

**MISSION FUND
FINANCIAL STATEMENTS
31 DECEMBER 2010**

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**MISSION FUND
REPORT OF THE COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2010**

The committee submits its report and audited financial statements for the year ended 31 December 2010.

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 amounted to € 450,304 (2008 - € 295,711). The current year's income includes the amount of € 18,000 donation received from the Ministry of Foreign Affairs and €40,000 donation from Malta Community Chest Fund.

After deducting € 289,903 (2009 - € 224,224) paid in donations to missionaries, the year ended with a surplus of € 90,210 (2009 - € 5,162).

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:

Mr. John Sammut	-	President and Public Relations
Ms Speranza Xuereb	-	Vice President and Assistant Treasurer
Mr. Charles Decelis	-	Secretary
Ms. Christine Camilleri	-	Assistant Secretary
Mr. Philip Micallef	-	Treasurer
Ms. Sylvia Ebejer	-	Member
Mr. Joe Mifsud	-	Member

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

Charles Decelis
Secretary

John Sammut
President

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

10 April 2011

**MISSION FUND
STATEMENT OF COMMITTEE MEMBERS' RESPONSIBILITIES
31 DECEMBER 2010**

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 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 10 April 2011.

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 2010 set out on pages 4 to 14 which comprise the statement of affairs as at 31 December 2010, the income statement, statement of movement in funds and cash flow statement 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 2010 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 – except for International Accounting Standard 16 regarding depreciation of property – and 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

10 April 2011

**MISSION FUND
STATEMENT OF AFFAIRS
AS AT 31 DECEMBER 2010**

	Note	2010 ----- €	2009 ----- €

ASSETS			
Non current assets			
Property, plant and equipment	5	254,355	252,547
Financial investments	6	49,794	67,594
		-----	-----
Total non current assets		304,149	320,141
		-----	-----
Current assets			
Receivables	7	58	58
Cash and cash equivalents	8	185,668	80,334
		-----	-----
		185,726	80,392
		-----	-----
Total assets		489,875	400,533
		=====	=====
EQUITY AND LIABILITIES			
EQUITY			
Accumulated funds		425,278	335,068
		-----	-----
Current liabilities			
Payables	9	10,187	9,658
Short term borrowings	10	54,410	55,807
		-----	-----
Total current liabilities		64,597	65,465
		-----	-----
Total equity and liabilities		489,875	400,533
		=====	=====

The accounting policies and explanatory notes on pages 9 to 14 form an integral part of these financial statements.

The financial statements on pages 4 to 14 were approved by the Committee on 10 April 2011 and were signed on its behalf by:

John Sammut
President

Philip Micallef
Treasurer

**MISSION FUND
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010**

		2010	2009	Cumulative since Foundation 16.04.84 to 31.12.10
	Note	----- €	----- €	----- €
<u>Income</u>				
Donations:				
In cash		226,260	166,275	2,417,540
In kind		1,896	2,018	112,183
		-----	-----	-----
	11	228,156	168,293	2,529,723
Membership Fees		447	576	3,916
Bank Interest		3,234	3,238	86,224
Profit on disposal of investment		-	-	6,888
Secretarial Services		-	-	4,978
Bazaars and sale of plants		3,626	6,839	163,438
Wine & Pizza, Pasta, Tombola, Buffets		6,714	3,977	68,572
Lottery Income		6,868	7,509	134,419
Courses - net		-	-	3,799
Advertising Income		-	-	8,734
Christmas cards and calendars		150	423	7,999
Income from sale of figolli		1,885	2,020	3,905
Miscellaneous Income		1,295	303	13,482
Missionary Experiences Fund Raising		194,480	99,040	732,716
Missionary Experiences – Bank Interest		1,211	1,726	9,709
Profit on disposal of fixed assets		-	-	1,721
Income for Exhibitions		-	-	1,000
Income from sale of magazines		1,390	1,297	4,796
Maltese money scheme		275	470	1,487
Sale of vehicle		573	-	573
		-----	-----	-----
Total Income		450,304	295,711	3,788,079
		=====	=====	=====
<u>Distributions</u>				
Donations to Missionaries				
- General		93,736	88,800	1,882,996
- Summer Missionary Experiences		196,047	135,184	855,906
Postages (Used clothes)		-	-	30,107
Child Sponsorship		120	240	2,848
		-----	-----	-----
Total Distributions		289,903	224,224	2,771,857
		=====	=====	=====

**MISSION FUND
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009	Cumulative since Foundation 16.04.84 to 31.12.10
	----- €	----- €	----- €
EXPENSES			
Depreciation	7,732	6,041	64,417
Postages (General)	3,334	4,425	39,240
Stationery and Printing	2,136	2,051	35,612
Advertising and Promotion	448	448	8,996
Insurances	529	304	4,738
Bank charges	228	219	6,055
Repairs and Maintenance			
- Office and Equipment	1,408	1,162	13,558
- Premises	-	148	952
Motor Vehicles Running and Maintenance Costs	868	643	23,174
Water and Electricity	2,256	682	37,711
Telephones	625	413	10,888
Summer Missionary Experiences (Malta)	23,356	20,196	113,611
Software Expenses	394	472	5,532
Office Expenses	573	614	16,048
Miscellaneous Expenses	-	-	5,658
Salaries	22,054	21,144	202,254
Exhibition Expenses	100	250	680
Provision for Loss on Investments	(11,930)	2,411	(3,904)
Unrealised Difference on Exchange	(1,382)	1,204	(693)
Realised Difference on Exchange	11,816	-	26,370
Mission Fund Anniversary	-	909	909
Magazine Expenses	5,596	2,589	10,506
Rent	50	-	50
	-----	-----	-----
Total Expenses	70,191	66,325	622,360
	-----	-----	-----
Total Expenditure and Distributions	360,094	290,549	3,394,217
	=====	=====	=====
SURPLUS (page 7)	90,210	5,162	393,862
	=====	=====	=====

The accounting policies and explanatory notes on pages 9 to 14 form an integral part of these financial statements.

**MISSION FUND
STATEMENT OF MOVEMENT IN ACCUMULATED FUNDS
31 DECEMBER 2010**

	Accumulated Funds
	----- €
Balance at 1 January 2009	329,906
Surplus for the year	5,162 -----
Balance at 31 December 2009	335,068 =====
Balance at 1 January 2010	335,068
Surplus for the year	90,210 -----
Balance at 31 December 2010	425,278 =====

**MISSION FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	-----	-----
	€	€
Cash flows from fund raising activities		
Net surplus for the year	90,210	5,162
Adjustments for:		
Depreciation	7,732	6,041
Interest receivable	(4,445)	(4,964)
Unrealised losses on investments	(11,930)	2,411
Realised difference on exchange	11,816	-
	-----	-----
Surplus before working capital changes	93,383	8,650
Movement in working capital		
Prepayments	-	(58)
Payables	529	(1,554)
	-----	-----
Net cash from fund raising activities	93,912	7,038
	-----	-----
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,540)	(1,901)
Interest received	4,445	4,964
Proceeds from redemption of investments	17,914	-
	-----	-----
Net cash used in investing activities	12,819	3,063
	-----	-----
Cash flows from financing activities		
Decrease in short term borrowings	(1,397)	(3,424)
	-----	-----
Net cash from financing activities	(1,397)	(3,424)
	-----	-----
Movement in cash and cash equivalents	105,334	6,677
Cash and cash equivalents at beginning of year	80,334	73,657
	-----	-----
Cash and cash equivalents at end of year (note 8)	185,668	80,334
	=====	=====

The accounting policies and explanatory notes on pages 9 to 14 form an integral part of these financial statements.

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010**

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).

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. BASIS OF PREPARATION

2.1 Compliance Statement

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

2.2 Basis of Measurement

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

2.3 Functional and Presentation Currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 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 as the following annual rates:

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

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010**

3. Cont.

3.2 Financial Investments

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

3.3 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 balance sheet date. All exchange differences are taken to the income statement.

3.4 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.

3.5 Retirement Benefit Costs

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

4. STAFF COSTS AND EMPLOYEE INFORMATION

Staff cost for the year comprised the following:

	2010 ----- €	2009 ----- €
Salaries	20,239	19,388
Social security contributions	1,815	1,756
	----- 22,054 =====	----- 21,144 =====
	2010 ----- No.	2009 ----- No.
Average number of employees	3 ===	3 ===

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010**

5. PROPERTY, PLANT AND EQUIPMENT

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

At 1 January 2009	286,652	247,878	9,550	29,224
Additions	1,901	1,486	-	415
	-----	-----	-----	-----
At 1 January 2010	288,553	249,364	9,550	29,639
Additions	9,540	-	-	9,540
	-----	-----	-----	-----
At 31 December 2010	298,093	249,364	9,550	39,179
	-----	-----	-----	-----
Depreciation				

At 1 January 2009	29,965	3,718	5,731	20,516
Charge for year	6,041	2,493	1,433	2,115
	-----	-----	-----	-----
At 1 January 2010	36,006	6,211	7,164	22,631
Charge for the year	7,732	2,494	1,433	3,805
	-----	-----	-----	-----
At 31 December 2010	43,738	8,705	8,597	26,436
	-----	-----	-----	-----
Carrying amounts				

31 December 2009	252,547	243,153	2,386	7,008
	=====	=====	=====	=====
31 December 2010	254,355	240,659	953	12,743
	=====	=====	=====	=====
Assets written off but still in use:				
31 December 2010	17,133	-	-	17,133
	=====	=====	=====	=====

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010**

6. FINANCIAL FIXED ASSETS

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

	2010	2009
	-----	-----
	€	€
<u>Quoted on Malta Stock Exchange - at market value</u>		
Malta Government Stocks	49,792	49,631
BOV 8% US\$ Bonds 2010 (USD 25,000)	-	17,961
	-----	-----
	49,792	67,592
	-----	-----
<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
	-----	-----
	49,794	67,594
	=====	=====

7. RECEIVABLES

	2010	2009
	-----	-----
	€	€
Prepayments	58	58
	=====	=====

8. CASH AND CASH EQUIVALENTS

	2010	2009
	-----	-----
	€	€
Cash at bank	184,967	79,631
Cash floats	701	703
	-----	-----
	185,668	80,334
	=====	=====

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010**

9. PAYABLES

	2010	2009
	-----	-----
	€	€
Current		
Accruals	9,721	9,658
Other payable	466	-
	-----	-----
	10,187	9,658
	=====	=====

10. BORROWINGS

	2010	2009
	-----	-----
	€	€
Current		
Loan accounts	54,410	55,807
	=====	=====

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

11. DONATIONS

	2010	2009	Cumulative since Foundation 16.04.84 to 31.12.10
	-----	-----	-----
	€	€	€
<u>In Cash -</u>			
General	108,450	97,825	1,883,344
Masses for the repose	8,912	8,524	83,381
Christmas Caroling	-	-	1,770
Summer Missionary Experiences	50,898	30,926	362,045
Donation from Ministry of Foreign Affairs for summer experience	18,000	29,000	47,000
Donation from Community Chest Fund	40,000	-	40,000
	-----	-----	-----
	226,260	166,275	2,417,540
	-----	-----	-----

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010**

11. DONATIONS (continued)

	2010	2009	Cumulative since Foundation 16.04.84 to 31.12.10
	----- €	----- €	----- €
<u>In Kind -</u>			
Used Telecards	156	238	15,343
Used Stamps	1,740	1,780	78,671
Land	-	-	13,976
Motor Vehicle	-	-	4,193
	----- 1,896	----- 2,018	----- 112,183
	----- 228,156	----- 168,293	----- 2,529,723
	=====	=====	=====

12. INCOME TAX

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

**MISSION FUND
SUMMER MISSIONARY EXPERIENCE
31 DECEMBER 2010**

	2010	2009
	-----	-----
	€	€
FUND RAISING		
TV marathon (2009/2010)	149,740	62,089
Bazaar	-	619
Sale of figolli	1,880	2,431
Cold buffet	3,254	3,234
Bay street activity	1,547	2,778
BBQ – net	-	3,612
Collection of tins	320	265
Sale of Christmas cakes	-	314
Boat cruise activity	1,652	1,187
Sale of Christmas cards	75	-
Leaflets	30,553	20,206
Income from sales of calendars	554	1,605
Companies	-	700
Monte Cristo activity	4,305	-
Sale of donated car	600	-
	-----	-----
Total summer experience fund raising (page 5)	194,480	99,040
	=====	=====
FUND RAISING AND OTHER EXPENSES		
TV marathon expenses	5,927	8,365
Stationery	4,583	2,987
Container expenses	3,953	-
Miscellaneous expenses	1,312	3,181
Consultancy fees	944	-
Insurance	601	593
Seminar expenses	803	678
Calendar expenses	4,540	4,039
Bank charges	87	98
Motor vehicle expenses	85	255
Repairs garage	521	-
	-----	-----
Total fund raising and other expenses (page 6)	23,356	20,196
	=====	=====