements' consistency with the full financial statements, on which we reported to you on 1 July 2003.

Basis of opinion

We have carried out the procedures we consider necessary to ascertain whether the summarised financial statements are consistent with the full financial statements from which they have been prepared.

Opinion

In our opinion the summarised financial statements are consistent with the full financial statements for the year ended 31 March 2003.

Registered auditors: Deloitte & Touche
180 Strand, London WC2R 1BL
1 July 2003

An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the financial statements since first published. These matters are the responsibility of the trustees but no control procedures can provide absolute assurance in this area. Legislation in the United Kingdom governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Cont)

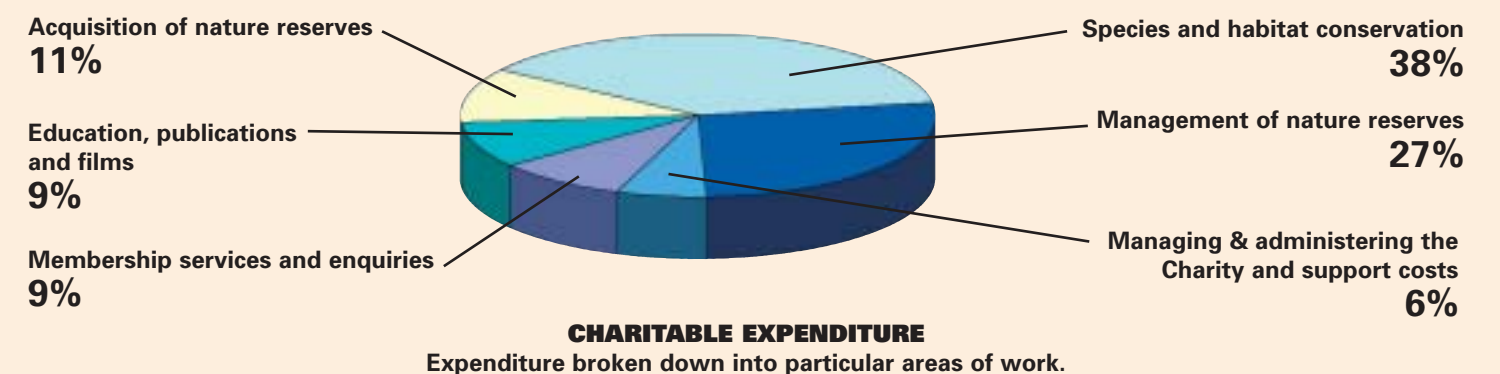
For the year ended 31 March 2003

	2003 £'000	2002 £'000
CHARITABLE REVENUE EXPENDITURE		
• Species and habitat conservation	20,252	17,628
• Management of nature reserves	14,567	11,939
• Education, publications and films	4,903	4,079
• Membership services and enquiries	4,709	4,210
• Managing & administering the Charity	365	332
• Support costs	3,079	2,843
TOTAL CHARITABLE REVENUE EXPENDITURE	47,875	41,031
Movement in value of investments	(3,033)	(375)
NET INCOMING RESOURCES	6,913	6,274
USE OF NET INCOMING RESOURCES		
Charitable capital expenditure		
• Nature reserves	5,898	4,203
• Other tangible assets	83	82
Movement on stock, debtors & creditors	2,261	(990)
	8,242	3,295
MOVEMENT IN CASH & INVESTMENTS AVAILABLE FOR FUTURE ACTIVITIES	(1,329)	2,979
CASH & INVESTMENTS AVAILABLE AT START OF PERIOD	19,459	16,480
TOTAL CASH & INVESTMENTS AVAILABLE FOR FUTURE ACTIVITIES	18,130	19,459

STATEMENT OF NET ASSETS

as at 31 March 2003

	2003 £'000	2002 £'000
CASH & INVESTMENTS AVAILABLE FOR FUTURE ACTIVITIES		
• General purposes	11,567	14,503
• Designated	2,414	2,217
• Restricted	3,140	2,739
• Endowment	1,009	-
TOTAL CASH & INVESTMENTS AVAILABLE FOR FUTURE ACTIVITIES	18,130	19,459
Nature reserves	58,275	52,377
Other tangible assets	4,802	4,719
Stock, debtors & creditors	867	(1,394)
NET ASSETS	82,074	75,161



CHARITABLE EXPENDITURE
Expenditure broken down into particular areas of work.