

**MISSION FUND
FINANCIAL STATEMENTS
31 DECEMBER 2016**

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**MISSION FUND
REPORT OF THE COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2016**

The committee submits its report and audited financial statements for the year ended 31 December 2016.

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 € 467,957 (2015: € 564,962). The current year's income decreased as a result of lower donations and fewer income from Missionary experiences fund raising. Otherwise income remained steady.

After deducting € 355,654 (2015 - € 704,224) paid in donations to missionaries, the year ended with a deficit of € 12,755 (2015 –€ 304,800).

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 Charles Decelis	-	President
Mr. Frans Scicluna	-	Vice President
Mr. John Sammut	-	Secretary
Mr. Sylvia Ebejer	-	Assistant Secretary
Mr. Philip Micallef	-	Treasurer
Mr. Joe Mifsud	-	Assistant Treasurer
Ms. Nancy Micallef	-	P.R.O.

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

John Sammut
Secretary

Charles Decelis
President

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

16 May 2017

MISSION FUND
STATEMENT OF COMMITTEE MEMBERS' RESPONSIBILITIES
31 DECEMBER 2016

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 16 May 2017

John Sammut
Secretary

Charles Decelis
President

**MISSION FUND
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

		2016 ----- €	2015 ----- €
	Note -----		
ASSETS			
Non current assets			
Property, plant and equipment	8	234,440	238,458
Financial assets	9	240,550	230,350
		-----	-----
Total non-current assets		474,990	468,808
		-----	-----
Current assets			
Cash and cash equivalents	10	178,290	196,627
		-----	-----
Total current assets		178,290	196,627
		-----	-----
Total assets		653,280	665,435
		=====	=====
EQUITY AND LIABILITIES			
EQUITY			
Accumulated funds		594,629	607,384
		-----	-----
Current liabilities			
Short term borrowings	11	58,651	58,051
		-----	-----
Total current liabilities		58,651	58,051
		-----	-----
Total equity and liabilities		653,280	665,435
		=====	=====

The accounting policies and explanatory notes on pages 8 to 14 form an integral part of these financial statements.

The financial statements on pages 3 to 14 were approved by the Committee on 16 May 2017 and were signed on its behalf by:

Charles Decelis
President

Philip Micallef
Treasurer

**MISSION FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 ----- €	2015 ----- €
<u>Income</u>			
Donations:			
In cash		297,559	362,416
In kind		746	856
	12	----- 298,305	----- 363,272
Membership fees		372	324
Bank and other Interest receivable		10,808	12,930
Bazaars and other activities		16,515	9,989
Other fund raising – general events		51,369	44,236
Grand lottery and VAT lottery		28,753	34,073
Missionary experiences fund raising		54,445	88,001
Income from adverts of magazines		200	1,040
Other income		1,190	7,197
Money Returned		-	3,900
		-----	-----
Total Income		461,957 =====	564,962 =====
<u>Distributions</u>			
Donations to missionaries			
- General		218,025	246,453
- Missionary experiences		131,393	457,771
Child sponsorship		240	-
		-----	-----
Total distributions		349,658 =====	704,224 =====

**MISSION FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
	-----	-----
	€	€
EXPENSES		
Depreciation	4,577	4,615
Postages (general)	10,329	10,926
Stationery and printing	21,160	17,546
Advertising and promotion	482	482
Insurances	1,344	750
Bank charges	423	507
Repairs and maintenance	653	985
Motor vehicles running and maintenance costs	1,520	1,028
Water and electricity	694	1,078
Telephones	690	731
Missionary experiences	-	40,264
Office expenses	18	228
Miscellaneous expenses	7,584	5,609
Salaries	30,423	30,403
Fundraising activity expenses	35,470	38,965
Magazine expenses	9,637	11,371
Rent	50	50
	-----	-----
Total expenses	125,054	165,538
	-----	-----
Total expenditure and distributions	474,712	869,762
	=====	=====
Deficit for the year	(12,755)	(304,800)
	=====	=====

The accounting policies and explanatory notes on pages 8 to 14 form an integral part of these financial statements.

**MISSION FUND
STATEMENT OF MOVEMENT IN ACCUMULATED FUNDS
31 DECEMBER 2016**

	Accumulated Funds ----- €
Balance at 1 January 2015	912,184
Deficit for the year	(304,800) -----
Balance at 31 December 2015	607,384 =====
Balance at 1 January 2016	607,384
Deficit for the year	(12,755) -----
Balance at 31 December 2016	594,629 =====

**MISSION FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
	-----	-----
	€	€
Cash flows from fund raising activities		
Net deficit for the year	(12,755)	(304,800)
Adjustments for:		
Depreciation	4,577	4,615
Interest receivable	-	(12,991)
	-----	-----
Deficit before working capital changes	(8,178)	(313,176)
Movement in working capital		
Payables	600	2,299
	-----	-----
Net cash used in fund raising activities	(7,578)	(310,877)
	-----	-----
Cash flows used in investing activities		
Purchase of property, plant and equipment	(559)	(2,833)
Purchase of financial assets	(10,200)	-
Interest received	-	12,991
	-----	-----
Net cash used in investing activities	(10,759)	10,158
	-----	-----
Movement in cash and cash equivalents	(18,337)	(300,719)
Cash and cash equivalents at beginning of year	196,627	497,346
	-----	-----
Cash and cash equivalents at end of year (note 10)	178,290	196,627
	=====	=====

The accounting policies and explanatory notes on pages 8 to 14 form an integral part of these financial statements.

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016**

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 2016**

4. SIGNIFICANT ACCOUNTING POLICIES (Continued).

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 2016**

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:

	2016 ----- €	2015 ----- €
Salaries	27,963	27,711
Social security contributions	2,460	2,692
	----- 30,423 =====	----- 30,403 =====
	2016 ----- No.	2015 ----- No.
Average number of employees	3 ====	3 ====

MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016

8. PROPERTY, PLANT AND EQUIPMENT

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

At 1 January 2015	307,146	249,367	9,550	48,229
Additions	2,834	-	-	2,834
	-----	-----	-----	-----
At 1 January 2016	309,980	249,367	9,550	51,063
Additions	559	-	-	559
	-----	-----	-----	-----
At 31 December 2016	310,539	249,367	9,550	51,622
	-----	-----	-----	-----
Depreciation				

At 1 January 2015	66,907	18,681	9,550	38,676
Charge for year	4,615	2,494	-	2,121
	-----	-----	-----	-----
At 1 January 2016	71,522	21,175	9,550	40,797
Charge for the year	4,577	2,494	-	2,083
	-----	-----	-----	-----
At 31 December 2016	76,099	23,669	9,550	42,880
	-----	-----	-----	-----
Carrying amounts				

31 December 2015	238,458	228,192	-	10,266
	=====	=====	=====	=====
31 December 2016	234,440	225,698	-	8,742
	=====	=====	=====	=====
Assets written off but still in use:				
31 December 2016	40,968	-	9,550	31,418
	=====	=====	=====	=====

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016**

9. OTHER FINANCIAL FIXED ASSETS

Available for sale investments

	2016 ----- €	2015 ----- €
<u>Quoted</u>		
Malta Government Stocks	240,548 -----	230,348 -----
<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
	----- 240,550 =====	----- 230,350 =====

10. CASH AND CASH EQUIVALENTS

	2016 ----- €	2015 ----- €
Cash at bank	176,945	195,718
Cash floats	1,345	909
	----- 178,290 =====	----- 196,627 =====

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016**

11. BORROWINGS

	2016	2015
	-----	-----
	€	€
Short term borrowings		
Loan accounts	58,651	58,051
	=====	=====

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

12. DONATIONS

	2016	2015
	-----	-----
	€	€
<u>In Cash</u> -		
General	207,294	225,922
Masses for the Repose	33,350	16,274
Donations from wills	24,112	-
Government Ministries	-	87,500
Others	32,803	32,720
	-----	-----
	297,559	362,416
	-----	-----

**MISSION FUND
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016**

12. DONATIONS (continued)

	2016	2015
	-----	-----
	€	€
<u>In Kind</u> -		
Used Stamps	581	856
Sale of art pieces	165	-
	-----	-----
	746	856
	-----	-----
	298,305	363,272
	=====	=====

13. INCOME TAX

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Mission Fund

Report on the Audit of the Financial Statements

I have audited the financial statements of Mission Fund (the "fund"), set out on pages 3 to 14, which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Opinion

In my opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 31 December 2016, and (of) its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRSs) and have been prepared in accordance with the requirements of the Companies Act (Cap. 386).

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The committee members are responsible for the other information. The other information comprises the report of the committee). My opinion on the financial statements does not cover this information, including the report of the committee. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

In addition, in light of the knowledge and understanding of the fund and its environment obtained in the course of the audit, I am required to report if I have identified material misstatements in the report of the committee. I have nothing to report in this regard.

Responsibilities of the Committee Members

The committee members are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRSs), and for such internal control as the committee members determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the committee members are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee members either intend to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Appendix 1 to this report, which is incorporated into this report as if set out in full, should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of my opinion.

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
Mr. Kenneth Swain

Certified Public Accountants

Office address:
64, Triq it-Taghlim, Fgura, Malta

16 May 2017

APPENDIX TO THE AUDITOR'S REPORT

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee members.
- Conclude on the appropriateness of the committee members' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the committee members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.