



Annual Report and
Financial Statements
31 December 2016

BOV Joseph Calleja
Foundation

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Report of the Chairman

I have much pleasure in presenting herewith our Annual Report of the BOV Joseph Calleja Foundation (BOVJCF) for the year ended 31 December 2016.

The 2016 year saw the Board continuing with its efforts on the implementation of the “gifted youth” and “vulnerable child” support programmes, and good progress had been made on both fronts, as can be seen from the details provided below. The BOVJCF Patrons scheme was launched in 2015, and the Board is very pleased to be able to report an exceptionally high renewal rate in 2016, as well as being able to welcome a number of new Patrons to the scheme during the year.

The Foundation also organised another very successful and memorable annual winter concert. For the first time since formation, this year’s concert was staged at the Manoel Theatre, and featured Joseph Calleja and a number of BOVJCF Scholars, together with the Malta Philharmonic Orchestra, under the baton of Mro Brian Schembri. As always, all the artists performed at the concert without charge, and donations received (totalling €51,440), were all applied to support the objectives of the Foundation.

Giving the Foundation Scholars the opportunity to show their wonderful talents before a large and appreciative audience - and the fantastic opportunity to perform alongside Joseph Calleja and the MPO are key ingredients of the Talented Youth initiative. This experience does wonders for the Scholars’ self-belief and self-confidence - which are essential attributes for any successful career in the world of the performing arts. The concert also gave our Patrons the opportunity to see for themselves the very high quality of the talent that their generosity is supporting.

A vitally important characteristic of the Foundation continues to be that all concerned with its activities and administration provide their services on a pro bono basis. Thus, apart from those costs directly and necessarily incurred in staging the annual concert, other costs incurred are absolutely minimal. This enables the Board to ensure that all funds raised, whether through our Patrons programme or from the winter concert, are applied in their entirety

in the implementation of our Gifted Youth and Vulnerable Child programmes.

The table below shows those Scholars (past and present) and eligible causes who have received or are receiving support from the Foundation. During the year under review the Foundation paid out or committed to pay the sum of €68,892 (2015: €29,149) to BOV Joseph Calleja Foundation Scholars and other eligible causes. Subject to satisfactory reports and performance, a number of Scholars and qualifying causes are eligible to apply for multi-year support on certain programmes. As at the date of this report, the Foundation has made provisional and conditional commitments amounting to a further €105,585 (2015: €122,045).

Apart from the support provided by the Foundation under the “gifted youth” programme, during 2016 the Foundation also agreed to extend support to the Paolo Freire Institute (PFI) in Zejtun under our vulnerable child objective. The PFI does wonderful work with a number of vulnerable children in the community, and the Foundation’s support was in the form of funding for the use of music therapy as part of this programme. The Foundation also treated the children to a visit to Pantomime at the Manoel Theatre, where they were also taken back stage to be introduced to the cast, and to view the wardrobe and make-up sections in action. The PFI initiative has been judged to be a success, and the Foundation is planning to use the experience gained to roll out similar programmes in other vulnerable locations of our society.

As noted above, 2017 saw the continuation of the Foundation’s Patrons programme. The Patrons scheme has been established to enable those who wish to do so to contribute to the objectives of the Foundation, and we are most grateful to those Patrons who have responded with such generosity to the Foundation’s appeal. The generosity of our 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 programme. As you can see from the table, in the three years since its establishment, the Foundation has already committed to extend support to no less than twenty-two Scholars.

It is clear from the many applications that we receive that Malta is blessed with an abundance of talent in the field of the performing arts. The Foundation feels humbled to be able to be of assistance to this outstanding talent. The Board sees its role as providing 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 talent. The generous support that we receive from our Patrons and other benefactors enables the Foundation to do just that.

I will close by expressing my thanks to the Board members for their active participation and support as we set about implementing the objectives for which the Foundation was established. Special thanks are due 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 total personal and very dedicated commitment to 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. Finally, my thanks go to Bank of Valletta for their unstinting support, and especially to Kenneth Micallef for the outstanding assistance that he extends to the Foundation and to the Board. His organisational skills, hard work and long hours - all provided on a voluntary basis - are greatly appreciated.



Roderick E. D. Chalmers
Chairman
BOV Joseph Calleja Foundation

4 July 2017

Scholars roll as at end June 2017

Claire Ghigo - Mezzo

Kurt Sacco - Violin

Cliff Zammit Stevens - Tenor

Nicola Said - Soprano

Nadine Galea - Violin

Marvic Monreal - Mezzo

Warren Galea - Jazz Guitar

Philip Attard - Saxophone

Isaiah Muscat - Dance

Charles Buttigieg - Baritone

Euchar Gravina - Composition

Glen Zammit - French Horn

Laetitia Amodio - Piano

Elaine Grech - Dance

Graziella Zammit Briffa - Mezzo

Christine Zerafa - Piano Accompaniment

Stefanie Pavia - Viola

Gabrielle Sargent - Soprano

Marvic Baldacchino - Soprano

Alan Sciberras - Tenor

Daniel Calafato - Trumpet

Matthew Calafato - Saxophone

Vulnerable Child Programme & Other Initiatives

Salesians - Art Through the Eyes and Soul programme

Dione Attard

St Margaret's College

Paolo Freire Institute

Georg Zammit

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 2016. The comparative figures for 2015 relate to the year ended 31 December 2015.

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 2016, the Foundation organised its annual Christmas concert. Donations received in connection with this concert totalled €51,440 (2015: €55,600). In addition, the Foundation received further sums totalling € 107,868 (2015: €94,477) from Founders, Patrons and other benefactors. During the year under review the Foundation paid out or committed to pay the sum of €68,892 (2015: €29,149) to BOV Joseph Calleja 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 (4 July 2017), these conditional commitments amounted to €105,585 (2016: €122,045) 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 9.

Report of the Board of Administrators - continued

Board of Administrators

The Foundation's administrators during the period were:

Mr Roderick E.D. Chalmers – Chairman
Fr Michael Agius
Mr Angelo Cefai
Ms Helga Ellul
Dr Alec Lapira
Ms Michelle Muscat
Mr Alfred Pisani
Dr. Sabine Agius Cabourdin

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:

On behalf of the Board of Administrators



Roderick E. D. Chalmers
Chairman



Kenneth B. Micallef
Secretary to the Board

- 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.

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

29 September 2017

Independent auditor's report

To the Board of Administrators of the BOV JOSEPH CALLEJA FOUNDATION

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 2016, 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 8 to 15, comprise:

- the statement of financial position as at 31 December 2016;
- 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 Action 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.

Auditor's responsibilities for the audit of the financial statements

- 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

29 September 2017



Statement of financial position

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	Notes	As at 31 December	
		2016 €	2015 €
ASSETS			
Current assets			
Receivables	4	48,400	27,183
Cash and cash equivalents	5	246,044	190,796
Total current assets		294,444	217,979
Total assets		294,444	217,979
EQUITY AND LIABILITIES			
Capital and reserves			
Endowment capital		233	233
Accumulated surplus		275,840	201,965
Total equity		276,073	202,198
Current liabilities			
Payables	6	18,371	15,781
Total liabilities		18,371	15,781
Total equity and liabilities		294,444	217,979

The notes on pages 10 to 15 are an integral part of these financial statements.

The financial statements on pages 8 to 15 were approved by the Foundation's Board of Administrators on 4 July 2017 and were signed on its behalf by:



Roderick E. D. Chalmers
Chairman



Kenneth B. Micallef
Secretary to the Board

Income and expenditure account

	Notes	Period ended 31 December	
		2016	2015
		€	€
BOV Annual contribution		25,000	20,000
Donations from patrons and other donations	7	82,868	74,477
Donations in connection with Christmas concerts		51,440	55,600
Total income		159,308	150,077
Expenses	8	(18,662)	(19,964)
Surplus before interest		140,646	130,113
Interest received – net of tax at source		2,121	1,246
Surplus for the year before appropriations		142,767	131,359
Appropriations to eligible causes, in accordance with the Foundation's statute	9	(68,892)	(29,149)
Surplus carried forward to be appropriated in future years		73,875	102,210

The notes on pages 10 to 15 are an integral part of these financial statements.

Statement of changes in equity

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	Accumulated surplus €	Reserve fund €	Total €
Endowment capital introduced during the period	233	99,755	99,988-
Surplus for the period ended 31 December 2015	-	102,210	102,210
Balance at 31 December 2015	233	201,965	202,198
	Accumulated surplus €	Reserve fund €	Total €
Balance at 1 January 2016	233	201,965	202,198
Surplus for the year ended 31 December 2016	-	73,875	73,875
Balance at 31 December 2016	233	275,840	276,073

The notes on pages 10 to 15 are an integral part of these financial statements.

Statement of cash flows

	Notes	Period ended 31 December 2016 €	Period ended 31 December 2015 €
Cash flows from operating activities	10	55,248	123,956
Net cash generated from operating activities		55,248	123,956
Net movement in cash and cash equivalents		55,248	123,956
Cash and cash equivalents at beginning of period		190,796	66,840
Cash and cash equivalents at end of period	5	246,044	190,796

The notes on pages 10 to 15 are an integral part of these financial statements.

Notes to the financial statements

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.

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 and donations in connection with the 2016 Christmas concert, all of which were received in early 2017.

5. Cash and cash equivalents

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

	2016	2015
	€	€
Cash at bank	<u>246,044</u>	190,796

6. Payables

	2016	2015
	€	€
Accrued expenditure in relation to concerts	18,371	3,177
Donations received in advance	-	2,000
Commitments for appropriations to eligible causes	-	8,134
Accrued expenditure	-	2,470
	<u>18,371</u>	<u>15,781</u>

7. Donations from patrons and other donations

	2016	2015
	€	€
Donations in excess of €10,000	-	25,000
Donations in excess of €5,000	25,000	10,000
Donations in excess of €3,000	33,000	21,948
Other donations	24,868	17,529
	82,868	74,477

8. Expenses

Expenses for the period comprised:

	2016	2015
	€	€
Expenses in connection with concerts	18,626	16,246
Marketing and promotion	-	3,570
Website development	-	-
Other expenses	36	148
	18,662	19,964

9. Appropriation to eligible causes

During the year the Foundation paid out or committed to pay out the sum of €68,892 (2015: €29,149) 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 (4 July 2017), these conditional commitments amounted to €105,585 and will be accounted for in the accounts of the year of confirmation and disbursement.

10. Cash generated from operations

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

	2016	2015
	€	€
Net surplus for the period	73,875	102,210
Changes in working capital		
Receivables	(21,217)	24,950
Payables	2,590	(3,204)
	<hr/>	<hr/>
Cash generated from operations	55,248	123,956

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 2015, the Foundation was enrolled as a voluntary organisation in term 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 June 2017

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Donors	Ganado Advocates
	Alf Mizzi Foundation
	Charles Polidano

Friend	Robert Aquilina
	Borg & Aquilina Ltd.
	Walter Cassar
	Paul Xuereb

Silver	Alberta Group
	Camilleri Preziosi Advocates
	Farsons Investments Limited
	Gasam Mamo Insurance
	Carmen Gatt Baldachino
	Gianpula
	Joinwell
	Maypole Group
	Paul Nailor
	Vassallo Builders Group
	Angelo Xuereb
	Anthony Zahra

Gold	AGB Investments
	Azzopardi Fisheries
	Natalie Briffa Farrugia
	Corrieri Cilia Legal
	Curmi & Partners
	James Drake
	E&S Consultancy Ltd.
	Fides Corporate Services
	Gasam Group Limited
	Ilse and Reinhold Karner
	Reuben Magro
	Savina Dental Clinics (Gozo)
	Johann Schembri
	Simonds Farsons Cisk plc
	Virtu Ferries
	Winston J Zahra

Platinum	Agapi Trust
	Neville Agius
	Nigel and Bernie Foster
	Mapfre MSV Life Plc
	The Francis Miller Memorial Fund
	J P Roed
	Winston V Zahra

Lifetime	KPMG
	Philo-Sophia Partners
	Alfred Pisani

Honorary	Juliette Bisazza
Patrons	Sigmund Mifsud
	PricewaterhouseCoopers
	Brian Schembri
	Gillian Zammit