

**MISSION FUND
FINANCIAL STATEMENTS
31 DECEMBER 2006**

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**MISSION FUND
STATEMENT OF COMMITTEE MEMBERS' RESPONSIBILITIES
31 DECEMBER 2006**

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 2006 set out on pages 4 to 13 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 2006 and of its surplus for the year.

DFK Malta
Certified Public Accountants
36/2, Manol Mansion,
De Paule Avenue,
Balzan BZN 9022

12 April 2007

**MISSION FUND
STATEMENT OF AFFAIRS
AS AT 31 DECEMBER 2006**

	Note	2006 ----- Lm	2005 ----- Lm
ASSETS			
Fixed assets			
Tangible assets	3	3,202	3,599
Financial investments	4	43,463	52,463
		-----	-----
		46,665	56,062
		-----	-----
Current assets	5	54,159	26,711
Creditors: Amounts falling due within one year			
Creditors	6	24,097	21,264
		-----	-----
Net current assets		30,062	5,447
		-----	-----
Total assets less current liabilities		76,727	61,509
		=====	=====
Capital fund		3,201	2,145
General fund		24,030	15,977
Other funds	7	49,496	43,387
		-----	-----
TOTAL FUNDS (page 7)		76,727	61,509
		=====	=====

The accounting policies and explanatory notes on pages 8 to 13 form an integral part of these financial statements.

The financial statements on pages 4 to 13 were approved by the Committee on 12 April 2007 and were signed on its behalf by:

Sylvia Ebejer
President

Speranza Xuereb
Secretary

**MISSION FUND
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	2006	2005	Cumulative since Foundation 16.04.84 to 31.12.06
	-----	-----	-----	-----
		Lm	Lm	Lm

<u>Income</u>				
Donations: In cash		56,406	55,998	682,522
In kind		883	1,568	44,441
		-----	-----	-----
	8	57,289	57,566	726,963
Membership Fees		45	61	1,082
Bank Interest		2,335	2,781	28,468
Profit on disposal of investment		940	450	1,390
Secretarial Services		-	-	2,137
Bazaars		3,816	4,664	60,957
Wine & Pizza, Pasta, Tombola		900	1,133	23,827
Lottery Income		2,835	3,183	45,559
Courses - net		-	-	1,631
Advertising Income		-	-	3,580
Christmas cards		-	-	3,188
Miscellaneous Income		-	-	5,037
Missionary Experiences Fund Raising		23,942	19,420	116,349
Missionary Experiences – Bank Interest		575	526	1,101
Profit on disposal of fixed assets		40	699	739
		-----	-----	-----
Total Income		92,717	90,483	1,022,008
		=====	=====	=====
<u>Distributions</u>				
Donations to Missionaries				
- General		46,000	41,000	641,658
- Summer Missionary Experiences		23,325	24,110	150,128
Postages (Used clothes)		-	-	12,925
Child Sponsorship		48	48	1,020
		-----	-----	-----
Total Distributions		69,373	65,158	805,731
		=====	=====	=====

**MISSION FUND
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006	2005	Cumulative since Foundation 16.04.84 to 31.12.06
	-----	-----	-----
	Lm	Lm	Lm
ADMINISTRATIVE AND OTHER EXPENSES			
Depreciation	760	809	17,366
Postages (General)	660	649	11,587
Stationery and printing	323	283	11,709
Advertising and Promotion	-	-	3,295
Insurances	114	114	1,329
Bank Charges and Exchange Differences	132	37	2,175
Repairs and Maintenance			
- Office and equipment	352	233	4,148
- Premises	-	-	300
Motor Vehicles Running and Maintenance Costs	369	423	8,656
Rent, Water and Electricity	1,327	1,208	13,393
Telephones	322	354	3,630
Summer Missionary Experiences (Malta)	3,392	3,258	16,523
Software expenses	156	57	832
Office expenses	304	264	5,583
Miscellaneous expenses	63	-	2,429
Salaries	8,684	9,362	49,990
	-----	-----	-----
Total Administrative Expenses	16,958	17,051	152,945
	-----	-----	-----
Total Expenditure and Distributions	86,331	82,209	958,676
	=====	=====	=====
SURPLUS	6,386	8,274	63,332
	=====	=====	=====

The accounting policies and explanatory notes on pages 8 to 13 form an integral part of these financial statements.

**MISSION FUND
STATEMENT OF MOVEMENT IN FUNDS
31 DECEMBER 2006**

	Capital Fund	General Fund	Other Funds (Note 7)	Total Funds
	----- Lm	----- Lm	----- Lm	----- Lm
Balance at 1 January 2005	2,145	16,120	34,970	53,235
Surplus for the year	-	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	2,145 =====	15,977 =====	43,387 =====	61,509 =====
Balance at 1 January 2006	2,145	15,977	43,387	61,509
Surplus for the year (page 6)	1,056	2,553	2,777	6,386
Transfer to reserve for replacement of motor vehicle	-	5,500	(5,500)	-
Movement in premises fund	-	-	8,832	8,832
	-----	-----	-----	-----
Balance at 31 December 2006 (page 4)	3,201 =====	24,030 =====	49,496 =====	76,727 =====

The accounting policies and explanatory notes on pages 8 to 13 form an integral part of these financial statements.

**MISSION FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006	2005
	-----	-----
	Lm	Lm
Cash flows from fund raising activities		
Net surplus for the year	6,385	8,274
Adjustments for:		
Depreciation	761	809
Interest received	(2,910)	(3,307)
Profit on disposal of investment	(940)	(450)
Profit on disposal of fixed assets	(40)	(699)
Receipts for premises fund	8,832	-
	-----	-----
Surplus before working capital changes	12,088	4,627
Movement in working capital		
Prepayments	(20,517)	48
Creditors	2,833	(172)
	-----	-----
Net cash (used in)/from fund raising activities	(5,596)	4,503
	-----	-----
Cash flows from investing activities		
Purchase of tangible fixed assets	(363)	(4,100)
Receipts from disposal of fixed assets	40	700
Sale of investments	9,940	4,450
Interest received	2,910	3,307
	-----	-----
Net cash from investing activities	12,527	4,357
	-----	-----
Movement in cash and cash equivalents	6,931	8,860
Cash and cash equivalents at beginning of year	26,581	17,721
	-----	-----
Cash and cash equivalents at end of year (note 5)	33,512	26,581
	=====	=====

The accounting policies and explanatory notes on pages 8 to 13 form an integral part of these financial statements.

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2006**

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 2006**

3. TANGIBLE ASSETS

	<u>Total</u> Lm	<u>Motor Vehicle</u> Lm	<u>Furniture & Equipment</u> Lm
<u>Cost</u>			
1 January 2006	12,206	4,100	8,106
Additions	363	-	363
Disposal	(880)	-	(880)
	-----	-----	-----
31 December 2006	11,689	4,100	7,589
	-----	-----	-----
<u>Depreciation</u>			
1 January 2006	8,607	615	7,992
Charge for year	760	615	145
Disposal	(880)	-	(880)
	-----	-----	-----
31 December 2006	8,487	1,230	7,257
	-----	-----	-----
Net Book Value			
31 December 2006	3,202	2,870	332
	=====	=====	=====
Net Book Value			
31 December 2005	3,599	3,485	114
	=====	=====	=====

Included with fixed assets are assets costing Lm 7,155 (2005 – Lm 7,375) 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>2006</u> Lm	<u>2005</u> Lm
<u>Quoted on Malta Stock Exchange - at cost</u>		
Malta Government Stocks	30,500	39,500
BOV 8% US\$ Bonds 2010 (USD 25,000)	12,763	12,763
	-----	-----
	43,263	52,263
<u>Unquoted</u>		
1 Share of Lm 500 (40% paid up) in RTK Ltd.	200	200
	-----	-----
	43,463	52,463
	=====	=====

The market value of the quoted investments was Lm 42,524 (2005 – Lm 54,274) as at the balance sheet date.

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2006**

5. CURRENT ASSETS

	2006	2005
	-----	-----
	Lm	Lm
Cash at bank	33,224	26,286
Cash floats	288	295
	-----	-----
Total cash in hand and at bank	33,512	26,581
Prepayments	327	130
Advance payment on new premises	20,320	-
	-----	-----
	54,159	26,711
	=====	=====

6. CREDITORS

	2006	2005
	-----	-----
	Lm	Lm
Falling due within one year		
Loan accounts	23,954	21,104
Accruals	143	160
	-----	-----
	24,097	21,264
	=====	=====

The loan accounts which refer to funds received from the Fund's benefactors are interest free, unsecured and repayable within three days from demand.

7. OTHER FUNDS

	2006	2005
	-----	-----
	Lm	Lm
These are made up of the following funds:		
Replacement of motor vehicle	-	5,500
Purchase of new premises	21,652	12,821
Summer experience group fund	27,844	25,066
	-----	-----
	49,496	43,387
	=====	=====

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 2006**

8. DONATIONS

	2006	2005	Cumulative since Foundation 16.04.84 to 31.12.06
	----- Lm	----- Lm	----- Lm
<u>In Cash -</u>			
General	38,266	40,229	571,592
Masses for the repose	3,151	2,930	21,699
Christmas Carolling	-	-	760
Summer Missionary Experiences	14,989	12,839	88,471
	-----	-----	-----
	56,406	55,998	682,522
	-----	-----	-----
 <u>In Kind -</u>			
Used Telecards	148	329	5,970
Used Stamps	735	1,239	30,671
Land	-	-	6,000
Motor Vehicle	-	-	1,800
	-----	-----	-----
	883	1,568	44,441
	-----	-----	-----
	57,289	57,566	726,963
	=====	=====	=====

9. INCOME TAX

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

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2006**

10. CAPITAL COMMITMENTS

In January 2006 the Fund entered into a preliminary agreement to acquire new premises for the cost of Lm 32,000 in shell form. The deed of acquisition has not been finalised yet. The fund has already paid Lm 20,000 and Lm 320 stamp duty (note 5). The balance outstanding of Lm 12,000 is due on the final deed of acquisition.

On 10 January 2007, the Fund has signed another promise of sale to purchase a garage near the above premises for the price of Lm 18,000 payable on the final deed of acquisition to be signed by not later than 30 April 2007.

11. POST BALANCE SHEET EVENT

On 8 March 2007 the Fund received a donation of Lm 70,000 from the estate of a deceased benefactor who left this amount towards the Fund in his will.