

The Global Fund For Forgotten People, Order Of Malta
Annual Report and Financial Statements
For the Year Ended 31 December 2020



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 esq. Baron A G Freiherr Von Boeselager Count M L W F K Henckel Von Donnersmarck Mrs L S-C Simpson Prince D L G J M de La Rochefoucauld-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

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The Global Fund for Forgotten People, Order of Malta



Trustees' Report (including Directors' Report)

For the Year Ended 31 December 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

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 300 grants in support of forgotten people from the UK (460 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 \$2,866,323 (2019: \$2,126,497) during the year and 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 worldwide to achieve its charitable purpose to support those society has forgotten. We rely on the local knowledge of frontline Order of Malta staff and volunteers to identify the most vulnerable and through these trusted local partners we can deliver support where it is most needed and with low overheads.

The Global Fund for Forgotten People, Order of Malta



Trustees' Report (continued) (including Directors' Report)

For the Year Ended 31 December 2020

Grant applications can be made twice a year to the Fund for consideration, 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.

In all cases, 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).

All payments to overseas projects are made only to trusted partners. 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 receive regular feedback from the governing bodies of the Order of Malta regarding the work in each country.

Achievements and performance

In 2020 the UK entity of the Fund awarded 70 grants serving some of the most marginalised people across 48 countries. The works we fund are often life-changing for those who encounter them. In 2020, as the COVID-19 pandemic impeded supply chains and threatened livelihoods, our grants ensured the delivery of vital sustenance to thousands of vulnerable and isolated people across three continents. Grants also supported digital solutions connecting 3,500 care home residents with their families in Britain, enabled 50 vulnerable children to access remote education in Hong Kong and funded an innovative e-medicine trial in Togo.

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 UK entity of the Fund in 2020 helped to establish 14 new projects to reach the most forgotten in society. These include an ophthalmology clinic in rural Chad, a centre to support education for the Roma community in Croatia, a mobile medical unit to help tackle diabetes and heart disease in Jordan, and a soup kitchen for vulnerable children at risk of malnutrition in Venezuela.

Order of Malta works awarded grants in 2020 are supporting:

- 2,149 displaced people in need
- 11,209 isolated elderly people
- 3,330 disabled young people
- 55,950 women and new-borns requiring urgent healthcare
- 2,111 children from marginalised communities to receive the education and healthcare they need to build a better future

The Global Fund for Forgotten People, Order of Malta



Trustees' Report (continued) (including Directors' Report)

For the Year Ended 31 December 2020

Financial review

Income increased in 2020 with additional donations, including a gift restricted to helping grantees manage and recover from the COVID crisis. This was fully spent in-year. 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; 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.

The increase in the level of donations in the year allowed for the charitable activities for the Fund to increase further from 2019. This included direct grant giving of \$2.87m and enabled the Fund to be flexible in meeting the increased needs of the pandemic through a higher than normal number of off-cycle/emergency grants. Support costs were lower than budgeted and than in 2019, as COVID-19 meant that many planned events and field visits were unable to take place. Overhead costs have remained below the 10% target.

The Fund was able to continue to re-build reserve levels during the year, in line with strategy, to increase the flexibility of the organisation through marginally 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 impact of COVID-19 on fundraising activities at the Fund in 2020 and into 2021, this increase in reserves, to cover one 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 free reserve levels are \$1.6m.

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 Directors' Report)

For the Year Ended 31 December 2020

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
- Over-reliance on 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 2020 has enabled the Fund to reach more people in need than ever before, which is a considerable achievement given the limitations created by COVID-19. We hope to continue this trend by at least maintaining 2020's performance in 2021. 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 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 continuing to work with our local partners to assess the impact of the COVID-19 pandemic on their activities. 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 continue 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. Requirements for additional PPE and capacity restrictions to enable social distancing have increased running costs of many programmes, at the same time as an increase in overall demand. We plan to work with our donors to meet these growing needs 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 esq.

Baron A G Freiherr Von Boeselager

Count M L W F K Henckel Von Donnersmarck

The Global Fund for Forgotten People, Order of Malta

Trustees' Report (continued) (including Directors' Report)



For the Year Ended 31 December 2020

Mrs L S-C Simpson
Prince D L G J M de La Rochefoucauld-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 Philanthropy Officer, Chief Financial Officer, Communications Manager, Grants Manager, Fundraising & Support Officer and 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.

[original signed version available from Companies House / Charity Commission]

R A Fitzalan Howard esq.

Trustee

Dated: 19 May 2021

The Global Fund for Forgotten People, Order of Malta



Statement of Trustees' Responsibilities

For the Year Ended 31 December 2020

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 2020 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 2020 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of the company's staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

[original signed version available from Companies House / Charity Commission]

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

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 2020

	Notes	Unrestricted funds 2020 \$	Restricted funds 2020 \$	Endowment funds 2020 \$	Total 2020 \$	Total 2019 \$
<u>Income and endowments from:</u>						
Donations and legacies	3	764,325	2,471,333	-	3,235,658	2,964,059
Investments	4	22,352	-	-	22,352	26,838
Other income	5	47,837	-	-	47,837	77,410
Total income		834,514	2,471,333	-	3,305,847	3,068,307
<u>Expenditure on:</u>						
Raising funds	6	151,046	-	-	151,046	170,592
Charitable activities	7	415,096	2,785,333	-	3,200,429	2,488,164
Total resources expended		566,142	2,785,333	-	3,351,475	2,658,756
Net gains/(losses) on investments	12	255,923	-	-	255,923	164,266
Net incoming/(outgoing) resources before transfers		524,295	(314,000)	-	210,295	573,817
Gross transfers between funds		(130,056)	-	130,056	-	-
Net movement in funds		394,239	(314,000)	130,056	210,295	573,817
Fund balances at 1 January 2020		1,172,633	910,682	1,343,832	3,427,147	2,853,330
Fund balances at 31 December 2020		1,566,872	596,682	1,473,888	3,637,442	3,427,147

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 2020

	Notes	2020		2019	
		\$	\$	\$	\$
Fixed assets					
Tangible assets	13		3,005		3,429
Investments	14		1,780,582		1,534,567
			<u>1,783,587</u>		<u>1,537,996</u>
Current assets					
Debtors	16	121,051		256,261	
Cash at bank and in hand		3,395,983		3,195,066	
		<u>3,517,034</u>		<u>3,451,327</u>	
Creditors: amounts falling due within one year	17	(1,663,179)		(1,562,176)	
Net current assets			<u>1,853,855</u>		<u>1,889,151</u>
Total assets less current liabilities			<u><u>3,637,442</u></u>		<u><u>3,427,147</u></u>
Capital funds					
Endowment funds - general			1,473,888		1,343,832
Income funds					
Restricted funds	18		596,682		910,682
Unrestricted funds			1,566,872		1,172,633
			<u><u>3,637,442</u></u>		<u><u>3,427,147</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 2020, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors 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 19 May 2021

[original signed version available from Companies House / Charity Commission]

R A Fitzalan Howard esq.
Trustee

Company Registration No. 08107614

The Global Fund for Forgotten People, Order of Malta



Statement of Cash Flows

For the Year Ended 31 December 2020

	Notes	2020		2019	
		\$	\$	\$	\$
Cash flows from operating activities					
Cash generated from operations	21		194,247		1,665,606
Investing activities					
Purchase of tangible fixed assets		(916)		(2,702)	
Interest received		7,586		8,497	
Net cash generated from investing activities			6,670		5,795
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			200,917		1,671,401
Cash and cash equivalents at beginning of year			3,195,066		1,523,665
Cash and cash equivalents at end of year			<u>3,395,983</u>		<u>3,195,066</u>

The Global Fund for Forgotten People, Order of Malta



Notes to the Financial Statements

For the Year Ended 31 December 2020

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.

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.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2020

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 cannot 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).

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.

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.

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2020

1 Accounting policies

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.

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.

The Global Fund for Forgotten People, Order of Malta

Notes to the Financial Statements (continued)



For the Year Ended 31 December 2020

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2020	2020	2020	2019
	\$	\$	\$	\$
Donations and gifts	764,325	2,471,333	3,235,658	2,964,059
For the year ended 31 December 2019	<u>691,102</u>	<u>2,272,957</u>		<u>2,964,059</u>

4 Investments

	Unrestricted funds	Total
	2020	2019
	\$	\$
Investment income	14,766	18,341
Interest receivable	7,586	8,497
	<u>22,352</u>	<u>26,838</u>

5 Other income

	Unrestricted funds	Total
	2020	2019
	\$	\$
Amounts recharged to other entities	47,837	77,410
	<u>47,837</u>	<u>77,410</u>

6 Raising funds

	Unrestricted funds	Total
	2020	2019
	\$	\$
<u>Fundraising and publicity</u>		
Support costs	138,272	157,908
<u>Investment management</u>	12,774	12,684
	<u>151,046</u>	<u>170,592</u>

The Global Fund for Forgotten People, Order of Malta

Notes to the Financial Statements (continued)



For the Year Ended 31 December 2020

7 Charitable activities

	2020 \$	2019 \$
Grant funding of activities (see note 8)	2,866,323	2,126,497
Share of support costs (see note 9)	221,217	246,787
Share of governance costs (see note 9)	112,889	114,880
	<u>3,200,429</u>	<u>2,488,164</u>
Analysis by fund		
Unrestricted funds	415,096	354,722
Restricted funds	2,785,333	2,133,442
	<u>3,200,429</u>	<u>2,488,164</u>
For the year ended 31 December 2019		
Unrestricted funds	354,722	
Restricted funds	2,133,442	
	<u>2,488,164</u>	

8 Grants payable

	2020 \$	2019 \$
Grants to institutions:		
Lebanese Association	130,000	122,920
Romanian Relief Service	143,722	-
Italian Association	110,412	-
Albanian Relief Service	218,950	222,962
Brazilian Association	77,365	-
Colombian Association	75,000	-
BASMOM/ The Nehemiah Project	144,122	266,765
Swiss Association	-	70,342
French Association	1,207,946	610,762
Cuban Association	140,000	150,000
Mexican Association	132,813	59,945
Other	485,993	622,801
	<u>2,866,323</u>	<u>2,126,497</u>

The Global Fund for Forgotten People, Order of Malta



Notes to the Financial Statements (continued)

For the Year Ended 31 December 2020

9 Support costs

	Support costs	Governance costs	2020	2019	Basis of allocation
	\$	\$	\$	\$	
Staff costs	192,558	38,512	231,070	236,371	
Depreciation	1,339	-	1,339	1,124	
Exchange Losses	12,732	-	12,732	8,767	
Communications	1,955	391	2,346	2,573	
Travel	5,555	1,111	6,666	36,120	
Sundry expenses	2,826	566	3,392	16,866	
Office costs	105,633	21,127	126,760	106,427	
Bad debts	(263)	-	(263)	-	
US recharge	37,154	7,431	44,585	77,405	
Audit fees	-	10,368	10,368	9,565	Governance
Accountancy	-	2,730	2,730	2,623	Governance
Legal and professional	-	30,653	30,653	21,734	Governance
	<u>359,489</u>	<u>112,889</u>	<u>472,378</u>	<u>519,575</u>	
Analysed between					
Fundraising	138,272	-	138,272	157,908	
Charitable activities	221,217	112,889	334,106	361,667	
	<u>359,489</u>	<u>112,889</u>	<u>472,378</u>	<u>519,575</u>	

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or reimbursed expenses during the year. (2019- none of the trustees received any remuneration but one of them was reimbursed a total of \$75 telephone expenses).

The Global Fund for Forgotten People, Order of Malta

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2020



11 Employees

Number of employees

The average monthly number of employees during the year was:

	2020	2019
	Number	Number
	6	6
	<u>6</u>	<u>6</u>
Employment costs	2020	2019
	\$	\$
Wages and salaries	204,342	209,616
Social security costs	21,096	21,690
Other pension costs	5,632	5,065
	<u>231,070</u>	<u>236,371</u>

The Global Fund for Forgotten People, Order of Malta

Notes to the Financial Statements (continued)



For the Year Ended 31 December 2020

12 Net gains/(losses) on investments

	2020	2019
	\$	\$
Revaluation of investments	254,199	163,258
Gain/(loss) on sale of investments	1,724	1,008
	<u>255,923</u>	<u>164,266</u>

13 Tangible fixed assets

	Computers \$
Cost	
At 1 January 2020	17,871
Additions	916
	<u>18,787</u>
At 31 December 2020	18,787
Depreciation and impairment	
At 1 January 2020	14,442
Depreciation charged in the year	1,340
	<u>15,782</u>
At 31 December 2020	15,782
Carrying amount	
At 31 December 2020	<u>3,005</u>
At 31 December 2019	<u>3,429</u>

14 Fixed asset investments

	Listed investments \$
Cost or valuation	
At 1 January 2020	1,534,567
Additions	695,618
Valuation changes	134,468
Gain on foreign exchange	105,095
Net income	1,992
Disposals	(691,158)
	<u>1,780,582</u>
At 31 December 2020	1,780,582
Carrying amount	
At 31 December 2020	<u>1,780,582</u>
At 31 December 2019	<u>1,534,567</u>

The Global Fund for Forgotten People, Order of Malta



Notes to the Financial Statements (continued)

For the Year Ended 31 December 2020

15 Financial instruments	2020	2019
	\$	\$
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	1,780,582	1,534,567
	<u> </u>	<u> </u>
16 Debtors	2020	2019
	\$	\$
Amounts falling due within one year:		
Other debtors	114,986	251,876
Prepayments and accrued income	6,065	4,385
	<u> </u>	<u> </u>
	121,051	256,261
	<u> </u>	<u> </u>
17 Creditors: amounts falling due within one year	2020	2019
	\$	\$
Other taxation and social security	7,223	9,213
Trade creditors	371	5,026
Other creditors	1,636,473	1,537,441
Accruals and deferred income	19,112	10,496
	<u> </u>	<u> </u>
	1,663,179	1,562,176
	<u> </u>	<u> </u>

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				
	Balance at 1 January 2020	Incoming resources	Resources expended	Adjustment	Balance at 31 December 2020
	\$	\$	\$	\$	\$
Prison ministry fund	594,177	17,475	(167,083)	(37,727)	406,842
Social and humanitarian fund	242,425	1,338,573	(1,565,857)	-	15,141
COVID fund	-	135,000	(135,000)	-	-
Elderly people fund	81,370	450,000	(358,065)	-	173,305
Forgotten children fund	(7,290)	467,333	(464,600)	4,557	-
Cuba fund	-	1,394	-	-	1,394
Other restricted funds	-	61,558	(61,336)	(222)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	910,682	2,471,333	(2,751,941)	(33,392)	596,682
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The Global Fund for Forgotten People, Order of Malta



Notes to the Financial Statements (continued)

For the Year Ended 31 December 2020

19 Analysis of net assets between funds

	Unrestricted	Restricted	Endowment	Total	Total
	2020	2020	2020	2020	2019
	\$	\$	\$	\$	\$
Fund balances at 31 December 2020 are represented by:					
Tangible assets	3,005	-	-	3,005	3,429
Investments	306,694	-	1,473,888	1,780,582	1,534,567
Current assets/(liabilities)	1,257,173	596,682	-	1,853,855	1,889,151
	<u>1,566,872</u>	<u>596,682</u>	<u>1,473,888</u>	<u>3,637,442</u>	<u>3,427,147</u>

20 Related Party Transactions

The remuneration of key management personnel was \$nil (2019: \$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 2020, all five trustees of the Fund are members of the Order of Malta.

One of the five trustees, R A Fitzalan Howard esq., is president of BASMOM, one of the charitable projects that have been awarded grants by the Fund in 2020 (2019: R A Fitzalan Howard esq. was president of BASMOM).

No other trustees have been directly involved in any of the charitable projects that have been awarded grants by the Fund in 2020 (2019: none).

There were no indirect relationships that existed during the year (2019: none).

21 Cash generated from operations

	2020	2019
	\$	\$
Surplus for the year	210,295	573,817
Adjustments for:		
Investment income recognised in statement of financial activities	(22,352)	(26,838)
Gain on disposal of investments	(1,724)	(1,008)
Fair value gains and losses on investments	(242,299)	75,677
Depreciation and impairment of tangible fixed assets	1,340	1,124
Investment manager fees	12,774	12,684
Movements in working capital:		
Decrease in debtors	135,210	213,375
Increase in creditors	101,003	816,775
Cash generated from operations	<u>194,247</u>	<u>1,665,606</u>



Ukrainian Relief Service

The Global Fund for Forgotten People works with the Order of Malta
A registered charity in England and Wales (1148427)