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## Independent Auditors' Report

### To the Administrators of The Lino Spiteri Foundation

#### *Opinion*

We have audited the financial statements of The Lino Spiteri Foundation (the "Foundation"), which comprise the balance sheet as at 31 December 2020 and the income statement for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2020, and of its financial performance for the year then ended in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-Sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations ("GAPSME").

#### *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 *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive* issued in terms of the Accountancy Profession Act (Chapter 281, Laws of Malta), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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## Independent Auditors' Report (continued)

### To the Administrators of The Lino Spiteri Foundation

#### *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 GAPSME, 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.

The administrators are also responsible for overseeing the financial reporting process.

#### *Auditors' 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 auditors' 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.



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## Independent Auditors' Report (continued)

### To the Administrators of The Lino Spiteri Foundation

#### *Auditors' responsibilities for the audit of the financial statements (continued)*

- 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 auditors' 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 auditors' 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.



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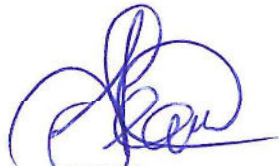
## Independent Auditors' Report (continued)

### To the Administrators of The Lino Spiteri Foundation

#### *Other matter – restriction on use and distribution*

The financial statements are prepared solely for the purpose of assisting the administrators in the process of preparing and filing the Foundation's income tax return in Malta. Our report is intended solely for the use of the administrators and should not be distributed to third parties, except when furnished to the Commissioner for Revenue.

The Principal authorised to sign on behalf of KPMG on the audit resulting in this independent auditors' report is Sean Azzopardi.



**KPMG**

Registered Auditors

8 July 2021

The Lino Spiteri Foundation

Financial Statements

For the year ended 31 December 2020

## Income statement

	Note	2020 €	2019 €
Subvention income		1.347,080	1,098,046
Other income		8,431	3,700
Direct costs		(681,516)	(661,462)
<b>Gross contribution</b>		<u>673,995</u>	<u>440,284</u>
Administrative expenses		(489,149)	(542,388)
<b>Surplus / (deficit) for the year</b>	4	<u>184,846</u>	<u>(102,104)</u>

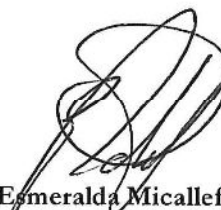
## Balance sheet

	Notes	2020 €	2019 €
<b>Assets</b>			
<b>Non-current assets</b>			
Equipment	5	20,330	23,782
		<u>20,330</u>	<u>23,782</u>
<b>Current assets</b>			
Receivables	6	14,461	6,928
Cash and bank balances		3,005,796	2,371,925
		<u>3,020,257</u>	<u>2,378,853</u>
<b>Total assets</b>		<u>3,040,587</u>	<u>2,402,635</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Payables	7	-	2,064,955
		<u>-</u>	<u>2,064,955</u>
<b>Current liabilities</b>			
Payables	7	2,789,295	268,564
Overdrawn bank balances		-	2,670
		<u>2,789,295</u>	<u>271,234</u>
<b>Total liabilities</b>		<u>2,789,295</u>	<u>2,336,189</u>
<b>Net Assets</b>		<u>251,292</u>	<u>66,446</u>
<b>Total liabilities and net assets</b>		<u>3,040,587</u>	<u>2,402,635</u>

The financial statements on pages 2 to 9 were approved and authorised for issued by the Board of Administrators on 8 July 2021 and signed on its behalf:



Joseph Gasan  
 Administrator & Chairman



Esmeralda Micallef Zarafa  
 Chief Executive Officer