



**NATURE TRUST
(MALTA)**

**ANNUAL REPORT and
FINANCIAL STATEMENTS
31 December 2020**

VO 0048

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ANNUAL REPORT

The Councils presents its report and the audited financial statements for the year ended **31 December 2020**.

PRINCIPAL OBJECTIVES

Nature Trust (Malta) is a non-governmental organisation, registered with the National Commission for Voluntary Organisations (No. VO 0048), launched by His Excellency the President of the Republic in January 1999, following the merger of three environmental organisations, where the first established NGO retained the main function and foundation date, that is, 12 December 1962.

The Organisation's core objective is the protection of fauna, flora, habitat and biodiversity in the Maltese Islands by promoting environmental awareness, and identifying, managing and protecting areas of natural, scientific interest, and cultural importance.

REVIEW AND RESULTS

During the year, Nature Trust (Malta) (NTM) proceeded with the implementation of the Wildlife Rehab Centre project envisaged to be completed by end 2021. It campaigned to raise awareness on marine litter, sustainable transport, halting biodiversity loss, water resources, Healthy eating and climate change. The conservation of the Pembroke Natura 2000 sites at Pembroke, Maghluq Wetland, Ballut Wetland, and the Wied Ghollieqa Nature Reserve were intensified, together with the study of the freshwater crab.

Discussions also started towards three other new projects, namely the Management of an MPA in Cirkewwa with the Malta Tourism Authority being launched in Summer 2021, and the Management of the Fiddien/Chadwick lakes site with the Energy and Water Agency, and the management of Ramla natura 2000 site in Gozo to the Ministry for the Environment. NTM also managed to secure grants for the Beach pollution educational material project from BEMed, and an Erasmus VET project to send teachers to train abroad on outdoor learning during 2021/22

Nature Trust (Malta) registered a deficit for the year of **€14,848** mainly due added operational costs associated with Wildlife Rehab project, with the deficit being covered by the accumulated savings from previous years.

MEMBERS OF THE COUNCIL

The following have served as the members of the Council's Executive Committee during the year under review.

Vincent Attard	Executive President
Hubert Theuma	Honorary General Treasurer
Angelique Lofaro	Honorary General Secretary
James Aquilina	Member
Annick Bonello	Conservation Secretary
Jeffrey Sciberras	Events Coordinator

ANNUAL REPORT - continued

MEMBERS OF THE COUNCIL - continued

In accordance with the Nature Trust (Malta)'s statute, the Council Members are eligible for re-election at the Organisation's Annual General Meeting.

STATEMENT OF THE COUNCIL' S RESPONSIBILITIES

The Executive Committee is required to prepare financial statements which give a true and fair view of Nature Trust (Malta)'s state of affairs, as at the end of each reporting period and of the surplus or deficit for that period.

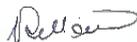
In preparing these financial statements, the Executive Committee is responsible for:

- adopt the going concern basis unless it is inappropriate to presume that the Organisation will continue to operate;
- selecting suitable accounting policies and apply them consistently;
- making judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The members of the Executive Committee are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the Organisation's financial position. The members are also responsible for safeguarding the Organisation's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The members have a responsibility to report in accordance with the requirements of the statute of the Organisation.

AUDITOR

A resolution to reappoint Dion Borg as auditor will be proposed at the forthcoming Annual General Meeting.



Vincent Attard
Executive President



Dr. Hubert Theuma
Honorary General Treasurer

Wied Ghollieqa Environmental Centre
University of Malta, Tal Qroqq

31 May 2021

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements for the year ended 31 December 2020

Opinion

I have audited the financial statements of **NATURE TRUST (MALTA)** (the Organisation) set out on pages 5 to 15, which comprise the Statement of Financial Position as at **31 December 2020**, the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the Organisation's financial position as at **31 December 2020**, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRSs), and the Voluntary Organisations Subsidiary Legislation 492.01 [Annual Returns and Annual Accounts] Regulations, 2012.

Basis for Opinion

I have conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Organisation in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to my audit of the financial statements in accordance with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta*, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Executive Committee

The Executive Committee is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRSs), and for such internal control as the Executive Committee determines 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 Executive Committee is responsible for assessing the Federation'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 Executive Committee either intends to cease operations or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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 primarily economic decisions of users taken on the basis of these financial statements.

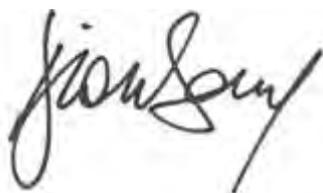
INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.
- Conclude on the appropriateness of the Executive Committee's 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 Federation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I communicate with the Executive Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Dion Borg FIA, CPA, MIFSP, CeFA, MBA

48, Triq il-Parrocca,
Sta. Venera

31 May 2021

STATEMENT OF COMPREHENSIVE INCOME

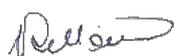
		2020	2019
		€	€
	<i>page</i>		
GRANTS & DIRECT INCOME	<i>17</i>	500,677	417,862
Activities & programs costs	<i>18</i>	(391,135)	(303,938)
		<hr/>	<hr/>
NET DIRECT INCOME		109,542	113,924
Operating and administrative expenses	<i>18</i>	(124,390)	(100,299)
		<hr/>	<hr/>
(DEFICIT)/SURPLUS BEFORE OTHER INCOME		(14,848)	13,625
Other Income	<i>17</i>	-	-
		<hr/>	<hr/>
(DEFICIT)/SURPLUS FOR THE YEAR	<i>7</i>	€(14,848)	€ 13,625
		<hr/>	<hr/>

NATURE TRUST (MALTA)
Annual Report and Financial Statements – 31 December 2020

STATEMENT OF FINANCIAL POSITION

	Notes	2020 €	2019 €
NON-CURRENT ASSETS			
Tangible assets	5	248,370	110,571
CURRENT ASSETS			
Inventories	4	1,250	1,615
Receivables	6	91,401	40,566
Cash at cash equivalents	9	248,394	194,607
		341,045	236,788
TOTAL ASSETS		€ 589,415	€ 347,359
FUNDS & RESERVES			
General reserve		169,469	184,317
Capital and other grants reserve		202,467	61,590
		371,936	245,907
LIABILITIES			
CURRENT LIABILITIES			
Deferred grants	8	165,346	92,528
Other payables	7	52,133	8,924
		217,479	101,452
TOTAL RESERVES & LIABILITIES		€ 589,415	€ 347,359

The financial statements on pages 5 to 16 were authorised for issue by the Council on 31 May 2021 and were signed on its behalf by



Vince Attard
Executive President



Dr. Hubert Theuma
Honorary General Treasurer

NATURE TRUST (MALTA)
Annual Report and Financial Statements – 31 December 2020

STATEMENT OF CHANGES IN EQUITY

	General Reserves €	Other Reserves €	Capital Grant €	Total €
Balance as at 1 January 2019	170,692	-	123,178	293,870
Capital Grant absorbed into net income	-		(61,588)	(61,588)
Net surplus for the year	13,625	-	-	13,625
	_____	_____	_____	_____
Balance as at 1 January 2020	184,317	-	61,590	245,907
Capital Grant			224,963	224,963
Capital Grant absorbed into net income	-		(84,086)	(84,086)
Net (deficit)/surplus for the year	(14,848)	-	-	(14,848)
	_____	_____	_____	_____
Balance as at 31 December 2020	€ 169,469	€ -	€ 202,467	€ 371,936
	_____	_____	_____	_____

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

The financial statements have been prepared and presented in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRSs), and the Voluntary Organisations Subsidiary Legislation 492.01 [Annual Returns and Annual Accounts] Regulations, 2012, adapted where necessary, as indicated hereunder, to reflect the objectives and practices of Nature Trust (Malta). They have been prepared under the historical cost convention.

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Council to exercise its judgement in the process of applying the organisation's accounting policies.

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. In the Council's opinion, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical.

b. Revenue recognition

Revenue is recorded and accounted for, as and when it is received or formally committed, for both generic and also specific initiatives.

c. Grants

Grants relating to tangible or intangible assets may be deducted from the carrying cost of the asset they relate to, or absorbed over the respective assets' estimated useful lives. The organisation has adopted the latter policy.

Grants are recognised initially as reserves for specific long term projects and deferred income for ongoing initiatives, at fair value when there is reasonable assurance that they will be received and the conditions associated with the grant complied with, and are then recognised in the income statement as other income on a systematic basis over the project's useful life. Grants that compensate for expenses incurred are recognised in the income statement as grants received, on a systematic basis in the periods in which the expenses are recognised.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

d. Foreign currencies

Transactions and balances

Foreign currency transactions are translated into the Euro using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

e. Property, plant and equipment

Property, plant and equipment, comprising buildings, plant, machinery and equipment are initially recorded at cost and are subsequently stated at cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items. Subsequent costs are included in the asset's carrying amount, or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the organisation, and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred

Depreciation is calculated on the straight line method to write off the cost of the assets over their estimated useful lives as follows:

• Sustainable Development and Wildlife Rehab Centres	10%
• Fixtures and fitting	10%
• Equipment	15% – 20%
• Vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Land and buildings are not depreciated.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

f. Impairment of assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

g. Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimate of the proceeds therefrom, in the ordinary course of activities, less the costs of selling expenses.

h. Receivables

Operating and other receivables are recognised initially at fair value and subsequently measured at the original claim amount less provisions made for impairment of these receivables. A provision for impairment of such receivables is established when there is objective evidence that the organisation will not be able to collect all amounts due according to the set original terms. Bad debts are written off during the year in which they are identified.

i. Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks. Any overdrawn bank balances are shown within borrowings in current liabilities in the statement of financial position.

j. Borrowings

Borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

k. Taxation

Nature Trust (Malta)'s income is practically derived entirely from grants and donations. Moreover the Council deems it is exempt from income tax, since it falls within the scope of Part III, Art.12 (1),(e) of the Income Tax Act (Cap.123), thus no tax provisions are made.

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2. STAFF COSTS

	2020	2019
	€	€
Salaries	138,250	105,597
Social Security contributions	10,291	7,441
Direct Wages allocated to projects	(117,469)	(83,363)
	<hr/>	<hr/>
	€ 31,072	€ 29,675
	<hr/>	<hr/>

3. GRANTS

	2020	2019
	€	€
Grants received during the year	320,462	23,300
Amounts transferred from/(to) deferred income	(72,818)	147,968
Adjustment for accrued income	50,835	40,566
	<hr/>	<hr/>
Grants recognised in the income statement	€ 298,479	€ 211,834
	<hr/>	<hr/>

4. INVENTORIES

	2020	2019
Publications held for resale	€ 1,250	€ 1,615
	<hr/>	<hr/>

NATURE TRUST (MALTA)
Annual Report and Financial Statements – 31 December 2020

5. TANGIBLE FIXED ASSETS

	Premises €	Fixtures €	Equipment €	Vehicles €	Total €
<u>Cost</u>					
At 1 January 2020	655,628	8,695	46,707	15,391	726,421
Additions	224,963	-	-	-	224,963
At 31 December 2020	880,591	8,695	46,707	15,391	951,384
<u>Depreciation</u>					
At 1 January 2020	554,292	8,695	46,707	6,156	615,850
Charge for year	84,086	-	-	3,078	87,164
At 31 December 2020	638,378	8,695	46,707	9,234	703,014
<u>Net book value</u>					
At 31 December 2020	€ 242,213	€ -	€ -	€ 6,157	€ 248,370
At 31 December 2019	€ 101,336	€ -	€ -	€ 9,235	€ 110,571

6. RECEIVABLES

	2020 €	2019 €
Current:		
Operational receivables	-	-
Other receivables	-	-
Accrued income	91,401	40,566
Deposit on acquisition of tangible fixed asset	-	-
	€ 91,401	€ 40,566

NATURE TRUST (MALTA)
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7. PAYABLES

	2020	2019
	€	€
Other payables	35,150	5,760
Accruals	16,983	3,164
	€ 52,133	€ 8,924

8. DEFERRED INCOME

	2020	2019
	€	€
Balance as at 1 January	92,528	240,496
(Decrease)/increase in deferred grants	72,818	(147,968)
	€ 165,346	€ 92,528

9. CASH & CASH EQUIVALENTS

	2020	2019
	€	€
Cash at bank	248,200	194,504
Cash in hand	194	103
	€ 248,394	€ 194,607

10. CAPITAL COMMITMENTS

	2020	2019
Capital commitments that have been approved and contracted for by the Council.	€ -	€ -

11. FINANCIAL RISK MANAGEMENT

Overview

Nature Trust (Malta) has an exposure to the following risks arising from the use of financial instruments within its activities:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the organisation's exposure to each of the above risks, policies and processes for measuring and managing risk, and the organisation's management of capital. Further quantitative disclosures are included in these financial statements.

The responsibility for the management of risk is vested in the Executive Council. Accordingly, it is the Council who has the overall responsibility for establishing an appropriate risk management framework.

Credit risk

Credit risk is the risk of financial loss to the organisation if a debtor or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the organisation's receivables and bank balances. The organisation's cash is placed with prime financial institutions. Receivables are presented net of impairment charges for bad and doubtful debts. Credit risk with respect to receivables is limited due to the established entities involved. Moreover, the organisation has no concentration of credit risk that could materially impact on the sustainability of its operations.

Liquidity risk

Liquidity risk is the risk that the organisation will not be able to meet its financial obligations as they fall due. The organisation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Generally, the organisation ensures that it has sufficient funds on demand to meet expected operational expenditure, including the servicing of financial obligations, and commitments for ongoing and new projects.

11. FINANCIAL RISK MANAGEMENT - continued

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates, will affect the fair value or future cash flows of a financial instrument. The objective of market risk is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The organisation is not exposed to foreign exchange risk since all operations are conducted locally and financed in the organisation's functional currency, which is the Euro. Moreover the organisation's source of funding is also pledged and received in Euro.

Fair values

At 31 December 2020 and 31 December 2019 the carrying amounts of cash at bank, receivables, payables and accrued expenses reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments.

NATURE TRUST (MALTA)
Annual Report and Financial Statements – 31 December 2020

CASH FLOWS STATEMENT

	note	2020 €	2019 €
Cash flows from operating activities			
Operating (deficit) surplus on ordinary activities		(14,848)	13,625
Adjustment for:			
Depreciation	5	87,164	64,911
Absorption of capital grant		(84,087)	(61,588)
		<hr/>	<hr/>
(Deficit)/surplus prior working capital changes		(11,771)	16,948
Movements in Receivables		(50,835)	(40,566)
Movements in Payables		116,028	(151,529)
Movements in inventories		365	300
		<hr/>	<hr/>
Net cash generated from/ (used in) operating activities		53,787	(174,847)
Net Cash flows from investing activities			
Purchase of property, plant and equipment		(224,963)	-
		<hr/>	<hr/>
Net Cash used in investing activities		(224,963)	-
Cash flows from financing activities			
Inflows from Capital grant		224,963	-
		<hr/>	<hr/>
Net Cash used in financing activities		224,963	-
Movements in Cash and Cash Equivalents			
		<hr/>	<hr/>
Movements in Cash and Cash Equivalents		53,787	(174,847)
Cash and cash equivalents at beginning of year		194,607	396,454
		<hr/>	<hr/>
Cash and cash equivalents at end of year	9	248,394	194,607

INCOME STATEMENT

	2020	2019
	€	€
GRANTS & DIRECT INCOME		
Educational activities and programs	82,724	120,076
Grants	298,479	211,834
Membership, fees and sponsorships	32,065	23,908
Sale of items	3,322	456
Xrobb I-Ghagin grant recognition	61,590	61,588
Wildlife Rehabilitation grant recognition	22,497	-
	<hr/>	<hr/>
<i>- to page 5</i>	€ 500,677	€ 417,862
	<hr/>	<hr/>
OTHER INCOME		
Net interest received	<i>- to page 5</i> € -	€ -
	<hr/>	<hr/>

NATURE TRUST (MALTA)
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OPERATING AND ADMINISTRATIVE EXPENSES SCHEDULE

	2020	2019
	€	€
ACTIVITIES & PROGRAMS COSTS		
Protection and site management costs	146,221	73,344
Activities and initiatives costs	127,080	146,834
Direct emoluments pertaining to projects	117,469	83,363
Cost of items sold	365	397
	<hr/>	<hr/>
<i>- to page 5</i>	€ 391,135	€ 303,938
	<hr/>	<hr/>
SUPPORTING & ADMINISTRATIVE EXPENSES		
Salaries	31,072	29,675
Insurance	660	624
Rent	2,500	2,500
Telecommunications	308	183
Stationery and subscriptions	100	324
Promotional expenses	-	-
Professional fees	650	650
General expenses	-	431
Repairs and maintenance	-	82
Transport	1,208	407
Bank charges	728	512
Depreciation provision	87,164	64,911
	<hr/>	<hr/>
<i>- to page 5</i>	€ 124,390	€ 100,299
	<hr/>	<hr/>