

Malaysian Nature Society 'MNS'
Treasurer's Report on the Financial Performance for the year ended 31 May 2020

Dear Members, I detail below the financial performance of MNS for the year ended 31 May 2020. The following analysis forms an integral part of the Audited Income & Expenditure Statement for the year ended 31.5.2020.

Y E 31.5.2020	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	4,073	253	0	4,326
Expenditure for the year	(4,565)	(1)	0	(4,566)
Operating (Deficit) / Surplus	(492)	252	0	(240)
Net Impairment of Receivables	49	-	-	49
Operating (Deficit) / Surplus after Impairment	(443)	252	0	(191)
Interest Income	51	-	71	122
Surplus /(Deficit) for the year	α (393)	252	71	(69)
Y E 31.5.2019				
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

General/Projects Fund

Operating revenue decreased by RM413 thousand, equivalent to 10 % from RM 4.48 million to RM 4.07 million as compared to the previous financial year. Marked sponsorship reductions were noted from Telekom Malaysia for the KPA program of RM153 thousand, Petronas (Optimal 3) of RM175 thousand. Revenue for the last three months of the financial year for our educational centres, was also severely hit by the Movement Control Order (MCO) following the outbreak of Covid 19.

Operating expenditure on the other hand decreased marginally by only RM39 thousand from RM4.6 million for the previous financial year to RM4.56 million. The Society's fixed cost, comprising mainly staff salaries continued to be incurred by the society.

The higher expenditure over revenue has resulted in operating deficit of RM492 thousand in 2020 as compared to the deficit of RM 118 thousand for the previous financial year.

Credit goes to the Secretariat's aggressive debt collection efforts in 2020 resulting in the recovery of long outstanding debts amounting to RM48,709 for which provision was made in 2019. This bad debts recovery has resulted in the reduction of the operating deficit to RM443 thousand.

Interest income from Fixed Deposits amounting to RM51 thousand for current year as compared to RM80 thousand for 2019. The lower interest income was attributable to lower fixed deposit interest rates prevalent in 2020.

With the interest income, the net deficit for the year ended 31.5.2020 amounted to RM393 thousand as compared to a net deficit of RM48 thousand for the previous year.

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.

Financial Position as at 31.5.2020 compared to 31.5.2019

	31.5.2020	31.5.2019
	RM'000	RM'000
Trade and Other Receivables	753	685
Cash and Deposits	3,088	3,080
Other payables, Deposits and Accruals	(380)	(370)
Contract Liabilities (Deferred Liabilities)	(1,280)	(1,167)

No significant changes noted in current assets and current liabilities.

With a closing cash balance of RM3,088 thousand as at 31.5.2020, the society's operations has already eroded part of the Deferred Income. Details as follows:-

	RM'000
Cash Balance as at 31.5.2020	3,088
Less Cash under custodianship of BOT	(1,425)
Cash held in Fiduciary Capacity	<u>(379)</u>
MNS Cash available for operations	1,284
Balance of Deferred Income	<u>(1,363)</u>
Operations financed by Deferred Income	79

Various measures have since been taken by your Secretariat, Council and BOT to mitigate the financial loss experienced arising from the Covid 19 pandemic, including a 10% salary reduction for all staff earning RM4,000 and above.

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 in MNS.