

**MISSION FUND
FINANCIAL STATEMENTS
31 DECEMBER 2014**

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**MISSION FUND
REPORT OF THE COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2014**

The committee submits its report and audited financial statements for the year ended 31 December 2014.

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 € 630,494 (2013: € 1,195,338). The current year's income decreased as a result of lower donations from wills and fewer income from Missionary experiences fund raising. Otherwise income remained steady.

After deducting € 482,672 (2013 - € 633,670) paid in donations to missionaries, the year ended with a surplus of € 27,409 (2013 -€ 462,146).

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
Mr. Frans Scicluna	-	Vice President
Mr. Charles Decelis	-	Secretary
Mr. Saviour Farrugia	-	Assistant Secretary Co-Opted
Mr. Philip Micallef	-	Treasurer
Ms. Speranza Xuereb	-	Assistant Treasurer
Mr. John Sammut	-	P.R.O.
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. Auditor

The auditor, Kenneth Swain, has expressed his willingness to continue in office as honorary auditor.

By order of the Committee

Charles Decelis
Secretary

Sylvia Ebejer
President

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

19 April 2015

**MISSION FUND
STATEMENT OF COMMITTEE MEMBERS' RESPONSIBILITIES
31 DECEMBER 2014**

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 19 April 2015

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 2014 set out on pages 4 to 15 which comprise the statement of financial position as at 31 December 2014, 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 2014 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

Kenneth Swain

B.Accty (Hons), Dip. Tax, MIA, AMIT, CPA
Certified Public Accountant & Registered Auditor
15, Flat 1,
Triq San Gakbu,
Xghajra XJR1073

19 April 2015

**MISSION FUND
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Note	2014 ----- €	2013 ----- €

ASSETS			
Non current assets			
Property, plant and equipment	8	240,239	239,374
Financial assets	9	230,350	145,750
		-----	-----
Total non-current assets		470,589	385,124
		-----	-----
Current assets			
Receivables	10	-	220
Cash and cash equivalents	11	497,346	555,182
		-----	-----
Total current assets		497,346	555,402
		-----	-----
Total assets		967,935	940,526
		=====	=====
EQUITY AND LIABILITIES			
EQUITY			
Accumulated funds		912,184	884,775
		-----	-----
Current liabilities			
Short term borrowings	12	55,751	55,751
		-----	-----
Total current liabilities		55,751	55,751
		-----	-----
Total equity and liabilities		967,935	940,526
		=====	=====

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 19 April 2015 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 2014

	Note	2014 ----- €	2013 ----- €
<u>Income</u>			
Donations: In cash		277,849	518,425
In kind		1,448	897
	13	----- 279,297	----- 519,322
Membership fees		453	309
Bank and other Interest receivable		12,991	5,447
Profit on disposal of assets		300	-
Bazaars and sale of plants		10,957	10,802
Other fund raising – general events		31,702	17,866
Lottery income		17,140	14,382
Advertising & miscellaneous income		-	-
Missionary experiences fund raising	14	276,834	626,390
Income from adverts of magazines		820	820
		-----	-----
Total Income		630,494 =====	1,195,338 =====
<u>Distributions</u>			
Donations to missionaries			
- General		234,500	246,330
- Missionary experiences		248,052	387,100
Postages (used clothes)		-	-
Child sponsorship		120	240
		-----	-----
Total distributions		482,672 =====	633,670 =====

**MISSION FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014	2013
	-----	-----
	€	€
EXPENSES		
Depreciation	3,908	5,899
Postages (general)	11,626	11,689
Stationery and printing	5,348	25,912
Advertising and promotion	481	2,771
Insurances	529	1,287
Bank charges	912	1,156
Repairs and maintenance	1,209	1,701
Motor vehicles running and maintenance costs	868	1,139
Water and electricity	1,159	976
Telephones	720	645
Missionary experiences	26,702	7,091
Office expenses	1,078	1,100
Miscellaneous expenses	3,973	876
Salaries	29,020	22,484
Fundraising activity expenses	25,344	7,808
Provision for change in fair value of financial fixed asset	-	-
Unrealised difference on exchange	-	314
Realised difference on exchange	-	153
Magazine expenses	7,486	6,471
Rent	50	50
	-----	-----
Total expenses	120,413	99,522
	-----	-----
Total expenditure and distributions	603,085	733,192
	=====	=====
Surplus for the year	27,409	462,146
	=====	=====

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 2014**

	Accumulated Funds
	----- €
Balance at 1 January 2013	422,629
Surplus for the year	462,146 -----
Balance at 31 December 2013	884,775 =====
Balance at 1 January 2014	884,775
Surplus for the year	27,409 -----
Balance at 31 December 2014	912,184 =====

**MISSION FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014	2013
	-----	-----
	€	€
Cash flows from fund raising activities		
Net surplus for the year	27,409	462,146
Adjustments for:		
Depreciation	3,908	5,899
Interest receivable	(12,991)	(5,447)
Provision for change in fair value of financial fixed asset	-	-
	-----	-----
Surplus before working capital changes	18,326	462,598
Movement in working capital		
Prepayments	220	(162)
Payables	-	(144)
	-----	-----
Net cash from fund raising activities	18,546	462,292
	-----	-----
Cash flows used in investing activities		
Purchase of property, plant and equipment	(4,773)	(2,823)
Purchase of financial assets	(84,600)	(95,621)
Interest received	12,991	5,447
	-----	-----
Net cash used in investing activities	(76,382)	(92,997)
	-----	-----
Cash flows used in financing activities		
(Net reduction of loans)/loans advanced	-	(329)
	-----	-----
Net cash used in financing activities	-	(329)
	-----	-----
Movement in cash and cash equivalents	(57,836)	368,966
Cash and cash equivalents at beginning of year	555,182	186,216
	-----	-----
Cash and cash equivalents at end of year (note 11)	497,346	555,182
	=====	=====

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 2014**

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 2014**

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 2014**

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:

	2014 ----- €	2013 ----- €
Salaries	26,096	20,102
Social security contributions	2,924	2,382
	----- 29,020 =====	----- 22,484 =====
	2014 ----- No.	2013 ----- No.
Average number of employees	3 ====	2 ====

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2014**

8. PROPERTY, PLANT AND EQUIPMENT

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

At 1 January 2013	299,552	249,367	9,550	40,636
Additions	2,823	-	-	2,823
	-----	-----	-----	-----
At 1 January 2014	302,376	249,364	9,550	43,459
Additions	4,770	-	-	4,770
	-----	-----	-----	-----
At 31 December 2014	307,146	249,367	9,550	48,229
	-----	-----	-----	-----
Depreciation				

At 1 January 2013	57,100	13,693	9,550	33,857
Charge for year	5,899	2,494	-	3,405
	-----	-----	-----	-----
At 1 January 2014	62,999	16,187	9,550	37,262
Charge for the year	3,908	2,494	-	1,414
	-----	-----	-----	-----
At 31 December 2014	66,907	18,681	9,550	38,676
	-----	-----	-----	-----
Carrying amounts				

31 December 2013	239,377	233,180	-	6,197
	=====	=====	=====	=====
31 December 2014	240,239	230,686	-	9,553
	=====	=====	=====	=====
Assets written off but still in use:				
31 December 2014	40,968	-	9,550	31,418
	=====	=====	=====	=====

MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2014

9. OTHER FINANCIAL FIXED ASSETS

Available for sale investments

	2014	2013
	-----	-----
	€	€
<u>Quoted</u>		
Malta Government Stocks	230,348	145,748
	-----	-----
<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
	-----	-----
	230,350	145,750
	=====	=====

10. RECEIVABLES

	2014	2013
	-----	-----
	€	€
Prepayments	-	220
	=====	=====

11. CASH AND CASH EQUIVALENTS

	2014	2013
	-----	-----
	€	€
Cash at bank	496,398	554,407
Cash floats	948	775
	-----	-----
	497,346	555,182
	=====	=====

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2014**

12. BORROWINGS

	2014	2013
	-----	-----
	€	€
Short term borrowings		
Loan accounts	55,751	55,751
	=====	=====

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

13. DONATIONS

	2014	2013
	-----	-----
	€	€
<u>In Cash -</u>		
General	197,756	195,112
Masses for the Repose	13,734	21,623
Donations from Community Chest Fund	-	30,000
Donations from wills	10,384	155,138
Donations from Voices	-	23,000
Government Ministries	22,500	62,691
Others	33,475	30,861
	-----	-----
	277,849	518,425
	-----	-----

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2014**

13. DONATIONS (continued)

	2014	2013
	-----	-----
	€	€
<u>In Kind</u> -		
Used Telecards	-	20
Used Stamps	1,328	877
Land	-	-
Motor Vehicles	-	-
Sale of art pieces	120	-
	-----	-----
	1,448	897
	-----	-----
	279,297	519,322
	=====	=====

14. MISSIONARY EXPERIENCES FUND RAISING

Missionary experiences fund raising are stated net after distributions were made to other charitable institutions participating in the April 2014 Xarabank television programme.

15. INCOME TAX

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