

The Global Fund for Forgotten People, Order of Malta
Annual Report and Financial Statements
For the Year Ended 31 December 2019



Charity Registration No. 1148427

Company Registration No. 08107614 (England and Wales)

The Global Fund for Forgotten People, Order of Malta



Legal and Administrative Information

Trustees	R A Fitzalan Howard Baron A Freiherr Von Boeselager Count M L W Henckel Von Donnersmarck Mrs L Simpson Prince D L G de La Rouchefoucauld Montbel
Charity number	1148427
Company number	08107614
Registered office	30 Upper High Street Thame Oxfordshire OX9 3EZ
Auditor	Richardsons 30 Upper High Street Thame Oxfordshire OX9 3EZ
Bankers	C.Hoare & Co 37 Fleet Street London EC4P 4DQ
Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE
Investment advisors	Cazenove Capital Management Ltd 1 London Wall Place London EC2Y 5AU

The Global Fund for Forgotten People, Order of Malta

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Trustees' Report (including Director's Report)

For the Year Ended 31 December 2019

The Trustees present their report and financial statements for the year ended 31 December 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Fund's Memorandum and Articles, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The objects of the charity are such purposes for the benefit of the public as shall be exclusively charitable as the Trustees from time to time may determine, to include in particular (but without prejudice to the generality of the foregoing the following):

- The prevention or relief of poverty;
- The advancement of education;
- The advancement of health or the saving of lives;
- The relief of those in need because of youth, age, ill health, disability, financial hardship or other disadvantage;
- For purposes incidental and ancillary to those objects, no other purposes.

Our projects care for the people who need it most: the persecuted, the elderly, the homeless, abandoned and disabled children, refugees, people with diseases that most of us think have been cured long ago. These people do not grab the headlines, and may not be priorities for government institutions. They have no recourse, no support network, and no resources. They are the Forgotten.

The Fund raises money from private donors and charitable foundations and uses these funds to support projects that benefit the most disadvantaged in society through its grant giving programme. To date we have made over 250 grants in support of Forgotten People from the UK (350 worldwide). The Fund promotes best practice and knowledge-sharing between Order of Malta projects around the world, and raises awareness of the challenges facing poor and marginalised communities. We provide funding to develop new areas of work, and we support existing projects to increase their scale and access other sources of funding.

Public benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities The Fund should undertake.

The Trustees confirm that they have had regard to the Charity Commission's published guidance on public benefit. The Trustees awarded grants worth \$2,126,497 (2018: \$911,292) during the year and Trustees consider that The Fund fully meets the public benefit requirements for the Charities Act 2011. Grants are made only to registered charities, charities with officially recognised charitable status in their country or organisations with exempt/excepted status, which themselves have to meet a public benefit requirement.

Grant making

The Fund leverages the network and expertise of the Order of Malta world-wide to achieve its charitable purpose to support those society has forgotten. We rely on the local expertise of frontline Order of Malta staff and volunteers to identify those most in need and through these trusted local partners we can deliver impact where it is most needed and with low overheads.

The Global Fund for Forgotten People, Order of Malta



Trustees' Report (continued) (including Director's Report)

For the Year Ended 31 December 2019

Funds are disbursed through 2 main programmes:

Core grants programme – our core grants programme allows bodies of the Order to submit proposals for funding twice per year, based on the criteria set out in our grant making policy.

Partnership programme – our partnership programme works with donors and bodies of the Order to match growth strategies or underfunded areas with donor interests and philanthropic ambitions.

In both cases, the requests for funding must fit our funding criteria and be submitted through our robust and transparent grants approval process. This grants process is publicly available on our website (www.forgottenpeople.org).

Grant applications can be made twice a year to The Fund for consideration and are subject to our due diligence process and are submitted to the Board of Trustees for consideration and approval at the twice-yearly Trustees meeting. Some funding is also available for emergency off-cycle grants, which are subject to the same level of scrutiny and approval.

All payments to overseas projects are made only to trusted partners and the use of funds is monitored via our annual reporting process, which includes a record of how all funds were spent. We carry out periodic monitoring visits to partner projects to assess the quality of the work delivered and we also receive regular feedback from the governing bodies the Order of Malta regarding the work in each country.

Achievements and performance

In 2019 the Fund UK awarded 63 grants serving some of the most marginalised people across 35 countries. The works we fund are often life-changing for those who encounter them. This year, our grants included providing healthy meals to thousands of undernourished children in Mexico and helping hospitals across Africa save countless lives through funding for new medical equipment. Working in close partnership with associations in Lithuania and Cuba we will transform the provision of elderly care in those countries with grants to give isolated elderly people access to companionship, food and healthcare.

Without the generosity of our donors, these people would remain forgotten, lacking the care and help they so desperately need. We are so grateful for all the support we receive to make this possible.

Support from the Fund UK in 2019 helped to establish 14 new projects to reach the most forgotten in society. These include a safe house in Nigeria for women who have been victims of human trafficking, a soup kitchen for vulnerable and abandoned elderly people in Venezuela, and the development of mental health services for children in Lebanon traumatised by war and displacement.

Order of Malta works awarded grants in 2019 are supporting:

- 1,805 displaced people in need
- 6,870 isolated elderly people
- 655 disabled young people
- 79,212 women and new-borns requiring urgent healthcare
- 575 homeless people
- 9,132 children from marginalised communities to receive the education and healthcare they need to build a better future

Trustees' Report (continued) (including Director's Report)

For the Year Ended 31 December 2019

Financial review

Income increased in 2019 with a significant new multi-year gift committed to support for vulnerable elderly people and an increase in the level of giving to Forgotten children. The Fund sees an ongoing trend of restrictions in giving, which enable donors to see the impact of their work, however, this also needs careful management from a grants perspective. Where possible the Fund encourages thematic or loose restriction to ensure flexibility in supporting those organisations most in need.

A percentage of all donations goes towards supporting the Fund's activities. We strive to keep costs as low as possible, and currently that figure stands at 10%.

The Fund continues to receive the bulk of its support from a small number of committed donors, and is working to expand the reach of its fundraising via its network of Trustees and senior supporters, primarily led by the volunteer Chief Executive. An overhaul of communications style and procedures to improve outreach in 2019 saw a modest rise in lower level support from new sources, an area that will continue to be a focus.

The increase in the level of donations in the year allowed for the charitable activities for the Fund to more than double. This included direct grant giving of \$2.1m and several new collaborations with partners to scale their work and reach more vulnerable elderly and forgotten children in particular. Support costs also increased as the growth in both the number of donations and grant giving required modest additional resources. Overhead costs have remained below the 10% target.

The Fund was able to re-build reserve levels during the year, in line with strategy, and to increase the flexibility of the organisation through higher levels of unrestricted funding than in the previous year and to enhance the overall sustainability and robustness through an increase in total reserves. With the ongoing impact of COVID-19 on fundraising activities at the Fund in 2020, this increase in reserves, to cover 1 year of operating costs and unrestricted grants, positions the Fund well to continue its activities through difficult circumstances.

Reserves policy

A formal policy on reserves was adopted by the Trustees of The Global Fund for Forgotten People, Order of Malta on 16 May 2013.

The Trustees have set a reserves policy which requires that reserves be maintained between the US and UK charitable entities, in a readily accessible form, at a level which ensures that The Fund's grant making and contractual commitments could continue during a period of unforeseen difficulty. The amount to be held in unrestricted reserves is the equivalent to one year's worth of unrestricted grant making and support costs, which is currently \$1.1m. Current reserve levels are \$1.2m.

The calculation of the required level of reserves is reviewed annually against the organisation's planning, budget and forecast cycle and in the context of running costs and progress with the grant making and fundraising.

The permanent endowment is invested in accordance with The Fund's investment policy, which was adopted by the Trustees in October 2013. Investment of the permanent endowment was made in November 2013 and has remained unchanged. The objective of the policy is to at least maintain the real value of the investment portfolio while generating an income to support the ongoing activities of The Fund. As The Fund is expected to exist in perpetuity, the investment approach adopts a long term investment time horizon. Some volatility on the capital value of the endowment is tolerated, and the Trustees are charged with agreeing a suitable asset allocation strategy with the investment manager, Cazenove Capital Management Ltd. Permitted asset classes include cash, bonds, equities, property, hedge funds, structured products and commodities, in any country worldwide.

The Global Fund for Forgotten People, Order of Malta



Trustees' Report (continued) (including Director's Report)

For the Year Ended 31 December 2019

Risk approach

The Trustees have assessed the major risks to which the Fund is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The Trustees have a duty to identify and review the risks to which the Fund is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Fund has been established with care to ensure access to the requisite legal, financial and charitable expertise with a particular focus on fundraising and grant making. The Trustees confirm that they have identified the major risks to which the Fund is exposed and that the systems are in place or being developed to manage those risks.

The Management Team has worked with the Trustees and will continue to do so in order to identify and monitor risks to the Fund, including:

- Banking and overseas payments
- Currency fluctuations
- Staff, donor, Trustee and grantee activities
- Reputational damage to the Order of Malta impacting the Fund's fundraising and grant giving activities
- Fraud
- Conflicts of interest
- Reliance in the voluntary Member in Charge
- The effect of COVID-19 on fundraising and grantee activities

The risks are categorised by stakeholder group (donors, board members and management, and grantees). Measures are in place to mitigate these ongoing risks where possible and these are recorded in a risk register which notes their likelihood and materiality.

Future developments

The growth in income and subsequent grant-making in 2019 has enabled the Fund to reach more people in need than ever before, and we hope to continue this trend by at least maintaining 2019's exceptional performance. Donations continue to come from a few generous sources, and the Fund's focus remains on widening those networks and increasing lower-level gifts to help generate a future pipeline. New senior level supporters are beginning to support in this effort. The establishment of a major campaign partnership with the Cuban Association in particular should open up new opportunities for support for this ground-breaking work.

We are currently working with our local partners to assess the impact of the COVID-19 pandemic on their activities. Feedback to date suggests projects are adapting well to the change in circumstances and increasing their outreach activities, with the appropriate precautions in place, where facilities have had to close. We expect to see more demand for the services of our partners projects, with the number of vulnerable in society across the global increasing as a result of the pandemic and associated measures. We plan to work with our donors to meet this need and to continue to support the forgotten.

Structure, governance and management

The Global Fund for Forgotten People, Order of Malta is a registered charity and a charitable company limited by guarantee not having a share capital. The charity's governing document is its Memorandum and Articles dated 15 June 2012.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

R A Fitzalan Howard

Baron A Freiherr Von Boeselager

Count M L W Henckel Von Donnersmarck

Mrs L Simpson

Prince D L G de La Rouchefoucauld Montbel

Trustees' Report (continued) (including Director's Report)

For the Year Ended 31 December 2019

Recruitment and appointment of new trustees

The Fund has five Trustees, each of whom has extensive experience in both the voluntary sector and the charitable activities of the Order of Malta whose projects are the principal beneficiaries of any grant making and capacity building undertaken by The Fund. The Trustees are themselves members of the Order of Malta and, in addition to their experience of the charitable work, have been instrumental in making introductions to donors for the charity's fundraising activity. The Trustees are appointed for an indefinite term.

To date, the number of Trustees has been kept low - five - to ensure efficient decision making and direction for the management team. Any new Trustees are appointed in accordance with the articles, by at least two existing Trustees at a meeting of the board. Selection is based primarily on meeting the criteria below as well as a desire to bring on board skills or networks which would benefit The Fund.

Criteria for Trustees

- Experience of the voluntary sector
- Membership of and/or involvement in the Order of Malta
- Minimum one UK citizen/resident

Day to day management of The Fund is delegated to the Member in Charge, who fulfils the role of Chief Executive and primary fundraiser. The Chief Executive is supported by a Chief Philanthropy Officer, Chief Financial and Operating Officer, a Fundraising and Communications Manager, a Grants Manager, a Fundraising and Support Officer and a Finance Administrator. The Management Team report formally to the Board of Trustees via bi-annual Trustee meetings.

Trustees seek advice as required from professional consultants, including lawyers, auditors and investment managers.

The Trustees do not receive training as they are all experienced Trustees.

Organisational structure

The Global Fund for Forgotten People ("the Fund") was set up by the Order of Malta as a global charitable fund to bring together support for the Order of Malta's existing charitable works, in aid of people that have been forgotten and left behind. It operates independently of the Order of Malta but enjoys a positive and close relationship, providing funding to Order of Malta projects across the globe.

The Fund also works closely with the Global Fund for Forgotten People, Order of Malta Inc. a US501(c)(3) which also raises funds for and makes grants to projects that work with people who would otherwise be forgotten. The two organisations are separate and independent, but benefit from shared objectives, processes and administrative functions.

Auditor

The auditors, Richardsons, will be proposed for re-appointment at the forthcoming Annual General Meeting.

The Trustees report was approved by the Board of Trustees.

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R A Fitzalan Howard

Trustee

Dated:

Statement of Trustees' Responsibilities

For the Year Ended 31 December 2019

The Trustees, who are also the directors of The Global Fund for Forgotten People, Order of Malta for the purpose of company law, are responsible for preparing the Trustees Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Fund and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Fund will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Fund and enable them to ensure that the accounts comply with the Companies Act 2006. 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.

Independent Auditor's Report

To the Trustees of the Global Fund for Forgotten People, Order of Malta

Opinion

We have audited the accounts of The Global Fund for Forgotten People, Order of Malta (The 'Fund') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of The Fund in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The Trustees use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- The Trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report (continued)

To the Trustees of the Global Fund for Forgotten People, Order of Malta

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees Responsibilities, the Trustees, who are also the directors of The Fund for the purpose of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Trustees 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 Trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Jemima King (Senior Statutory Auditor)
for and on behalf of Richardsons

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Chartered Accountants
Statutory Auditor

30 Upper High Street
Thame
Oxfordshire
OX9 3EZ

Richardsons is eligible for appointment as auditor of the Fund by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

The Global Fund for Forgotten People, Order of Malta



Statement of Financial Activities Including Income and Expenditure Account

For the Year Ended 31 December 2019

	Notes	Unrestricted funds 2019 \$	Restricted funds 2019 \$	Endowment funds 2019 \$	Total 2019 \$	Total 2018 \$
<u>Income and endowments from:</u>						
Donations and legacies	3	691,102	2,272,957	-	2,964,059	1,513,252
Investments	4	26,838	-	-	26,838	25,982
Other income	5	77,410	-	-	77,410	131,844
Total income		<u>795,350</u>	<u>2,272,957</u>	<u>-</u>	<u>3,068,307</u>	<u>1,671,078</u>
<u>Expenditure on:</u>						
Raising funds	6	170,592	-	-	170,592	100,131
Charitable activities	7	354,722	2,133,442	-	2,488,164	1,120,902
Total resources expended		<u>525,314</u>	<u>2,133,442</u>	<u>-</u>	<u>2,658,756</u>	<u>1,221,033</u>
Net gains/(losses) on investments	12	164,266	-	-	164,266	(193,706)
Net incoming resources before transfers		<u>434,302</u>	<u>139,515</u>	<u>-</u>	<u>573,817</u>	<u>256,339</u>
Gross transfers between funds		28,716	-	(28,716)	-	-
Net movement in funds		<u>463,018</u>	<u>139,515</u>	<u>(28,716)</u>	<u>573,817</u>	<u>256,339</u>
Fund balances at 1 January 2019		<u>709,615</u>	<u>771,167</u>	<u>1,372,548</u>	<u>2,853,330</u>	<u>2,596,991</u>
Fund balances at 31 December 2019		<u>1,172,633</u>	<u>910,682</u>	<u>1,343,832</u>	<u>3,427,147</u>	<u>2,853,330</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

Balance Sheet

As at 31 December 2019

	Notes	2019		2018	
		\$	\$	\$	\$
Fixed assets					
Tangible assets	13		3,429		1,851
Investments	14		1,534,567		1,603,579
			<u>1,537,996</u>		<u>1,605,430</u>
Current assets					
Debtors	15	256,261		469,636	
Cash at bank and in hand		<u>3,195,066</u>		<u>1,523,665</u>	
			3,451,327		1,993,301
Creditors: amounts falling due within one year	16	<u>(1,562,176)</u>		<u>(745,401)</u>	
Net current assets			<u>1,889,151</u>		<u>1,247,900</u>
Total assets less current liabilities			<u><u>3,427,147</u></u>		<u><u>2,853,330</u></u>
Capital funds					
Endowment funds - general			1,343,832		1,372,548
Income funds					
Restricted funds			910,682		771,167
Unrestricted funds			<u>1,172,633</u>		<u>709,615</u>
			<u><u>3,427,147</u></u>		<u><u>2,853,330</u></u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2019, although an audit has been carried out under section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Trustees on

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R A Fitzalan Howard
Trustee

Company Registration No. 08107614

The Global Fund for Forgotten People, Order of Malta



Statement of Cash Flows

For the Year Ended 31 December 2019

	Notes	2019		2018	
		\$	\$	\$	\$
Cash flows from operating activities					
Cash generated from operations	20		1,665,606		1,070,532
Investing activities					
Purchase of tangible fixed assets		(2,702)		(1,832)	
Interest received		8,497		3,791	
Net cash generated from investing activities			5,795		1,959
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			1,671,401		1,072,491
Cash and cash equivalents at beginning of year			1,523,665		451,174
Cash and cash equivalents at end of year			<u>3,195,066</u>		<u>1,523,665</u>

Notes to the Financial Statements

For the Year Ended 31 December 2019

1 Accounting policies

Charity information

The Global Fund for Forgotten People, Order of Malta is a private company limited by guarantee incorporated in England and Wales. The registered office is 30 Upper High Street, Thame, Oxfordshire, OX9 3EZ.

1.1 Accounting convention

The accounts have been prepared in accordance with the Fund's Memorandum and Articles, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Fund is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in US dollars, which is the functional currency of the Fund. Monetary amounts in these financial statements are rounded to the nearest \$.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Fund. The income is available to support the ongoing activities of the Fund.

1.4 Incoming resources

Income is recognised when the Fund is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Fund has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Fund has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2019

1 Accounting policies

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs can not be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a contingent liability, but not accrued as expenditure.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	25% Straight line basis
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the Fund reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2019

1 Accounting policies

1.10 Financial instruments

The Fund has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Fund's balance sheet when the Fund becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Fund's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Fund is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2019

2 Critical accounting estimates and judgements

In the application of the Fund's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2019	2019	2019	2018
	\$	\$	\$	\$
Donations and gifts	691,102	2,272,957	2,964,059	1,513,252
For the year ended 31 December 2018	<u>1,261,158</u>	<u>252,094</u>		<u>1,513,252</u>

4 Investments

	Unrestricted funds	Total
	2019	2018
	\$	\$
Investment income	18,341	22,191
Interest receivable	8,497	3,791
	<u>26,838</u>	<u>25,982</u>

5 Other income

	Unrestricted funds	Total
	2019	2018
	\$	\$
Amounts recharged to other entities	77,410	131,844

The Global Fund for Forgotten People, Order of Malta

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2019



6 Raising funds

	Unrestricted funds	Total
	2019	2018
	\$	\$
<u>Fundraising and publicity</u>		
Support costs	157,908	81,505
	<hr/>	<hr/>
<u>Investment management</u>	12,684	18,626
	<hr/>	<hr/>
	<u>170,592</u>	<u>100,131</u>

7 Charitable activities

	2019	2018
	\$	\$
Grant funding of activities (see note 8)	2,126,497	911,292
Share of support costs (see note 9)	246,787	137,404
Share of governance costs (see note 9)	114,880	72,206
	<hr/>	<hr/>
	<u>2,488,164</u>	<u>1,120,902</u>
Analysis by fund		
Unrestricted funds	354,722	1,120,902
Restricted funds	2,133,442	-
	<hr/>	<hr/>
	<u>2,488,164</u>	<u>1,120,902</u>
For the year ended 31 December 2018		
Unrestricted funds	<u>1,120,902</u>	

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2019

8 Grants payable

	2019	2018
	\$	\$
Grants to institutions:		
Lebanese Association	122,920	70,000
Albanian Relief Service	222,962	-
BASMOM/ The Nehemiah Project	266,765	136,487
Swiss Association	70,342	150,000
French Association	610,762	323,561
Cuban Association	150,000	-
Mexican Association	59,945	-
Other	622,801	231,244
	<u>2,126,497</u>	<u>911,292</u>

9 Support costs

	Support costs	Governance costs	2019	2018	Basis of allocation
	\$	\$	\$	\$	
Staff costs	196,976	39,395	236,371	71,105	
Depreciation	1,124	-	1,124	3,629	
Exchange Losses	8,767	-	8,767	11,519	
Communications	2,144	429	2,573	2,198	
Travel	30,100	6,020	36,120	16,007	
Sundry expenses	14,060	2,806	16,866	6,366	
Office costs	88,689	17,738	106,427	29,301	
US recharge	62,835	14,570	77,405	131,845	
Audit fees	-	9,565	9,565	8,756	Governance
Accountancy	-	2,623	2,623	2,538	Governance
Legal and professional	-	21,734	21,734	7,851	Governance
	<u>404,695</u>	<u>114,880</u>	<u>519,575</u>	<u>291,115</u>	
Analysed between					
Fundraising	157,908	-	157,908	81,505	
Charitable activities	246,787	114,880	361,667	209,610	
	<u>404,695</u>	<u>114,880</u>	<u>519,575</u>	<u>291,115</u>	

10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year but one of them was reimbursed a total of \$75 telephone expenses (2018- none of the Trustee received any remuneration or reimbursed expenses).

The Global Fund for Forgotten People, Order of Malta

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2019



11 Employees

Number of employees

The average monthly number of employees during the year was:

	2019	2018
	Number	Number
	6	4
	<u>6</u>	<u>4</u>
Employment costs	2019	2018
	\$	\$
Wages and salaries	209,616	63,423
Social security costs	21,690	6,522
Other pension costs	5,065	1,160
	<u>236,371</u>	<u>71,105</u>

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2019

12 Net gains/(losses) on investments

	2019	2018
	\$	\$
Revaluation of investments	163,258	(220,286)
Gain/(loss) on sale of investments	1,008	26,580
	<u>164,266</u>	<u>(193,706)</u>

13 Tangible fixed assets

	Computers \$
Cost	
At 1 January 2019	15,169
Additions	2,702
	<u>17,871</u>
At 31 December 2019	17,871
Depreciation and impairment	
At 1 January 2019	13,318
Depreciation charged in the year	1,124
	<u>14,442</u>
At 31 December 2019	14,442
Carrying amount	
At 31 December 2019	<u>3,429</u>
At 31 December 2018	<u>1,851</u>

14 Fixed asset investments

	Listed investments \$
Cost or valuation	
At 1 January 2019	1,603,579
Additions	190,032
Valuation changes	(86,006)
Gain on foreign exchange	52,590
Net income	5,658
Disposals	(231,286)
	<u>1,534,567</u>
At 31 December 2019	1,534,567
Carrying amount	
At 31 December 2019	<u>1,534,567</u>
At 31 December 2018	<u>1,603,579</u>

The Global Fund for Forgotten People, Order of Malta



Notes to the Financial Statements (continued)

For the Year Ended 31 December 2019

15 Debtors

	2019	2018
	\$	\$
Amounts falling due within one year:		
Other debtors	251,876	462,728
Prepayments and accrued income	4,385	6,908
	<u>256,261</u>	<u>469,636</u>

16 Creditors: amounts falling due within one year

	2019	2018
	\$	\$
Other taxation and social security	9,213	5,602
Trade creditors	5,026	-
Other creditors	1,537,441	728,008
Accruals and deferred income	10,496	11,791
	<u>1,562,176</u>	<u>745,401</u>

17 Analysis of net assets between funds

	Unrestricted	Restricted	Endowment	Total	Total
	2019	2019	2019	2019	2018
	\$	\$	\$	\$	\$
Fund balances at 31 December 2019 are represented by:					
Tangible assets	3,429	-	-	3,429	1,851
Investments	190,735	-	1,343,832	1,534,567	1,603,579
Current assets/(liabilities)	976,819	912,332	-	1,889,151	1,247,900
	<u>1,170,983</u>	<u>912,332</u>	<u>1,343,832</u>	<u>3,427,147</u>	<u>2,853,330</u>

18 Operating lease commitments

At the reporting end date the Fund had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019	2018
	\$	\$
Within one year	<u>-</u>	<u>1,800</u>

The Global Fund for Forgotten People, Order of Malta



Notes to the Financial Statements (continued)

For the Year Ended 31 December 2019

19 Related Party Transactions

The remuneration of key management personnel was \$nil (2018: \$nil).

There is a central relationship between the Fund and the Order of Malta. The Fund makes grants to charitable projects of the Order of Malta across the world which cater for those people who would otherwise be forgotten. As at 31 December 2019, all five trustees of the Fund are members of the Order of Malta. One of the five trustees, R A Fitzalan Howard, is president of BASMOM, one of the charitable projects that have been awarded grants by the Fund this year. No other trustees have been directly involved in any of the charitable projects that have been awarded grants by the Fund this year (2018: none). There were no indirect relationships that existed during the year (2018: none).

20 Cash generated from operations	2019	2018
	\$	\$
Surplus for the year	573,817	256,339
Adjustments for:		
Investment income recognised in statement of financial activities	(26,838)	(25,982)
Gain on disposal of investments	(1,008)	(26,580)
Fair value gains and losses on investments	75,677	215,992
Depreciation and impairment of tangible fixed assets	1,124	3,629
Investment manager fees	12,684	18,626
Movements in working capital:		
Decrease in debtors	213,375	77,749
Increase in creditors	816,775	550,759
Cash generated from operations	1,665,606	1,070,532

