

**MISSION FUND
FINANCIAL STATEMENTS
31 DECEMBER 2013**

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**MISSION FUND
REPORT OF THE COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2013**

The committee submits its report and audited financial statements for the year ended 31 December 2013.

1. Principal Activities

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

2. Results

The Mission Fund's income for the year amounted to € 1,195,338 (2012: € 333,407). The current year's income increased steadily as a result of the television fundraising event held on Xarabank's national programme.

After deducting € 633,670 (2012 - € 306,358) paid in donations to missionaries, the year ended with a surplus of € 462,146 (2012 – deficit of € 33,861).

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	-	Vice President and Assistant Treasurer
Mr. Charles Decelis	-	Secretary
Ms. Christine Camilleri	-	Assistant Secretary Co-Opted
Mr. Philip Micallef	-	Treasurer
Mr. John Sammut	-	P.R.O.
Mr. Joe Mifsud	-	Member
Mr. Frans Scicluna	-	Member

4. Spiritual Director

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

5. Auditor

The auditor, Nigel Scerri, has expressed his willingness to continue in office as honorary auditors.

By order of the Committee

Charles Decelis
Secretary

Sylvia Ebejer
President

Mission Fund
Eureka Court,
Block A, Flat 6,
Main Street,
Mosta MST 1018

25 April 2014

**MISSION FUND
STATEMENT OF COMMITTEE MEMBERS' RESPONSIBILITIES
31 DECEMBER 2013**

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 25 April 2014

Charles Decelis
Secretary

Sylvia Ebejer
President

REPORT OF THE AUDITOR TO THE SHAREHOLDERS OF THE MISSION FUND

I have audited the financial statements of the Mission Fund for the year ended 31 December 2013 set out on pages 4 to 15 which comprise the statement of financial position as at 31 December 2013, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those Standards require that I 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.

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

Opinion

In my opinion the financial statements give a true and fair view of the state of the Fund's affairs as at 31 December 2013 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 my 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

Nigel Scerri

FCCA ACMA CGMA CPA MBA(Maas)

Certified Public Accountant & Holder of an Audit Practicing Certificate

15, Stardust,

Triq is-Saghtar,

Madliena SWQ 1403

25 April 2014

**MISSION FUND
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	Note	2013 ----- €	2012 ----- €

ASSETS			
Non current assets			
Property, plant and equipment	8	239,374	242,450
Financial assets	9	145,750	50,129
		-----	-----
Total non-current assets		385,124	292,579
		-----	-----
Current assets			
Receivables	10	220	58
Cash and cash equivalents	11	555,182	186,216
		-----	-----
Total current assets		555,402	186,274
		-----	-----
Total assets		940,526	478,853
		=====	=====
EQUITY AND LIABILITIES			
EQUITY			
Accumulated funds		884,775	422,629
		-----	-----
Current liabilities			
Payables	12	-	144
Short term borrowings	13	55,751	56,080
		-----	-----
Total current liabilities		55,751	56,224
		-----	-----
Total equity and liabilities		940,526	478,853
		=====	=====

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 25 April 2014 and were signed on its behalf by:

Sylvia Ebejer
President

Philip Micallef
Treasurer

**MISSION FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012	Cumulative since Foundation 16.04.84 to 31.12.13
Note	----- €	----- €	----- €

<u>Income</u>			
Donations: In cash	518,425	220,696	3,430,678
In kind	897	1,223	116,957
	-----	-----	-----
14	519,322	221,919	3,547,635
Membership fees	309	498	5,128
Bank and other Interest receivable	5,447	4,852	109,961
Profit on disposal of assets	-	-	8,609
Bazaars and sale of plants	10,802	1,261	176,586
Other fund raising – general events	17,866	13,443	130,399
Lottery income	14,382	9,915	167,401
Advertising & miscellaneous income	-	2,729	26,442
Missionary experiences fund raising	626,390	77,790	1,608,660
Income from adverts of magazines	820	1,000	8,218
	-----	-----	-----
Total Income	1,195,338	333,407	5,789,039
	=====	=====	=====
<u>Distributions</u>			
Donations to missionaries			
- General	246,330	168,000	2,440,826
- Missionary experiences	387,100	138,358	1,615,597
Postages (used clothes)	-	-	30,107
Child sponsorship	240	-	3,208
	-----	-----	-----
Total distributions	633,670	306,358	4,089,738
	=====	=====	=====

MISSION FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012	Cumulative since Foundation 16.04.84 to 31.12.13
	----- €	----- €	----- €
EXPENSES			
Depreciation	5,899	6,132	83,677
Postages (general)	11,689	5,460	60,103
Stationery and printing	25,912	4,789	68,650
Advertising and promotion	2,771	465	12,663
Insurances	1,287	529	7,083
Bank charges	1,156	114	7,528
Repairs and maintenance	1,701	2,029	25,436
Motor vehicles running and maintenance costs	1,139	674	25,903
Water and electricity	976	178	39,628
Telephones	645	495	12,643
Missionary experiences	7,091	13,173	160,175
Office expenses	1,100	697	18,356
Miscellaneous expenses	876	-	6,534
Salaries	22,484	21,135	266,410
Fundraising activity expenses	7,808	-	9,497
Provision for change in fair value of financial fixed asset	-	(816)	(4,239)
Unrealised difference on exchange	314	399	1,164
Realised difference on exchange	153	101	26,624
Magazine expenses	6,471	5,306	27,283
Rent	50	50	200
	-----	-----	-----
Total expenses	99,522	60,910	855,318
	-----	-----	-----
Total expenditure and distributions	733,192	367,268	4,945,056
	=====	=====	=====
Surplus/(deficit) for the year	462,146	(33,861)	843,983
	=====	=====	=====

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 2013**

	Accumulated Funds
	----- €
Balance at 1 January 2012	447,114
Other funds	9,376
Deficit for the year	(33,861) -----
Balance at 31 December 2012	422,629 =====
Balance at 1 January 2013	422,629
Surplus for the year	442,146 -----
Balance at 31 December 2013	864,775 =====

**MISSION FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	-----	-----
	€	€
Cash flows from fund raising activities		
Net surplus/(deficit) for the year	462,146	(33,861)
Adjustments for:		
Depreciation	5,899	6,132
Interest receivable	(5,447)	(4,852)
Provision for change in fair value of financial fixed asset	-	(816)
	-----	-----
Surplus/(deficit) before working capital changes	462,598	(33,397)
Movement in working capital		
Prepayments	(162)	28
Payables	(144)	(439)
	-----	-----
Net cash from/(used in) fund raising activities	462,292	(33,808)
	-----	-----
Cash flows (used in)/from investing activities		
Purchase of property, plant and equipment	(2,823)	(1,336)
Purchase of financial assets	(95,621)	-
Interest received	5,447	4,852
	-----	-----
Net cash (use in)/from investing activities	(92,997)	3,516
	-----	-----
Cash flows (used in)/from financing activities		
(Net reduction of loans)/loans advanced	(329)	4,000
	-----	-----
Net cash (used in)/from financing activities	(329)	4,000
	-----	-----
Movement in cash and cash equivalents	368,966	(26,292)
Cash and cash equivalents at beginning of year	186,216	212,508
	-----	-----
Cash and cash equivalents at end of year (note 11)	555,182	186,216
	=====	=====

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 2013**

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.

3.4 Comparative Information

Certain comparative figures have been grouped together and restated in light of audit materiality levels.

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 2013**

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 cost. Financial assets include available for sale investments which are stated at fair value. Provision for diminution in value is made where there is a decline other than temporary in the value of these assets.

4.4 Other Receivables

Other receivables are stated at original amount less provisions made for doubtful debts. A provision for doubtful debts is made when there is objective evidence that the Fund 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 Other Payables and Borrowings

Other payables and borrowings are classified as current liabilities and short term borrowings respectively, if payment is due within one year or less. Other payables and borrowings are recognised at fair value.

4.7 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.

4.8 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.

4.9 Borrowing costs

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

4.10 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 2013**

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:

	2013 ----- €	2012 ----- €
Salaries	20,102	19,125
Social security contributions	2,382	2,010
	----- 22,484 =====	----- 21,135 =====
	2013 ----- No.	2012 ----- No.
Average number of employees	2 ===	2 ===

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013**

8. PROPERTY, PLANT AND EQUIPMENT

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

At 1 January 2012	298,213	249,364	9,550	39,299
Additions	1,337	-	-	1,337
	-----	-----	-----	-----
At 1 January 2013	299,550	249,364	9,550	40,636
Additions	2,823	-	-	2,823
	-----	-----	-----	-----
At 31 December 2013	302,373	249,364	9,550	43,459
	-----	-----	-----	-----
Depreciation				

At 1 January 2012	50,967	11,199	9,550	30,218
Charge for year	6,133	2,494	-	3,639
	-----	-----	-----	-----
At 1 January 2013	57,100	13,693	9,550	33,857
Charge for the year	5,899	2,494	-	3,405
	-----	-----	-----	-----
At 31 December 2013	62,999	16,187	9,550	37,262
	-----	-----	-----	-----
Carrying amounts				

31 December 2012	239,374	233,177	-	6,197
	=====	=====	=====	=====
31 December 2013	242,450	235,671	-	6,779
	=====	=====	=====	=====
Assets written off but still in use:				
31 December 2013	40,968	-	9,550	31,418
	=====	=====	=====	=====

MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013

9. OTHER FINANCIAL FIXED ASSETS

Available for sale investments

	2013	2012
	-----	-----
	€	€
<u>Quoted</u>		
Malta Government Stocks	145,748	50,127
	-----	-----
<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
	-----	-----
	145,750	50,129
	=====	=====

10. RECEIVABLES

	2013	2012
	-----	-----
	€	€
Prepayments	220	58
	=====	=====

11. CASH AND CASH EQUIVALENTS

	2013	2012
	-----	-----
	€	€
Cash at bank	554,407	185,416
Cash floats	775	800
	-----	-----
	555,182	186,216
	=====	=====

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013**

12. PAYABLES

	2013 ----- €	2012 ----- €
Current		
Accruals	-	144
	----- -	----- 144
	=====	=====

13. BORROWINGS

	2013 ----- €	2012 ----- €
Short term borrowings		
Loan accounts	55,751	56,080
	=====	=====

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

	2013 ----- €	2012 ----- €	Cumulative since Foundation 16.04.84 to 31.12.13 ----- €
<u>In Cash</u> -			
General	195,112	140,930	2,348,572
Masses for the Repose	21,623	12,126	130,500
Donations from Community Chest Fund	30,000	-	70,000
Donations from wills	155,138	-	187,088
Donations from Voices	23,000	-	30,000
Government Ministries	62,691	14,000	163,691
Others	30,861	53,640	500,827
	----- 518,425	----- 220,696	----- 3,430,678
	-----	-----	-----

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2013**

14. DONATIONS (continued)

	2013	2012	Cumulative since Foundation 16.04.84 to 31.12.13
	----- €	----- €	----- €
<u>In Kind -</u>			
Used Telecards	20	15	15,493
Used Stamps	877	1,148	82,052
Land	-	-	13,976
Motor Vehicles	-	-	4,766
Sale of art pieces	-	60	670
	----- 897	----- 1,223	----- 116,957
	----- 519,322	----- 221,919	----- 3,547,635
	=====	=====	=====

15. INCOME TAX

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