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Report of the Chairman

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On behalf of the Board of Trustees, I have much pleasure in presenting herewith the Annual Report of the BOV Joseph Calleja Foundation (BOVJCF) for the year ended 31 December 2019. I apologise for the delay in presenting this Annual Report - as we are all aware, the advent of COVID-19 has caused havoc with many timetables, deadlines and commitments.

Once again, as detailed below, 2019 saw continuing momentum in the roll out of the Foundation's two key programmes - those of the "Gifted Youth" and the "Vulnerable Child" community initiatives. On the fund-raising side, the BOVJCF Patrons scheme (which had been launched in 2016) has once again seen a very satisfactory renewal rate and we are also very happy to have been able to welcome a number of new Patrons to the scheme during the course of the year.

The Foundation held a hugely successful winter concert at the Manoel Theatre on 15 December 2019. The Malta Philharmonic Orchestra, under the baton of David Chan, the leader of the Metropolitan Opera Orchestra in New York, accompanied Joseph Calleja together with our visiting international guest stars Jessica Pratt, Ramona Zaharia, Iano Tamar, Vittorio Vitelli and the Balanas Sisters. The concert opened with a touching rendition of the Dance of the Sugar Plum Fairy featuring our young Dance Scholars, Lea Ellul Sullivan, Julia Gaudi and Nicola Zarb. Our talented pool of Voice Scholars was also well represented, and Marvic Monreal (Mezzo), Nicola Said (Soprano) Charles Buttigieg (Bass) all performed brilliantly - holding their own alongside a world class cast. The event was a complete sell-out, and it was wonderful to see the Manoel Theatre packed to the rafters with such an enthusiastic and appreciative audience - many of whom enjoyed meeting Joseph Calleja, our visiting guests and our Scholars at the Casino Maltese reception that followed. Once again this year the costs of the reception that followed the concert were covered by Alfred Pisani, whose generosity and support for the Foundation since its formation has been truly exceptional. It should also be noted that the Manoel Theatre, the MPO and all the artists who participated in the concert did so on a pro bono basis. Our thanks are also due to Claire Zammit Xuereb of the Rosselli Hotel and Kris Fenech Soler of 19 Rooms for making accommodation available to our visiting artists on a complimentary basis. The generosity of spirit is greatly appreciated by Joseph Calleja and the Board of Trustees.

As I have had the occasion to remark in the past, the key objectives of the Foundation's Gifted Youth programme is to give our talented young Scholars a degree of financial support - and a lot of encouragement. The Manoel concert was an excellent example of encouragement in action, through providing our Scholars with the opportunity to

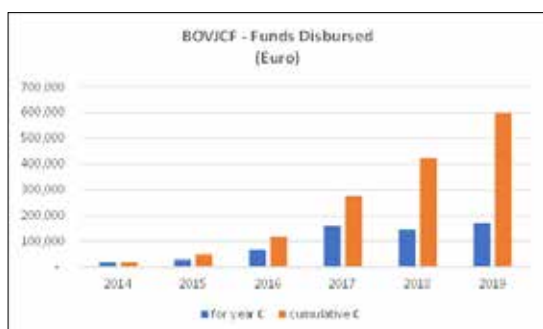
share the stage with world class artists, and to demonstrate their own talent and huge potential. It was clear from their performances and reaction on stage that they greatly enjoyed and appreciated the opportunity to perform with the MPO along with David Chan, Joseph Calleja and his amazing guest artists.

Once again, our annual concert demonstrated the depth and range of talent that the Foundation, through the generosity of our Patrons, is supporting. Many in attendance (including our visiting international artists) were truly impressed by the depth of talent emerging from our tiny Island and many Patrons commented that it was so extraordinarily fulfilling to be directly involved in the very visible progress being made by our Scholars as a result of their participation in the Foundation's Gifted Youth initiative. We believe that this should enable the Foundation to continue in its mission of supporting further young talent - and encouraging greater recognition of the benefits of music, performing arts and culture in our community. This will be especially important given the huge body blow that the performing arts and cultural activities in general have suffered as a result of the COVID-19 pandemic. It is of course a matter of huge and profound regret that the restrictions that have been imposed as a result of the COVID-19 pandemic will prevent the Foundation from staging our annual concert in December 2020 - but you can rest assured that we will be back as soon as circumstances so permit.

From its formation, an important feature of the administration of the Foundation has been that all concerned with its activities provide their services on a pro bono basis. Therefore, apart from those costs directly and necessarily incurred in staging the annual concert, other costs incurred are absolutely minimal, as can be seen from the attached audited accounts. This minimal cost approach means that the Board of Trustees are able to ensure that all funds raised, whether through our Patrons programme or from the annual concert, are applied in their entirety to the implementation of our Gifted Youth and Vulnerable Child programmes.

This report includes a table showing those Scholars (past and present) and eligible causes who have received or are receiving support from the Foundation. It will be noted that, to date, 73 awards have been made in support of BOV Joseph Calleja Scholars. A number of our very promising Scholars have benefitted from more than one award as they progress through their studies. In financial terms, during the year under review, the Foundation disbursed the sum of €172,768 (2018: €146,859) to BOV Joseph Calleja Foundation Scholars and other eligible causes. Many of the Foundation's Scholars and qualifying causes are eligible to apply for multi-year support on certain programmes, with ongoing support being contingent on satisfactory progress reports from their

tutors. As at the date of this report, the Foundation has made provisional and conditional commitments amounting to a further € 410,000 (2018: €450,000). It is because of these forward commitments (which will be accounted for when disbursed) that the Foundation carries a substantial cash reserve in its balance sheet. The table below shows that since its establishment the Foundation has disbursed the total sum of close to €600,000 with a further €410,000 being provisionally committed - making for a grand total of just over €1,000,000.

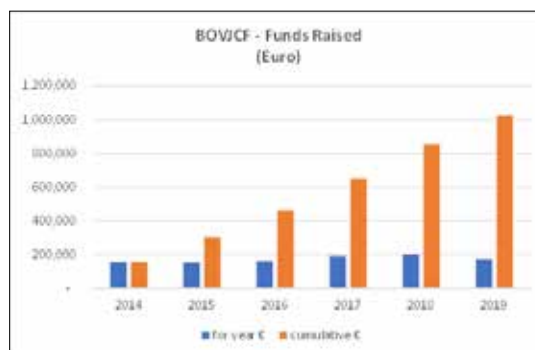


Under the Vulnerable Child initiative, the Foundation continued its support for a programme that was run by the Helen O'Grady Academy in conjunction with the Department of Education. This programme was aimed at enabling a number of immigrant children to integrate into mainstream schooling and with Maltese children and those from other nationalities so as to avoid alienation and "ghetto-isolation". This was done through providing regular classes, using the medium of drama, music, language and play. The 2019/2020 programme involved 80 children from 26 nationalities.

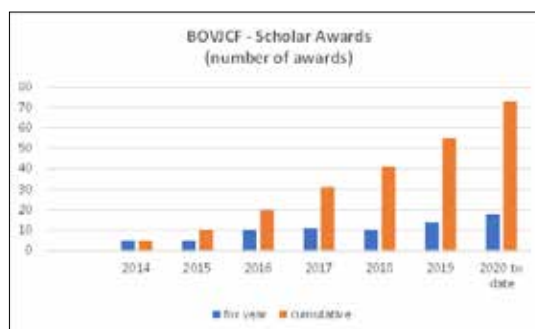
In the meantime, the Foundation also extended support on a co-sponsorship basis to the Teatru Salesjan Cultural Education programme. This programme forms part of the rehabilitation of Teatru Salesjan in Sliema as a community theatre. This is a community-based project that has strong educational aspects to it and is led by the best independent and committed names in the performing arts, including Rosetta Debattista, Gillian Zammit, Giselle Grima, Denise Mulholland, Wendy Dyer and Polly March. Unfortunately, the second semester of the programme was interrupted in March 2020 by the advent of the COVID pandemic. However, support has been renewed for the 2020/2021 programme.

As noted above, 2019 saw a very satisfactory renewal rate and the extension of the Foundation's Patrons programme. We now have a Patrons Roll of 63 together with a further 9 very deserving Honorary Patrons. As always, the Board is hugely appreciative of the very strong renewal rate that was forthcoming, and for the new Patrons who have joined us. The continuing commitment and extreme generosity of our many Patrons enables the Foundation to carry on and widen the support that it is extending to the talented youth of Malta and Gozo, and to implementing additional initiatives under

our Vulnerable Child and community programmes. To date, our Patrons have contributed a cumulative sum in excess of €1,000,000 to the work of the Foundation.



As you can see from the table below, in the six years since its establishment, the Foundation has already committed to extend support to our Scholars by way of 73 awards, with 14 new Scholars awards having been added to the Roll during 2019 and a further 18 awards since the year end. We now have Scholars who are or have attended colleges and conservatoires across Europe and the United States, including London, Edinburgh, Glasgow, Cardiff, Amsterdam, Utrecht, Riga, Basle, St Petersburg, New York, Boston, Philadelphia and Delaware. Our Scholars are benefitting from world class coaching and will, over time, greatly enrich and enhance the cultural life of Malta and Gozo. It is abundantly clear to the Board from the regular progress reports that we receive that all our Scholars show great commitment and application, and the great majority are all doing exceptionally well in their chosen field of endeavour. The reports that we receive on our Scholars represent a very eloquent proof positive that the tiny islands of Malta and Gozo punch well above their weight in terms of talent in the performing arts.



Of particular note over 2019 has been the exceptional progress made by Marvic Monreal and Charles Buttigieg. Marvic had been engaged by the Royal Opera House, Covent Garden to undertake important understudy roles in Carmen and Werther - and has now been engaged by Frankfurt Opera. Charles completed his second year at the very prestigious Curtis Institute of Music in Philadelphia and continues to make good progress - notwithstanding the fact that all Curtis tuition has been moved online due to the pandemic. Daphne Delicata (piano) won a place at the very

prestigious Yehudi Menuhin School of Music - and her initial reports have been exceptional. Althea Triosi de Meanville won a place at the Jazeps Vitolis Latvian Music Academy, whilst Francesca Bartolo has started her degree course in Voice Performance at Trinity Laban Conservatoire in London. Abigail Grech is undertaking a Bachelors Degree in Musical Performance (Double Bass) at the Academy of Music Karol Lipinski in Poland and Kristian Schembri won a partial scholarship to study composition at the University of Delaware. In September 2019, Ian Ellul moved to Brussels to take up a place at the Royal Conservatory Theatre to undertake a Bachelors degree in Violin Performance. Musical Theatre was well represented in our Scholars Roll with Yandrick Agius and Miriana Pavia both taking up places offered at the ArtsEd School in London - one of the top Drama and performing arts colleges in the United Kingdom. Dance has once again been well represented among our Scholar awards with Nicola Zarb and Amber Pace taking up places in the UK at the Central School of Ballet and Elmhurst Ballet School respectively. We wish them all well and will continue to follow their progress with great interest.

You do not need this report to remind you that the COVID-19 pandemic has caused huge disruption to the lives of many over the past months - and is likely to continue to do so for some time to come. The performing arts have been particularly hard hit; theatres, opera houses and concert halls have been closed and the lives of established performing artists effectively put on hold. The lives of aspiring artists and students - including of course those of our Scholars - have been equally thrown into turmoil as schools, conservatoires and universities have been forced to close and to move their tuition online. Online tuition is always an unsatisfactory second best for the performing art disciplines and a poor substitute for personal contact and live performance. The disruption has been compounded by the uncertainty that currently prevails as to how and when things might begin to return to normality.

The Foundation is of course being as helpful and supportive as possible to our Scholars at these trying and uncertain times. Our talented young Scholars have reported that they are facing a myriad of challenges in pursuing their studies, but I am glad to report that they are demonstrating remarkable determination and resilience in the face of adversity. Having said this, 2021 promises to be a particularly challenging year for all concerned in the performing arts.

In these times of economic stress and uncertainty, financial support for culture and the arts are often prime targets for cost saving measures. In reality, it is at times like this that support is most needed - particularly for those gifted young artists who are trying so hard to establish themselves in what is a fiercely competitive field. If we neglect to support culture and the arts at this difficult time, all of our lives will be

greatly impoverished. The Board will therefore be making a special appeal to all our generous Patrons to continue with their support for our young Scholars in 2021. Your generosity will be greatly rewarded when you witness at first hand the determination and commitment that our Scholars bring to their work, the progress that they are making under world class tutors and the joy that they will bring to you, themselves and many others with their achievements and the sheer quality of their performances.

In carrying out our work over the years, Joseph Calleja and the entire Board of Trustees feel truly humbled to be able, with the exceptionally generous support of our Patrons, to work with and assist the outstanding pool of abundant talent in the field of the performing arts that exists in Malta and Gozo. The Board has always regarded its role and mission as being to channel the generosity of our Patrons in providing our Scholars with an element of financial support and a great deal of encouragement as they set about the pursuit of their dreams and the realisation of their unquestioned potential. The generous support that the Foundation has received from our Patrons and other benefactors enables the Foundation to do just that, and we are most grateful to them all.

I will close as always by expressing my thanks to the Board members for their active participation and support as we continue implementing the objectives for which the Foundation was established. As always, special thanks go to Joseph Calleja, whose dream and vision it is to share his own personal experience and good fortune with others. Once again, I can assure you of Joseph Calleja's all-consuming interest in and total commitment to work of the Foundation, its Scholars and its objectives. With his help and generosity, it is and will continue to do good work in encouraging young talent and providing assistance and a sense of purpose to vulnerable children. We sincerely believe that the Foundation is making a real difference.

Finally, my thanks go to Bank of Valletta for their unstinting support, and especially to Kenneth Micallef for the tireless assistance that he extends to the Foundation and to the Board. His organisational skills, good humour, hard work and long hours - all provided on a purely voluntary basis - are much appreciated by all those connected with the Foundation - Patrons, Scholars and Board members alike.



Roderick E. D. Chalmers

Chairman

BOV Joseph Calleja Foundation

30 November 2020

Annex to Report of the Chairman

SCHOLARS ROLL AS AT END AUGUST 2020	
Claire Ghigo - Mezzo	Jean Marc Fabri - Piano
Kurt Sacco - Violin	Megan Bonello - Voice + Composition
Cliff Zammit Stevens - Tenor	William Smith - Percussion
Nicola Said - Soprano	Lea Ellul Sullivan - Dance - Ballet
Nadine Galea - Violin	Laura Buhagiar - Musical Theatre
Marvic Monreal - Mezzo	Sarah Vella - Piano
Warren Galea - Jazz Guitar	Desiree Quintano - Cello
Philip Attard - Saxophone	Stefan Calleja - Violin
Isaiah Muscat - Dance	Pierre Louis Attard - Violin
Charles Buttigieg - Baritone	Destiny Casa - Dance - Ballet
Euchar Gravina - Composition	Althea Triosi de Meanville - Mezzo
Glen Zammit - French Horn	Luke Bugeja Gauci - Dance - Ballet
Laetitia Amodio - Piano	Benjamin Spiteri - Dance - Ballet
Elaine Grech - Musical Theatre	Julia Gauci - Dance - Ballet
Graziella Zammit Briffa - Mezzo	Nicola Zarb - Dance - Ballet
Christine Zerafa - Piano Accompaniment	Francesca Bartolo - Soprano
Stefanie Pavia - Viola	Charlene Farrugia - Piano
Gabrielle Sargent - Soprano	HUSH - Musical Theatre
Marvic Baldacchino - Soprano	Abigail Grech - Double Bass
Alan Sciberras - Tenor	Ian Ellul - Violin
Daniel Calafato - Trumpet	Kristian Schembri - Composition + Percussion
Matthew Calafato - Saxophone	Yandrick Agius - Musical Theatre
Miguel Rosales - Baritone	Miriana Pavia - Musical Theatre
Samuel Mallia - Saxophone	Amber Pace - Dance - Ballet
Ruth Borg - Mime	Andrea Riolo - Dance - Ballet
Eric Bugeja - Violin	Rachel Gauci - Piano
Sarah Marie Bugeja - Jazz Composition/Voice	Elena Muscat - Viola
Josefa Muscat - Clarinet	Daniela Camilleri - Soprano
Daphne Delicata - Piano	Nicole Duca - Musical Theatre

Vulnerable Child Programme & Other Initiatives

Salesians – Art Through the Eyes and Soul programme
 Dione Attard
 St Margaret's College
 Paolo Freire Institute
 Georg Zammit
 ONE VOICE Programme
 Once Upon a Time
 Helen O'Grady – Immigrant Children
 Teatru Salesjan Cultural Education Project

Report of the Board of Administrators

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The Board of Administrators of the BOV Joseph Calleja Foundation presents its report and the audited financial statements for the year ended 31 December 2019. The comparative figures relate to the year ended 31 December 2018.

Date of Registration

The BOV Joseph Calleja Foundation was established by the Bank of Valletta and Joseph Calleja on 25 October 2013. The Foundation is a not for profit charity and is duly registered in Malta with the Commissioner for Voluntary Organisations in terms of the Voluntary Organisations Act, Cap 492. The oversight and stewardship of the Foundation has been entrusted to an independent Board of Administrators.

Objectives of the Foundation

The objectives of the Foundation are:-

- The provision of financial assistance, encouragement and support to exceptionally talented young persons in the field of the performing and visual arts, in order to enable them to realise their full potential – “the gifted youth”;
- The provision of assistance and support to children coming from difficult social backgrounds and environments, whose situations are not catered for by existing social support programmes – “the vulnerable child”.

In both instances, the support is intended to be directed primarily at children from Malta and Gozo.

Activities and appropriation to eligible causes

During the year ended 31 December 2019, the Foundation organised its annual concert. Donations received in connection with this concert totalled €35,800 (2018: €31,850). In addition, the Foundation received further sums totalling €136,957 (2018: €168,050) from Founders, Patrons and other benefactors. During the year under review the Foundation paid out or committed to pay the sum of €172,768 (2018: €146,859) to BOV Joseph Calleja Foundation Scholars and other eligible causes. The Foundation also made provisional and conditional commitments to Scholars and other eligible causes for support in future years. As at the date of the approval of these accounts, these conditional commitments amounted to €410,000 (2018: €450,000) and will be accounted for in the accounts of the year of confirmation and disbursement.

Results

The income and expenditure account for the period is as set out on page 11.

Report of the Board of Administrators - continued

Board of Administrators

The Foundation's Administrators during the period were:

Roderick Chalmers – Chairman
Fr Michael Agius
Sabine Agius Cabourdin
Angelo Cefai
Helga Ellul
Alec Lapira
Michelle Muscat
Alfred Pisani

Michelle Muscat submitted her resignation as a member of the Foundation's Board of Administrators on 13 January 2020.

Statement of the administrators' responsibilities for the financial statements

The Foundation is required in terms of its statute and in terms of the Voluntary Organisation Act to prepare financial statements that give a true and fair view of its state of affairs as at the end of each reporting period and of the surplus or deficit for that period.

The Foundation is responsible for keeping proper accounts and records of its transactions and affairs and shall do all things necessary to ensure that all payments out of its monies are correctly made and properly authorised and that adequate control is maintained over the assets of, or in the custody of, the Foundation and over the expenditure incurred by the Foundation.

In preparing the financial statements, the Administrators are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Foundation will continue in existence as a going concern.

The Administrators are also responsible for designing, implementing and maintaining internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Administrators are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

On behalf of the Board of Administrators



Roderick E. D. Chalmers
Chairman



Kenneth B. Micallef
Secretary to the Board

Registered office:
58, Triq San Żakkarija, Il-Belt Valletta

5 November 2020

Independent auditor's report

To the Board of Administrators of the BOV Joseph Calleja Foundation

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Report on the audit of the financial statements

Our opinion

In our opinion, BOV Joseph Calleja Foundation's financial statements give a true and fair view of the Foundation's financial position as at 31 December 2019, and of the Foundation's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU.

What we have audited

BOV Joseph Calleja Foundation's financial statements, set out on pages 12 to 19, comprise:

- the statement of financial position as at 31 December 2019;
- the income and expenditure account for the year then ended;
- the statement of accumulated funds for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1.5 of the financial statements. BOV Joseph Calleja Foundation derives a large proportion of its income from voluntary donations. Whilst we did not come across any matter during the course of our audit that would cause us to believe that donations were not fully and properly

recorded at the appropriate time, these donations cannot be fully controlled until they are entered in the accounting records. This is common with voluntary organisations of a similar size and nature.

Other information

The Administrators are responsible for the other information. The other information comprises the Report of the Chairman and the Report of Board of Administrators (but does not include 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 identified above 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, 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.

Responsibilities of the Administrators for the financial statements

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

In preparing the financial statements, the administrators are responsible for assessing the Foundation'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 administrators either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 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.

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

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

We communicate with the administrators regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers
78, Mill Street
Qormi
Malta



Simon Flynn
Partner



5 November 2020

Statement of financial position

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		As at 31 December	
	Notes	2019 €	2018 €
ASSETS			
Current assets			
Receivables	4	46,100	20,800
Cash and cash equivalents	5	309,584	354,226
Total current assets		355,684	375,026
Total assets		355,684	375,026
EQUITY AND LIABILITIES			
Capital and reserves			
Endowment capital		233	233
Accumulated surplus		341,301	347,870
Total equity		341,534	348,103
Current liabilities			
Payables	6	14,150	26,923
Total liabilities		14,150	26,923
Total equity and liabilities		355,684	375,026

The notes on pages 14 to 17 are an integral part of these financial statements.

The financial statements on pages 10 to 17 were approved by the Foundation's Board of Administrators on 5th November 2020 and were signed on its behalf by:



Roderick E. D. Chalmers
Chairman



Kenneth B. Micallef
Secretary to the Board

Income and expenditure account

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	Notes	Period ended 31 December	
		2019	2018
		€	€
BOV Annual contribution		25,000	25,000
Donations from patrons and other donations	7	111,957	143,050
Donations in connection with Christmas concerts		35,800	31,850
Total income		172,757	199,900
Expenses	8	(7,976)	(6,982)
Surplus before interest		164,781	192,918
Interest received - net of tax at source		1,418	1,211
Surplus for the year before appropriations		166,199	194,129
Appropriations to eligible causes, in accordance with the Foundation's statute	9	(172,768)	(146,859)
(Deficit)/surplus carried forward to be appropriated in future years		(6,569)	47,270

The notes on pages 14 to 17 are an integral part of these financial statements.

Statement of accumulated funds

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	Endowment Capital	Reserve Fund	Total
	€	€	€
Balance at 1 January 2018	233	300,600	300,833
Surplus for the period ended 31 December 2018	-	47,270	47,270
Balance at 31 December 2018	233	347,870	348,103
Balance at 1 January 2019	233	347,870	348,130
(Deficit)/surplus for the year ended 31 December 2019	-	(6,569)	(6,569)
Balance at 31 December 2019	233	341,301	341,534

The notes on pages 14 to 17 are an integral part of these financial statements.

Statement of cash flows

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		<u>Year ended 31 December</u>	
		2019	2018
Notes		€	€
Cash flows from operating activities	10	(44,642)	24,193
Net cash (absorbed by)/generated from operating activities		(44,642)	24,193
Net movement in cash and cash equivalents		(44,642)	24,193
Cash and cash equivalents at beginning of period		354,226	330,033
Cash and cash equivalents at end of period	5	309,584	354,226

The notes on pages 14 to 17 are an integral part of these financial statements.

Notes to the financial statements

14

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

1.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires the Board to exercise its judgement in the process of applying the Foundation's accounting policies.

1.2 Receivables

Receivables are amounts due in the ordinary course of operations. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Receivables are recognised and measured at cost. A provision for impairment of receivables is established when there is objective evidence that the Foundation will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income and expenditure account within 'expenses'. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against 'expenses' in the income and expenditure account.

1.3 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.4 Payables

Payables comprise obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

1.5 Revenue recognition

Revenue comprises donations received in the accounting period and those pledged in favour of the Foundation.

Notes to the financial statements (continued)

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2. Financial risk management

The Foundation is not significantly exposed to financial risk factors (including market risk, credit risk and liquidity risk) in view of the nature of the its activities and its financial assets and liabilities.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the Board of Administrators, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

4. Receivables

Receivables mainly comprise donations pledged to the Foundation by Patrons donations in connection with the 2019 Annual concert, and prepaid appropriations to eligible causes.

5. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2019	2018
	€	€
Cash at bank	309,584	354,226

6. Payables

	2019	2018
	€	€
Accrued expenditure in relation to concerts	2,650	1,299
Commitments for appropriations to eligible causes	8,500	17,624
Income received in advance	3,000	8,000
	14,150	26,923

Notes to the financial statements (continued)

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7. Donations from patrons and other donations

	2019	2018
	€	€
Donations in excess of €10,000	37,000	47,000
Donations in excess of €5,000 and under €10,000	45,000	40,000
Donations in excess of €3,000 and under €5,000	20,000	33,000
Other donations	9,957	23,050
	111,957	143,050

8. Expenses

Expenses for the period comprised:

	2019	2018
	€	€
Expenses in connection with concerts	7,013	6,982
Other expenses	963	-
	7,976	6,982

9. Appropriation to eligible causes

During the year the Foundation paid out or committed to pay out the sum of €172,768 (2018: €146,859) to eligible causes under its “gifted youth” and “vulnerable child” programmes. The Foundation has also made provisional and conditional commitments to Scholars and other eligible causes for support in future years. As at the date of the approval of these accounts, these conditional commitments amounted to €410,000 (2018: €450,000) and will be accounted for in the accounts of the year of confirmation and disbursement.

Notes to the financial statements (continued)

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10. Cash generated from operations

Reconciliation of net surplus for the period to cash generated from operations

	2019	2018
	€	€
Net (deficit)/surplus for the period	(6,569)	47,270
Changes in working capital		
Receivables	(25,300)	(14,465)
Payables	(12,773)	(8,612)
	<hr/>	<hr/>
Cash (absorbed by)/generated from operations	(44,642)	24,193

11. Statutory information

The Foundation was established on 25 October 2013 and was registered as a Legal person on 3 December 2013. On 18 August 2018 the Foundation was enrolled as a voluntary organisation in terms of the Voluntary Organisations Act, 2007. As a registered charity the Foundation has also received exemption from income tax pursuant to the provisions of Article 12 of the Income Tax Act.

Patrons Roll - As at End August 2020

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Donors	Anonymous	Gold (ctd)	Fides Corporate Services
	Dr Pierre Chircop		The Gasan Foundation
	Dr Diana Decesare		Ilse & Reinhold Karner
	GEOJEN UK		Dr Carl & Karen Peralta
	Zona Ivanovic		Savina Dental Clinics (Gozo & Malta)
	Greg & Samantha Nasmyth		Simonds Farsons Cisk p.l.c.
	Jasper Spencer		Virtu Ferries p.l.c.
			Winston J Zahra
Friend	Borg & Aquilina		
	Prof Mark Brincat	Platinum	AGB Investments
	Walter Cassar		Air CM Global Limited
	Paul Xuereb		Anonymous
			Credorax Bank
Silver	Alberta Group		Nigel & Bernie Foster
	David & Caroline Bartolo		Pierre & Chantal Chomarat
	Camilleri Preziosi Advocates		FXDD Advocates
	Demajo Dental Clinics		MapfreMSV Life p.l.c.
	Farrugia Investments Limited		The Francis Miller Memorial Fund
	Fexserv Financial Services		Greg & Julie Pelling
	Ganado Services		J P Roed & Alison Kerr
	Gasan Mamo Insurance		STM Malta Trust & Company Management Limited
	Carmen Gatt Baldachino		Tug Malta limited
	GVZH Advocates		Y Plan Events Ltd.
	Joinwell		Winston V Zahra
	Kind's Autosales		
	Maniera Group	Lifetime	KPMG
	Maypole Group		Alfred Pisani
	Paul Nailor		Philo-Sophia Partners
	Sullivan Shipping		Axel & Edelgard Pape
	Vassallo Builders Group		
	Angelo Xuereb	Honorary	Juliette Bisazza
			Sigmund Mifsud
Gold	Azzopardi Fisheries		PricewaterhouseCoopers
	Corrieri Cilia Legal		Brian Schembri
	Robert & Marian Cumming		Gillian Zammit
	Curmi & Partners		David Chan
	M Demajo Group		Jessica Pratt
	James Drake		Vittorio Vitelli
	E&S Consultancy		Michael Tabone

