

# ANNUAL IMPACT REPORT & ACCOUNTS 2020



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# A MESSAGE FROM THE BOARD OF DIRECTORS

We are very pleased to report another successful year for Enalia Physis Environmental Research Centre. Truly, 2020 has been a tough year with the COVID-19 pandemic affecting everyone and every sector in Cyprus and worldwide. However, with our team working hard we managed to achieve our strategic goals and the continuation and implementation of our projects.

Our research, awareness and educational activities have been reaching, affecting and engaging more people, from school children to academic researchers and institutions, to the general public and stakeholders and decision-makers.

None of these would have been possible without the passionate, professional and determined dedication of our team and without the support of our funders and donors.

This Annual Impact Report summarises what has been achieved between 2019 - 2020. We are hoping to continue our impact and influence with the same passion and professionalism in the following years.

# ABOUT THE NGO

Enalia Physis Environmental Research Centre is a Cyprus-based non-profit organization established in 2009. Since then, our team is slowly growing but our conservation actions, outreach, scientific contribution and influence is growing exponentially. This is the effort of collaborative work and by always believing in our vision and mission. Our team is composed by experts in biological and environmental research and management, covering a wide range of fields. We aspire to become a strong environmental platform for research and education and to be able to influence decisions about the environment in a positive and constructive manner, utilizing our connection with an international network of collaborators.

The need for an environmental NGO with an understanding of the nature of marine and terrestrial ecosystems, and the interactions between them, is particularly important for an island such as Cyprus where Enalia Physis is based.

Our purpose is to conduct and promote environmental research in marine and terrestrial ecosystems and to encourage and enhance education and ecological awareness of the general public. Cyprus, as the eastern Mediterranean in general, is in particular need of active NGOs who aim to become part of the decision making the process of environmental policies in order to promote good environmental practices. Our organisation operates mostly from research projects by grant-giving foundations and EU funds. It is vital to secure funds in order to continue our conservation work, research projects and awareness activities.



# VISION AND MISSION

We envision a future where marine ecosystems thrive and are sustainably exploit for the common good.

Our mission is to ensure the protection and sustainable use of marine and terrestrial resources through scientific research, advocacy, education and consultation in order to promote conservation through progress in political, cultural and social change.

# FIELDS OF ACTION

- Marine ecology and conservation
- Fisheries science
- Coastal and terrestrial conservation
- Marine Protected Areas
- Artificial reefs
- Invasive species
- Environmental advocacy
- Environmental education



# OUR STRATEGY FOR 2020 - 2025

Our strategy is composed of six goals. We have identified specific actions that will help us achieve these goals by 2025.

## HOW WE ACHIEVE OUR GOALS

### 1. ENSURING AND MAINTAINING FINANCIAL VIABILITY

- Attract financial support (small donors and commercial activity and partnerships)
- Secure funded projects
- Products

### 2. SOCIAL PARTICIPATION

- Citizen science
- Educational and awareness activities
- Workshops and seminars
- Internship and volunteering opportunities

### 3. PROMOTING TRANSPARENCY AND ACCOUNTABILITY

- Enhance and update communication mechanisms
- Produce annual reports and other detailed informational documents for the public
- Organise periodic open discussions and meetings with members and public
- Produce and promote educational and other awareness resources through our website and media

# OUR STRATEGY FOR 2020 - 2025

## HOW WE ACHIEVE OUR GOALS

### 4. BUILDING A STRONG IMAGE OF THE ORGANISATION

- Increase organisation recognition (social media, website, general public)
- Build an image of the organization that is attractive to funders and donors

### 5. INCREASING EFFICIENCY AND STRENGTHENING FUNCTIONS

- Development of basic organizational capabilities
- Development of organisational culture
- Clarification of the role and way of operation of the management team
- Making significant changes in structure, policies / procedures, decision making and internal communication

### 6. PROTECT AND PRESERVE NATURAL HABITATS AND SPECIES

- Scientific research
- Funded programs
- Government consultation and lobbying
- Education



# OUR IMPACT

## KEY ACHIEVEMENTS

- We expanded organisation's staff (from 3 – 7), assets and financial resources
- We collaborated with the Small Scale Fishery <https://enaliaphysis.org.cy/publications/rmans> Association of Latsi to propose the creation of Kakoskali MPA
- More than 60 publications in peer-reviewed journals since 2013
- We expanded our network and partnerships
- Internship programmes expanded. Six interns between 2019-2020
- Increased public participation and volunteerism in our activities
- More than 10 press released articles on environmental issues in local newspapers
- 2 books written for kids



# OUR IMPACT

## FISHERIES MANAGEMENT AND CONSERVATION

Understanding fishing practices, fishing effort and the impact of fisheries on marine life and ecosystems are essential for the sustainable management and exploitation of marine biological resources. Our interdisciplinary research is focused on the ecology, management, conservation and economics of marine fisheries with the aim to inform fisheries management and conservation decision-making. The Cyprus Bycatch Project and the CERECON project have been foundation stones towards our work with the fisheries sector. Through field observations and laboratory experiments, we produce results that will help towards addressing the issue of incidental capture of vulnerable species, including sharks and rays, marine turtles, cetaceans, seabirds and the Mediterranean monk seal.



# OUR IMPACT

## MARINE PROTECTED AREAS

A Marine Protected Area (MPA) is an area of sea especially dedicated to the protection and conservation of marine biodiversity, ecosystems and important habitats. The MPAs include marine parks, nature reserves, artificial and natural reefs, seagrass beds, shipwrecks, archaeological sites, rock platforms, underwater areas on the coast and the seabed in deep water, as well as open water (the water column) and others. The benefits and long-term effects of MPAs are well documented in the literature and have a direct positive impact on fisheries, local communities and the marine environment. Our work with MPAs in Cyprus has been focused on assessing the effects of MPAs on marine biodiversity and informing decision-makers and actively participating in public consultation for the management of MPAs. Through the project Enhancing Participation of Stakeholders in the Kakoskali Marine Protected Area we consulted the Government and played a key role in the designation of the Kakoskali MPA.



# OUR IMPACT

## INVASIVE SPECIES

Since the opening of the Suez Canal, the number and diversity of non-indigenous species (NIS) entering the Mediterranean Sea have been increasing over the years. Their impact on local biodiversity and ecosystems as well as on local economies is estimated to be very high. Cyprus is among the first countries to be affected by NIS that are crossing from the Red Sea to the Mediterranean through the Suez Canal. Many of these species are also characterised as invasives, which can cause significant harm to marine ecosystems and economies with irreversible impacts. A good example of an invasive species in Cyprus is the well-known lionfish. Through previous years and ongoing studies and more recently through the [RELIONMED](#) project we have been studying the effects of NIS and invasive species to individual species, population, community and ecosystem levels as well as on socio-economics.



# OUR IMPACT

## SPECIES CONSERVATION

The conservation of vulnerable species is at the top of our research priority list. Through scientific research and periodic surveys, we aim to inform managers and decision-makers about the conservation status of vulnerable, endangered and critically endangered species to support their conservation actions. The project Monk seal conservation in the Eastern Mediterranean aims to improve the knowledge of the population of the Mediterranean monk seal at the eastern Mediterranean, monitor their populations, contributing to the identification of critical habitat and creating or impulse conservation actions that would mitigate the negative interactions between fishermen and the species. Including bycatch and predation of fishing nets. Apart from the monk seal, our species conservation work cover sharks, marine turtles, cetaceans, fish species like the Dusky grouper and invertebrates like the Mediterranean mussel fun which is listed as "Critically Endangered" by the IUCN Red List.



# OUR IMPACT

## COASTAL MANAGEMENT

Coastal management is the mechanism for bringing together the multiplicity of users, stakeholders, and decision-makers in the coastal zone in order to secure more effective ecosystem management whilst achieving economic development through the application of sustainability principles. The coastal area of Cyprus is one of the primary tourist products of the island and its management is critically important.

Banquettes of Neptune's seagrass *Posidonia oceanica* in Cyprus, are often mistakenly referred to as seaweeds and they are considered to be debris or litter. The truth is that *Posidonia* banquettes are formed from the washed-ashore leaves of the Mediterranean endemic plant, and they are a valuable ally for the protection of the beach and the coastal ecosystems.

Through the project [InterregMED-POSBEMED2](#), we aim to inform and educate the public about the benefits coming from the banquettes and also to find alternative practices of management, harmless for the ecosystem, in collaboration with the Larnaka Municipality and the Department of Environment.



# OUR IMPACT

## MARINE LITTER

Marine litter is a global threat to the ocean ecosystems' health. Materials including plastics that have been discarded, disposed or abandoned in the marine environment, have detrimental ecological and economic effects. According to IUCN, marine litter can threaten human health and safety, potentially kill or injure marine and coastal wildlife which gets trapped or mistakenly feeds on litter, degrade and damage marine habitats and cause economic loss to fishing and tourism. The project MarLitCy aims to enhance the role of the civil society in active citizenship and decision making while promoting island-wide bi-communal collaboration by exploiting the serious environmental issue of marine litter. Through this project, we conduct regular beach and seabed clean-ups with public involvement. To raise awareness on the marine litter issue we hold public and private lectures and interactive workshops at schools. The data collected through this project will be used to develop a technical report that will aim to inform governmental authorities on the extent and nature of marine litter in Cyprus.



# OUR IMPACT

## EDUCATION AND AWARENESS

The increase of the public's awareness as well as environmental education is in our priorities. Awareness campaigns are being planned and collaborations with other NGOs are built so as to increase the importance and the impact of research on the policy making process. To achieve our goal, we hold public and private lectures, workshops, events and campaigns and develop awareness materials and disseminate them. Part of our education actions was the development of two kids stories regarding the conservation of marine vulnerable species in Cyprus.



WORLD  
ENVIRONMENT  
DAY  
05 JUNE

# STRUCTURE, GOVERNANCE AND MANAGEMENT

## GOVERNING DOCUMENT

Enalia Physis Environmental Research Centre is a non-profit non-governmental company registered in 2009 with registration number HE 253194. It is governed by Articles of Association, having been approved by the members on 14 May 2010. In the event of company dissolution, each member is required to contribute an amount not exceeding €20.

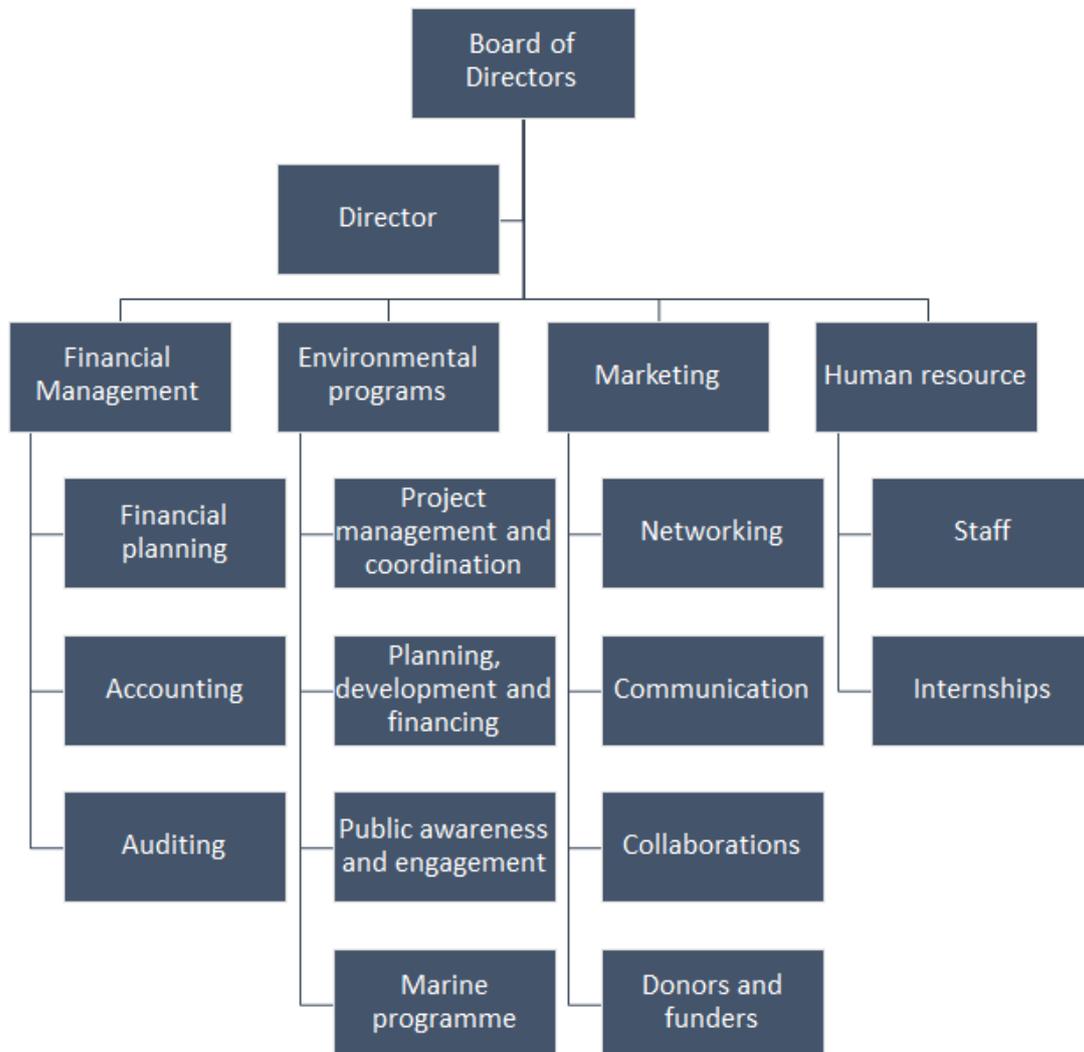
## RECRUITMENT AND APPOINTMENT OF MEMBERS OF THE BOARD OF DIRECTORS

The day to day management of the company is delegated to the Managing Director. The members of the board of directors are responsible for setting the organisation's strategic policies and objectives and for ensuring they are fulfilled. They are also responsible for keeping minutes and records in books and evaluating the work of the Director and consulting for improvements. Members of the board of directors are volunteers, give freely of their time and have no beneficial interest to the company. Any remuneration of the members of the board of directors will be determined by the company at a general meeting. A new board of directors could be elected by the members in case of an available position on board or if the company deems necessary for a new board of directors.



# STRUCTURE, GOVERNANCE AND MANAGEMENT

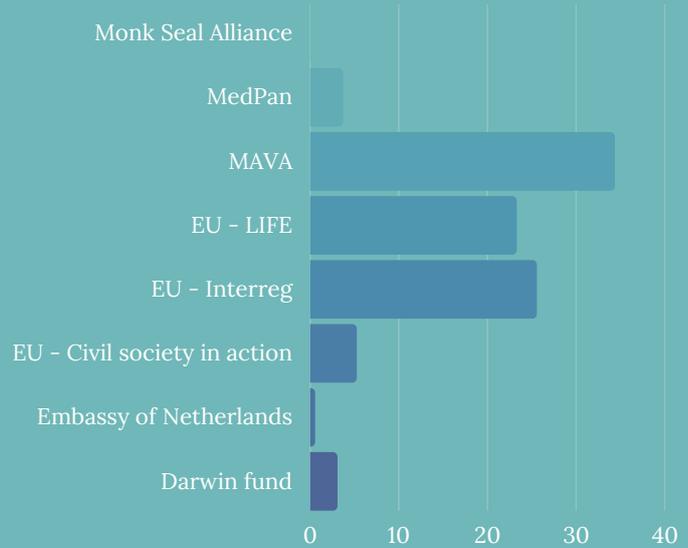
## OPERATIONS ORGANIZATIONAL CHART



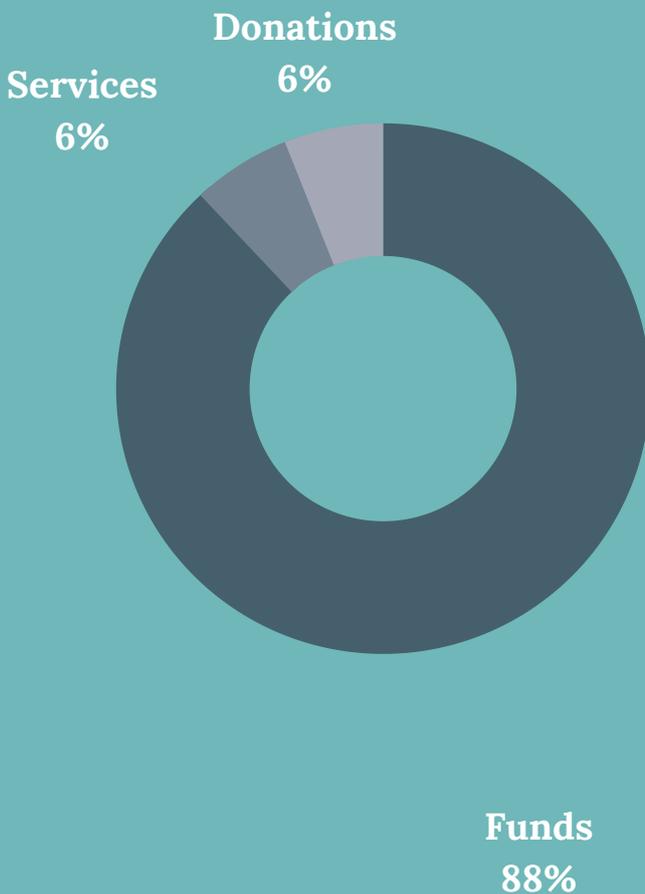
# FINANCIAL REVIEW

Enalia Physis Environmental Research Centre's revenue derives almost entirely from funded projects from European funds and private foundations. A small part of our revenue comes from services and donations. Our goal is to increase our revenue through donations from individuals and companies and through fundraising campaigns, sales of products and services.

## FUNDERS' CONTRIBUTION TO THE ORGANISATION



## REVENUE PERCENTAGE BY BRANCH



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENALIA PHYSIS ENVIRONMENTAL RESEARCH CENTRE

## OPINION

I have audited the financial statements of ENALIA PHYSIS ENVIRONMENTAL RESEARCH CENTRE (the "Company"), which are presented in pages 5 to 15 and comprise the statement of financial position as at 31 December 2019, and the statements of income and expenses and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

## BASICS OF 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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Cyprus, 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.

## **RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS**

view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company'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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

## **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.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 Company'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 Company 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 a true and fair view.

I communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### **OTHER MATTER**

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. I do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

**ANTONIS ANTONIOU-FCCA**

Certified Public Accountant and Registered Auditor

Limassol, 23 June 2021

# FINANCIAL STATEMENTS

## STATEMENT OF INCOME AND EXPENSES

31 DECEMBER 2019

	2019 €	2018 €
<b>REVENUE</b>		
Income and Contributions	<u>129.023</u>	160.624
<b>Total revenue</b>	<u>129.023</u>	160.624
<b>EXPENSES</b>		
Staff salaries	90.725	106.171
Social security costs	10.472	10.086
Social cohesion fund	1.815	2.123
Rent	2.400	2.400
Licenses and taxes	145	245
Annual levy	350	350
Electricity	721	438
Water supply and cleaning	104	197
Insurance	375	500
Sundry expenses	176	50
Telephone and postage	13	-
Stationery and printing	309	272
Computer software	9	-
Auditors' remuneration	700	700
Auditors' remuneration - prior years	1.261	-
Accounting fees	2.000	-
Advertising and promotion	210	1.732
Fines and interest on taxation	700	51
Overseas travelling	2.450	2.566
Inland travelling and accommodation	3.323	1.310
Analysis expenses	-	3.920
Entertaining	741	521
Carriage and clearing	-	706
Equipment Hire	1.190	866
Domain name and website registration	-	409
Dive Equipment rental and expenses	4.971	8.643
Subcontractors and third party services	17.415	17.333
Bank charges	278	88
Depreciation expenses	<u>2.284</u>	918
<b>Total expenses</b>	<u>145.137</u>	162.595
<b>Deficit for the year</b>	<u>(16.114)</u>	<u>(1.971)</u>

# FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION 31 DECEMBER 2019

	Note	2019 €	2018 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	<u>17.082</u>	5.710
		<u>17.082</u>	<u>5.710</u>
<b>Current assets</b>			
Trade and other receivables	12	<u>23.138</u>	34.915
Cash at bank and in hand	13	<u>3.227</u>	15.918
		<u>26.365</u>	<u>50.833</u>
<b>Total assets</b>		<u><b>43.447</b></u>	<u>56.543</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Members' current accounts	14	<u>5.044</u>	4.436
Accumulated surplus		<u>32.471</u>	46.300
<b>Total equity</b>		<u><b>37.515</b></u>	<u>50.736</u>
Trade and other payables	15	<u>5.914</u>	5.739
Current tax liabilities	16	<u>18</u>	68
<b>Total equity and liabilities</b>		<u><b>43.447</b></u>	<u>56.543</u>

On 23 June 2021 the Board of Directors of ENALIA PHYSIS ENVIROMENTAL RESEARCH CENTRE authorised these financial statements for issue.



ANTONIS PETROU  
Director



LOUIS HADJIOANNOU  
Director

# FINANCIAL STATEMENTS

## CASH FLOW STATEMENT

31 DECEMBER 2019

	Note	2019 €	2018 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Loss before tax</b>		<b>(13.830)</b>	(1.971)
Adjustments for:			
Depreciation of property, plant and equipment	11	<b>2.284</b>	918
Interest income	7	-	(1)
		<b>(11.546)</b>	(1.054)
<b>Changes in working capital:</b>			
Decrease/(increase) in trade and other receivables		<b>11.777</b>	(34.915)
Increase in trade and other payables		<b>175</b>	2.099
<b>Cash generated from/(used in) operations</b>		<b>406</b>	(33.870)
Tax paid/refunded		<b>(50)</b>	54
<b>Net cash generated from/(used in) operating activities</b>		<b>356</b>	(33.816)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of property, plant and equipment	11	<b>(13.656)</b>	(4.386)
Interest received		-	1
<b>Net cash used in investing activities</b>		<b>(13.656)</b>	(4.385)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Partners' deposits		<b>609</b>	2.593
<b>Net cash generated from financing activities</b>		<b>609</b>	2.593
<b>Net decrease in cash and cash equivalents</b>		<b>(12.691)</b>	(35.608)
Cash and cash equivalents at beginning of the year		<b>15.918</b>	51.526
<b>Cash and cash equivalents at end of the year</b>	13	<b>3.227</b>	15.918

# FINANCIAL STATEMENTS

## NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2019

### 1. INCORPORATION AND PRINCIPAL ACTIVITIES

#### COUNTRY OF INCORPORATION

The Company ENALIA PHYSIS ENVIROMENTAL RESEARCH CENTRE (the "Company") was incorporated in Cyprus on 31 Ιουλίου 2009 as a non-profit company with no share capital, under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 2 Akropoleos street, Nicosia, 2101, Cyprus.

#### PRINCIPAL ACTIVITY

The principal activity of the Company is the conduct and promotion of environmental research.

### 2. BASICS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

### 3. ADOPTION OF NEW OR REVISED STANDARDS AND INTERPRETATIONS

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January, 2019. This adoption did not have a material effect on the accounting policies of the Company

# FINANCIAL STATEMENTS

## NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2019

### 4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

#### REVENUE

#### RECOGNITION AND MEASUREMENT

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Company includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Company's experience with similar contracts and forecasted sales to the customer.

The Company recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices ) and are committed to perform their respective obligations, the Company can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract), it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Company's contracts with customers.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Company considers only the customer's ability and intention to pay that amount of consideration when it is due.

# FINANCIAL STATEMENTS

## NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2019

### 4. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

#### RECOGNITION AND MEASUREMENT (CONTINUED)

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the statement of income and expenses in the period in which the circumstances that give rise to the revision become known by Management.

#### IDENTIFICATION OF PERFORMANCE OBLIGATIONS

The Company assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

- **RENDERING OF SERVICES**

*Rendering of services - over time:*

Revenue from rendering of services is recognised over time while the Company satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered.

# FINANCIAL STATEMENTS

## NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2019

### 4. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

#### RECOGNITION AND MEASUREMENT (CONTINUED)

- **RENDERING OF SERVICES (CONTINUED)**

For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

The input method is used to measure progress toward completion of the performance obligation as it provides a faithful depiction of the transfer of the control of the services to the customer.

*Rendering of services - at a point in time:*

The Company concluded that it transfers control over its services at a point in time, upon receipt by the customer of the service, because this is when the customer benefits from the relevant service.

- **INTEREST INCOME**

Interest income is recognised on a time-proportion basis using the effective interest method.

#### EMPLOYEE BENEFITS

The Company and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Company's contributions are expensed as incurred and are included in staff costs. The Company has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

# FINANCIAL STATEMENTS

## NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2019

### 4. SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

#### REVOGNITION AND MEASUREMNT (CONTINUED)

#### DEFERRED INCOME FROM GOVERNMENT GRANTS

Government grants on non-current assets acquisitions are credited to profit or loss in instalments over the estimated useful economic lives of the corresponding assets. This is achieved by deducting grants from the book value of these assets and the recognition of income through the reduced depreciation charge. Grants are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants that relate to expenses are recognised in profit or loss as revenue.

#### 5. NEW ACCOUNTING PRONOUNCEMENTS

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

# FINANCIAL STATEMENTS

## NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2019

### 6. REVENUE

	€	€
Income and Contributions	<u>122.423</u>	<u>160.623</u>
	<u>122.423</u>	<u>160.623</u>

### 7. OTHER OPERATING INCOME

	2019	2018
	€	€
Interest income	-	1
Government grants	<u>6.600</u>	-
	<u>6.600</u>	<u>1</u>

### 8. ADMINISTRATION AND OTHER EXPENSES

	2019	2018
	€	€
Rent	2.400	2.400
Licenses and taxes	145	245
Annual levy	350	350
Electricity	721	438
Water supply and cleaning	104	197
Insurance	375	500
Telephone and postage	13	-
Stationery and printing	309	272
Computer software	9	-
Auditors' remuneration - current year	700	700
Auditors' remuneration - prior years	1.261	-
Accounting fees	2.000	-
Advertising and promotion	210	1.732
Fines and interest on taxation	700	51
Overseas travelling	2.450	2.566
Inland travelling and accommodation	3.323	1.310
Analysis expenses	-	3.920
Entertaining	741	521
Carriage and clearing	-	706
Equipment Hire	1.190	866
Domain name and website registration	-	409
Dive Equipment rental and expenses	4.971	8.643
Subcontractors and third party services	17.415	17.333
Bank charges	278	88
Sundry expenses	<u>176</u>	<u>50</u>
	<u>39.841</u>	<u>43.297</u>

# FINANCIAL STATEMENTS

## NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2019

### 9. OPERATION LOSS

	2019	2018
	€	€
Operating loss is stated after charging the following items:		
Staff costs (Note 10)	103.012	118.380
Auditors' remuneration - current year	700	700
Auditors' remuneration - prior years	<u>1.261</u>	<u>-</u>

### 10. STAFF COSTS

	2019	2018
	€	€
Salaries	90.725	106.171
Social security costs	10.472	10.086
Social cohesion fund	<u>1.815</u>	<u>2.123</u>
	<u>103.012</u>	<u>118.380</u>

### 11. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery	Furniture, fixtures and office equipment	Computers	Total
	€	€	€	€
<b>Cost</b>				
Balance at 1 January 2018	1.524	671	657	2.852
Additions	<u>3.096</u>	<u>-</u>	<u>1.290</u>	<u>4.386</u>
<b>Balance at 31 December 2018/ 1 January 2019</b>	<b>4.620</b>	<b>671</b>	<b>1.947</b>	<b>7.238</b>
Additions	<u>13.278</u>	<u>378</u>	<u>-</u>	<u>13.656</u>
<b>Balance at 31 December 2019</b>	<b><u>17.898</u></b>	<b><u>1.049</u></b>	<b><u>1.947</u></b>	<b><u>20.894</u></b>
<b>Depreciation</b>				
Balance at 1 January 2018	457	17	136	610
Charge for the year	<u>462</u>	<u>67</u>	<u>389</u>	<u>918</u>
<b>Balance at 31 December 2018/ 1 January 2019</b>	<b>919</b>	<b>84</b>	<b>525</b>	<b>1.528</b>
Charge for the year	<u>1.790</u>	<u>105</u>	<u>389</u>	<u>2.284</u>
<b>Balance at 31 December 2019</b>	<b><u>2.709</u></b>	<b><u>189</u></b>	<b><u>914</u></b>	<b><u>3.812</u></b>
<b>Net book amount</b>				
<b>Balance at 31 December 2019</b>	<b><u>15.189</u></b>	<b><u>860</u></b>	<b><u>1.033</u></b>	<b><u>17.082</u></b>
<b>Balance at 31 December 2018</b>	<b><u>3.701</u></b>	<b><u>587</u></b>	<b><u>1.422</u></b>	<b><u>5.710</u></b>

# FINANCIAL STATEMENTS

## NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2019

### 12. TRADE AND OTHER RECEIVABLES

	2019	2018
	€	€
Trade receivables	<u>23.138</u>	<u>34.915</u>
	<u><b>23.138</b></u>	<u><b>34.915</b></u>

The Company does not hold any collateral over the trading balances.

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

### 13. CASH AT BANK AND IN HAND

For the purposes of the cash flow statement, the cash and cash equivalents include the following:

	2019	2018
	€	€
Cash at bank and in hand	<u>3.227</u>	<u>15.918</u>
	<u><b>3.227</b></u>	<u><b>15.918</b></u>

### 14. MEMBERS' CURRENT ACCOUNTS

	Antonis Petrou	Louis Hadjioannou	Carlos Eduardo Centeno Jimenez	Total
	€	€	€	€
Balance at 1 January 2018	2.581	1.803	-	4.384
Salary for the year	21.773	21.608	-	43.381
Payment of salaries	<u>(19.848)</u>	<u>(21.227)</u>	<u>-</u>	<u>(41.075)</u>
	4.506	2.184	-	6.690
Drawings	(54)	-	-	(54)
Deposits	<u>350</u>	<u>350</u>	<u>-</u>	<u>700</u>
<b>Balance at 31 December 2018</b>	<u><b>4.802</b></u>	<u><b>(366)</b></u>	<u><b>-</b></u>	<u><b>4.436</b></u>
<b>Balance at 31 December 2018/ 1 January 2019</b>	<b>4.802</b>	<b>(366)</b>	<b>-</b>	<b>4.436</b>
Salary for the year	15.498	21.159	14.604	51.261
Payment of Salaries	<u>(15.306)</u>	<u>(21.159)</u>	<u>(14.604)</u>	<u>(51.069)</u>
	4.994	(366)	-	4.628
Drawings	(88)	-	-	(88)
Deposits	225	225	-	450
Deposits	<u>54</u>	<u>-</u>	<u>-</u>	<u>54</u>
<b>Balance at 31 December 2019</b>	<u><b>5.185</b></u>	<u><b>(141)</b></u>	<u><b>-</b></u>	<u><b>5.044</b></u>

# FINANCIAL STATEMENTS

## NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2019

### 15. TRADE AND OTHER PAYABLES

	<b>2019</b>	2018
	€	€
Social insurance and other taxes	<b>4.301</b>	3.952
VAT	<b>1.006</b>	1.549
Ge.Sy Payable on rents	<b>14</b>	-
Accruals	<b>593</b>	238
	<b><u>5.914</u></b>	<u>5.739</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

### 16. CURRENT TAX LIABILITIES

	<b>2019</b>	2018
	€	€
Special contribution for defence	<b>18</b>	68
	<b><u>18</u></b>	<u>68</u>

### 17. OPERATING ENVIRONMENT OF THE COMPANY

This operating environment may have a significant impact on the Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company's operations. However, the future effects of the current economic situation are difficult to predict and Management's current expectations and estimates could differ from actual results.

### 18. COMMITMENTS

The Company had no capital or other commitments as at 31 December, 2019.

### 19. ACCOUNTING POLICIES UP TO 13 DECEMBER 2018

Accounting policies applicable to the comparative period ended 31 December 2018 that were amended by IFRS 16, are as follows.

# FINANCIAL STATEMENTS

## NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2019

### 20. EVENTS AFTER THE REPORTING PERIOD

With the recent and rapid development of the Coronavirus disease (COVID-19) outbreak the world economy entered a period of unprecedented health care crisis that has already caused considerable global disruption in business activities and everyday life. Many countries have adopted extraordinary and economically costly containment measures. Certain countries have required companies to limit or even suspend normal business operations. Governments, including the Republic of Cyprus, have implemented restrictions on travelling as well as strict quarantine measures.

Industries such as tourism, hospitality and entertainment are expected to be directly disrupted significantly by these measures. Other industries such as manufacturing and financial services are expected to be indirectly affected and their results to also be negatively affected.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the outbreak expands and the high level of uncertainties arising from the inability to reliably predict the outcome.

The event is considered as a non-adjusting event and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December, 2019.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's profitability position.

# ACKNOWLEDGEMENTS

**WE WOULD LIKE TO THANK ALL THE INDIVIDUALS  
AND ORGANISATIONS WHO MADE OUR WORK THIS  
YEAR POSSIBLE.**

Mr. Nick Galea  
AP Marine Environmental Consultancy  
TRE Premium Web Solutions & Services





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