

Administration  
Report  
**2016**



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# Letter from the Director

2016 was a year of both new operational challenges and achievements for the MOAS team and crews. As the humanitarian crisis in the Mediterranean continued, this year became the deadliest year for the sea crossing on record. Compared to years before, our crews witnessed smuggling practices become ever more dangerous and the season for attempting the crossing extended far beyond what our crews had previously experienced.

Despite these increasingly difficult conditions, this year MOAS rescued and assisted over 20,000 men, women and children, bringing the total number of lives saved since MOAS's inception in 2014 to over 33,000 people.

Having continued to bear witness to the human tragedy in the Mediterranean, on the 30th August - the two-year anniversary of our first rescue - MOAS called for the urgent creation of safe and legal routes. Since then we have developed an advocacy campaign supporting the creation of an integrated migration system that would allow those most in need to gain access to the asylum system without having to attempt dangerous irregular journeys. We believe this will be an important step in cutting off the smuggling routes that exploit the most vulnerable, and in bringing an end to the continuing deaths at sea.

As we look to 2017, we are determined to continue our life-saving missions as long as they are needed, and will continue to call on the international community to profoundly rethink how we approach the ongoing migration phenomenon.



NO ONE  
DESERVES TO  
**DIE**  
AT SEA.

**MOAS**



## MOAS Governance

The Migrant Offshore Aid Station Foundation (VO/0939) was established by Christopher Catrambone on 24 January 2014. On 15 April 2014, MOAS subsequently was enrolled as a voluntary organisation governed by the Voluntary Organisations Act, Chapter 492 of the Laws of Malta (VO/0939). MOAS is also a registered charity in Italy, Germany and the US.

Day to day running and management of the organisation is carried out by the MOAS Director. Operations are carried out by MOAS' team of qualified and professional search and rescue personnel, operations specialists, post rescue care providers and mariners. A team of skilled professionals in the area of marketing, fundraising, communications and development run administrative and back of house aspects of the organisation.

The general affairs of MOAS are entrusted to ReSyH Ltd, the foundation's administrator. The role of the administrator is, inter alia, to meet the objectives and purposes of the foundation in accordance with its statute and applicable law. The administrator serves on a voluntary basis and is not entitled to remuneration except for a reasonable honorarium that does not prejudice the fulfilment of the purposes of MOAS. The administrator is assisted in the performance of its duties by a Board of Advisers, which is comprised of individuals who are appointed for a three-year period and serve on a voluntary basis.

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The purpose of MOAS, as recorded in its statute, is of “mitigating loss of life at sea”.

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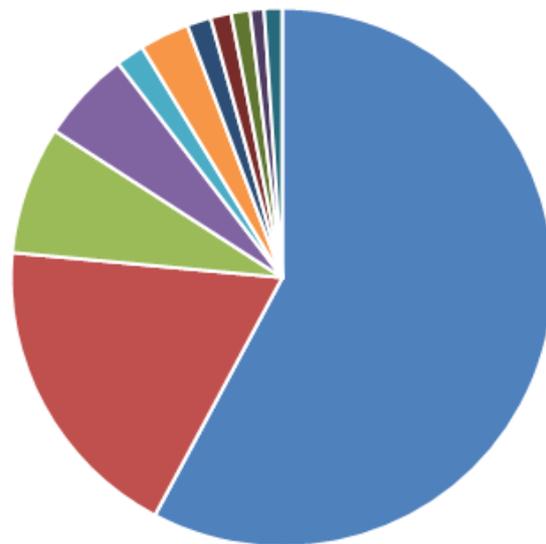
## Financials

The proof of concept operation in 2014 was funded by our founders. From 2015, MOAS has relied on private donations to be able to operate. This is made up of a variety of sources primarily being small scale donations, high net worth individuals, post rescue care partners, corporate donors, institutional grants, third party crowd funding campaigns, and grant foundations.

The annual reports and financial statements of MOAS are independently audited and examined by PricewaterhouseCoopers. MOAS has been signed off as compliant with all necessary accounting requirements.

Over 2016, MOAS raised almost EUR 6 million which, together with 2015's surplus, was used to fund the maritime and aerial operation of the organisation. Over 85% of costs were directly incurred on program expenses. A more detailed breakdown of the costs may be found in the audited financial statements which are readily available on our website at [www.moas.eu](http://www.moas.eu).

Operating Expenses



- Charter Fees
- Staff Costs
- Port and Agency Related Fees
- Telecommunication expenses
- Travelling and other related expenses
- Other operating expenses
- Rent of Air Vehicle Equipment
- Fuel Costs
- Professional Fees
- Ship Consumables
- Medical and post-rescue expenses



# Vision and Objectives

The concept for MOAS was developed by Christopher and Regina Catrambone in 2013, when they became sensitized to the growing humanitarian crisis in the Mediterranean. Inspired by the words of Pope Francis, who urged entrepreneurs and private citizens to take action following the tragedy off Lampedusa in October 2013, the couple was motivated to intervene and contribute to dispelling what Pope Francis termed the 'globalisation of indifference' by finding a way to mitigate the loss of life at sea.

On 24 January 2014, MOAS became the first privately funded organization in the Mediterranean, established with the express purpose of conducting SAR missions to serve migrants in distress at sea. The Catrambones assembled a group of leading entrepreneurs, humanitarians, SAR specialists, migration experts, and charity administrators to advise and support our mission, which the MOAS statute outlines as follows:

"The Foundation is established for the purpose of mitigating loss of life at sea through the deployment of maritime operations".

In pursuit of those objectives, on 25 August 2014 MOAS launched a two-month SAR operation on the Phoenix, a specialist SAR vessel equipped with two rigid hull inflatable boats, two Schiebel Camcopter S-100 drones, a SAR crew, and a post-rescue care team made up of medical personnel. The mission was to survey and patrol the Central Mediterranean with both SAR and post-rescue care capabilities aimed at preventing loss of life at sea. It was also intended to act as a proof of concept in demonstrating the role that civil society could play in SAR in the Mediterranean.

In the years since that first mission, the MOAS crews have rescued and assisted over 33,000 people, and have been joined at sea by other SAR NGOs who have recognised the need for the presence of civil society in the Mediterranean. As our operations and advocacy have expanded, this year we have created a vision, mission and values statement to reflect our growth as an organisation.

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"The Foundation is established for the purpose of mitigating loss of life at sea through the deployment of maritime operations".



# Maritime Operations 2016

## **The Aegean: January - April**

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MOAS vessel Responder began the year in the Aegean, continuing the mission that had begun on December 23rd 2015. There, our crew, equipped with two rescue launches named in honour of Alan and Galip Kurdi, worked through the winter in cooperation with the Hellenic Coast Guard and the JRCC. With medical services provided on board by CISOM, together the teams worked to provide life-saving rescue services and vital post-rescue care to people attempting to make the perilous journey from Turkey to Greece's easternmost islands. During the course of the mission, our crew directly engaged in 30 interventions, assisting 1,869 people, among them people predominantly from Syria, Afghanistan, Iraq and Somalia.

In March, following the implementation of the European Union-Turkey Agreement and the closure of borders along the Balkan route, arrivals in Greece from across the Aegean Sea fell steeply. Our crew remained in the area for one month more to monitor the situation, before the decision was made to relocate to the Central Mediterranean, where the rate of crossings had sharply increased.

## **The Andaman Sea: January - June**

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From January, the MY Phoenix continued its mission in the Andaman Sea, where MOAS was deployed in response to the ongoing Rohingya refugee crisis. As Rohingya people fled persecution and violence in Myanmar by attempting to reach Malaysia by boat, our SAR team worked closely with stakeholders in Bangladesh, Myanmar, Thailand, India, Malaysia and Indonesia in a process of fact-finding and expanding diplomatic relations, establishing a vital ground network of information-sharing and advocacy around SAR in the region. Given the escalating situation in the Central Mediterranean, in May the decision was taken to reposition the Phoenix to the Central Mediterranean.

## **The Central Mediterranean: June – December**

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On 6th June, both MOAS vessels – Phoenix and Responder – set sail for the Mediterranean. This mission was conducted in partnership with medical teams from Emergency and the Italian Red Cross, with the support of the International Federation of Red Cross and Red Crescent Society. Together our teams assisted people fleeing violence, poverty and persecution, rescuing people from places as diverse as Nigeria, Palestine, Eritrea, Bangladesh and Gambia. While our crews continued to rescue people from the large wooden boats commonly used in the Mediterranean, in comparison to 2015 we witnessed a shift in smuggling activities that saw increasing numbers of people being sent to sea in overcrowded and unseaworthy rubber dinghies. Conditions on the vessels were deteriorating, with migrants being dispatched from the shore with no food, no water and often no fuel, and sometimes with no motor or means of navigation aboard.

As the autumn and winter months drew in, where in previous years the numbers of those attempting the Central Mediterranean crossing had fallen, in 2016 our crews witnessed an unprecedented extension of the migration season. Poor conditions caused people and boats to accumulate on the Libyan coast, and when periods of better weather arrived, many boats were sent to sea at the same time, further complicating rescues. On the weekend of 5th October, a total of 10,000 people were rescued over a 48-hour period. In that time, MOAS rescued and assisted 778 migrants. October saw 27,388 arrivals in Italy, more than twice than the previous two Octobers combined.

By mid-November, 2016 had become the deadliest year on record for migrant deaths in the Mediterranean; by the end of the year, the death toll had reached 5,083 people. Our rescue operations carried on until mid-December, when we reached our scheduled end of mission having rescued and assisted over 20,000 people, despite the scale of the challenges faced.

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## Operations Breakdown

Our services can be broken down into the following elements:

- **Search** - Maintain a presence in the area of operation and monitor using drones, visual scanning and on board radar systems to efficiently and effectively identify Vessels of Interest (VOIs) in distress. This work is undertaken in agreement with the MRCC (Maritime Rescue Coordination Centre) in Rome.
- **Rescue** - When VOIs are identified by the MOAS assets, or any other actors, MOAS is available for tasking by the MRCC Rome and conducts professional and specialised rescue operations using all personnel and equipment at our disposal.
- **Support** - Following the SAR operation, MOAS provides post rescue assistance (PRA) to survivors on board including medical checks, provision of emergency supplies including food, water, clothes, blankets, psychosocial support, cultural mediation and to coordinate medical evacuations where needed.
- **Coordinate** - To subsequently follow MRCC tasking regarding whether to disembark beneficiaries onto other vessels in the vicinity or proceed to a port of disembarkation.
- **Refer** - To disembark survivors into the care of land based follow-up services with appropriate handover information, such as demographics, unaccompanied minors, basic medical overview and any potential security concerns.

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The MOAS assets are integrated into and co-ordinate with the wider SAR network synchronized by the Maritime Rescue Co-Ordination Centre (MRCC) in Rome.

SAR directives relating to the patrol area, rescue protocols, and operational communications strategies and are designed and implemented by the MOAS Operations team, comprised of team leaders on board and operational managers in head office. We ensure that we operate in as safe a manner as possible in the variable and unpredictable maritime environment, and maintain a clear focus on the needs of our beneficiaries.

# Aerial Assets 2016

MOAS was the first civil entity to operate maritime SAR in the Mediterranean using an aerial asset. Recognising the benefit of joint maritime and aerial operations, during both the 2014 and 2015 Central Mediterranean missions the Phoenix was active with two helicopter drones on board, and this continued during the 2016 Central Mediterranean Mission.

The drones were used to fly patrols to identify vessels in distress, to scout for reported vessels whose exact location was not known and to search for survivors in mass casualty situations. This capability significantly increased MOAS's search area, as our crew was able to detect vessels in distress at a distance of 30 nautical miles from the Phoenix. All information gathered was shared with the MRCC, contributing to enhanced situation awareness among the wider SAR community

Using drone footage, MOAS has been able to detect and monitor the exact position, course, speed, registration, size, type and number of people present on vessels in distress. This information has allowed SAR vessels to prepare for the specifics of a rescue in the valuable moments during the approach.

Having experienced the benefits of working with drones and recognising their intrinsic value, MOAS is currently conducting an in-depth needs assessment to understand how best to expand our aerial capability in 2017.

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During the course of the 2016 Central Mediterranean, the drones identified 69 vessels in need of assistance.

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# Humanitarian Corridors

Alongside its maritime operations, MOAS is currently developing a new initiative through which we intend to pilot the creation of safe and legal alternatives to the maritime migration route across the Mediterranean. This marks a new concept for MOAS, one that is a necessary next step in today's migration environment and has been created and developed using lessons learned from our four missions at sea. Following a year in which more people lost their lives than ever before, a valid alternative to the uncontrolled, exploitative sea crossing which directly benefits criminals and human traffickers is sorely needed.

The plan is to provide this alternative through the establishment of humanitarian corridors, leading from countries of origin and transit where conditions for migrant populations are particularly harsh directly into host countries, where asylum can be claimed and integration programs engaged in immediately.

This model will allow pre-screening before movement, and provide the opportunity for both state and non-state reception and integration systems to prepare tailor-made plans for arrival. It also creates a regular and legal route, directing people (and profits) away from human traffickers, allowing priority to be given to the most vulnerable.

Throughout the second half of 2016, MOAS has worked alongside partner organisations to facilitate the identification and documentation of potential candidates based on criteria that are in line with asylum requirements and host nation priorities. MOAS is now negotiating with several national governments with a view to independently entering into Memorandums of Understanding, which will provide humanitarian visas to selected individuals to facilitate evacuation. MOAS is also committing to organizing and implementing the logistics required to fly these individuals from Libya to the host nation, and to coordinate and support a two-year integration plan.

As we move into 2017, this project faces not inconsiderable challenges: the work requires a dedicated budget and funding to cover associated costs, and is also a hugely diplomatic mission in that it requires the direct provision of humanitarian visas and case approval by host nation government agencies, as well as to coordination of various other state and non-state actors. However, MOAS - bolstered by the success of our previous proof of concept mission - is determined to prove that safe and legal alternatives are a real possibility.



# The Migration Phenomenon

With approximately 65 million people forcibly displaced globally, our era is currently witnessing the worst refugee and migration crisis since World War II. It is not a new phenomenon for people searching for a better future to cross the Mediterranean in order to reach Europe. In past years, the continent has seen the arrival in this way of many people fleeing war, repression, terrorism, and poverty. What is new is the scale of this migration phenomenon and the dramatic increase in deaths along the sea routes.

There are many ongoing crises contributing to this situation. Syrians who fled their country's civil war only to lose hope in refugee camps now seek sanctuary in the European Union. Afghans and Iraqis continue to try to escape turmoil and violence. Conflict in other areas also contributes to this mass movement: Eritreans escaping a military draft and harsh economic and political conditions at home; Somalis and Nigerians evicted from their countries by the Islamic extremist groups al Shabaab and Boko Haram; and Central Africans displaced by conflict in the Central African Republic.

In 2013, an estimated 60,000 people braved the crossing. In 2014, that number rose to 219,000 people. Over 1 million people arrived in Europe by sea in 2015, over 840,000 of them via the Aegean route between Turkey and Greece that was effectively closed in March 2016. Nevertheless, as the underlying causes of these movements— war, poverty, abuse, conditions in third countries— have continued, 2016 saw 361,709 arrivals by sea.

While this represented a fall in arrivals from 2015, the journey across the Central Mediterranean has become yet more dangerous. According to the International Organisation for Migration, in 2016 5,098 people drowned crossing the Mediterranean, many of them departing from Libya, where continued instability has allowed human smuggling networks to flourish.

The rise in the death toll at sea reflects increasingly dangerous smuggling practices. MOAS crews have seen traffickers sending multiple boats at one time with unprecedented numbers of people on board. Highly unseaworthy boats are being used, with higher numbers of rubber boats and wooden boats in an ever worse state. We have observed deterioration in the physical and psychological condition of the people we rescue, with more and more in need

of immediate medical treatments for gunshot wounds inflicted by smugglers and militias, with people also suffering from dehydration and serious fuel inhalation and burns.

The scarcity of safe and legal alternatives to this journey is such that crossing periods are now extending beyond previous norms, with the number of migrants crossing continuing to increase. October 2016 saw 27,388 arrivals in Italy, more than twice the previous two Octobers combined. IOM figures show that in 2016, deaths in the Mediterranean comprised 68 per cent of all recorded migrant deaths and disappearances globally. As these grim figures demonstrate, the central Mediterranean crossing remains the deadliest in the world.

As we look to 2017, MOAS, with the help of its donors, will continue to be at the frontline of this urgent humanitarian effort to assist people who feel they have no other choice but to attempt the perilous sea crossing.



## MOAS in the Press

- **The Guardian** - 12 January 2016  
 'Help, we're sinking': aboard a refugee rescue boat in the perilous Greek seas  
<http://www.theguardian.com/world/2016/jan/12/refugee-rescues-continue-winter-greece-agathonisi>
- **ABC** - 9 June 2016  
 Group Helps Rescue Hundreds of Refugees and Migrants from the Mediterranean in 2 Days  
<http://abcnews.go.com/International/us-millionaire-helps-rescue-hundreds-refugees-migrants-mediterranean/story?id=39722749>
- **CNN** – August 2016  
 'These crossings are nothing but fatal': the tale of one rescuer and one desperate day at sea  
<http://edition.cnn.com/interactive/2016/08/world/dangerous-migrant-crossings-mediterranean/>
- **EU Observer** – 1 September 2016  
 How NGOs took over migrant rescues in the Mediterranean  
<https://euobserver.com/opinion/134803>
- **Sky News** – 2 October 2016  
 Europe's Migration Tragedy: Life and death in the Mediterranean  
<https://www.youtube.com/watch?v=u8cg5hhHJIA>
- **International Business Times** – 23 November 2016  
 Photos of rescues in Mediterranean Sea  
<http://www.ibtimes.co.uk/worlds-most-dangerous-border-crossing-photos-dramatic-rescues-mediterranean-sea-1593087>

# MOAS

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## **MOAS**

(Migrant Offshore Aid Station)

54 Melita Street,  
Valletta, VLT 1122,  
Malta

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MOAS is a charity registered in the  
USA, Malta (VO 0930) and Germany

[www.moas.eu](http://www.moas.eu)

MIGRANT OFFSHORE AID STATION  
FOUNDATION (MOAS)

Annual Report and Financial Statements  
31 December 2016

MIGRANT OFFSHORE AID STATION FOUNDATION (MOAS)  
Annual Report and Financial Statements - 31 December 2016

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## **The Administrator's report**

The Board of the Administrator presents its annual report and the audited financial statements for the year ended 31 December 2016.

### **The Foundation**

Migrant Offshore Aid Station Foundation ('MOAS' or the 'Foundation') was incorporated on 24 January 2014. The Foundation is a non-profit making organisation established to mitigate the loss of life out at sea.

### **Review of the activities**

Throughout 2016, MOAS used all its operational capacity to respond effectively to the ongoing humanitarian crisis.

The MOAS chartered vessel, 'Responder', started the year in the Aegean Sea, continuing the mission that had begun on 23 December 2015. There, our crew worked through the winter months to provide life-saving rescue services and vital post-rescue care to people attempting to make the perilous journey from Turkey to Greece's easternmost islands. Over the course of the mission, that ran until April 2016, our crew directly engaged in 30 interventions, assisting 1,869 people, among them people predominantly from Syria, Afghanistan, Iraq and Somalia.

Meanwhile, from January 2016, the MY Phoenix continued its mission in the Andaman Sea, where MOAS was deployed in response to the ongoing Rohingya refugee crisis. Rohingya people fled persecution and violence in Myanmar by attempting to reach Malaysia by boats. Our search and rescue ('SAR') team worked closely with stakeholders in Bangladesh, Myanmar, Thailand, India, Malaysia and Indonesia in a process of fact-finding and expanding diplomatic relations, establishing a vital ground network of information-sharing and advocacy around SAR in the region. Given the escalating situation in the Central Mediterranean, the decision to reposition the Phoenix to the Central Mediterranean was taken in May 2016.

On 6 June 2016, both vessels – Phoenix and Responder – set sail for the Mediterranean. MOAS and its partners assisted people fleeing violence, poverty and persecution. As the autumn and winter months drew in, where in previous years the numbers of those attempting the Central Mediterranean crossing had fallen, in 2016 our crew witnessed an unprecedented extension of the migration season. Poor conditions caused people and boats to accumulate on the Libyan coast, and when periods of better weather arrived, many boats were sent to the sea at the same time, further complicating rescues. Our rescue operations carried on until mid-December 2016, when we reached the end of our mission having rescued and assisted over 20,000 people, despite the scale of the challenges faced.

### **Results**

The results for the year are set out in the income and distributions statement on page 6.

At the end of the reporting period, the Foundation had a net liability position of €877,264. The financial statements have been prepared on a going concern basis which assumes that the foundation will continue in operational existence for the foreseeable future. The validity of this assumption depends on the arrangement between the Foundation and the connected party regarding postponement of settlement of the amounts due by MOAS. Recognising such an arrangement, the Administrator believes that it is appropriate for the financial statements to be prepared on a going concern basis.

### **Administrator of the Foundation**

The Administrator of the Foundation is ReSyH Limited.

## The Administrator's report - continued

### Statement of responsibilities of the Administrator for the financial statements

The Administrator is required by the Foundation's statute to prepare financial statements which give a true and fair view of the state of affairs of the Foundation as at the end of each financial period and of the income and distribution for that period.

In preparing the financial statements, the Administrator is responsible for:

- ensuring that the financial statements have been drawn up in accordance with the accounting policies set out therein;
- 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 Foundation will continue in operation as a going concern.

The Administrator is also responsible for designing, implementing and maintaining internal control relevant to the preparation and the fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error. It is also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements of MOAS for the year ended 31 December 2016 may be made available on the Foundation's website. The Administrator is responsible for the maintenance and integrity of the financial statements on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the Foundation'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.

### Auditors

PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed for the approval by the Founder. .



Mr. Sean Camilleri  
Director of ReSyH Limited - Administrator



Ms. Regina Egle Liotta  
Director of ReSyH Limited - Administrator

Registered office  
54, Melita Street  
Valletta VLT 1122  
Malta

4 August 2017



## *Independent auditor's report*

To the Founder of Migrant Offshore Aid Station Foundation (MOAS)

### *Report on the audit of the financial statements*

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#### *Our opinion*

In our opinion:

- Migrant Offshore Aid Station Foundation's financial statements give a true and fair view of the Foundation's financial position as at 31 December 2016, and of the Foundation's financial performance and cash flows for the year then ended in accordance with the the accounting policies set out in the financial statements and in accordance with the Foundation's statute.

#### **What we have audited**

Migrant Offshore Aid Station Foundation's financial statements, set out on pages 6 to 12, comprise:

- the income and distributions statement for the year ended 31 December 2016;
- the statement of affairs as at 31 December 2016;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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#### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.



## *Independent auditor's report - continued*

To the Founder of Migrant Offshore Aid Station Foundation (MOAS)

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### *Other information*

The Administrator is responsible for the other information. The other information comprises the Administrator's Report (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

### *Responsibilities of the Administrator for the financial statements*

The Administrator is responsible for the preparation of financial statements that give a true and fair view in accordance with the accounting policies set out in the financial statements and in accordance with the Foundation's statute, and for such internal control as the Administrator 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 Administrator is responsible for assessing the Foundation'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 Administrator either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

The Administrator is responsible for overseeing the Foundation's financial reporting process.

### *Auditor's responsibilities for the audit of the financial statements*

Our 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 our 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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.



## *Independent auditor's report - continued*

To the Founder of Migrant Offshore Aid Station Foundation (MOAS)

- 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Administrator.
- Conclude on the appropriateness of the Administrator's 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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation 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.

We communicate with the Administrator regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **PricewaterhouseCoopers**

78, Mill Street  
Qormi  
Malta

A handwritten signature in blue ink, appearing to read 'Romina Soler', is written over a faint, light blue grid background.

Romina Soler  
Partner

4 August 2017

**Income and distributions statement**

|   | Notes | Year ended 31 December |                  |
|---|-------|------------------------|------------------|
|   |       | 2016<br>€              | 2015<br>€        |
| <b>Contributions</b>                        |       |                        |                  |
| Donations received                          | 3     | 5,810,201              | 5,702,289        |
| Other income                                |       | -                      | 2,089            |
| <b>Net income</b>                           |       | <b>5,810,201</b>       | <b>5,704,378</b> |
| Operating expenses                          | 4     | (6,957,728)            | (3,694,652)      |
| Administrative expenses                     | 4     | (991,584)              | (710,528)        |
| Foreign currency exchange (loss)/gain - net |       | (52,366)               | 8,630            |
| <b>(Deficit)/surplus for the year</b>       |       | <b>(2,191,477)</b>     | <b>1,307,828</b> |

The notes on pages 9 to 12 are an integral part of these financial statements.

## Statement of affairs

|   |       | <b>As at 31 December</b> |           |
|---|-------|--------------------------|-----------|
|   | Notes | <b>2016</b>              | 2015      |
|   |       | €                        | €         |
| <b>ASSETS</b>                             |       |                          |           |
| <b>Current assets</b>                     |       |                          |           |
| Cash and cash equivalents                 | 5     | <b>418,025</b>           | 1,837,282 |
| Accrued income                            |       | <b>603,479</b>           | 268,332   |
| <b>Total assets</b>                       |       | <b>1,021,504</b>         | 2,105,614 |
| <b>LIABILITIES AND GENERAL FUND</b>       |       |                          |           |
| <b>Current liabilities</b>                |       |                          |           |
| Payables                                  | 6     | <b>1,899,608</b>         | 792,241   |
| <b>General fund</b>                       |       |                          |           |
| Opening balance                           |       | <b>1,313,373</b>         | 5,545     |
| (Deficit)/surplus for the year            |       | <b>(2,191,477)</b>       | 1,307,828 |
| Closing balance                           |       | <b>(878,104)</b>         | 1,313,373 |
| <b>Total liabilities and general fund</b> |       | <b>1,021,504</b>         | 2,105,614 |

The notes on pages 9 to 12 are an integral part of these financial statements.

The financial statements on pages 6 to 12 were authorised, issued on 4 August 2017 and signed by:



Mr. Sean Camilleri  
Director of ReSyH Limited - Administrator



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## Statement of cash flows

|   | Notes | Year ended 31 December |           |
|---|-------|------------------------|-----------|
|   |       | 2016<br>€              | 2015<br>€ |
| <b>Activities</b>                                       |       |                        |           |
| Cash (used in)/generated from activities                | 7     | <b>(1,419,257)</b>     | 1,781,737 |
| <b>Movement in cash and cash equivalents</b>            |       | <b>(1,419,257)</b>     | 1,781,737 |
| <b>Cash and cash equivalents at beginning of period</b> |       | <b>1,837,282</b>       | 55,545    |
| <b>Cash and cash equivalents at end of period</b>       | 5     | <b>418,025</b>         | 1,837,282 |

The notes on pages 9 to 12 are an integral part of these financial statements.

## Notes to the financial statements

### 1. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the periods, unless otherwise stated.

#### 1.1 General information

Migrant Offshore Aid Station Foundation ('MOAS' or the 'Foundation') was incorporated on 24 January 2014. The Foundation is a non-profit making organisation established to mitigate the loss of life out at sea. The Administrator of the Foundation is ReSyH Limited.

#### 1.2 Basis of preparation

The financial statements are prepared under the historical cost convention and in terms of the accounting policies set out below.

At the end of the reporting period, the Foundation had a net liability position of €877,264. The financial statements have been prepared on a going concern basis which assumes that the foundation will continue in operational existence for the foreseeable future. The validity of this assumption depends on the arrangement between the Foundation and the connected party regarding postponement of settlement of the amounts due by MOAS until at least 1 January 2018. Further, based on negotiations with the connected party, the Administrator has reasonable expectations for the balance to be settled subsequent to that date on an instalment basis with reference to funds available to the Foundation. Recognising such an arrangement, the Administrator believes that it is appropriate for the financial statements to be prepared on a going concern basis.

The preparation of these financial statements also requires the use of certain accounting estimates. It also requires the Administrator to exercise its judgement in the process of applying the Foundation's accounting policies (see Note 2 – Critical accounting estimates and judgements).

#### 1.3 Income

Contributions and donations are recognised as income in the accounting period in which they are received and in the case of cheques, in the period in which funds are deposited in the bank account for clearing.

In common with voluntary organisations of a similar nature, the foundation derives a substantial portion of its income from voluntary donations, which cannot be fully controlled until they are entered in the accounting records.

#### 1.4 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise deposits held at call with banks and other intermediaries.

#### 1.5 Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### 1.6 General fund

Deficit or surplus accumulated for the reporting period is debited or credited to the General Fund.

**2. Critical accounting estimates and judgements**

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.

In the opinion of the Administrator, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical.

**3. Income**

The main income of MOAS is derived from donations received.

**4. Expenses by nature**

|   | Year ended 31 December |                  |
|---|------------------------|------------------|
|   | 2016<br>€              | 2015<br>€        |
| Operating expenses                            |                        |                  |
| Charter fees                                  | 4,020,979              | 1,865,556        |
| Rent of air vehicle equipment                 | 1,300,000              | 1,200,000        |
| Staff costs                                   | 535,302                | 200,393          |
| Fuel costs                                    | 380,766                | 232,053          |
| Port and agency related fees                  | 118,117                | -                |
| Professional fees                             | 206,357                | 165,586          |
| Telecommunication expenses                    | 99,277                 | 10,906           |
| Ship consumables                              | 85,748                 | 3,713            |
| Travelling and other related expenses         | 78,568                 | 4,845            |
| Medical and post-rescue expenses              | 57,674                 | -                |
| Other operating expenses                      | 74,940                 | 11,600           |
|   | <b>6,957,728</b>       | <b>3,694,652</b> |
| Total   |                        |                  |
| Administrative expenses                       |                        |                  |
| Marketing, PR and other professional fees     | 403,813                | 266,561          |
| Staff costs                                   | 226,770                | 139,735          |
| Travelling and other related expenses         | 69,775                 | 93,914           |
| Administrator's honorarium fee                | 70,800                 | 65,414           |
| Rent  | 32,881                 | 24,844           |
| Legal fees                                    | 18,387                 | 9,454            |
| Other administrative expenses                 | 169,158                | 110,606          |
|   | <b>991,584</b>         | <b>710,528</b>   |
| Total   |                        |                  |
| Total operational and administrative expenses | <b>7,949,312</b>       | <b>4,405,180</b> |

4. **Expenses by nature - continued**

Auditor's fees

Fees charged by the auditor for services rendered during the financial year ended 31 December 2016 amounted to €3,200 (2015: €500).

5. **Cash and cash equivalents**

For the purposes of the cash flow statement, the period end cash and cash equivalents comprise the following:

|                                       | 2016<br>€      | 2015<br>€ |
|---------------------------------------|----------------|-----------|
| Cash at bank and other intermediaries | <b>418,025</b> | 1,837,282 |

6. **Payables**

|  | 2016<br>€        | 2015<br>€ |
|--|------------------|-----------|
| Amounts due to other connected parties | <b>1,844,356</b> | 517,402   |
| Creditors                              | <b>30,657</b>    | 30,358    |
| Amount due to the Administrator        | <b>21,395</b>    | 243,981   |
| Accruals                               | <b>3,200</b>     | 500       |
|  | <b>1,899,608</b> | 792,241   |

The amount due to other connected parties includes €743,365 (2015: €68,585) due to Tangiers Maritime Ltd which was in turn due, in its entirety, to a third party, being the owner of the vessel 'Responder' chartered by the Foundation.

The Administrator does not expect the amounts due to other connected parties, except for the balance disclosed above, to be settled in the foreseeable future (Note 1.2).

7. **Cash generated from activities**

Reconciliation of (deficit)/surplus for the year to cash generated from activities:

|  | 2016<br>€          | 2015<br>€ |
|--|--------------------|-----------|
| (Deficit)/surplus for the year           | <b>(2,191,477)</b> | 1,307,828 |
| Changes in working capital:              |                    |           |
| Accrued income                           | <b>(335,147)</b>   | (268,332) |
| Payables                                 | <b>1,107,367</b>   | 742,241   |
| Cash (used in)/generated from activities | <b>(1,419,257)</b> | 1,781,737 |

**8. Taxation**

No tax provision has been recognised in these financial statements on the basis that the Minister for finance has authorised that, the Foundation shall be exempt from the payment of Maltese income tax in terms of Article 12(1)(e) of the Income Tax Act (Chapter 123). The exemption was authorised by the Minister for finance on 14 March 2017.

**9. Connected parties**

Given that MOAS is administered by ReSyH Limited, which forms part of the Tangiers International LLC Group ('Tangiers Group'), all companies forming part of the Tangiers Group are deemed to be connected parties. Transactions and balances with connected parties are listed below:

|                      | 2016      | 2015      |
|----------------------|-----------|-----------|
|                      | €         | €         |
| <b>Transactions:</b> |           |           |
| Honorarium fee       | 70,800    | 65,414    |
| Charter fee          | 1,400,616 | 1,796,971 |
|                      | 1,471,616 | 1,862,385 |

In addition to the above, charter fees of €2,620,363 (2015: €68,585) were incurred with a connected party. In turn, a connected party incurred these fees with a third party, being the owner for the vessel 'Responder' chartered by the Foundation.

In addition to the above, €508,274 (2015: €855,428) were recharged to MOAS by the connected parties by way of disbursements.

|  | 2016      | 2015    |
|--|-----------|---------|
|  | €         | €       |
| <b>Balances:</b>                       |           |         |
| Amount due to the Administrator        | 21,395    | 243,981 |
| Amounts due to other connected parties | 1,844,356 | 517,402 |
|  | 1,865,751 | 761,383 |

Amounts due to connected parties are unsecured and interest free.