

Malaysian Nature Society 'MNS'
Treasurer's Report on the Financial Performance for the year ended 31 May 2019

I wish to table below the detailed financial performance of MNS for the year ended 31 May 2019. This analysis forms an integral part of the Audited Income & Expenditure Statement for the year ended 2019.

Y E 31.5.2019	General / Projects Funds	Donation/ Sustainability Funds	BOT Funds	Total as per audited accounts
	RM '000	RM'000	RM'000	RM'000
Revenue for the year	4,486	290	1	4,777
Expenditure for the year	(4,604)	(20)	0	(4,625)
Operating (Deficit) / Surplus	(118)	270	1	152
Net Impairment of Receivables	(10)	-	-	(10)
Operating (Deficit) / Surplus after Impairment	(128)	270	1	143
Interest Income	80	-	67	147
Surplus /(Deficit) for the year	⊠ (48)	270	68	290
Y E 31.5.2018				
Revenue for the year	5,375	324	19	5,718
Expenditure for the year	(5,426)	0	(63)	(5,490)
Impairment of Receivables	(21)	0	0	(21)
Operating (Deficit) / Surplus	(72)	324	(44)	208
Interest Income	108	0	0	108
Surplus /(Deficit) for the year	36	324	(44)	316

General/Projects Fund

Operating revenue decreased by RM889 thousand equivalent to 17 % from RM 5.3 million to RM 4.5 million as compared to the previous financial year. The reduction was mainly attributable to reduced sponsorship from Petronas Dagangan and Optimal 2.

Operating expenditure on the other hand also decreased by RM943 thousand from RM5.4 million to RM4.6 million, a reduction of 17%.

The higher expenditure over revenue has resulted in operating deficit of RM118 thousand in 2019 as compared to RM 40 thousand for the previous financial year.

2019's Net Impairment of Receivables (provision for doubtful debts of RM51,059 for 2019 less write back of provision of for doubtful debts from 2017/8 of RM41,404) amounting to RM10 thousand further increased the operating loss of RM118 thousand to RM128 thousand.

The Society's operating deficits has been mitigated by Interest income from Fixed Deposits amounting to RM80 thousand for current year as compared to RM108 thousand for 2018, resulting in a net deficit of RM48 thousand for 2019 as compared to a net surplus of RM36 thousand for 2018. Funds available for fixed deposits in 2018 averaged RM3.8 million was reduced to an average of RM3.5 million in 2019 resulting in the reduction of interest income.

Donation/Sustainability Funds

These two funds were established in 2016 for the following purposes:-

1. Donation fund to account for all donations received (monies without specific obligations) and retained to finance projects deemed necessary for which no sponsorship could be secured.
2. Sustainability fund created from the 60% apportionment of General Admin Charge of 12% on most project monies earned. Purpose of this fund is to ensure the future sustenance of the society as a going concern.

These two funds have been increased by the monies earned/ received during the year.

BOT Funds

These funds are under the custodianship of the Board of Trustees and are placed on Fixed Deposits. Interest earned on the fixed deposits goes to increase these funds.

Highlights of Financial Position as at 31.5.2019 compared to 31.5.2018

	31.5.2019	31.5.2018
	RM'000	RM'000
Trade and Other Receivables	685	814
Cash and Deposits	3,080	4,063
Other payables, Deposits and Accruals	(370)	(748)
Contract Liabilities (Deferred Liabilities)	(1,167)	(2,154)

1. Trade and Other Receivables

Reduction on account of Trade Receivables of RM546K was off set with an increase in Other Receivables of RM430K

2. Cash and Deposits

Cash and bank deposits reduced resulting from operational loss suffered as well as a reduction of current liabilities.

3. Other Payables, Deposits and Accruals

Reduction due to absence of provision for bonus of RM150K.

4. Contract Liabilities (Deferred Income)

In 2019, less projects where monies received in advance has lead to a reduction of income to be deferred.

With a closing cash balance of RM3,080 thousand as at 31.5.2019, MNS is in financial stress. Cash available for operations unable to cover fixed overheads. Details as follows:-

	RM'000
Cash Balance as at 31.5.2019	3,080
Less Cash under custodianship of BOT	(1,354)
Cash held in Fiduciary Capacity	<u>(366)</u>
Cash available for operations which	1,360
includes Deferred Income of	(1,168)
Net cash available for operations	193

Various measures are being undertaken by your Secretariat, Council and BOT to improve the cash position of the society and we seek your earnest support to assist us to put the society back to a stronger footing.

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