

**MISSION FUND
FINANCIAL STATEMENTS
31 DECEMBER 2011**

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**MISSION FUND
STATEMENT OF COMMITTEE MEMBERS' RESPONSIBILITIES
31 DECEMBER 2011**

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 financial position 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 are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the European Union.
- selecting appropriate accounting policies and applying them consistently from one accounting period to another;
- making reasonable judgements and prudent estimates where appropriate;
- preparing the financial statements on the going concern basis unless it is inappropriate to presume that the fund will continue its operations;

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.

Signed on behalf of the Committee on 26 April 2012

Charles Decelis
Secretary

John Sammut
President

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

We have audited the financial statements of the Mission Fund for the year ended 31 December 2011 set out on pages 4 to 15 which comprise the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of movement in funds and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Committee Members' Responsibility for the Financial Statements

As described on page 2, the committee members are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the agreement setting up the Fund. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the Fund's affairs as at 31 December 2011 and of its performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been properly prepared in accordance with the Fund's Statute.

**This copy of the audit report has been signed by
Emanuel Farrugia (Partner) for and on behalf of**

DFK Malta

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

26 April 2012

**MISSION FUND
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	Note	2011 ----- €	2010 ----- €

ASSETS			
Non current assets			
Property, plant and equipment	8	247,246	254,355
Financial assets	9	49,313	49,794
		-----	-----
Total non-current assets		296,559	304,149
		-----	-----
Current assets			
Receivables	10	86	58
Cash and cash equivalents	11	212,508	185,668
		-----	-----
Total current assets		212,594	185,726
		-----	-----
Total assets		509,153	489,875
		=====	=====
EQUITY AND LIABILITIES			
EQUITY			
Accumulated funds		447,114	425,278
		-----	-----
Current liabilities			
Payables	12	9,959	10,187
Short term borrowings	13	52,080	54,410
		-----	-----
Total current liabilities		62,039	64,597
		-----	-----
Total equity and liabilities		509,153	489,875
		=====	=====

The accounting policies and explanatory notes on pages 9 to 15 form an integral part of these financial statements.

The financial statements on pages 4 to 15 were approved by the Committee on 26 April 2012 and were signed on its behalf by:

John Sammut
President

Philip Micallef
Treasurer

**MISSION FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 ----- €	2010 ----- €	Cumulative since Foundation 16.04.84 to 31.12.11 ----- €
Note -----			
<u>Income</u>			
Donations: In cash	274,017	226,260	2,691,557
In kind	1,471	1,896	113,654
	-----	-----	-----
14	275,488	228,156	2,805,211
Membership Fees	405	447	4,321
Bank and other Interest receivable	1,975	3,234	88,199
Profit on disposal of financial assets	-	-	6,888
Secretarial Services	-	-	4,978
Bazaars and sale of plants	1,085	3,626	164,523
Wine & Pizza, Pasta, Tombola, Buffets	6,273	6,714	74,845
Lottery Income	8,685	6,868	143,104
Courses - net	-	-	3,799
Advertising Income	-	-	8,734
Christmas cards and calendars	9	150	8,008
Income from sale of figolli	988	1,885	4,893
Miscellaneous Income	1,497	1,295	14,979
Missionary Experiences Fund raising	171,764	194,480	904,480
Missionary Experiences – Bank and other Interest	1,754	1,211	11,463
Profit on disposal of fixed assets	-	-	1,721
Income from Exhibitions	-	-	1,000
Income from sale of magazines	1,602	1,390	6,398
Maltese money scheme	80	275	1,567
Sale of vehicle	-	573	573
Sale of art pieces	610	-	610
	-----	-----	-----
Total Income	472,215 =====	450,304 =====	4,260,294 =====
<u>Distributions</u>			
Donations to Missionaries			
- General	143,500	93,736	2,026,496
- Missionary Experiences	234,233	196,047	1,090,139
Postages (Used clothes)	-	-	30,107
Child Sponsorship	120	120	2,968
	-----	-----	-----
Total Distributions	377,853 =====	289,903 =====	3,149,710 =====

**MISSION FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011	2010	Cumulative since Foundation 16.04.84 to 31.12.11
	----- €	----- €	----- €
EXPENSES			
Depreciation	7,229	7,732	71,646
Postages (General)	3,714	3,334	42,954
Stationery and Printing	2,337	2,136	37,949
Advertising and Promotion	431	448	9,427
Insurances	529	529	5,267
Bank charges	203	228	6,258
Repairs and Maintenance			
- Office and other Equipment	710	1,408	14,266
- Premises	218	-	1,170
Motor Vehicles Running and Maintenance Costs	916	868	24,090
Water and Electricity	763	2,256	38,474
Telephones	615	625	11,503
Missionary Experiences	26,300	23,356	139,911
Software Expenses	738	394	6,270
Office Expenses	511	573	16,559
Miscellaneous Expenses		-	5,658
Salaries	20,537	22,054	222,791
Exhibition Expenses	100	100	780
Provision for Loss on financial assets	481	(11,930)	(3,423)
Unrealised Difference on Exchange	1,144	(1,382)	451
Realised Difference on Exchange	-	11,816	26,370
Mission Fund Anniversary		-	909
Magazine Expenses	5,000	5,596	15,506
Rent	50	50	100
	-----	-----	-----
Total Expenses	72,526	70,191	694,886
	-----	-----	-----
Total Expenditure and Distributions	450,379	360,094	3,844,596
	=====	=====	=====
SURPLUS (page 7)	21,836	90,210	415,698
	=====	=====	=====

The accounting policies and explanatory notes on pages 9 to 15 form an integral part of these financial statements.

**MISSION FUND
STATEMENT OF MOVEMENT IN ACCUMULATED FUNDS
31 DECEMBER 2011**

	Accumulated Funds ----- €
Balance at 1 January 2010	335,068
Surplus for the year	90,210 -----
Balance at 31 December 2010	425,278 =====
Balance at 1 January 2011	425,278
Surplus for the year	21,836 -----
Balance at 31 December 2011	447,114 =====

**MISSION FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011	2010
	-----	-----
	€	€
Cash flows from fund raising activities		
Net surplus for the year	21,836	90,210
Adjustments for:		
Depreciation	7,229	7,732
Interest receivable	(3,729)	(4,445)
Unrealised losses on financial assets	481	(11,930)
Realised difference on exchange	-	11,816
	-----	-----
Surplus before working capital changes	25,817	93,383
Movement in working capital		
Prepayments	(28)	-
Payables	(228)	529
	-----	-----
Net cash from fund raising activities	25,561	93,912
	-----	-----
Cash flows from investing activities		
Purchase of property, plant and equipment	(120)	(9,540)
Interest received	3,729	4,445
Proceeds from redemption of financial assets	-	17,914
	-----	-----
Net cash from investing activities	3,609	12,819
	-----	-----
Cash flows from financing activities		
Decrease in short term borrowings	(2,330)	(1,397)
	-----	-----
Net cash used in financing activities	(2,330)	(1,397)
	-----	-----
Movement in cash and cash equivalents	26,840	105,334
Cash and cash equivalents at beginning of year	185,668	80,334
	-----	-----
Cash and cash equivalents at end of year (note 11)	212,508	185,668
	=====	=====

The accounting policies and explanatory notes on pages 9 to 15 form an integral part of these financial statements.

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2011**

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).

Mission Fund is registered as a Philanthropic Organisation under the Voluntary Organisations Act, 2007 (Reg. No. VO/0015).

2. CHURCH RECOGNITION

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

3. BASIS OF PREPARATION

3.1 Compliance Statement

The financial statements of Mission Fund have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

3.2 Basis of Measurement

The financial statements have been prepared under the historical cost basis except that quoted investments are stated at market value.

3.3 Functional and Presentation Currency

These financial statements are presented in Euro (€) which is the Fund's functional currency.

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies which have been applied consistently to all periods presented in these financial statements are set out below.

4.1 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. A full year's depreciation charge is provided during the year of acquisition and no depreciation is charged during the year in which the asset is disposed or scrapped. Depreciation is provided for on the straight line method in order to write off the assets over their expected useful economic lives at the following annual rates:

	%
Building	1
Motor Vehicle	15
Furniture and equipment	15 – 25

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2011**

4. Cont.

4.2 Impairment of Assets

Where there is evidence that an asset may be impaired, the recoverable amount of the asset is calculated and an impairment assessment is carried out. When the recoverable amount of an asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. This reduction is reported as an impairment loss in the statement of comprehensive income.

4.3 Financial Assets

Financial assets are initially stated at market value and at the rate of exchange prevailing as at the statement of financial position date. When such assets are disposed of or impaired, the resulting adjustment is transferred to the statement of comprehensive income.

4.4 Trade and Other Receivables

Trade and other receivables are stated at original invoice amount less provisions made for doubtful debts. A provision for doubtful debts is made when there is objective evidence that the company will not be able to collect all amounts due.

4.5 Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks, net of bank overdrafts. In the statement of financial position, bank overdrafts are included as borrowings under current liabilities.

4.6 Foreign Currencies

Transactions in foreign currencies are converted to Euro currency at the rates of exchange ruling on the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into Euro currency at the rates of exchange ruling on the statement of financial position date. All exchange differences are taken to the statement of comprehensive income.

4.7 Revenue Recognition

Revenue which represents income received from donations, membership fees and other income from fund raising activities is accounted for on a cash receipt basis. Bank interest income is accounted for on receipt basis.

4.8 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred.

4.9 Retirement Benefit Costs

The Mission Fund provides for retirement benefits by contributing towards its employees' statutory pension in accordance with the relevant legislation.

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2011**

5. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Fund's accounting policies, the Committee has made no judgments which can significantly affect the amounts recognised in the financial statements.

At the statement of financial position date, there were no key assumptions concerning the future, or any other key sources of estimation uncertainty, that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year.

6. INITIAL APPLICATION OF A STANDARD INTERNATIONAL FINANCIAL REPORTING STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

The Committee anticipates that the adoption of the other International Financial Reporting Standards, that were in issue at the date of authorization of these financial statements, but not yet effective, will have no material impact on the financial statements of the Fund in the period of initial application.

7. STAFF COSTS AND EMPLOYEE INFORMATION

Staff cost for the year compromised the following:

	2011 ----- €	2010 ----- €
Salaries	18,620	20,239
Social security contributions	1,917	1,815
	----- 20,537 =====	----- 22,054 =====
	2011 ----- No.	2010 ----- No.
Average number of employees	2 ===	3 ===

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2011**

8. PROPERTY, PLANT AND EQUIPMENT

	<u>Total</u> €	<u>Buildings</u> €	<u>Motor Vehicle</u> €	<u>Furniture & Equipment</u> €
Cost				

At 1 January 2010	288,553	249,364	9,550	29,639
Additions	9540		-	9,540
	-----	-----	-----	-----
At 1 January 2011	298,093	249,364	9,550	39,179
Additions	120	-	-	120
	-----	-----	-----	-----
At 31 December 2011	298,213	249,364	9,550	39,299
	-----	-----	-----	-----
Depreciation				

At 1 January 2010	36,006	6,211	7,164	22,631
Charge for year	7,732	2,494	1,433	3,805
	-----	-----	-----	-----
At 1 January 2011	43,738	8,705	8,597	26,436
Charge for the year	7,229	2,494	953	3,782
	-----	-----	-----	-----
At 31 December 2011	50,967	11,199	9,550	30,218
	-----	-----	-----	-----
Carrying amounts				

31 December 2010	254,355	240,659	953	12,743
	=====	=====	=====	=====
31 December 2011	247,246	238,165	-	9,081
	=====	=====	=====	=====
Assets written off but still in use:				
31 December 2011	27,876	-	-	27,876
	=====	=====	=====	=====

MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2011

9. FINANCIAL ASSETS

These are stated at market value and are made up as follows:

	2011	2010
	-----	-----
	€	€
<u>Quoted on Malta Stock Exchange - at market value</u>		
Malta Government Stocks	49,311	49,792
	-----	-----
<u>Unquoted</u>		
1 Share of € 1,165 (40% paid up) in RTK Ltd.	466	466
Provision for diminution in value	(464)	(464)
	-----	-----
	2	2
	-----	-----
	49,313	49,794
	=====	=====

10. RECEIVABLES

	2011	2010
	-----	-----
	€	€
Prepayments	86	58
	=====	=====

11. CASH AND CASH EQUIVALENTS

	2011	2010
	-----	-----
	€	€
Cash at bank	211,777	184,967
Cash floats	731	701
	-----	-----
	212,508	185,668
	=====	=====

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2011**

12. PAYABLES

	2011	2010
	-----	-----
	€	€
Current		
Accruals	9,959	9721
Other payable	-	466
	-----	-----
	9,959	10,187
	=====	=====

13. BORROWINGS

	2011	2010
	-----	-----
	€	€
Short term borrowings		
Loan accounts	52,080	54,410
	=====	=====

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

14. DONATIONS

	2011	2010	Cumulative since Foundation 16.04.84 to 31.12.11
	-----	-----	-----
	€	€	€
<u>In Cash</u> -			
General	127,416	108,450	2,010,760
Masses for the repose	13,370	8,912	96,751
Christmas Caroling	-	-	1,770
Donation from Community Chest Fund	-	40,000	40,000
Donations from will/testament	31,950	-	31,950
Donation for Missionary Experiences - Voices	7,000	-	7,000
Ministry of Resources and Rural Affairs and Ministry of Foreign Affairs	25,000	-	25,000
Ministry of Foreign Affairs	15,000	18,000	62,000
Others	54,281	50,898	416,326
	-----	-----	-----
	274,017	226,260	2,691,557
	-----	-----	-----

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2011**

14. DONATIONS (continued)

	2011	2010	Cumulative since Foundation 16.04.84 to 31.12.11
	----- €	----- €	----- €
<u>In Kind -</u>			
Used Telecards	115	156	15,458
Used Stamps	1,356	1,740	80,027
Land	-	-	13,976
Motor Vehicle	-	-	4,193
	----- 1,471	----- 1,896	----- 113,654
	----- 275,488	----- 228,156	----- 2,805,211

15. INCOME TAX

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

**MISSION FUND
MISSIONARY EXPERIENCE
31 DECEMBER 2011**

	2011	2010
	-----	-----
	€	€
FUND RAISING		
TV marathon (2010/2011)	118,906	149,740
Bazaar	1,142	-
Sale of figolli	965	1,880
Cold buffet	3,147	3,254
Bay street activity	1,140	1,547
Collection of tins	649	320
Boat cruise activity	-	1,652
Sale of Christmas cards	-	75
Leaflets	41,127	30,553
Income from sales of calendars	15	554
Monte Cristo activity	4,673	4,305
Sale of donated car	-	600
	-----	-----
Total missionary experience fund raising (page 5)	171,764	194,480
	=====	=====
FUND RAISING AND OTHER EXPENSES		
TV marathon expenses	8,636	5,927
Stationery	6,639	4,583
Container expenses	2,376	3,953
Miscellaneous expenses	1,559	1,312
Consultancy fees	-	944
Insurance	1,465	601
Seminar expenses	1,500	803
Calendar expenses	3,885	4,540
Bank charges	60	87
Motor vehicle expenses	180	85
Repairs garage	-	521
	-----	-----
Total fund raising and other expenses (page 6)	26,300	23,356
	=====	=====