

**MISSION FUND  
FINANCIAL STATEMENTS  
31 DECEMBER 2005**

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

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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**

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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**

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

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Sylvia Ebejer  
President

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Speranza Xuereb  
Secretary

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

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	Note	2005	2004	Cumulative since Foundation 16.04.84 to 31.12.05
	-----	-----	-----	-----
		Lm	Lm	Lm
<b><u>Income</u></b>				
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
		=====	=====	=====
<b><u>Distributions</u></b>				
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**

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	2005	2004	Cumulative since Foundation 16.04.84 to 31.12.05
	----- Lm	----- Lm	----- Lm
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>			
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
	=====	=====	=====
<b>SURPLUS/(DEFICIT)</b>	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**

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	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	-
	-----	-----	-----	-----
<b>Balance at 31 December 2004</b>	<b>2,145</b>	<b>16,120</b>	<b>34,970</b>	<b>53,235</b>
	=====	=====	=====	=====
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	-
	-----	-----	-----	-----
<b>Balance as at 31 December 2005 (page 4)</b>	<b>2,145</b>	<b>15,977</b>	<b>43,387</b>	<b>61,509</b>
	=====	=====	=====	=====

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**

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	2005	2004
	-----	-----
	Lm	Lm
<b>Cash flows from operating activities</b>		
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)
	-----	-----
<b>Net cash from/(used in) operating activities</b>	4,503	(8,446)
	-----	-----
<b>Cash flows from investing activities</b>		
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
	-----	-----
<b>Net cash from/(used in) investing activities</b>	4,357	(5,162)
	-----	-----
<b>Movement in cash and cash equivalents</b>	8,860	(13,608)
Cash and cash equivalents at beginning of year	17,721	31,329
	-----	-----
<b>Cash and cash equivalents at end of year (note 5)</b>	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**

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**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**

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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**

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Bank interest is accounted for on receipt basis.

**c) Investments**

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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**

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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**

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**3. FURNITURE AND EQUIPMENT**

	<u>Total</u> Lm	<u>Motor Vehicle</u> Lm	<u>Furniture &amp; 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
	-----	-----	-----
Net Book Value			
31 December 2005	3,599	3,485	114
	=====	=====	=====
Net Book Value			
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**

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**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
<b>Falling due within one year</b>		
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**

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**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.