

Charity Registration No. 1148427

Company Registration No. 08107614 (England and Wales)

THE GLOBAL FUND FOR FORGOTTEN PEOPLE, ORDER OF MALTA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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 de 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	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
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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THE GLOBAL FUND FOR FORGOTTEN PEOPLE, ORDER OF MALTA

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2018

The Trustees present their report and financial statements for the year ended 31 December 2018.

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.

The Order of Malta has over 900 years of history serving the sick, the needy and the disadvantaged, wherever they are and whoever they might be. The Order of Malta has always gone to the places that other people don't go, tackled the issues that others aren't tackling, and helped those that others forget.

The Fund raises awareness of and support for particular issues which have fallen under the radar, and which struggle to get public attention. It aims to collect central, long term funding for, and improve understanding of, the Order of Malta's charitable and humanitarian activities.

The Global Fund for Forgotten People allows individuals, organisations and corporations to contribute to a range of projects all around the world that are, both individually and collectively, making a real difference to people who would otherwise be forgotten. The Fund aims in particular to support eight issue areas: forgotten diseases, maternal and neonatal health, prisoners and their children, the elderly, children and adults with disabilities, the homeless, displaced people and marginalised communities. Funds are raised to support these projects through donations from individuals and foundations.

The support and awareness raising is conducted through a network of supporters and through an extensive grant-making and capacity-building programme. Grants are made on a semi-annual basis to organisations of the Order which run projects helping forgotten causes and people - the poor, the sick and the needy. There is also a facility to make extra-curricular grants signed off by written resolution. As well as financial support the charity's aims are fulfilled by assisting these locally-run projects to build capacity by fostering collaborations and providing know how, for example through toolkits.

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 \$911,058 (2017: \$424,439) 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.

THE GLOBAL FUND FOR FORGOTTEN PEOPLE, ORDER OF MALTA

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2018

Grant making

Since the charity's establishment, a formal procedure and policy has been in place for grants. Grant applications can be made twice a year to The Fund for consideration. Applicants must meet the following selection criteria:

- Be owned, controlled or delivered directly by the Order
- Reach "Forgotten People"
- Comply with the imperative of the Order to help the sick, the needy and the most disadvantaged in society
- Have transparent plans, operations and budgets
- Have available documentation as specified in the application forms e.g. accounts of the managing organisation (externally audited where possible)
- Meet legal requirements under which The Fund operates

There are two categories of grants: "small grants", for values between \$500 and \$10,000 per annum and "flagship grants", for amounts greater than \$10,000 per annum. Amounts awarded depend on the amount requested, the scale of the project in question, donors' preferences and the resources available within the Fund.

Projects can apply for any length of funding with a maximum of three years. Where more than one year of funding is agreed, it will be subject to an annual review of progress by the Fund and the applicant will need to demonstrate it has met certain agreed criteria before receiving a repeat payment. At the end of the three years, grantees may be invited to resubmit an application for a further three year period.

All grant applications are submitted to the Board of Trustees for consideration and approval at the twice yearly Trustees meeting and once approved and disbursed, are monitored through an annual progress report.

Fundraising activity is heavily reliant on volunteers, in particular the voluntary Member in Charge (Chief Executive) and the networks of the voluntary Trustees.

Achievements and performance

Performance is measured by the level of donations (number of Envoys), the number and type of grants awarded during the year, the effectiveness of capacity building programmes and the effectiveness of communications and events in building awareness and partnerships.

THE GLOBAL FUND FOR FORGOTTEN PEOPLE, ORDER OF MALTA

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2018

Financial review

Income from donations and legacies increased year on year due to two additional Envoy-level donors. The existing UK Envoys to the Fund continued donations during the year. A Chief Philanthropy Officer was recruited at the end of the year to implement a structure for growth, particularly in UK and European fundraising and a middle donor strategy. The year on year trend of increased income is therefore expected to continue.

Grant making also increased year on year in response to increased donations. \$911,058 was given directly to the global works of the Order via grants to 45 different projects in 17 countries to 17 different bodies of the Order. This trend in increased grant making year on year is also expected to continue in line with increased donations.

Other charitable costs and fundraising costs decreased year on year. This was temporary due to staff turnover in 2018. The two vacant positions during the year were filled at year end so 2019 commences with a full-strength staff team.

Both restricted and unrestricted reserves increased year on year. The Fund has a policy that 10% of all restricted donations are allocated to the costs of running the organisation. This policy is published on the Global Fund for Forgotten People website. The reserves policy of the Fund is to maintain one year's operating and grants costs as unrestricted reserves. Unrestricted reserves levels are currently running below that level and the challenge of attracting unrestricted donations continues.

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 grant making and support costs, which is currently \$1.5m. Current reserve levels fall below this target at \$846k.

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. 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 DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2018

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
- Currency fluctuations
- Staff, donor, Trustee and grantee activities
- Reputation
- Fraud
- Conflicts of interest
- Over reliance on the voluntary Member in Charge

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

With the recruitment of a Chief Philanthropy Officer and the replacement of staff leaving during the year, the Fund now has a full strength team in the UK focused on growing fundraising from Envoys and middle donors and ensuring the future sustainability of the fundraising model. Existing major donors are expected to continue their support and two additional major donors are expected to give in 2019. This will allow the charity to continue to boost its levels of income and reserves in 2019 and expand its core grant programme and capacity building activities.

At the end of 2018 the Fund opened a new London office and now has small operations in both London and Oxford. The CEO resides in San Francisco. No additional staff are expected to be recruited in 2019 with the team now back at full strength. With a new experienced Grant Manager joining the team at the beginning of 2019, the grants programme will continue to be expanded and improved, with an objective to support new countries and new works in particular. The grant giving criteria will be reviewed and improved, together with the monitoring of projects and impact reporting. Existing partnerships and collaborations will be expanded and deepened.

As well as expanding existing donations from high level donors, the Fund will introduce new methods of engagement such as gifts in celebration programme and legacy awareness. Fund representatives will continue to attend key Order events to raise awareness of the charity and its objectives.

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 GLOBAL FUND FOR FORGOTTEN PEOPLE, ORDER OF MALTA

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2018

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 de Montbel

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 Financial and Operating Officer, a Director of Development, and a Finance Administrator. The Management Team report formally to the Board of Trustees via bi-annual Trustee meetings and quarterly written reports.

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.



R A Fitzalan Howard

Trustee

Dated: 3 June 2019

THE GLOBAL FUND FOR FORGOTTEN PEOPLE, ORDER OF MALTA

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2018

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.

THE GLOBAL FUND FOR FORGOTTEN PEOPLE, ORDER OF MALTA

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 2018 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 2018 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.

THE GLOBAL FUND FOR FORGOTTEN PEOPLE, ORDER OF MALTA

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.

Richardsons

for and on behalf of Richardsons

3 June 2019

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 2018

	Notes	Unrestricted funds 2018 \$	Restricted funds 2018 \$	Endowment funds 2018 \$	Total 2018 \$	Total 2017 \$
<u>Income and endowments from:</u>						
Donations and legacies	3	1,261,158	252,094	-	1,513,252	827,360
Investments	4	25,982	-	-	25,982	20,699
Other income	5	131,844	-	-	131,844	174,175
Total income		1,418,984	252,094	-	1,671,078	1,022,234
<u>Expenditure on:</u>						
Raising funds	6	100,131	-	-	100,131	120,309
Charitable activities	7	1,120,902	-	-	1,120,902	765,525
Total resources expended		1,221,033	-	-	1,221,033	885,834
Net gains/(losses) on investments	12	(193,706)	-	-	(193,706)	258,042
Net incoming resources before transfers		4,245	252,094	-	256,339	394,442
Gross transfers between funds		64,884	-	(64,884)	-	-
Net movement in funds		69,129	252,094	(64,884)	256,339	394,442
Fund balances at 1 January 2018		640,486	519,073	1,437,432	2,596,991	2,202,549
Fund balances at 31 December 2018		709,615	771,167	1,372,548	2,853,330	2,596,991

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.

THE GLOBAL FUND FOR FORGOTTEN PEOPLE, ORDER OF MALTA

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 \$	\$	2017 \$	\$
Fixed assets					
Tangible assets	13		1,851		3,648
Investments	14		1,603,579		1,789,426
			<u>1,605,430</u>		<u>1,793,074</u>
Current assets					
Debtors	16	469,636		547,385	
Cash at bank and in hand		1,523,665		451,174	
		<u>1,993,301</u>		<u>998,559</u>	
Creditors: amounts falling due within one year	17	(745,401)		(194,642)	
Net current assets			1,247,900		803,917
Total assets less current liabilities			<u>2,853,330</u>		<u>2,596,991</u>
Capital funds					
Endowment funds - general			1,372,548		1,437,432
Income funds					
Restricted funds			771,167		519,073
Unrestricted funds			709,615		640,486
			<u>2,853,330</u>		<u>2,596,991</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 2018, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

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 3 June 2019

Richard Fitzalan Howard

RA 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 2018

	Notes	2018 \$	\$	2017 \$	\$
Cash flows from operating activities					
Cash generated from operations	21	1,070,532		34,269	
Investing activities					
Purchase of tangible fixed assets		(1,832)		-	
Interest received		3,791		5	
Net cash generated from investing activities		1,959		5	
Net cash used in financing activities		-		-	
Net increase in cash and cash equivalents		1,072,491		34,274	
Cash and cash equivalents at beginning of year		451,174		416,900	
Cash and cash equivalents at end of year		1,523,665		451,174	

THE GLOBAL FUND FOR FORGOTTEN PEOPLE, ORDER OF MALTA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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.

THE GLOBAL FUND FOR FORGOTTEN PEOPLE, ORDER OF MALTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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.

THE GLOBAL FUND FOR FORGOTTEN PEOPLE, ORDER OF MALTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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.

THE GLOBAL FUND FOR FORGOTTEN PEOPLE, ORDER OF MALTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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
	2018	2018	2018	2017
	\$	\$	\$	\$
Donations and gifts	1,261,158	252,094	1,513,252	827,360
For the year ended 31 December 2017	367,250	460,110		827,360

4 Investments

	Unrestricted funds	Total
	2018	2017
	\$	\$
Investment income	22,191	20,694
Interest receivable	3,791	5
	25,982	20,699

5 Other income

	Unrestricted funds	Total
	2018	2017
	\$	\$
Amounts recharged to other entities	131,844	174,175

THE GLOBAL FUND FOR FORGOTTEN PEOPLE, ORDER OF MALTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

6 Raising funds

	Unrestricted funds	Total
	2018 \$	2017 \$
<u>Fundraising and publicity</u>		
Support costs	81,505	106,626
<u>Investment management</u>	18,626	13,683
	<u>100,131</u>	<u>120,309</u>

7 Charitable activities

	2018 \$	2017 \$
Sundry expenses	-	56,873
Direct funding of restricted projects	-	55,366
	<u>-</u>	<u>112,239</u>
Grant funding of activities (see note 8)	911,292	424,439
Share of support costs (see note 9)	137,404	150,178
Share of governance costs (see note 9)	72,206	78,669
	<u>1,120,902</u>	<u>765,525</u>
Analysis by fund		
Unrestricted funds	<u>1,120,902</u>	
For the year ended 31 December 2017		
Unrestricted funds		566,230
Restricted funds		199,295
		<u>765,525</u>

THE GLOBAL FUND FOR FORGOTTEN PEOPLE, ORDER OF MALTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

8 Grants payable

	2018 \$	2017 \$
Grants to institutions:		
Lebanese Association	70,000	80,000
Romanian Relief Service	-	102,500
Embassy to the Roma People	-	25,000
BASMOM/ The Nehemiah Project	136,487	87,056
Swiss Association	150,000	-
French Association	323,561	-
Other	231,244	129,883
	<u>911,292</u>	<u>424,439</u>

9 Support costs

	Support costs \$	Governance costs \$	2018 \$	2017 \$	Basis of allocation
Staff costs	59,254	11,851	71,105	108,489	
Depreciation	3,629	-	3,629	3,334	
Exchange Losses/ (gains)	11,519	-	11,519	(13,099)	
Communications	1,832	366	2,198	2,170	
Travel	13,339	2,668	16,007	6,457	
Sundry expenses	5,305	1,061	6,366	(1,668)	
Office costs	24,418	4,883	29,301	35,639	
US recharge	99,613	32,232	131,845	174,175	
Audit fees	-	8,756	8,756	11,181	Governance
Accountancy	-	2,538	2,538	3,238	Governance
Legal and professional	-	7,851	7,851	5,557	Governance
	<u>218,909</u>	<u>72,206</u>	<u>291,115</u>	<u>335,473</u>	
Analysed between					
Fundraising	81,505	-	81,505	106,626	
Charitable activities	137,404	72,206	209,610	228,847	
	<u>218,909</u>	<u>72,206</u>	<u>291,115</u>	<u>335,473</u>	

10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or reimbursed expenses during the year (2017- one Trustee was reimbursed \$1,053).

THE GLOBAL FUND FOR FORGOTTEN PEOPLE, ORDER OF MALTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2018 Number	2017 Number
	4	5

Employment costs

	2018 \$	2017 \$
Wages and salaries	63,423	98,205
Social security costs	6,522	9,848
Other pension costs	1,160	436
	71,105	108,489

THE GLOBAL FUND FOR FORGOTTEN PEOPLE, ORDER OF MALTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

12 Net gains/(losses) on investments

	2018	2017
	\$	\$
Revaluation of investments	(220,286)	211,323
Gain/(loss) on sale of investments	26,580	46,719
	<u>(193,706)</u>	<u>258,042</u>

13 Tangible fixed assets

	Computers \$
Cost	
At 1 January 2018	13,337
Additions	1,832
	<u>15,169</u>
At 31 December 2018	
Depreciation and impairment	
At 1 January 2018	9,689
Depreciation charged in the year	3,629
	<u>13,318</u>
At 31 December 2018	
Carrying amount	
At 31 December 2018	1,851
	<u>3,648</u>
At 31 December 2017	

14 Fixed asset investments

	Listed investments \$
Cost or valuation	
At 1 January 2018	1,789,426
Additions	377,466
Valuation changes	(97,278)
Gain on foreign exchange	120,809
Disposals	(586,844)
	<u>1,603,579</u>
At 31 December 2018	
Carrying amount	
At 31 December 2018	1,603,579
	<u>1,789,426</u>
At 31 December 2017	

THE GLOBAL FUND FOR FORGOTTEN PEOPLE, ORDER OF MALTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

15	Financial instruments	2018	2017			
		\$	\$			
	Carrying amount of financial assets					
	Debt instruments measured at amortised cost	462,728	541,662			
	Equity instruments measured at cost less impairment	1,603,579	1,789,426			
	Carrying amount of financial liabilities					
	Measured at amortised cost	739,799	189,397			
16	Debtors	2018	2017			
		\$	\$			
	Amounts falling due within one year:					
	Other debtors	462,728	541,662			
	Prepayments and accrued income	6,908	5,723			
		469,636	547,385			
17	Creditors: amounts falling due within one year	2018	2017			
		\$	\$			
	Other taxation and social security	5,602	5,245			
	Other creditors	728,008	172,220			
	Accruals and deferred income	11,791	17,177			
		745,401	194,642			
18	Analysis of net assets between funds					
	Unrestricted	Restricted	Endowment	Total	Total	
	2018	2018	2018	2018	2017	
	\$	\$	\$	\$	\$	
	Fund balances at 31 December					
	2018 are represented by:					
	Tangible assets	1,851	-	-	1,851	3,648
	Investments	231,031	-	1,372,548	1,603,579	1,789,426
	Current assets/(liabilities)	613,868	634,032	-	1,247,900	803,917
		846,750	634,032	1,372,548	2,853,330	2,596,991

THE GLOBAL FUND FOR FORGOTTEN PEOPLE, ORDER OF MALTA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

19 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:

	2018 \$	2017 \$
Within one year	1,800	15,178

20 Related Party Transactions

The remuneration of key management personnel was \$nil (2017: \$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 2018, all five trustees of the Fund are members of the Order of Malta. None of the trustees are directly involved in any of the charitable projects that have been awarded grants by the Fund this year and no indirect relationships existed during the year.

21 Cash generated from operations

	2018 \$	2017 \$
Surplus for the year	256,339	394,442
Adjustments for:		
Investment income recognised in statement of financial activities	(25,982)	(20,699)
Gain on disposal of investments	(26,580)	(46,719)
Fair value gains and losses on investments	215,992	(211,323)
Depreciation and impairment of tangible fixed assets	3,629	3,334
Investment manager fees	18,626	13,683
Movements in working capital:		
Decrease/(increase) in debtors	77,749	(38,455)
Increase/(decrease) in creditors	550,759	(59,994)
Cash generated from operations	1,070,532	34,269