

**The Heritage Parks Federation**  
**Report and Financial Statements**  
**Period ended 31<sup>St</sup> December 2009**

# The Heritage Parks Federation

## Report and Financial Statements

Year ended 31<sup>st</sup> December 2009

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### Contents:

Report of Executive Committee	Page 1 - 2
Statement of Responsibilities of Executive Committee	3
Report of the auditor	4
Income Statement	5
Balance Sheet	6
Cash flow statement	7
Notes to the financial statements	8 - 13

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### Schedules

Administrative costs and expenses	14
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**The Heritage Parks Federation  
Report of the Executive Committee  
Period ended 31<sup>st</sup> December 2009**

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The Executive Committee of the Federation reports as follows for the activities held during the period ended 31 December 2009.

**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 6<sup>th</sup> February 2008 between The Gaia Foundation, Din L-Art Helwa and Nature Trust Malta.

**Results**

The managers of the Federation has to sustain the Federation with money in order to keep on paying the salaries for the employees.

*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 know as the Majjistral. The agreement is valid for a term of five periods. This is shown on page 5 in the Income Statement.

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 €54,756 for the year is added to the accumulated fund brought forward from previous year of € 10,684 leaving a total in the accumulated fund of € 65,440. which forms the accumulated fund to be carried forward.

**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 31<sup>st</sup> December 2009**

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**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.

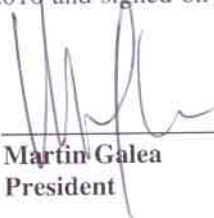
**Approval of financial statements**

These financial statements were approved by the Executive Committee of the Federation and authorised for issue on the 26<sup>th</sup> March 2010 and signed on behalf of the Federation by:



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**Dr. Rudolf Ragonesi LL.D**  
**Treasurer**



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**Martin Galea**  
**President**

26<sup>th</sup> March 2010

**The Heritage Parks Federation**  
**Statement of responsibilities of the Executive Committee of the Federation**  
**Period ended 31<sup>st</sup> December 2009**

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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, A.C.M.A., F.I.A.*

*Auditor and Management Consultant*

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 balance sheet as at 31<sup>st</sup> December 2009, and the income statement, and cash flow statement 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 International Financial Reporting Standards. 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 31<sup>st</sup> December 2009, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

### **Report on Other Legal and Regulatory Requirements**

These financial statements have been properly prepared in accordance with the Companies Act 1995.

  
Benjamin Rizzo

Certified Public accountant

37, Moses Gatt Street, Birkirkara BKR 4091

26<sup>th</sup> March 2010

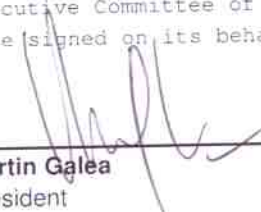
The Heritage Parks Federation  
Income Statement  
For the year ended 31st December 2009

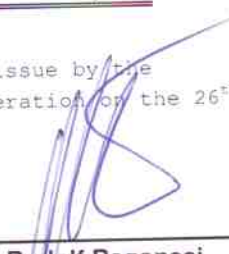
	<i>notes</i>	2009 €	2008 €
Grants Received - 2008 MRAE		82,921	33,547
Grant Receivable -2009 MRAE		69,881	
Other income		<u>1,257</u>	<u>152</u>
	5	<u>154,059</u>	33,699
Operational costs		<u>-94,959</u>	<u>-20,604</u>
		<u>59,100</u>	13,095
Administrative costs		<u>-4,440</u>	<u>-3,512</u>
Surplus before interest	6	<u>54,660</u>	9,583
Interest received	7	<u>113</u>	<u>1,298</u>
Surplus		<u>54,773</u>	10,881
Tax on interest	8	<u>-17</u>	<u>-195</u>
Surplus for the year		<u><u>54,756</u></u>	<u><u>10,686</u></u>

The Heritage Parks Federation  
 Balance Sheet  
 AS AT 31ST DECEMBER 2009

	notes	2009 €	2008 €
<b>ASSETS AND LIABILITIES</b>			
<b>Non current assets</b>			
Tangible assets	9	<u>12,913</u>	<u>9,979</u>
<b>Current assets</b>			
Cash and bank balances	10	1,446	93,120
Receivable	11	<u>69,881</u>	<u>          </u>
		<u>71,327</u>	<u>93,120</u>
<b>Total Assets</b>		<u><u>84,240</u></u>	<u><u>103,099</u></u>
<b>Current Liabilities</b>			
Payables	112	18,800	9,724
Other current liabilities	13	<u>0</u>	<u>82,691</u>
		<u>18,800</u>	<u>92,414</u>
<b>Net assets</b>		<u><u>65,440</u></u>	<u><u>10,684</u></u>
<b>ACCUMULATED FUND</b>			
as at 1 January		10,684	0
for year		<u>54,756</u>	<u>10,684</u>
<b>as at 31 December</b>		<u><u>65,440</u></u>	<u><u>10,684</u></u>

The financial statements were authorised for issue by the Executive Committee of the Heritage Parks Federation on the 26<sup>th</sup> March 2010 and were signed on its behalf by:

  
 Martin Galea  
 President

  
 Rudolf Ragonesi  
 Treasurer



The Heritage Parks Federation  
**CASH FLOW STATEMENT**  
Year ended 31st December 2009

	2009 €	2008 €
<b>Cash flows from operating activities</b>		
Surplus for year	54,756	10,684
Adjustment for Depreciation	3,421	2,665
	<hr/>	<hr/>
<i>Profit on operations before working capital movements</i>	58,177	13,350
Movements in :		
Receivables	(69,881)	
Payables	9,077	9,724
Other current liabilities	(82,691)	82,691
	<hr/>	<hr/>
<b>Cash flows from operations</b>	(85,318)	105,764
<b>Cash flow from investing activities</b>		
Purchase of tangible assets	(6,356)	(12,644)
	<hr/>	<hr/>
<b>Movements in cash and cash equivalents</b>	(91,674)	93,120
<b>Cash and cash equivalents</b>		
At beginning of year	93,120	0
<b>Cash and cash equivalents</b>		
At end of year	1,446	93,120
	<hr/>	<hr/>

**The Heritage Parks Federation**  
**Notes to the accounts**  
**Year ended 31<sup>st</sup> December 2009**

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**1. Basis of preparation**

These accounts have been prepared in accordance with the requirements of the International Financial Reporting Standards. The financial statements have been prepared under the historic cost convention

A summary of the more important accounting policies, which have been applied consistently, is 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.

*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

## 2. Significant accounting policies – continued

### *Financial Instruments*

Financial assets and financial liabilities are recognised on the organisation's balance sheet 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 profit and loss.

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet 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.

#### *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.

## **2. Significant accounting policies – continued**

### *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 balance sheet 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.

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

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

At the balance sheet 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 new and revised International Financial Reporting Standards

In the current period, the Institute has applied all of the new and revised International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are relevant to its operations and effective for the accounting period.

The adoption of these new and revised International Financial Reporting Standards has not resulted in material changes to the Institute's accounting policies.

The director anticipates that the adoption of International Financial Reporting Standards that were in issue at the date of authorisation of these financial statements but not yet effective will have no material impact on the financial statements of the Institute in the period of initial application.

#### 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.

This year the amount outstanding from 2008 of € 82,921 was received, the amount contracted to be received for 2009 will be received in 2010.

#### 6. Surplus for the period

Surplus is stated after charging:

	2009	2008
	€	€
Auditor's fee	649	550
Depreciation	3,421	2,665

#### 7. Bank interest receivable

The interest received on bank account balances.

#### 8. Taxation

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

**The Heritage Parks Federation**  
**Notes to the accounts - continued**  
**Period ended 31<sup>st</sup> December 2009**

**9. Property improvement, plant and equipment**

	01.01.09	additions	31.12.09
Cost			
Motor Vehicle	10,715		10,715
Computer Equipment	1,929		1,929
Office equipment		1,265	1,265
Information boards		5,091	5,091
	<u>12,644</u>	<u>6,356</u>	<u>19,000</u>
Depreciation			
Motor Vehicle	2,023	2,143	4,166
Computer Equipment	642	642	1,285
Office equipment		127	127
Information boards		509	509
	<u>2,665</u>	<u>3,421</u>	<u>6,087</u>
Net book value	<u>9,979</u>		<u>12,913</u>

**10. Bank balances**

	2009	2008
	€	€
Bank balances as at year end	<u>1,446</u>	<u>93,120</u>

**11. Receivables**

	2009	2008
	€	€
Amount receivable from MRAE for 2009	<u>69,881</u>	<u>0</u>

**12 Payables**

	2009	2008
	€	€
Gaia Foundation	8747	8978
Managers	5000	
National Insurance	4290	
Tax - 15% on bank interest	211	196
Audit fee	550	550
	<u>18798</u>	<u>9724</u>

**The Heritage Parks Federation**  
**Notes to the accounts - continued**  
**Period ended 31<sup>st</sup> December 2009**

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**13. Other current liabilities**

	2009	2008
	€	€
Money received as per agreement and not yet spent	<u>0</u>	<u>82,691</u>

**14. Fair values of financial assets and financial liabilities**

At 31 December 2009 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.

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The Heritage Parks Federation  
Operational costs  
Year ended 31st December 2009

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	2009	2008
	€	€
Landscaping	45,499	2,241
Maintenance equipment	3,248	1,164
Salaries	36,684	9,544
Patrols and security	3,039	1,900
Site clean up	453	442
Maintenance works	281	0
Motor vehicle costs	2,016	1,738
Depreciation of equipment	3,421	2,665
Guided walks expenses	317	910
	<u>94,959</u>	<u>20,604</u>

The Heritage Parks Federation  
Administrative costs and expenses  
Year ended 31st December 2009

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	2009	2008
	€	€
Audit fee	649	550
Bank Charges	88	0
Communications and website	621	962
Computer expense	0	515
Conferences expenses	280	0
Publications	915	0
Medical expenses	191	0
Professional fees	506	165
Stationery	769	1,166
Uniforms	0	154
Water and electricity	422	0
	<u>4,440</u>	<u>3,512</u>