



AD+PD

Annual Report and Financial Statements

31 December 2020

registration number EO/22/16/D



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GENERAL INFORMATION**Registration**

Founded in 1989, Alternattiva Demokratika - The Green Party, has been contesting elections ever since. It is registered in Malta as a political party for the purpose of the Financing of Political Parties Act (CAP 544) which came into force in 2016, with registration number EO/22/16/D

On the 17 of October 2020 at the General Meeting of Alternattiva Demokratika – The Green Party approved a name change to AD+PD, and the acronym ADPD. This followed the integration of Partit Demokratiku into the structures of Alternattiva Demokratika.

Executive Committee and Party Officials

Carmel Cacopardo (Chairperson)	
Mario Mallia (Deputy Chairperson)	
Mark Zerafa (Deputy Chairperson)	<i>Appointed on 17 October 2020</i>
Ralph Cassar (Secretary General)	
Luke Caruana (Deputy Secretary General)	<i>Appointed on 17 October 2020</i>
Anna Azzopardi (Deputy Secretary General)	<i>Term ended on 17 October 2020</i>
Melissa Bagley (Deputy Secretary General)	<i>Appointed on 17 October 2020</i>
Rachelle Deguara (International Secretary)	<i>Term ended on 17 October 2020</i>
Anna Azzopardi (International Secretary)	<i>Appointed on 17 October 2020</i>
Luke Caruana (Public Relations Officer)	<i>Term ended on 17 October 2020</i>
Marcus Lauri (Public Relations Officer)	<i>Appointed on 17 October 2020</i>
Jamie Mercieca (Treasurer)	<i>Term ended on 17 October 2020</i>
Carmel Ascjak (Treasurer)	<i>Appointed on 17 October 2020</i>

Registered Address AD+PD
P.O. Box 38, Marsa MTP 1001, Malta
51, Triq Isouard, Marsa MRS 2019, Malta

Bankers Bank of Valletta plc
58, Zachary Street, Valletta, Malta

The Party's Structure

The party is led by an Executive Committee elected every year during the Annual General Meeting. Branches and Affiliates of the party include Alternattiva Demokratika Zghazagh (ADŽ – Green Youth), the party's Youth Section and an educational and cultural foundation set up through a notarial deed – the Fondazzjoni Ceratonia. Internationally AD+PD is a full member of the European Green Party.

A Memorandum of Understanding was signed on 1st August 2020 by virtue of which the terms of the merger between Alternattiva Demokratika and Partit Demokratiku were defined.

- The merger was to be a political exercise with Partit Demokratiku absorbed in Alternattiva Demokratika, and the statute's changes were to include the new name AD+PD
- Henceforth AD+PD will be the legal continuation of Alternattiva Demokratika
- The changes were to be effective at the next Alternattiva Demokratika AGM, when the new Executive Committee for AD+PD was to be elected.

ADMINISTRATORS' REPORT

Scope of financial statements

The scope of the financial statements is to report on the financial affairs, sources of finance, and allocation of financial resources, of the Party, in accordance with the Financing of Political Parties Act, and as specified in Legal Notice 282 of 2016.

Performance review

The Party registered a surplus of €584 for the financial year. During the year under review, the Party focussed on consolidating its structures, and on social media presence. Activities usually held during the year, including social and fundraising events were adversely affected by the Covid-19 pandemic. It continued to work on updating and consolidating policies, whilst also participating in public consultation exercises. Social media presence was maintained as a continuous point of contact with the public. The Party increased its accumulated reserves to €2,032 primarily due to the continued support of its members notwithstanding the postponement of social events imposed by Covid-19 measures.

Post Balance Sheet Events

There were no particular important events affecting the Party which occurred since the end of the accounting year, apart from the ongoing Covid-19 restrictions affecting income and social events.

Statement of Administrators' Responsibilities

The administrators are required by the Financing of the Political Parties Act (Cap. 544) to prepare financial statements which give a true and fair view of the state of affairs of the Party as at the end of each reporting period and of the surplus or deficit for that period.

In preparing the financial statements, the administrators are responsible for:

- ensuring that the financial statements have been drawn up in accordance with the Accountancy Profession (General Principles for Small and Medium-Sized Entities) Regulations (S.L. 281.03) and the Schedule accompanying and forming an integral part of those Regulations as amended by the notes in these financial statements;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Party will continue in business as a going concern.

The administrators are also responsible for designing, implementing and maintaining internal control as the administrators determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Act. They are also responsible for safeguarding the assets of the Party and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ADMINISTRATORS' REPORT (continued)

Statement of Administrators' Responsibilities (continued)

The financial statements of **AD+PD** for the year ended **31 December 2020** are included in the **Annual Report 2020**, which is published in hard-copy printed form and may be made available on the Party's website. The administrators are responsible for the maintenance and integrity of the Annual Report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the party's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

Approved by the Executive Committee on **30 April 2021** and signed on its behalf by:



Carmel Cacopardo
Chairperson



Carmel Asciak
Treasurer

Dion Borg

FIA, CPA, MIFSP, CeFA, MBA (Maastr.)

Certified Public Accountant, Registered Auditor, Finance & Tax Advisor
48, Triq il-Parrocca, St. Venera, SVR1264 MALTA

INDEPENDENT AUDITOR'S REPORT

To the members of **AD+PD**

Opinion

I have audited the accompanying financial statements of **AD+PD** (the "Party") set out on pages 8 to 18, which comprise the Statement of Financial Position as of **31 December 2020**, and the Income and Expenditure Account, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Party as at **31 December 2020**, and of its financial performance and its cash flows for the year then ended in accordance with the Accountancy Profession (General Principles for Small and Medium-Sized Entities) Regulations (S.L. 281.03) and the Schedule accompanying and forming an integral part of those Regulations as amended by the notes in these financial statements, and in adherence to the requirements of the Financing of Political Parties Act (Cap. 544)

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Party in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to my audit of the financial statements in accordance with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta*, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Administrators are responsible for the other information. The other information comprises the General and Administrators' Report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Administrators' Responsibility for the Financial Statements

The Administrators are responsible for the preparation and fair presentation of the financial statements in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium Sized Entities) Regulations 2015, the Schedule accompanying and forming an integral part of those Regulations, and in adherence to the requirements of the Financing of Political Parties Act (Cap. 544). They are also responsible for such internal control as the Administrators determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Dion Borg

FIA, CPA, MIFSP, CeFA, MBA (Maastri)

Certified Public Accountant, Registered Auditor, Finance & Tax Advisor
48, Parish Street, St. Venera, SVR1264 MALTA

INDEPENDENT AUDITOR'S REPORT – *continued*

Administrators' Responsibility for the Financial Statements - *continued*

In preparing the financial statements, the Administrators are responsible for assessing the Party's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Administrators either intend to place the Party into liquidation, or to cease activities, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Party's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Administrators
- Conclude on the appropriateness of the Administrators' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Party's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Party to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Dion Borg

FIA, CPA, MIFSP, CeFA, MBA (Maastr.)

Certified Public Accountant, Registered Auditor, Finance & Tax Advisor
48, Parish Street, St. Venera, SVR1264 MALTA

INDEPENDENT AUDITOR'S REPORT – *continued*

Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements have been properly prepared in accordance with the Financing of Political Parties Act (Chap. 544), enacted in Malta, which permits compliance with the Accountancy Profession (General Accounting Principles for Small and Medium Sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations, for qualifying entities as prescribed in those regulations.

I also have responsibilities under the said Act and Regulations to report if, in my opinion:

- The information given in the Administrators' Report is not consistent with the financial statements.
- Adequate accounting records have not been kept, or that returns adequate for my audit have not been received from divisions not visited by me.
- The financial statements are not in agreement with the accounting records and returns.
- I have not received all the information and explanations I require for my audit.
- Certain disclosures specified by law are not made in the financial statements, giving the required particulars in my report.

I have nothing to report to you in respect of these responsibilities.



Dion Borg
Certified Public Accountant and Registered Auditor

48,
Triq il-Parrocca
St. Venera
Malta

30 April 2021

INCOME STATEMENT

	Notes	2020 €	2019 €
INCOME			
Paid-up Memberships	3	850	1,560
Monetary donations	4	730	1,977
Gross fundraising income	6	-	520
Finance income	7	-	-
Notional donations	5	900	900
		2,480	4,957
EXPENDITURE			
Administrative expenses	8	996	798
Fundraising expenses	6	-	1,129
Campaign and election costs	10	-	960
Application of donations in kind & notional donations	5	900	900
		1,896	3,787
Surplus/(deficit) for the financial year		584	1,170
Transfer (to)/from controlled entities		-	-
Amount transferred to accumulated fund		584	1,170

BALANCE SHEET

	Notes	2020 €	2019 €
ASSETS			
Current assets			
Cash and Cash Equivalents	11	2,819	1,911
Total Assets		2,819	1,911
EQUITY AND LIABILITIES			
Equity			
Accumulated Fund / (Deficit)		2,032	1,448
Total Equity		2,032	1,448
Current Liabilities			
Operating and other payables	12	787	463
Deferred income		-	-
		787	463
Total equity and liabilities		2,819	1,911

The financial statements on pages 8 to 18 have been approved and authorised for issue by the Executive Committee on 30 April 2021, and were signed on its behalf by:



Carmel Cacopardo
Chairperson



Carmel Asciak
Treasurer

STATEMENT OF CHANGES IN EQUITY

	Accumulated Fund
	€
Financial year ended 31 December 2019	
Balance at 1 January 2019	278
Net surplus/(deficit) for the year	1,170
Transfers (to)/from controlled entities	-
Balance at 31 December 2019	<u>1,448</u>
Financial year ended 31 December 2020	
Balance at 1 January 2020	1,448
Net surplus/(deficit) for the year	584
Transfers (to)/from controlled entities	-
Balance at 31 December 2020	<u>2,032</u>

CASH FLOW STATEMENT

		2020	2019
		€	€
	Note		
Cash flows from activities			
Net income/(outflows) from activities		584	1,170
Movement in other payables		324	263
Net cash generated from/(used in) activities		<u>908</u>	<u>1,433</u>
MOVEMENT IN CASH AND CASH EQUIVALENTS		908	1,433
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,911	478
CASH AND CASH EQUIVALENTS AT END OF YEAR	11	<u>2,819</u>	<u>1,911</u>

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

1.1. Statement of compliance

The financial statements are prepared in accordance with the provisions of the Financing of Political Parties Act (Cap 544), the guidelines issued by the Electoral Commission and in accordance with the Accountancy Profession (General Principles for Small and Medium-Sized Entities) Regulations (S.L. 281.03) and the Schedule accompanying and forming an integral part of those Regulations, as amended by the notes in these financial statements.

1.2. Basis of measurement

These financial statements are prepared on the historical cost basis.

1.3. Functional and presentation currency

These financial statements are presented in Euro (€), which is the Party's functional currency.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently throughout the reporting period covered in these financial statements.

2.1. Income recognition

Income is recognised in the financial statements when there is reasonable certainty that particular resource is receivable, the Party's right to it becomes legally enforceable, and when its monetary value can be determined.

Monetary donations and membership income are accounted for when the funds are received which, in view of the nature of such income, is determined by the Party to be the point in time when the relative membership remittance is accredited to the Party's funds.

When the risk and rewards pertaining to events of a fundraising nature do not attach to the Party, only the net surplus or deficit is accounted under the respective title in the financial statements. Loans payable that are waived are accounted for as donations in the period when such waiver becomes effective and enforceable by the party.

When a third party bears the cost or refrains from charging part or all the fees connected to a commercial supply of a good or service that the Party would otherwise been liable for, the fair value attached to the commercial transaction which does not constitute an obligation for payment to the Party, is deemed as notional income and accounted under income in the Statement of Income and Expenditure. Services of volunteers and party members who provide the services free of charge is not treated as notional income, and accordingly not accounted for. Interest income is recognised on a time-proportion basis using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS - continued**2.2. Cash and cash equivalents**

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term investments that are held to meet short-term cash commitments rather than for investment or other purposes. Bank overdrafts, which are repayable on demand and form an integral part of the Party's cash management, are a component of cash and cash equivalents.

2.3. Impairment

The carrying amounts of the Party's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income and expenditure account, unless they relate to an asset which is carried at revalued amount, in which case they are treated as a revaluation decrease.

The carrying amounts of the Party's assets are also reviewed at each balance sheet date to determine whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss previously recognised is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Impairment reversals are recognised immediately in the income and expenditure account, unless they relate to an asset which is carried at revalued amount, in which case they are treated as a revaluation increase.

2.4. Financial instruments

Financial instruments, other than investments in controlled entities, are classified in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. The Administrators determine the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

All investment securities are initially recognised at cost. Available-for-sale securities are subsequently re-measured at fair value based on the price appearing to be the latest available dealing price based on market quotations. Gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognised in equity. When the securities are disposed of or impaired, the related accumulated fair value adjustments, are included in the income and expenditure statement as gains and losses from investment securities.

NOTES TO THE FINANCIAL STATEMENTS - continued

2.5. Other payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

2.6. Events after the end of the Reporting Period

Events after the end of the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Adjusting events require the Party to adjust the amounts recognised in its financial statements while non-adjusting events do not require any adjustments to the amounts recognised in the financial statements.

2.7. Significant accounting adjustments estimated and assumptions

In preparing the financial statements, the Committee is required to make judgements, estimates and assumptions that effect reported income, expenses, assets, liabilities, disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. If a change is needed, it is accounted in the period the changes become known.

3. MEMBERSHIP AND SUBSCRIPTIONS

Paid up Membership and subscriptions consist of:

	2020	2019
	€	€
Corporate members	-	-
Individual members	850	1,560
	<u>850</u>	<u>1,560</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

4. MONETARY DONATIONS

Total monetary donations reported comprise:

	2020	2019
	€	€
Corporate donations	-	-
Individual donations	730	1,977
	<u>730</u>	<u>1,977</u>

All donations, including donations in kind, are subject to further reporting requirements as described in the Financing of Political Parties Act (Cap.544)

5. NOTIONAL DONATIONS

Total notional donations reported comprise:

	2020	2019
	€	€
Campaigns and elections costs	-	-
Administrative and other expenses	900	900
	<u>900</u>	<u>900</u>

As stated in note 2.1 Income Recognition, notional donations are valued at the equivalent commercial value.

6. FUNDRAISING

Total main sources of fundraising income in the year were as follows:

	2020	2019
	€	€
INCOME :		
Social and educational events	-	520
	<u>-</u>	<u>520</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

6. FUNDRAISING - *continued*

	2020	2019
	€	€
EXPENDITURE:		
Social and educational events	-	1,129
	<u>-</u>	<u>1,129</u>

7. FINANCE INCOME

	2020	2019
	€	€
Interest received on bank deposits	-	-
	<u>-</u>	<u>-</u>

8. ADMINISTRATIVE and OTHER EXPENSES

	2020	2019
	€	€
Bank charges	72	56
Communications & Media	57	47
Promotional expenses	-	-
Audit fees	200	120
Office expenses	-	-
Memberships and affiliations	667	575
Utilities and general expenses	-	-
	<u>996</u>	<u>798</u>

9. APPLICATIONS OF DONATIONS IN KIND AND NOTIONAL DONATIONS

The value of donations in kind and notional donations is set out in Note 5. This amount was applied to non campaign/election expenses as follows:

NOTES TO THE FINANCIAL STATEMENTS - continued

9. APPLICATIONS OF DONATIONS IN KIND AND NOTIONAL DONATIONS - continued

	2020	2019
	€	€
Communications and media	-	-
Memberships and affiliations	-	-
Office expenses	900	900
Professional fees	-	-
	<u>900</u>	<u>900</u>

10. CAMPAIGN AND ELECTION COSTS

Campaign costs include election expenses and other expenses incurred in relation to elections or referendum campaigns, or party/policy promotion and comprise:

	2020	2019
	€	€
GENERAL ELECTIONS		
Local Councils & MEP Election campaigns expenses	-	960
Donations in kind	-	-
	<u>-</u>	<u>960</u>

11. ANALYSIS OF CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the balance sheet.

	2020	2019
	€	€
Cash at bank	2,819	1,911
Cash in hand	-	-
Cash and cash equivalents in the statement of cash flows	<u>2,819</u>	<u>1,911</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

12. OTHER PAYABLES

	2020	2019
	€	€
Amounts falling due within one year		
Other payables	-	343
Accruals	787	120
	<hr/> 787 <hr/>	<hr/> 463 <hr/>

13. RELATED PARTIES TRANSACTIONS

The Party has undertaken the following transactions with related parties:

	2020	2019
	€	€
Donations in kind and notional donations		
Office expenses	900	900
	<hr/> 900 <hr/>	<hr/> 900 <hr/>