

MALAYSIAN NATURE SOCIETY (MNS)

Treasurer's Report on the Financial Performance for the year ended 31 May 2015

I table before you the financial performance of MNS for the year ended 31 May 2015.

Summary of Operating Income & Expenditure for the year ended 31 May 2015 is as follows:-

	2015	2014	Increase/ (decrease)	Increase/ (decrease)
	RM'000	RM'000	RM'000	%
Revenue	4,724	6,113	(1,389)	(23)
Expenditure	5,441	6,441	(1,000)	(16)
Operating Surplus /(Deficit)	(717)	(308)	(409)	133
Utilization of General Reserve	200	-		
Net surplus/(deficit) transferred to General Funds	(517)	(308)		

Operating revenue decreased by 23% from RM6.1m to RM4.7m as compared to the previous financial year. Expenditure also decreased from RM6.4m to RM5.4m a reduction of 16%. The disproportionate decrease of expenditure as compared to the decrease in revenue has resulted in an operating deficit of RM717K as compared to the deficit of RM308K for the previous year.

Your Board of Trustees has approved the utilization of the General Reserve of RM200K to reduce the operating deficit resulting in a net deficit of RM517K to be transferred to General Funds.

The disappointing performance for the current financial year is mainly attributable to the following factors:-

- Inability to acquire projected projects during the year.
- Funds raised were insufficient in meeting the forecasted amount.
- Margins on projects undertaken were inadequate to contribute towards the fixed overhead of the society. The fixed overhead comprises of mainly staff costs.

The previous full time salaried Executive Director resigned in March 2014 and without such a person at the helm for the first ten months of the year, there was no-one accountable for ensuring the funding was sufficient to cover the fixed overheads and probably has been a contributing factor to the poor financial performance for the year under review. However, a full time salaried Acting Executive Director was appointed in April 2015.

Looking forward, it is anticipated with the newly appointed salaried Acting Executive Director leading fundraising for the Society, the projected funding for next year will be more achievable. Additionally, better project monitoring and control will be introduced together with improved financial management and forecasting.

Cash balance at the beginning of the year of RM2.2 million has decreased to RM1.4 million as at 31.5.15, as a result of the deficit suffered and including the decrease in Other Payables of RM196K and the increase in Trade Receivables of RM59K.

Net Working Capital of RM1.9 million as at 31.5.14 is also reduced to RM1.2 million as at 31.5.15.

Finally, I would like to extend my special thanks to the Secretariat and staff for their commitments and sacrifices towards the sustenance of the Society as well as assisting me to discharge my duties to MNS.

Jenny Yow
Hon. Treasurer