

Inspire Foundation

Report and financial statements

31 December 2024

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Inspire Foundation (formerly The Eden and Razzett Foundation)

Board of Administrators' report

Year ended 31 December 2024

The Board of Administrators present their annual report and the audited financial statements of Inspire Foundation (formerly The Eden and Razzett Foundation) (the "Foundation") for the year ended 31 December 2024.

Objects and mission statement

The Foundation believes that everyone has a right to equality and inclusion. The Foundation's mission is to try to help everyone with a disability achieve this. This is done by providing individuals and their families with educational, therapeutic and other services. The Foundation also advocates for inclusion, educating the general public and raising awareness among peers.

Change of name

The Foundation changed its name from The Eden and Razzett Foundation to Inspire Foundation on 18 December 2023.

Composition of the Board of Administrators

The Board of Administrators is composed of seven members at the end of the year under review. During the year under review, the following persons sat on the Board:

Janatha Stubbs
Nathan Farrugia
Denis Zammit Cutajar
Dr. Rita Micallef
Aldo Abela
Alan Arrigo
Kevin Valenzia

Performance review

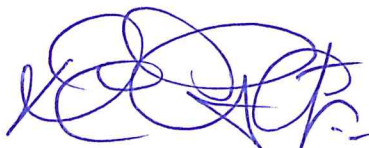
On 1 January 2009, the Foundation was registered as a voluntary organisation in terms of article 3 of the Voluntary Organisations Act 2007 (Cap. 492) under the identification number VO/0199.

During the year under review, the Foundation registered a surplus of income over expenditure for the year of €130,694 (2023 - €240,225). Net assets at year-end amounted to €7,914,945 (2023 - €4,554,872).

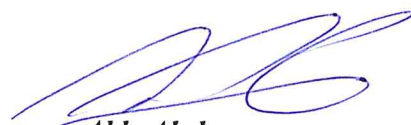
Auditors

A resolution to reappoint Deloitte Audit Limited as auditor of the Foundation will be proposed at the forthcoming general meeting.

Approved by the Board of Administrators and signed on its behalf on 24 March 2026 by:



Denis Zammit Cutajar
Chairman



Aldo Abela
Administrator

Inspire Foundation (formerly The Eden and Razzett Foundation)

Statement of Board of Administrators' responsibilities

The Administrators are required to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the EU which give a true and fair view of the state of affairs of the Foundation at the end of each financial year and of the surplus or deficit of the Foundation for the year then ended. In preparing these financial statements, the Administrators should:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in its activity as a going concern.

The Administrators are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Foundation. This responsibility includes designing, implementing and maintaining such internal control as the Administrators determine is necessary to enable the preparation and fair presentation 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.

Inspire Foundation (formerly The Eden and Razzett Foundation)

Income and expenditure account

Year ended 31 December 2024

	<i>Note</i>	2024 EUR	2023 EUR
Income			
Disability service agreements		3,865,555	3,670,873
Donations and grants	12	573,751	393,869
Income from charity shops		168,362	169,522
Social enterprise income		128,650	157,807
Disability pay per use income		4,900	5,755
Other operating income		285,956	168,290
Total income		5,027,174	4,566,116
Expenditure			
Provision of service agreements		(2,987,745)	(2,930,476)
Charity shops		(67,114)	(100,700)
Social enterprise operations		(451,984)	(338,057)
Disability pay per use		(23,866)	(16,877)
Depreciation		(197,945)	(186,265)
Other overheads		(1,167,826)	(753,516)
Total expenditure		(4,896,480)	(4,325,891)
Surplus of income over expenditure		130,694	240,225

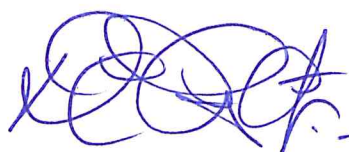
Inspire Foundation (formerly The Eden and Razzett Foundation)

Statement of affairs

31 December 2024

	<i>Notes</i>	2024 EUR	2023 EUR
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	7	6,929,468	3,371,442
Intangible assets		6,907	-
		<u>6,936,375</u>	<u>3,371,442</u>
Current assets			
Trade and other receivables	8	613,401	560,529
Cash and cash equivalents	13	1,164,710	1,233,891
		<u>1,778,111</u>	<u>1,794,420</u>
Total assets		<u>8,714,486</u>	<u>5,165,862</u>
Current liabilities			
Trade and other payables	9	799,541	610,990
Net assets		<u>7,914,945</u>	<u>4,554,872</u>
Represented by:			
Contribution	10	4,314,982	4,314,982
Revaluation reserve	11	3,229,379	-
Accumulated profit		370,584	239,890
		<u>7,914,945</u>	<u>4,554,872</u>

These financial statements were approved by the Board of Administrators, authorised for issue on 24 March 2026 and signed on its behalf by:



Denis Zammit Cutajar
Chairman



Aldo Abela
Administrator

Inspire Foundation (formerly The Eden and Razzett Foundation)

Statement of changes in funds

31 December 2024

	Contribution EUR <i>(note 10)</i>	Revaluation reserve EUR <i>(note 11)</i>	Accumulated profit EUR	Total fund EUR
At 1 January 2023	4,314,982	-	(335)	4,314,647
Surplus of income over expenditure	-	-	240,225	240,225
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2024	4,314,982	-	239,890	4,554,872
Revaluation reserve	-	3,229,379	-	3,229,379
Surplus of income over expenditure	-	-	130,694	130,694
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2024	4,314,982	3,229,379	370,584	7,914,945

Inspire Foundation (formerly The Eden and Razzett Foundation)

Statement of cash flows

Year ended 31 December 2024

	<i>Note</i>	2024 EUR	2023 EUR
Cash flows from operating activities			
Surplus of income over expenditure		130,694	240,225
<i>Adjustments for:</i>			
Depreciation and amortisation		197,945	186,265
Bad debts written off		-	4,449
Provision for bad debts	8	325	-
		<hr/>	<hr/>
Excess of income over expenditure before working fund movements		328,964	430,939
Movement in trade and other receivables	8	(53,197)	(93,311)
Movement in trade and other payables	9	188,551	99,260
		<hr/>	<hr/>
<i>Cash flows from operating activities</i>		464,318	436,888
		<hr/>	<hr/>
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(525,534)	(350,525)
Purchase of intangible asset		(7,965)	-
		<hr/>	<hr/>
<i>Cash flows used in investing activities</i>		(533,499)	(350,525)
		<hr/>	<hr/>
Net movement in cash and cash equivalents		(69,181)	86,363
Cash and cash equivalents at the beginning of the year		1,233,891	1,147,528
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	13	1,164,710	1,233,891
		<hr/> <hr/>	<hr/> <hr/>

Inspire Foundation (formerly The Eden and Razzett Foundation)

Notes to the financial statements

31 December 2024

1. Company information and basis of preparation

The financial statements have been prepared on the historical cost basis, except for land and buildings, which are stated at their revalued amounts, and in accordance with International Financial Reporting Standards as adopted by the EU. The material accounting policy information adopted is set out below.

The principal activity of the Foundation is to try to help individuals with a disability need and provide them and their families with educational, therapeutic and other services. The Foundation also advocates for inclusion, educating the general public and raising awareness among peers.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Foundation determines when transfers are deemed to have occurred between Levels in the hierarchy at the end of each reporting period.

2. Material accounting policy information

Property, plant and equipment

The Foundation's property, plant and equipment are classified into the following classes - land and buildings, improvement to buildings, plant and machinery, motor vehicles and furniture, fixtures and other equipment.

Property, plant and equipment are initially measured at cost. Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably. Expenditure on repairs and maintenance of property, plant and equipment is recognised as an expense when incurred.

Buildings are held for use in the production or supply of goods or services or for administrative purposes. Subsequent to initial recognition, land and buildings are stated at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Inspire Foundation (formerly The Eden and Razzett Foundation)

Notes to the financial statements

31 December 2024

2. Material accounting policy information (continued)

Property, plant and equipment (continued)

Revaluations are made for the entire class of land and buildings and with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Any revaluation increase arising on the revaluation is recognised in other comprehensive income and accumulated in equity under the heading of revaluation reserve unless it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset. Every year, the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred from the revaluation reserve to accumulated profit/(deficit). When the asset is derecognised, the attributable revaluation remaining in the revaluation reserve is transferred to accumulated profit/(deficit).

Other classes of property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in profit or loss in the period of derecognition.

Properties in the course of construction

Properties in the course of construction for production, supply or administrative purposes are classified as property, plant and equipment and are carried at cost, less any identified impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Foundation's accounting policy on borrowing costs. Depreciation of these assets, on the same basis as other property assets, commences when the assets are available for use.

Inspire Foundation (formerly The Eden and Razzett Foundation)

Notes to the financial statements

31 December 2024

2. Material accounting policy information (continued)

Depreciation

Depreciation commences when the depreciable assets are available for use and is charged to income and expenditure account so as to write off the cost/revalued amount, less any estimated residual value, over their estimated useful lives, using the straight-line method, on the following bases:

Land	- not depreciated
Buildings	- 1% per annum
Improvement to buildings	- 6.7% per annum
Plant and machinery	- 6.7 - 16.7% per annum
Motor vehicles	- 20% per annum
Furniture, fixtures and other equipment	- 10 – 25% per annum
Computer software	- 20% per annum

The depreciation method applied, the residual value and the useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

Financial instruments

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of affairs when the Foundation has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or when the entity transfers the financial asset and the transfer qualifies for derecognition.

Financial liabilities are derecognised when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires.

Inspire Foundation (formerly The Eden and Razzett Foundation)

Notes to the financial statements

31 December 2024

2. Material accounting policy information (continued)

Financial instruments (continued)

Financial assets

The significant accounting policies for financial assets are as follows:

Classification of financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.

The business model

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Foundation determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

Debt instruments measured at amortised cost

The following financial assets are classified within this category – trade receivables and cash at bank.

Appropriate allowances for expected credit losses ('ECLs') are recognised in profit or loss in accordance with the Foundation's accounting policy on ECLs.

Changes in the carrying amount as a result of foreign exchange gains or losses, impairment gains or losses and interest income are recognised in profit or loss. On derecognition, any difference between the carrying amount and the consideration received is recognised in profit or loss and is presented separately in the line item 'Gains and losses arising from the derecognition of financial assets measured at amortised cost'.

Trade receivables which do not have a significant financing component are initially measured at their transaction price and are subsequently stated at their nominal value less any loss allowance for ECLs.

Inspire Foundation (formerly The Eden and Razzett Foundation)

Notes to the financial statements

31 December 2024

2. Material accounting policy information (continued)

Financial instruments (continued)

Financial liabilities and equity

Trade and other payables

Trade and other payables are classified with current liabilities and are stated at their nominal value.

Expected credit losses

The Foundation recognises a loss allowance for ECLs on the following – debt instruments measured at amortised cost.

The amount of ECLs is updated at each reporting date to reflect changes in credit risk since the initial recognition.

The Foundation uses the general approach and recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Foundation measures the loss allowance for that financial instrument at an amount equal to 12-month ECL ('12m ECL'). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the ECLs that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Foundation recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying value.

Significant increase in credit risk

In assessing whether the credit risk on a debt instrument has increased significantly since initial recognition, the Foundation compares the risk of a default occurring on the debt instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Foundation considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort and, where applicable, the financial position of the counterparties.

Inspire Foundation (formerly The Eden and Razzett Foundation)

Notes to the financial statements

31 December 2024

2. Material accounting policy information (continued)

Significant increase in credit risk (continued)

The Foundation regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Forward-looking information considered includes the future prospects of the industries in which the foundation's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Foundation's core operations.

The Foundation assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. Accordingly, for these financial assets, the loss allowance is measured at an amount equal to 12m ECL. A debt instrument is determined to have low credit risk if i) the debt instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Foundation considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Foundation, in full (without taking into account any collateral held by the Foundation).

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Inspire Foundation (formerly The Eden and Razzett Foundation)

Notes to the financial statements

31 December 2024

2. Material accounting policy information (continued)

Credit-impaired financial assets (continued)

Evidence that a financial asset is credit-impaired includes observable data about the following events:

- a) significant financial difficulty of the issuer or the borrower;
- b) breach of contract, such as a default or past due event;
- c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e) the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Foundation writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

Financial assets written off may still be subject to enforcement activities under the Foundation's recovery procedures, taking into account legal advice where appropriate. Recoveries made are recognised in profit or loss as impairment gains.

Measurement and recognition of expected credit losses

For financial assets, the credit loss is the difference between all contractual cash flows that are due to the Foundation in accordance with the contract and all the cash flows that the Foundation expects to receive, discounted at the original effective interest rate. ECLs represent the weighted average of credit losses with the respective risks of a default occurring as the weights.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information, where applicable.

Impairment of other assets

All other assets are tested for impairment in terms of this accounting policy.

At the end of each reporting period, the carrying amount of assets is reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated.

An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.

Inspire Foundation (formerly The Eden and Razzett Foundation)

Notes to the financial statements

31 December 2024

2. Material accounting policy information (continued)

Impairment of other assets (continued)

In the case of other assets tested for impairment, the recoverable amount is the higher of fair value (which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date) less costs of disposal and value in use (which is the present value of the future cash flows expected to be derived, discounted using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset). Where the recoverable amount is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount, as calculated.

Impairment losses are recognised immediately in profit or loss.

An impairment loss recognised in a prior year is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Impairment reversals are recognised immediately in profit or loss.

Revenue recognition

In the current year, the significant accounting policies for the recognition of revenue are as follows:

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Foundation recognises revenue when (or as) it satisfies a performance obligation by transferring control of a promised good or service to the customer.

Incoming resources

Incoming resources are recognised in the period in which the Foundation is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the Foundation has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Inspire Foundation (formerly The Eden and Razzett Foundation)

Notes to the financial statements

31 December 2024

2. Material accounting policy information (continued)

Revenue recognition (continued)

Government grants

Government grants are recognised when there is reasonable assurance that all the conditions attaching to them are complied with and the grants will be received.

Government grants related to income are recognised in profit or loss over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Such grants are presented in the income and expenditure accounts.

Resources expended

Expenditure is recognised when incurred.

Expenditure is recognised on an accrual basis. Where applicable, expenditure including grants is charged against the fund to which it relates.

Certain expenditure is apportioned to cost categories based on the estimated amount attributable to that activity in the year. The majority of costs are directly attributable to specific activities.

Funds accounting

Funds held by the Foundation are generally unrestricted funds. These are funds which can be used in accordance with the charitable objects of activity, at the discretion of the Administrators.

Taxation

The Foundation is exempt from income tax for the purposes of article 12(1)(e) of the Income Tax Act as it is considered an approved institution in terms of article 2 of Subsidiary Legislation 123.24 – *Exemption on Philanthropic Work Notice*.

Leases

The Foundation assesses whether the contract is, or contains, a lease at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The lease term is determined as the non-cancellable period of a lease, together with both (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Inspire Foundation (formerly The Eden and Razzett Foundation)

Notes to the financial statements

31 December 2024

2. Material accounting policy information (continued)

Leases (continued)

The Foundation as a lessee

The Foundation recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, unless otherwise stated below.

For short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets, the Foundation applies the recognition exemption. For these leases, the Foundation recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the pattern of the lessee's benefit.

Lease payments included in the measurement of the lease liability comprise (a) fixed lease payments (including in-substance fixed payments), less any lease incentives receivable; (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date; (c) the amount expected to be payable by the lessee under residual value guarantees; (d) the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and (e) payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other operating expenses' in profit or loss.

Employee benefits

The Foundation contributes towards the state pension in accordance with local legislation. The only obligation of the Foundation is to make the required contributions. Costs are expensed in the period in which they are incurred.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the process of applying the company's accounting policies, management has made no judgements which can significantly affect the amounts recognised in the financial statements and, at the end of the reporting period, there were no key assumptions concerning the future, or any other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, other than as disclosed in note 7 and note 14 to the financial statements.

Inspire Foundation (formerly The Eden and Razzett Foundation)

Notes to the financial statements

31 December 2024

4. Initial application of International Financial Reporting Standards and International Financial Reporting Standards in issue but not yet effective

Initial application of International Financial Reporting Standards

The Foundation applied and adopted new standards, amendments and interpretations to existing standards that are mandatory for the Company's accounting period beginning 1 January 2024, as set out below. The adoption of the amended standard did not result in any material effect on the financial statements of the Foundation:

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021) – provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies.

International Financial Reporting Standards in issue but not yet effective

The Administrators anticipate that the adoption of IFRSs that were in issue at the date of authorisation of these financial assets but not yet effective, will have no material impact on the financial statements of the Foundation in the period of initial application.

5. Staff costs and employee information

	2024 EUR	2023 EUR
<i>Staff costs:</i>		
Wages and salaries	3,196,410	2,800,394
Social security costs	274,436	244,541
	<u>3,470,846</u>	<u>3,044,935</u>

The average number of persons employed during the year was made up as follows:

	2024 Number	2023 Number
Fundraising	9	4
Services to persons with disability	92	97
Management and administration	16	13
Operations	8	8
Rehab and Wellness Centre	7	4
	<u>132</u>	<u>126</u>

6. Taxation

The Foundation is exempt from tax in accordance with Article 12(1)(e) of the Income Tax Act (Cap. 123) and has been approved by virtue of legal notice 338 of 2009.

Inspire Foundation (formerly The Eden and Razzett Foundation)

Notes to the financial statements

31 December 2024

7. Property, plant and equipment

	Land and buildings EUR	Improvement to buildings EUR	Plant and machinery EUR	Motor vehicles EUR	Furniture, fixtures and other equipment EUR	Assets under construction EUR	Total EUR
Cost/Revalued amount							
At 01.01.2023	3,930,285	480,872	623,816	15,500	269,866	-	5,320,339
Additions	-	161,108	33,210	-	9,773	146,434	350,525
At 01.01.2024	3,930,285	641,980	657,026	15,500	279,639	146,434	5,670,864
Additions	171,271	55,656	123,447	-	44,687	130,473	525,534
Transfers	(129,110)	129,110	-	-	-	-	-
Accumulated depreciation eliminated on revaluation	(1,331,825)	-	-	-	-	-	(1,331,825)
Increase in fair value	3,229,379	-	-	-	-	-	3,229,379
At 31.12.2024	5,870,000	826,746	780,473	15,500	324,326	276,907	8,093,952
Accumulated depreciation							
At 01.01.2023	1,497,974	152,247	286,672	517	175,747	-	2,113,157
Provision for the year	39,302	38,670	74,946	3,100	30,247	-	186,265
At 01.01.2024	1,537,276	190,917	361,618	3,617	205,994	-	2,299,422
Provision for the year	69,652	16,018	80,047	3,100	28,070	-	196,887
Transfers	(275,103)	275,103	-	-	-	-	-
Eliminated on revaluation	(1,331,825)	-	-	-	-	-	(1,331,825)
At 31.12.2024	-	482,038	441,665	6,717	234,064	-	1,164,484
Carrying amount							
At 31.12.2023	2,393,009	451,063	295,408	11,883	73,645	146,434	3,371,442
At 31.12.2024	5,870,000	344,708	338,808	8,783	90,262	276,907	6,929,468

Inspire Foundation (formerly The Eden and Razzett Foundation)

Notes to the financial statements

31 December 2024

7. Property, plant and equipment (continued)

In 2011, the Foundation took over various property, plant and equipment from the founding organisations for no consideration. The title of one of the properties being situated in Marsascala, is subject to it being used solely and exclusively for charitable purposes. Should the said property cease to be used for the aforesaid reasons, the ownership of the said property shall immediately revert to the donor.

Land and buildings

On 31 December 2024, the Foundation transitioned from the cost model to the revaluation model for Land and buildings. In accordance with IAS 16, the policy is applied prospectively from 31 December 2024, therefore, the adoption of the new policy has no impact on prior years. The effect on the current year is presented in the above schedule and further detailed in note 11.

Valuations were performed during 2025 by an independent, professionally qualified architect with experience in valuing similar properties. The board of administrators are of the opinion that the fair value arrived at by the architect is reflective of the fair value as at 31 December 2024.

The fair value of the land and buildings in Marsascala was determined using the cost approach (“Cost Method for Existing Use”), which reflects the estimated replacement cost of the asset in its current condition and use. The Gozo property was valued using the comparative method (market approach), applying market evidence from comparable properties and adjusting for differences in characteristics.

Details about the Foundation’s land and buildings and information about the fair value hierarchy at 31 December 2024 are as follows:

Fair value measurement at end of the reporting period using:

	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Marsascala property	-	-	5,400,000	5,400,000
Gozo property	-	470,000	-	470,000
At 31 December 2024	-	470,000	5,400,000	5,870,000

The Marsascala property is classified within Level 3 of the fair value hierarchy because this property is subject to specific legal and contractual restrictions, which limit its permissible use, as disclosed above.

The carrying amount of land and buildings that would have been included in the financial statements had these assets been carried at cost less accumulated depreciation and accumulated impairment losses is *EUR2,640,621* (2023 – *EUR2,539,002*).

Inspire Foundation (formerly The Eden and Razzett Foundation)

Notes to the financial statements

31 December 2024

8. Trade and other receivables

	2024 EUR	2023 EUR
Trade receivables	346,081	412,506
Other receivables	58,705	71,902
Prepayments and accrued income	208,615	76,121
	<u>613,401</u>	<u>560,529</u>

During the year, an allowance has been made for doubtful debts of *EUR325* (2023 – *nil*).

9. Trade and other payables

	2024 EUR	2023 EUR
Trade payables	404,250	155,758
Other payables	116,113	268,594
Accruals and deferred income	279,178	186,638
	<u>799,541</u>	<u>610,990</u>

10. Contribution

This contribution of *EUR4,314,982* represents the assets taken over by the Foundation for no consideration from The Eden Foundation and The Razzett tal-Hbiberija Foundation in 2011. During 2012, *EUR14,501* was reversed from the original contribution of *EUR4,329,483*.

11. Revaluation reserve

As disclosed in note 7, following the transition from the cost model to the revaluation model for land and buildings, the Foundation recognised a revaluation surplus of *EUR3,229,379*. This surplus has been credited to a revaluation reserve and is not available for distribution.

12. Donations and grant income

	2024 EUR	2023 EUR
Cash donations	436,672	335,316
Restricted funding	92,642	58,553
Donations in kind	44,437	-
	<u>573,751</u>	<u>393,869</u>

Inspire Foundation (formerly The Eden and Razzett Foundation)

Notes to the financial statements

31 December 2024

13. Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the statement of affairs:

	2024 EUR	2023 EUR
Cash at bank and on hand	<u>1,164,710</u>	<u>1,233,891</u>

14. Fair values of financial assets and financial liabilities

At 31 December 2024 and 2023, the carrying amounts of financial assets and financial liabilities classified within current assets and current liabilities respectively approximated their fair values due to the short-term maturities of those assets and liabilities.

At 31 December 2024, the Foundation adopted the revaluation model for the class of land and buildings. Disclosures relating to the fair value measurement are presented in note 7.

15. Financial risk management

Due to the nature of the Foundation's operations, the Foundation is exposed to credit and liquidity risks.

The exposures to these risks and the way they arise, together with the Foundation's objectives, policies and processes for managing and measuring these risks are disclosed in more detail below.

The objectives, policies and processes for managing financial risks and the methods used to measure such risks are subject to continual improvement and development.

Where applicable, any significant changes in the Foundation's exposure to financial risks or the manner in which the Foundation manages and measures these risks are disclosed below.

Where possible, the Foundation aims to reduce and control risk concentrations. Concentrations of financial risk arise when financial instruments with similar characteristics are influenced in the same way by changes in economic or other factors. The amount of the risk exposure associated with financial instruments sharing similar characteristics is disclosed in more detail in the notes to the financial statements.

Credit risk

Credit risk refers to the risk that a counterparty will cause a financial loss for the Foundation by failing to discharge an obligation.

Financial assets which potentially subject the Foundation to concentrations of credit risk consist principally of receivables and cash at bank.

Inspire Foundation (formerly The Eden and Razzett Foundation)

Notes to the financial statements

31 December 2024

15. Financial risk management (continued)

Credit risk (continued)

Receivables are presented net of an allowance for doubtful debts. The Foundation applies an ECL model. Credit risk with respect to receivables is limited due to credit control procedures and the large number of customers comprising the Foundation's debtor base.

Cash at bank is placed with reliable financial institutions.

The carrying amount of cash at bank and trade and other receivables recorded in the financial statements, which is net of impairment losses, represents the Foundation's maximum exposure to credit risk.

During the year, an allowance has been made for doubtful debts of *EUR325 (2023 – nil)*.

Liquidity risk

The Foundation monitors and manages its risk to a shortage of funds by monitoring forecast and actual cash flows and by matching the maturity of both its financial assets and financial liabilities.

Independent auditor's report

to the members of

Inspire Foundation (formerly The Eden and Razzett Foundation)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Inspire Foundation (formerly The Eden and Razzett Foundation) (the Foundation), set out on pages 3 to 22, which comprise the statement of affairs as at 31 December 2024, the income and expenditure account, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy 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 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as adopted by the European Union and have been properly prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

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

Information other than the Financial Statements and the Auditor's Report thereon

The board of administrators is responsible for the other information. The other information comprises the Board of Administrators' report on page 1 and the Statement of Board of Administrators' responsibilities on page 2, 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.

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Independent auditor's report (continued)

to the members of

Inspire Foundation (formerly The Eden and Razzett Foundation)

Information other than the Financial Statements and the Auditor's Report thereon (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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 Board of Administrators for the Financial Statements

As explained more fully in the Statement of Board of Administrators' responsibilities on page 2, the Board of Administrators are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRSs) as adopted by the European Union and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the Board of Administrators determines 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 Board of 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 Board of 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 in accordance with articles 179 and 179A of the Companies Act (Cap. 386).

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.

In terms of article 179A(4) of the Maltese Companies Act (Cap. 386), the scope of our audit does not include assurance on the future viability of the Foundation or on the efficiency or effectiveness with which the Board of Administrators has conducted or will conduct the affairs of the Foundation. The financial position of the Foundation may improve, deteriorate or otherwise be subject to change as a consequence of decisions taken, or to be taken, by the management thereof, or may be impacted by events occurring after the date of this opinion, including, but not limited to, events of force majeure.

As such, our audit report on the Foundation's historical financial statements is not intended to facilitate or enable, nor is it suitable for, reliance by any person, in the creation of any projections or predictions, with respect to the future financial health and viability of the Foundation, and cannot therefore be utilised or relied upon for the purpose of decisions regarding investment in, or otherwise dealing with (including but not limited to the extension of credit), the Foundation. Any decision – making in this respect should be formulated on the basis of a separate analysis, specifically intended to evaluate the prospects of the Foundation and to identify any facts or circumstances that may be materially relevant there to.

Independent auditor's report (continued)

to the members of

Inspire Foundation (formerly The Eden and Razzett Foundation)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment 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 Board of Administrators.
- Conclude on the appropriateness of the Board of 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. Accordingly, the absence of any reference to a material uncertainty about the Foundation's ability to continue as a going concern in our auditor's report should not be viewed as a guarantee as to the Foundation's ability 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.

For the avoidance of doubt, any conclusions concerning the adequacy of the capital structure of the Foundation, including the formulation of a view as to the manner in which financial risk is distributed between creditors cannot be reached on the basis of these financial statements alone and must necessarily be based on a broader analysis supported by additional information.

We communicate with Board of 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.

Independent auditor's report (continued)

to the members of

Inspire Foundation (formerly The Eden and Razzett Foundation)

Report on Other Legal and Regulatory Requirements

Under the Maltese Companies Act (Cap. 386), we have responsibilities to report to you if in our opinion:

- Proper accounting records have not been kept;
- Proper returns adequate for our audit have not been received from branches not visited by us;
- The financial statements are not in agreement with the accounting records and returns; or
- We have been unable to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.

We have nothing to report to you in respect of these responsibilities.

The audit report was drawn up on 24 March 2026 and signed by:



Annabelle Zammit Pace as Director

in the name and on behalf of

Deloitte Audit Limited

Registered auditor

Central Business District, Birkirkara, Malta