

Malaysian Nature Society 'MNS'**Treasurer's Report on the Financial Performance for the year ended 31 May 2021**

Dear Members, I detail below the financial performance of MNS for the year ended 31 May 2021. The following analysis forms an integral part of the Audited Income & Expenditure Statement for the year ended 31.5.2021.

| Y E 31.5.2021 | 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 | 2,660 | 141 | 0 | 2,801 |
| Expenditure for the year | (3,384) | | | (3,384) |
| Operating (Deficit) / Surplus | (724) | 141 | | (583) |
| Interest Income | 16 | | 52 | 68 |
| Surplus /(Deficit) for the year | ⌘ (708) | 141 | 52 | (515) |
| Y E 31.5.2020 | | | | |
| 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 | ⌘ (393) | 252 | 71 | (69) |

General/Projects Fund

Operating revenue for the year amounted to only RM2.7m as compared to RM4m for the previous financial year, a reduction of RM1.3m equivalent to 33%. The society's project income for the year has been severely affected by the prolonged Movement Controls resulting from the Covid 19 pandemic. The termination of the operations of the Dark Caves which has been generating an annual income of RM200K was another contributor to the reduction in revenue.

Operating expenditure on the other hand decreased from RM4.6m for the previous year to RM3.4m, a reduction of RM1.2m an equivalent of 26%. Mitigation plans against the reduction in income including a 10% salary reduction was taken in June 2020 for all staff drawing more than RM4,000 per month. This has resulted in a savings on staff cost of RM8,000 per month.

In spite of efforts to reduce operating expenditure, the shortfall of revenue of 33% could not be matched with the reduction of expenditure which amounted to only 26%. Hence the operating deficit for the year increased to RM724K as compared to RM492K for the previous financial year.

The Society's fixed overheads of RM120K comprising mainly staff salaries continues to be incurred by the society, after a second round of salary reduction undertaken in July 2021 in view of the uncertainties posed by the continuing pandemic.

Interest income from Fixed Deposits amounted to RM16K for current year as compared to RM51K for the previous year, attributable to the lower fixed deposit interest rates as well as the lower levels of monies available for fixed deposit placements.

Together with the interest income, the net deficit for the year ended 31.5.2021 amounted to RM708K as compared to a net deficit of RM393K 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. Amount earned/received for the current year of RM141K as compared to RM252K for the previous year reflects on the lack of projects/donations 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. Balance of BOT funds as at 31.5.2020 of RM1.42m increased to RM1.47m as at 31.5.2021.

Financial Position as at 31.5.2021 compared to 31.5.2020

| | 31.5.2021 | 31.5.2020 |
|--|-----------|-----------|
| | RM'000 | RM'000 |
| Trade and Other Receivables | 359 | 753 |
| Cash and Deposits | 3,151 | 3,088 |
| Other payables, Deposits and Accruals | (214) | (213) |
| Contract Liabilities (Deferred Income) | (1,429) | (1,280) |
| | | |

Significant reduction in Trade Receivables due to non project billings.

Cash and deposits increased marginally..

Current liabilities remains constant.

Deferred Income represents monies received from sponsors on account of projects to be carried out in the near future.

With a closing cash balance of RM3.151m as at 31.5.2021, the society's operations has already eroded part of the Deferred Income ie sponsor's monies retained for future projects. Details as follows:-

| | |
|--|------------|
| | RM'000 |
| Cash Balance as at 31.5.2021 | 3,151 |
| Less Cash under custodianship of BOT | (1,466) |
| Cash held in Fiduciary Capacity | (428) |
| MNS Cash available for operations | 1,258 |
| Balance of Deferred Income | (1,429) |
| Operations financed by Deferred Income | <u>171</u> |

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.

Jenny Yow
MNS Hon. Treasurer