

The Heritage Parks Federation

Report and Financial Statements

Period ended 31st December 2011

The Heritage Parks Federation

Report and Financial Statements

Year ended 31st December 2011

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**The Heritage Parks Federation
Report of the Executive Committee
Period ended 31st December 2011**

The Executive Committee of the Federation reports as follows for the activities held during the period ended 31 December 2011.

Principal Activity

The Heritage Parks Federation is an organization set up to manage and supervise the management of heritage parks in the Maltese Islands and to develop policies and practices for such parks. The Federation was set up on the 6th February 2009 between The Gaia Foundation, Din L-Art Helwa and Nature Trust Malta.

Results

The Federation as at 31.12.2010 has received a donation of € 50,000 on which the project has not started and has not received the € 69,881 from the Ministry as contracted for the year under review. However, the latter amount is provided for.

Income

The results reflect the income generated and receivable from grants received as a result of management agreements signed with the Ministry for Rural Affairs and the Environment and the Malta Environment and Planning Authority with the Federation to manage the area known as the Majjistral. The agreement is valid for a term of five periods and end on the 26th January 2013.

Other income includes funds generated from related activities.

Expenditure

Expenditure for the period is divided between operational costs and administrative costs and expenses and reflects the expenses to run the organization and the project entrusted by the Ministry and MEPA. The results are shown in the schedule attached to the accounts.

Excess of Income over expenditure

The surplus for the period is shown on page 5.

The surplus of €22,239 for the year is added to the accumulated fund brought forward from previous year of €95,432. This leaves a total in the accumulated fund of €117,671 which forms the accumulated fund to be carried forward. The projects undertaken were not fully undertaken since the required permits are still not yet been issued by the competent authority.

Members of the Board of Administration

The members of the board of administration who served during the period were:

Mr Martin Galea, Dr. Rudolf Ragonesi, and Mr Vincent Attard. In accordance with the Statute, the present members are to remain in office.

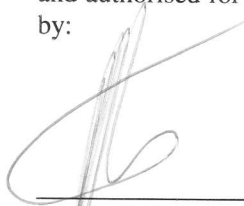
The Heritage Parks Federation
Report of the Executive Committee - continued
Period ended 31st December 2011

AUDITOR

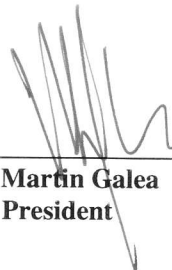
Benjamin Rizzo has expressed his willingness to continue in office and a resolution proposing his reappointment and will be put before the members at the next Annual general meeting.

Approval of financial statements

These financial statements were approved by the Executive Committee of the Federation and authorised for issue on the 30th October 2012 and signed on behalf of the Federation by:



Dr. Rudolf Ragonesi LL.D
Treasurer



Martin Galea
President

30th October 2012

The Heritage Parks Federation
Statement of responsibilities of the Executive Committee of the Federation
Period ended 31st December 2011

The members of the Executive Committee of the Federation are required to prepare financial statements, in accordance with International Financial Reporting Standards, which give a true and fair view of the state of affairs of the organisation at the end of each financial period and of its profit or loss for the period then ended. In preparing the financial statements, the Executive Committee of the Federation should:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Federation will continue in business.

The members of the Executive Committee of the Federation is responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the federation. They are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They have to report as per the statute of the Federation.

Benjamin Rizzo

Certified Public Accountant,
37, Moses Gatt Street, Birkirkara BKR 4091, Malta

Independent auditor's report to the members of The Heritage Parks Federation

Report on the Financial Statements

I have audited the accompanying financial statements of The Heritage Parks Federation, which comprise the statement of financial position as at 31st December 2011, and the income statement, and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

As also described in the statement of directors' responsibility on page 1, management is responsible for the preparation and fair presentation of these financial statements in accordance with the Accountancy Profession (General Accounting Principles for Smaller Entities) Regulations, 2009 and the Schedule accompanying and forming an integral part of those Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

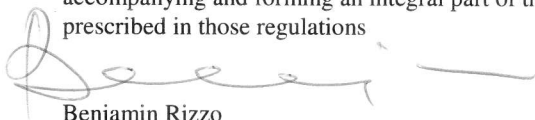
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements give a true and fair view of the financial position of The Heritage Parks Federation as at 31st December 2011, and of its financial performance and its cash flows for the period then ended in accordance with General Accounting Principles for Smaller Entities, except for the non-consolidation of the subsidiary's financial statements, and comply with the Companies Act (Cap.386).

Report on Other Legal and Regulatory Requirements

These financial statements have been properly prepared in accordance with the Companies Act (Chap. 386), enacted in Malta, which permits compliance with the Accountancy Profession (General Accounting Principles for Smaller Entities) Regulations, 2009 and the Schedule accompanying and forming an integral part of those Regulations, for qualifying entities as prescribed in those regulations



Benjamin Rizzo

Certified Public accountant 37, Moses Gatt Street, Birkirkara BKR 4091

30th October 2012

The Heritage Parks Federation
Income Statement
For the year ended 31st December 2011

	<i>notes</i>	2011	2010
		€	€
Grant Receivable -MRAE		69,881	69,881
Other income		5,972	0
Other grant		0	3,200
	5	75,853	73,081
Operational costs		-44,535	-45,631
		31,319	27,450
Administrative costs		-9,208	-6,450
Surplus before interest	6	22,110	21,000
Interest received	7	151	143
Surplus		22,261	21,143
Tax on interest	8	-23	-21
Surplus for the year		22,239	21,122

The Heritage Parks Federation
Statement of financial position
AS AT 31ST DECEMBER 2011

	<i>notes</i>	2011 €	2010 €
ASSETS AND LIABILITIES			
Non current assets			
Tangible assets	9	<u>7,538</u>	<u>10,420</u>
Current assets			
Cash and bank balances	10	<u>99,420</u>	<u>76,812</u>
Receivable	11	<u>69,881</u>	<u>69,881</u>
		<u>169,301</u>	<u>146,693</u>
Total Assets		<u><u>176,839</u></u>	<u><u>157,113</u></u>
Current Liabilities			
Payables	12	<u>9,168</u>	<u>11,681</u>
Other current liabilities	13	<u>50,000</u>	<u>50,000</u>
		<u>59,168</u>	<u>61,681</u>
Net assets		<u><u>117,671</u></u>	<u><u>95,433</u></u>
ACCUMULATED FUND			
as at 1 January		<u>95,432</u>	<u>65,440</u>
adjustments to opening balance		<u>0</u>	<u>8,870</u>
for year		<u>22,239</u>	<u>21,122</u>
as at 31 December		<u><u>117,671</u></u>	<u><u>95,432</u></u>

The financial statements were authorised for issue by the
Executive Committee of the Heritage Parks Federation on the 30th October 2012 and
were signed on its behalf by:

Martin Galea
President

Rudolf Ragonesi
Treasurer

The Heritage Parks Federation
CASH FLOW STATEMENT
Year ended 31st December 2011

	note	2011 €	2010 €
Cash flows from operating activities			
Surplus for year		22,239	21,122
Adjustment for			
opening balance on accumulated fund		0	8,870
Depreciation		2,882	3,526
<i>Profit on operations before working capital movements</i>		25,121	33,518
Movements in :			
Payables		-2,513	-7,120
Cash flows from operations		22,608	26,398
Cash flow from investing activities			
Purchase of tangible assets		0	-1,032
Movements in cash and cash equivalents		22,608	25,366
money received for project		0	50,000
Cash and cash equivalents			
At beginning of year		76,812	1,446
Cash and cash equivalents			
At end of year		99,420	76,812

The Heritage Parks Federation
Notes to the accounts
Year ended 31st December 2011

1. Basis of preparation

1.1 Statement of compliance

The financial statements of The Heritage Parks Federation have been prepared in accordance with the Accountancy Profession (General Accounting Principles for Smaller Entities) Regulations, 2009 and the Schedule accompanying and forming an integral part of those Regulations ("GAPSE").

1.2 Basis of measurement

The financial statements are prepared on the historical cost basis.

1.3 Functional and presentation currency

The financial statements are presented in euro, which is the Federation's functional currency.

The significant accounting policies adopted are set out below.

2. Significant accounting policies

Property, plant and equipment

The Federation's property, plant and equipment are classified into the following classes – computer equipment, and motor vehicle.

All tangible assets are initially measured at cost. Subsequent costs are included in the asset's carrying amount 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. Expenditure on repairs and maintenance of property, plant and equipment is recognised as an expense when incurred.

Property, plant and equipment are derecognized on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in profit and loss in the period of derecognition.

The Heritage Parks Federation
Notes to the accounts - continued
Period ended 31st December 2011

2. Significant accounting policies – continued

Depreciation

Depreciation commences when the depreciable assets are available for use and is charged to profit and loss so as to write off the cost (or revalued) amount, less any estimated residual value, over their estimated useful lives, using the straight line method on the following basis:

Rates for depreciation

The accounting policy on the depreciation of the Federation's property, plant and machinery is worked on the straight line method. This method is based on to write off the values of assets in equal annual installments over the remaining useful lives of the assets at the following rates:

Computer Equipment	33.3 percent
Motor vehicles	20 percent

Financial Instruments

Financial assets and financial liabilities are recognised on the organisation's statement of financial position when the organisation has become a party to the contractual provisions of the relative instruments. Financial assets and financial liabilities are initially recognized at cost plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through the income statement.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the organisation has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire or when the entity transfers the financial asset and the transfer qualifies for derecognition.

Financial liabilities are derecognized when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires.

a. Trade receivables

Trade receivables are classified with current assets and are stated at their nominal value. Appropriate allowances for estimated irrecoverable amounts are recognized in profit and loss when there is objective evidence that an asset is impaired.

b. Bank balances

Subsequent to initial recognition, interest bearing bank accounts are carried at their face value in view of their short-term maturities.

2. Significant accounting policies – continued

c. Payables

Payables are classified with current liabilities and are stated at their nominal value.

e. Impairment

All assets are tested for impairment except for financial assets measured at fair value through profit and loss. At each balance sheet date, the carrying amount of assets is reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated.

The organisation reviews the carrying amount of its assets by assessing the greater of their net selling price or value in use in order to determine whether such assets have suffered an impairment loss.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for services provided in the normal course of business, net of value added tax and discounts, where applicable.

Revenue is recognized to the extent that it is probable that future economic benefits will flow to the organisation and these can be measured reliably.

Taxation

Current tax is charged or credited to profit and loss, except when it relates to items charged or credited directly to accumulated fund.

The charge for current tax is based on the charge for the period as adjusted for items which are non-assessable or disallowed. It is calculated using tax rates that have been enacted by the Statement of financial position date.

Employee benefits

The organisation contributes towards the state pension in accordance with local legislation. The only obligation of the organisation is to make the required contributions. Costs are expensed in the period in which they are incurred.

Cash and Cash equivalents

Cash and Cash equivalents comprise cash in hand and deposits repayable on demand less advances from banks repayable with three months of the date of the advance.

The Heritage Parks Federation
Notes to the accounts - continued
Period ended 31st December 2011

3. Judgements in applying accounting policies and key sources of estimation uncertainty.

In the process of applying the Federation's accounting policies, management has made no judgements which can significantly affect the amounts recognised in the financial statements.

At the Statement of financial position date, there were no key assumptions concerning the future or other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

4. Adoption of GAPSE

As explained in note 1, the Federation's adopted GAPSE in these financial statements. The Federation's most recent previous financial statements, for the year ended 31 December 2010, were prepared in accordance with GAPSE.

5. Revenue Recognition

Revenues earned by the Federation are recognised on the following basis:

Income from grants and Management fees on accrual basis as per agreements signed.

All other income as and when received.

6. Surplus for the period

Surplus is stated after charging:

	2011	2010
	€	€
Auditor's fee	673	600
Depreciation	2,882	3,526

7. Bank interest receivable

The interest received on bank account balances.

The Heritage Parks Federation
Notes to the accounts - continued
Period ended 31st December 2011

8. Taxation

Provision is made for the payment of tax in bank interest earned at 15% of interest received.

9. Property improvement, plant and equipment

Cost	01.01.11	additions	31.12.11
Motor Vehicle	10,715		10,715
Computer Equipment	1,929		1,929
Office equipment	2,297		2,297
Information boards	5,091		5,091
	<u>20,032</u>	<u>0</u>	<u>20,032</u>
Depreciation	01.01.11	for year	31.12.11
Motor Vehicle	6,309	2,143	8,452
Computer Equipment	1,929		1,929
Office equipment	357	230	587
Information boards	1,018	509	1,527
	<u>9,613</u>	<u>2,882</u>	<u>12,495</u>
Net book value	<u>10,419</u>		<u>7,538</u>

10. Bank balances

	2011	2010
	€	€
Bank balances as at year end	<u>99,420</u>	<u>76,812</u>

11. Receivables

	2011	2010
	€	€
Amount receivable from MRAE for 2011(2010)	<u>69,881</u>	<u>69,881</u>

12 Payables

	2011	2010
	€	€
Gaia Foundation	0	8,748
Accruals	4,095	1,437
National Insurance	4,451	662
Tax - 15% on bank interest	22	233
Audit fee	600	600
	<u>9,168</u>	<u>11,681</u>

The Heritage Parks Federation
Notes to the accounts - continued
Period ended 31st December 2011

13. Other current liabilities

	2011	2010
	€	€
Money received as per agreement and not yet spent	<u>50,000</u>	<u>50,000</u>

14. Fair values of financial assets and financial liabilities

At 31 December 2011 the carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities respectively approximated their fair value due to the short term maturities of these assets and liabilities.

The fair values of non-current financial liabilities are not materially different from their carrying amounts.

15. Financial risk management

Credit risk

Financial assets which potentially subject the Federation to concentrations of credit risk consist principally of receivable and cash at bank. Cash at bank is placed with reliable financial institutions.

The Heritage Parks Federation
Operational costs
Year ended 31st December 2011

	2011	2,010
	€	€
Depreciation of equipment	2,882	3,526
Guided walks expenses	140	215
Landscaping	38	6,637
Maintenance equipment	2,283	447
Maintenance works	2,391	1,095
Motor vehicle costs	1,676	1,177
Patrols and security	56	0
Salaries	34,920	32,155
Site clean up	148	379
	<u>44,535</u>	<u>45,631</u>

Administrative costs and expenses
Year ended 31st December 2011

	2011	2,010
	€	€
Audit fee	673	600
Bank Charges	56	31
Communications and website	613	995
Conferences expenses	2,181	1,076
Insurance	655	559
Licences and permits	520	12
Professional fees	110	198
Publications	1,050	1,370
Stationery	728	330
Water and electricity	2,623	1,279
	<u>9,208</u>	<u>6,450</u>