

**MISSION FUND
FINANCIAL STATEMENTS
31 DECEMBER 2005**

INDEX

Page

1.	Report of the Committee
2.	Statement of Committee Members' Responsibilities
3.	Report of the Auditors
4.	Statement of Affairs
5. & 6.	Income Statement
7.	Statement of Movement in Funds
8.	Cash Flow Statement
9. to 12.	Notes to the Financial Statements

**MISSION FUND
REPORT OF THE COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2005**

The committee presents its report together with the audited financial statements for the year ended 31 December 2005.

1. Principal Activities

The Fund's principal activity unchanged since last year, is the raising of funds in aid of Maltese missionaries in Third World countries.

2. Results

The Mission Fund's income for the year totalled Lm 87,983 (2004 - Lm 80,228).

After deducting Lm 65,158 (2004 - Lm 69,600) paid in donations to missionaries, the year ended with a surplus of Lm 5,774 (2004 - deficit of Lm 5,340) as shown on page 6 of the financial statements.

3. Committee Members

The members who served on the committee during the year under review and up to the date of this report are listed hereunder:

Ms. Sylvia Ebejer	-	President
Ms. Speranza Xuereb	-	Secretary and Acting Treasurer
Ms. Christine Camilleri		
Ms. Rosemarie Papagiorcopulo		
Mr. Joseph Mifsud		
Mr. Frank Agius		
Mr. Tony Cassar (appointed 12 July 2005)		
Ms. Mariosa De Jardins (resigned on 12 July 2005)		

4. Spiritual Director

The spiritual director of the fund who served for the year is Fr. Marcellino Micallef O.F.M.

5. Auditors

The auditors, DFK Malta, have expressed their willingness to continue in office as honorary auditors.

By order of the Committee

Sylvia Ebejer
President

Speranza Xuereb
Secretary

Mission Fund
72, St. Joseph Flats, Flat 2,
Triq il-Farinal,
Mosta MST 07

18 April 2006

**MISSION FUND
STATEMENT OF COMMITTEE MEMBERS' RESPONSIBILITIES
31 DECEMBER 2005**

The Committee members have been entrusted by the members of the Fund to prepare financial statements which give a true and fair view of the state of affairs of the Fund at the end of each financial year and of the results of its operations and cash flows for that year. In preparing the financial statements, the Committee members confirm that they have:

- selected appropriate accounting policies and applied them consistently;
- made reasonable judgements and prudent estimates where appropriate;
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue its operations;
- drawn up the financial statements in accordance with International Financial Reporting Standards.

The Committee members are responsible for ensuring that the Fund keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund. They are also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE AUDITORS
TO THE MEMBERS OF THE
MISSION FUND**

We have audited the financial statements of the Mission Fund for the year ended 31 December 2005 set out on pages 4 to 12. As described in the statement of committee members' responsibilities on page 2, these financial statements are the responsibility of the Committee members. Our responsibility is to express an opinion, based on our audit, on these financial statements and to report our opinion to you.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Committee members, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion on the financial statements.

In our opinion the financial statements give a true and fair view of the Fund's affairs as at 31 December 2005 and of its surplus for the year.

DFK Malta
Certified Public Accountants
36/2, Manol Mansion,
De Paule Avenue,
Balzan BZN 07

18 April 2006

**MISSION FUND
STATEMENT OF AFFAIRS
AS AT 31 DECEMBER 2005**

	Note	2005 ----- Lm	2004 ----- Lm
ASSETS			
Fixed assets			
Tangible assets	3	3,599	309
Financial investments	4	52,463	56,463
		-----	-----
		56,062	56,772
		-----	-----
Current assets	5	26,711	17,899
Creditors: Amounts falling due within one year			
Creditors	6	21,264	21,436
		-----	-----
Net current assets		5,447	(3,537)
		-----	-----
Total assets less current liabilities		61,509	53,235
		=====	=====
Capital fund		2,145	2,145
General fund		15,977	16,120
Other funds	7	43,387	34,970
		-----	-----
TOTAL FUNDS (page 7)		61,509	53,235
		=====	=====

The accounting policies and explanatory notes on pages 8 to 12 form an integral part of these financial statements.

The financial statements on pages 4 to 12 were approved by the Committee on 18 April 2006 and were signed on its behalf by:

Sylvia Ebejer
President

Speranza Xuereb
Secretary

**MISSION FUND
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005**

		2005	2004	Cumulative since Foundation 16.04.84 to 31.12.05
	Note	Lm	Lm	Lm
	-----	-----	-----	-----
<u>Income</u>				
Donations:				
In cash		55,998	44,999	626,116
In kind		1,568	2,023	43,558
		-----	-----	-----
	8	57,566	47,022	669,674
Membership Fees		61	59	1,037
Bank Interest		2,781	3,058	26,133
Profit on disposal of investment		450	-	450
Secretarial Services		-	-	2,137
Bazaars		4,664	3,264	57,141
Wine & Pizza, Pasta, Tombola		1,133	875	22,927
Lottery Income		3,183	3,692	42,724
Courses - net		-	-	1,631
Advertising Income		-	-	3,580
Christmas cards		-	-	3,188
Miscellaneous Income		-	71	5,037
Missionary Experiences Fund Raising		19,420	22,187	92,407
Missionary Experiences – Bank Interest		526	-	526
Profit on disposal of motor vehicle		699	-	699
		-----	-----	-----
Total Income		90,483	80,228	929,291
		=====	=====	=====
<u>Distributions</u>				
Donations to Missionaries				
- General		41,000	50,000	554,658
- Summer Missionary Experiences		24,110	19,552	126,803
Postages (Used clothes)		-	-	12,925
Child Sponsorship		48	48	972
		-----	-----	-----
Total Distributions		65,158	69,600	736,358
		-----	-----	-----

**MISSION FUND
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005	2004	Cumulative since Foundation 16.04.84 to 31.12.05
	----- Lm	----- Lm	----- Lm
ADMINISTRATIVE AND OTHER EXPENSES			
Depreciation	809	438	16,606
Postages (General)	649	854	10,927
Stationery and printing	283	736	11,386
Advertising and Promotion	-	146	3,295
Insurances	114	122	1,215
Bank Charges and Exchange Differences	37	462	2,043
Repairs and Maintenance			
- Office and equipment	233	276	3,796
- Premises	-	-	300
Motor Vehicles Running and Maintenance Costs	423	279	8,287
Rent, Water and Electricity	1,208	1,175	12,066
Telephones	354	299	3,308
Summer Missionary Experiences (Malta)	3,258	2,205	13,131
Software expenses	57	18	676
Office expenses	264	363	5,279
Miscellaneous expenses	-	-	2,366
Salaries	9,362	8,595	41,306
	-----	-----	-----
Total Administrative Expenses	17,051	15,968	135,987
	-----	-----	-----
Total Expenditure and Distributions	82,209	85,568	872,345
	=====	=====	=====
SURPLUS/(DEFICIT)	8,274	(5,340)	56,946
	=====	=====	=====

The accounting policies and explanatory notes on pages 8 to 12 form an integral part of these financial statements.

**MISSION FUND
STATEMENT OF MOVEMENT IN FUNDS
31 DECEMBER 2005**

	Capital Fund	General Fund	Other Funds	Total Funds
	----- Lm	----- Lm	----- Lm	----- Lm
Balance at 1 January 2004	2,145	28,726	27,704	58,575
Deficit for the year (page 6)	-	(5,340)	-	(5,340)
Transfer to missionary experience reserve	-	(7,266)	7,266	-
	-----	-----	-----	-----
Balance at 31 December 2004	2,145	16,120	34,970	53,235
	=====	=====	=====	=====
Balance at 1 January 2005	2,145	16,120	34,970	53,235
Surplus for the year (page 6)	-	8,274	-	8,274
Transfer to missionary experience reserve	-	(5,417)	5,417	-
Transfer to reserve for replacement of motor vehicle	-	(2,500)	2,500	-
Funds received for new premises	-	(500)	500	-
	-----	-----	-----	-----
Balance as at 31 December 2005 (page 4)	2,145	15,977	43,387	61,509
	=====	=====	=====	=====

The accounting policies and explanatory notes on pages 8 to 12 form an integral part of these financial statements.

**MISSION FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005	2004
	-----	-----
	Lm	Lm
Cash flows from operating activities		
Net surplus/(deficit) for the year	8,274	(5,340)
Adjustments for:		
Depreciation	809	438
Interest received	(3,307)	(3,058)
Profit on disposal of investment	(450)	-
Profit on disposal of motor vehicle	(699)	-
	-----	-----
Surplus/(deficit) before working capital changes	4,627	(7,960)
Movement in working capital		
Prepayments	48	-
Creditors	(172)	(486)
	-----	-----
Net cash from/(used in) operating activities	4,503	(8,446)
	-----	-----
Cash flows from investing activities		
Purchase of tangible fixed assets	(4,100)	(20)
Receipts from disposal of fixed assets	700	-
Sale/(purchase) of investments	4,450	(8,200)
Interest received	3,307	3,058
	-----	-----
Net cash from/(used in) investing activities	4,357	(5,162)
	-----	-----
Movement in cash and cash equivalents	8,860	(13,608)
Cash and cash equivalents at beginning of year	17,721	31,329
	-----	-----
Cash and cash equivalents at end of year (note 5)	26,581	17,721
	=====	=====

The accounting policies and explanatory notes on pages 8 to 12 form an integral part of these financial statements.

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2005**

1. GENERAL

The Mission Fund is a lay Roman Catholic voluntary organisation founded on 16 April, 1984 with the aim of raising funds in aid of Maltese missionaries in Third World countries.

The Mission Fund is regulated by the provisions of its statute dated 16 April, 1984 (as revised).

CHURCH RECOGNITION

The Fund has been formally recognised as a private voluntary organisation within the Roman Catholic Church in Malta on 27 June 1994.

2. ACCOUNTING POLICIES

a) Furniture and Equipment

Furniture and equipment are stated at cost or valuation less accumulated depreciation. Depreciation is provided for on the straight line method in order to write off cost less estimated residual value over the expected useful lives of the assets as follows:

Motor Vehicle, Office Equipment, Furniture & Other Equipment, Exhibition Stand & Equipment	15%
Computer Equipment	25%

b) Interest received

Bank interest is accounted for on receipt basis.

c) Investments

The company's investments held for indefinite period of time are included as fixed assets and are stated at cost less provisions for long-term impairment in value. When such assets are disposed of or impaired, the resulting adjustment is transferred to the income statement.

d) Foreign currencies

Transactions in foreign currencies are converted to Maltese Liri at the rates of exchange ruling on the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into Maltese Liri at the rates of exchange ruling on the balance sheet date. All exchange differences are taken to the income statement.

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2005**

3. FURNITURE AND EQUIPMENT

	<u>Total</u> Lm	<u>Motor Vehicle</u> Lm	<u>Furniture & Equipment</u> Lm
<u>Cost</u>			
1 January 2005	11,655	3,549	8,106
Additions	4,100	4,100	-
Disposal	(3,549)	(3,549)	-
	-----	-----	-----
31 December 2005	12,206	4,100	8,106
	-----	-----	-----
<u>Depreciation</u>			
1 January 2005	11,346	3,548	7,798
Charge for year	809	615	194
Disposal	(3,548)	(3,548)	-
	-----	-----	-----
31 December 2005	8,607	615	7,992
	-----	-----	-----
<u>Net Book Value</u>			
31 December 2005	3,599	3,485	114
	=====	=====	=====
<u>Net Book Value</u>			
31 December 2004	309	1	308
	=====	=====	=====

Included with fixed assets are assets costing Lm 7,375 (2004 – Lm 10,218) which are fully written off but are still in use.

4. FINANCIAL FIXED ASSETS

These are stated at cost and are made up as follows:

	<u>2005</u> Lm	<u>2004</u> Lm
<u>Quoted on Malta Stock Exchange - at cost</u>		
Malta Government Stocks	39,500	43,500
BOV 8% US\$ Bonds 2010 (USD 25,000)	12,763	12,763
	-----	-----
	52,263	56,263
<u>Unquoted</u>		
1 Share of Lm 500 (40% paid up) in RTK Ltd.	200	200
	-----	-----
	52,463	56,463
	=====	=====

The market value of the quoted investments was Lm 54,274 (2004 – Lm 55,734) as at the balance sheet date.

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2005**

5. CURRENT ASSETS

	2005	2004
	-----	-----
	Lm	Lm
Cash at bank	26,286	17,412
Cash floats	295	309
	-----	-----
Total cash in hand and at bank	26,581	17,721
Prepayments	130	178
	-----	-----
	26,711	17,899
	=====	=====

6. CREDITORS

	2005	2004
	-----	-----
	Lm	Lm
Falling due within one year		
Loan accounts	21,104	21,104
Deferred income	-	262
Accruals	160	70
	-----	-----
	21,264	21,436
	=====	=====

7. OTHER FUNDS

	2005	2004
	-----	-----
	Lm	Lm
These are made up of the following funds:		
Replacement of motor vehicle	5,500	3,000
Purchase of new premises	12,821	12,321
Summer experience group fund	25,066	19,649
	-----	-----
	43,387	34,970
	=====	=====

The reserve for the purchase of new premises was created from funds received specifically for this purpose.

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2005**

8. DONATIONS

	2005	2004	Cumulative since Foundation 16.04.84 to 31.12.05
	----- Lm	----- Lm	----- Lm
<u>In Cash -</u>			
General	40,229	34,624	533,326
Masses for the repose	2,930	3,539	18,548
Christmas Carolling	-	-	760
Summer Missionary Experiences	12,839	6,836	73,482
	-----	-----	-----
	55,998	44,999	626,116
	-----	-----	-----
 <u>In Kind -</u>			
Used Telecards	329	410	5,822
Used Stamps	1,239	1,613	29,936
Land	-	-	6,000
Motor Vehicle	-	-	1,800
	-----	-----	-----
	1,568	2,023	43,558
	-----	-----	-----
	57,566	47,022	669,674
	=====	=====	=====

9. INCOME TAX

Legal Notice 182 - "Income Tax Exemption (Philanthropic Work) Notice 1991" exempts the Mission Fund from income tax.

10. POST BALANCE SHEET EVENT

In January 2006 the Fund entered into a preliminary agreement to acquire new premises for the cost of Lm 32,000 in shell form.