



## ***Din I-Art Helwa*** National Trust of Malta

### **To the Members**

#### **Treasurer's Report for year ended 31<sup>st</sup> December 2021**

##### Background and Context

It is with mixed feelings that I present to you this Treasurer's report for the year ended 31<sup>st</sup> December 2021. This is my final report after taking up this role late in November 2012. I am very pleased to report that Din I-Art Helwa has weathered the pandemic storm, albeit uncertainties still exist about the long-term effect of the pandemic not only as a public health danger but also because there have been, possibly, irreversible, changes in how we work. Furthermore, travel patterns have also been affected with developments still unfolding. This has special significance to us at Din I-Art Helwa.

As I have commented in prior years, the bulk of visitors in our sites are non-resident individuals. During 2019, the last full year before the pandemic struck, 84% of all our visitors were non-residents of Malta. During 2020 this figure dropped to 67%, but climbed to 74% during the year under review. Tourism inflows in Malta and Gozo fell circa 75-80% from 2019 to 2020, but appear to be recovering with a 38% increase in number in 2021 over the prior year. These increases bode well for us. Visitor numbers at Din I-Art Helwa sites fell from 62,000 in 2019, to 15,000 in 2020, recovering to 24,000 in 2021. Our visitors had peaked in 2018 at 92,000.

The significant challenges in our construction industry are still very much a material consideration for our Heritage and Environmental Protection team who have continued the fight against unbridled construction and encroachment on our green and open spaces. I will comment further on this.

##### Financial Result for the Year

From a financial performance point of view, I am delighted to report that we are "back in the black". During 2020 we had registered a Deficit of circa € 15,000; this year we have registered a surplus of just over € 22,000 thus replenishing our Reserves figure which stand at a very robust level of € 284,000.

As I will describe, during the year under review, Operational Expenditure was contained within Operational Income, resulting in a balanced net Operational Surplus supported by a net Surplus arising out of Sponsorship Income less Restoration Expenditure. This financial discipline is of crucial important for NGOs.

##### External Audit

Our external auditors, VCA Certified Public Accountants have certified a clean audit report and have intimated their willingness to remain in office, which I recommend. This result is an important consideration for Governance purposes.

## Liquidity

Our ability to function effectively is largely dependent on our cash generation capability. On the Income side, we are strongly supported by our Membership fees, both Corporate and Personal. Additionally, following the finalisation of several large restoration projects, including the Red Tower, and the easing of public health regulations, I am pleased to advise that income from our sites rebounded strongly in 2021. I am also pleased to report that Sponsorships have continued to be generated, supported by Maltese corporate entities, both large and small.

I cannot but congratulate the Red Tower team who generated 36% of all our Sites' non-Sponsorship income and accounted for 65% of all our visitors in 2021. A big well done is also due to our Garden of Rest Team and our Delimara Lighthouse volunteers, the two next biggest contributors.

On the Expenditure side we have continued to meet all our Administrative and Overhead costs as they arise, including rewarding our competent team of employees. We have also continued to meet the significant maintenance costs of keeping our 20+ sites in a state that reflects the pride of our heritage. I am also pleased to report that we have financed our Planning Objections and Environmental Protection activities in our ongoing commitment to defend our Nation's built and environmental heritage. During this year we have spent nearly € 40,000 fighting this fight on top of the significant number of volunteer hours of the respective Council and Executive team members.

As at the end of the year under review, our bank balances evidence a very strong position that allows us to continue delivering our mission. I have no hesitation in confirming to you, our Members, that Din I-Art Ħelwa's financial position is a strong one and provides for a sustainable way forward. It is pertinent to note that circa 80% of all our bank balances represent funds that have been collected for specific projects and restorations and cannot be used for day-to-day expenditure. This ability to fund significant financial commitments of a capital nature are in line with the Civil Code responsibilities of an NGO's Officials' legal responsibility to only make financial commitments against held resources.

## The Way Ahead

In any organisation as in any environment, change is a given; I firmly believe that change leads to different thinking which, in turn, leads to new, unexplored avenues. I am delighted to hand over my responsibilities as Honorary Treasurer to Mr Michael Warrington, a person of integrity and financial acumen and I am sure that he will make sterling contributions to the successful running of Din I-Art Ħelwa's finances. The transfer of responsibilities will occur at the first Council Meeting after this Annual General Meeting.

I sincerely thank all my colleagues at Din I-Art Ħelwa; Council members, employees, volunteers and supporters who have striven, and continue to strive, passionately and, sometimes, against very challenging circumstances, to protect, defend and enhance Malta's and Gozo's heritage. It has been a privilege to work alongside so many selfless individuals.

Thank you.

Martin Scicluna  
Honorary Treasurer  
Din I-Art Ħelwa

16<sup>th</sup> February 2022

# Din I-Art Helwa

## Statement of Comprehensive Income For Year ended 31st December 2021

	2021	2020
	€	€
<b>Revenue</b>	<b>322,915</b>	<b>577,214</b>
<b>Cost of Sales</b>	<b>-244,887</b>	<b>-548,289</b>
<b>Gross Profit</b>	<b>78,028</b>	<b>28,925</b>
Other Income	18,824	28,660
Administration expenditure	-74,560	-72,751
<b>Operating (Loss)/Profit</b>	<b>22,292</b>	<b>-15,166</b>
Investment income	7	10
<b>(Loss)/Profit for the year</b>	<b>22,299</b>	<b>-15,156</b>
<b>Reserves</b>		

## Statement of Financial Position As at 31st December 2021

	2021	2020
	€	€
<b>ASSETS</b>		
Non Current Assets		
Property, plant and equipment	26,359	30,092
<b>Current Assets</b>		
Inventories	23,391	23,797
Trade and other receivables	30,322	33,703
Cash and cash equivalents	422,504	334,670
	476,217	392,170
<b>Total Assets</b>	<b>502,576</b>	<b>422,262</b>
<b>EQUITY AND LIABILITIES</b>		
	2021	2020
	€	€
<b>Equity</b>		
Retained Earnings	284,325	262,026
<b>Current liabilities</b>		
Trade and other payables	218,251	160,236
<b>Total Equity and Liabilities</b>	<b>502,576</b>	<b>422,262</b>

***“Din I-Art Helwa Independent Auditors’ Report to the Members***

*Report on the audit of the Financial Statements. We have audited the financial Statements of Din I-Art Helwa (‘the Association’), which comprise the statement of financial position as at 31<sup>st</sup> December 2021, the statement of comprehensive income, and notes to the financial statements, including a summary of significant accounting policies.*

***Opinion***

*In our opinion, the financial statements give a true and fair view of the balance sheet of the Association as at 31<sup>st</sup> December 2021, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU and have been properly prepared in accordance with the requirements of the Association’s Statute.*

*Michael Curmi (Partner)*

*For an on behalf of VCA, Certified Public Accountants*

*16<sup>th</sup> February 2022”*

## Other Information



