



## BALANCE SHEET at 31 December 2017

### STATEMENT OF ASSETS AND LIABILITIES

(amounts in Euro)	31 dicembre 2017	31 dicembre 2016
<b>ASSETS</b>	<b>1.476.449</b>	<b>1.317.110</b>
<b>A) Receivables from associate members for payments still due</b>	-	-
<b>B) FIXED ASSETS</b>	<b>4.500</b>	<b>3.797</b>
<b>I- Intangible fixed assets</b>	-	-
7) Other intangible fixed assets	-	-
<b>II- Tangible fixed assets</b>	<b>4.500</b>	<b>3.797</b>
3) Other assets	11.412	9.278
4) Depreciations other assets	(6.912)	(5.481)
5) Immobilizzazioni in corso e acconti		
<b>C) CURRENT ASSETS</b>	<b>1.471.950</b>	<b>1.310.945</b>
<b>II- Receivables</b>	<b>683.935</b>	<b>405.110</b>
1) With customers		-
2) of donations from the Foundation's supporters to be received		
3) Receivable represented by credit securities	673.893	400.609
4) Tax receivables	653	1.327
5) With others	9.389	3.174
<b>IV- Cash equivalents</b>	<b>788.014</b>	<b>905.835</b>
1) Bank and post office accounts	783.088	900.522
2) Cash on hand and valuables	4.927	5.313
<b>D) Accrued income and prepayments</b>	-	<b>2.368</b>
1) Prepayments	-	2.368

<b>LIABILITIES</b>		<b>1.476.449</b>	<b>1.317.110</b>
<b>A) NET EQUITY</b>		<b>1.125.164</b>	<b>1.231.212</b>
<b>I- Free Equity</b>		<b>975.164</b>	<b>1.081.212</b>
1) Profit (loss) for the year	(106.048)		37.006
2) Retained Earnings	1.081.212		1.044.206
<b>II- Endowment fund</b>	<b>150.000</b>	<b>150.000</b>	<b>150.000</b>
<b>B) PRVISION FOR CONTINGECIES AND OTHER LIABILITIES:</b>		<b>-</b>	<b>-</b>
<b>C) EMPLOYEE SEVERANCE PAY</b>		<b>42.179</b>	<b>56.597</b>
<b>D) PAYABLES</b>		<b>77.182</b>	<b>29.301</b>
1) Bank payables	-		-
2) Payables to suppliers	5.985		105
3) Taxes payables	11.682		5.881
4) Payables to social security institutions	16.050		10.022
5) Payables to other non profit organization	-		-
6) Other payables	43.465		13.293
<i>Account payables to employees for holidays</i>	<i>40.441</i>		<i>4.380</i>
<i>Other payables</i>	<i>3.024</i>		<i>8.913</i>
<b>E) Accrued liabilities and deferred income</b>		<b>231.925</b>	<b>-</b>
2) Accrued liabilities	231.925		



**BALANCE SHEET at 31 December 2017**  
**MANAGEMENT REPORT**

(amounts in Euro)		31 dicembre 2017				31 dicembre 2016			
		INCOME		EXPENSES		INCOME		ONERI	
<b>1)</b>	<b>STITUTIONAL ACTIVITY</b>								
1.1	Income and Expenses:								
<b>A</b>	<b>Children Protection and Education Project</b>								
	<b>Income</b>								
	Operating grants	387.337	14,29%			78.918	3,33%		
	<b>Expenses</b>								
	Project maintenance costs			(486.147)	17,26%			(17.056)	0,73%
	<b>Project A total</b>	<b>387.337</b>	<b>14,29%</b>	<b>(486.147)</b>	<b>17,26%</b>	<b>78.918</b>	<b>3,33%</b>	<b>(17.056)</b>	<b>0,73%</b>
<b>B</b>	<b>Capacity Building and Organizational Development Project</b>								
	<b>Income</b>								
	Operating grants	427.996	15,79%			454.880	19,17%		
	<b>Expenses</b>								
	Project maintenance costs	-		(703.236)	24,96%			(413.031)	17,68%
	<b>Project B total</b>	<b>427.996</b>	<b>15,79%</b>	<b>(703.236)</b>	<b>24,96%</b>	<b>454.880</b>	<b>19,17%</b>	<b>(413.031)</b>	<b>17,68%</b>
<b>C</b>	<b>Community Development and Economic Justice Project</b>								
	<b>Income</b>								
	Operating grants	-	0,00%			369.060	15,55%		
	Erogazione dei Fondi 5xmille assegnati	-	0,00%						
	<b>Expenses</b>								
	Project maintenance costs			0	0,00%			(115.702)	4,95%
	<b>Project C total</b>	<b>-</b>	<b>0,00%</b>	<b>0</b>	<b>0,00%</b>	<b>369.060</b>	<b>15,55%</b>	<b>(115.702)</b>	<b>4,95%</b>
<b>D</b>	<b>Girls and Women Empowerment Project</b>								
	<b>Income</b>								
	Operating grants	930.896	34,34%			587.991	24,78%		
	<b>Expenses</b>								
	Project maintenance costs			(431.739)	15,33%			(453.966)	19,43%
	<b>Project D total</b>	<b>930.896</b>	<b>34,34%</b>	<b>(431.739)</b>	<b>15,33%</b>	<b>587.991</b>	<b>24,78%</b>	<b>(453.966)</b>	<b>19,43%</b>
<b>E</b>	<b>Emergency Relief Project</b>								
	<b>Income</b>								
	Operating grants	265.970	9,81%			142.189	5,99%		
	<b>Expenses</b>								
	Project maintenance costs			(177.798)	6,31%			(96.647)	4,14%
	<b>Project E total</b>	<b>265.970</b>	<b>9,81%</b>	<b>(177.798)</b>	<b>6,31%</b>	<b>142.189</b>	<b>5,99%</b>	<b>(96.647)</b>	<b>4,14%</b>

<b>F</b>	<b>Migrants and Anti-human Trafficking Project</b>						
<b>Income</b>							
Operating grants		-	0,00%		166.370	7,01%	
<b>Expenses</b>							
Project maintenance costs				0	0,00%		(174.795) 7,48%
<b>Project F total</b>		<b>-</b>	<b>0,00%</b>	<b>0</b>	<b>0,00%</b>	<b>166.370</b>	<b>7,01%</b> <b>(174.795) 7,48%</b>
<b>G</b>	<b>Multi sector</b>						
<b>Income</b>							
Operating grants		-	0,00%		295.758	12,46%	
<b>Expenses</b>							
Project maintenance costs							(694.485) 29,73%
Personnel costs				0	0,00%		0,00%
<b>Project G total</b>		<b>-</b>	<b>0,00%</b>	<b>0</b>	<b>6,31%</b>	<b>295.758</b>	<b>0,00%</b> <b>(96.647) 4,14%</b>
<b>H</b>	<b>Community Streghtening and Participation Project</b>						
<b>Income</b>							
Operating grants		16.714	0,62%		0	0,00%	
<b>Expenses</b>							
Project maintenance costs				(15.915)	0,56%		0 0,00%
<b>Project H total</b>		<b>16.714</b>	<b>0,62%</b>	<b>(15.915)</b>	<b>0,56%</b>	<b>0</b>	<b>0,00%</b> <b>0 0,00%</b>
<b>I</b>	<b>Livelihood and Economic justice</b>						
<b>Income</b>							
Operating grants		117.472	4,33%		0	0,00%	
<b>Expenses</b>							
Project maintenance costs				(279.065)	9,91%		0 0,00%
Personnel costs							
<b>Project I total</b>		<b>117.472</b>	<b>0,00%</b>	<b>(279.065)</b>	<b>0,00%</b>	<b>0</b>	<b>0,00%</b> <b>0 0,00%</b>
<b>TOTAL</b>		<b>2.146.384</b>	<b>79,18%</b>	<b>(2.093.900)</b>	<b>-77,24%</b>	<b>2.095.166</b>	<b>88,29%</b> <b>(1.965.682) -82,83%</b>
<b>2) GENERAL SUPPORT INCOME AND EXPENSES</b>							
<b>Income</b>							
2.1 Operating grants		564.455	20,82%		241.879	10,19%	
Disbursement of allocated 5x1000 Funds			0,00%			0,00%	
Other income			0,00%		1.254	0,05%	
Repayment of mistakenly paid funds			0,00%			0,00%	
<b>Expenses</b>							
2.2 <b>Direct costs</b>				(243.544)	8,65%		(107.552) 4,60%
Costs for disbursement of Rome				(114.253)	4,06%		0 0,00%
Office lease, condominium expenses and utilities				(4.010)	0,14%		(884) 0,04%
General and service expenses				(88.955)	3,16%		(69.567) 2,98%
Entertainment expenses				(402)	0,01%		(98) 0,00%
Purchase of durable goods and services				(2.997)	0,11%		(9.171) 0,39%
Travel expenses				(3.324)	0,12%		(1.393) 0,06%
Amortization, depreciation and write-downs				(1.431)	0,05%		(1.996) 0,09%
Taxes and duties				(11.843)	0,42%		(13.989) 0,60%
Other expenses				(14.566)	0,52%		(9.946) 0,43%
Bank commissions				(1.763)	0,06%		(508) 0,02%
2.3 <b>Personnel costs</b>				(406.391)	14,43%		(262.814) 11,25%
Employee wages and salaries				(297.100)	10,55%		(198.515) 8,50%
Staff project fees				(19.035)	0,68%		(6.063) 0,26%
Social security and national insurance expenses				(71.377)	2,53%		(42.915) 1,84%
Allocation of severance indemnity fund (TFR) quota				(18.879)	0,67%		(15.322) 0,66%
<b>TOTAL</b>		<b>564.455</b>	<b>20,82%</b>	<b>(649.936)</b>	<b>23,07%</b>	<b>218.089</b>	<b>9,19%</b> <b>(370.366) 15,85%</b>
<b>3) FINANCIAL INCOME AND EXPENSES</b>		<b>31</b>	<b>0,00%</b>	<b>(73.083)</b>	<b>2,59%</b>	<b>34.797</b>	<b>1,47%</b> <b>(41) 0,00%</b>
<b>4) TOTAL AVAILABLE MEANS FOR THE YEAR</b>		<b>2.710.871</b>	<b>100,00%</b>	<b>(2.816.919)</b>	<b>100,00%</b>	<b>2.373.095</b>	<b>100,00%</b> <b>(2.336.092) 100,00%</b>
<b>OPERATING RESULT FOR THE YEAR</b>							
<b>MANAGEMENT SURPLUS (DEFICIT)</b>		<b>(106.048)</b>				<b>37.004</b>	



## ***BALANCE SHEET at 31<sup>st</sup> December 2017***

### **Supplementary Notes**

#### ***Introduction***

The last financial statement of the Foundation, relative to the financial year closing at 31<sup>st</sup> December 2017, has been drawn up on the basis of the accounting entries duly held and in keeping with the reporting format proposed and recommended by the ANP Commission of the CNDCEC, as well as guidelines issued by the former Agency for the Tertiary Sector on 11<sup>th</sup> February 2009, under the provisions of art. 3, paragraph 1, letter a) of Prime Ministerial Decree 329 dated 21<sup>st</sup> March 2001, and is made up of the Statement of Assets and Liabilities, the Management Report and these Supplementary Notes.

The reporting layout is shown in a comparative form so that for every single item, the corresponding amount relative to the previous year is shown. The Statement of Assets and Liabilities represents the individual items shown in order of increasing degree of liquidity, while the items in the Management Report are grouped together in six classified areas of costs and income, with regard to the activities performed by the Organisation in the course of the year 2017, on the basis of the indications in the guidelines.

The projects in 2016, "Community development and economic justice", "Migrants and anti-human trafficking" and "Multi sector", are no longer comparable in the report with the two new projects classified in 2017 as "Community Strengthening and Participation" and "Livelihood and Economic Justice".

Items not showing any amounts have been omitted.

The evaluation of the items in the financial statement was made in observance of the principle of prudence and the prospects of on-going activities. In compliance with national accounting principles and EU regulations, prevalence is given to aspects of substance over formal aspects when showing items representing assets and liabilities.



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In drawing up the Financial Statement for the year, charges and revenues are registered on an accruals basis. In particular, on the basis of the correct accounting principles provided for non-business entities, costs and revenues are correlated on a temporal basis, i.e. when identified, at the moment entitlement to payment arises, while, as regards income of a “non-consideration” nature (such as donations), these are allocated to the profit and loss account the moment they are collected.

The financial statement thus represents a summary of the institutional activities performed by the Foundation in the year 2017 in relation to its statutory purposes and, more precisely, in supporting RGS mission programs in Africa, Asia, Latin America to

- Support economic development in solidarity with the poorest populations, also through professional training and microcredit;
- Guarantee the defense and promotion of the dignity of women against violence and exploitation;
- Offer protection to minors, subject to abuse and guarantee their rights to security and education;
- Combat human trafficking;
- Receive migrants and refugees escaping poverty and wars.

The Foundation has performed no auxiliary or commercial activity in the year in question, while the organisation of the various institutional activities has been based, as in the past, on the voluntary and unpaid work, even if not continuously, of directors and/or associates and the use of five employees, on a continuous basis, as well as on-site collaborators, supervising projects.

Through constant monitoring missions, collaborators have performed on-site control and verification activities on the state of progress of projects based on programming discussed with the local corresponding association and on the funds transferred to the projects.



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### ***Association Profile***

The Good Shepherd International Foundation, a non-profit organization, was established on 23<sup>rd</sup> May 2008 and is registered as such with the Italian Inland Revenue, Regional Office for Lazio, having obtained NGO status since 23<sup>rd</sup> May 2008.

Consequently, the tax treatment on donations, for donors (natural persons or legal entities), making donations to the association, in observance of the existing law, for the year 2017, has remained unchanged and is the following:

- 10% of income and, in any case, not greater than Euro 70,000 per year (Law 80/2005) is deductible for donations made by natural persons; alternatively, 26% of gross taxes is deductible, for an amount no greater than Euro 30.000,00 (art.15, comma 1.1., D.P.R. 917/86), or up to 2% from declared total income for non-commercial natural persons and legal entities;
- 10% of overall corporate income and, in any case, not greater than Euro 70,000 per year (law 80/2005) is deductible for donations made by legal entities subject to corporation tax. Alternatively, up to 2% of declared total income from companies (art. 100 of the Consolidated Tax Act) is deductible.

### ***EVALUATION CRITERIA IN THE FINANCIAL STATEMENT AND IN THE VALUE ADJUSTMENTS.***

The criteria used in drawing up the financial statement and in the value adjustments are in conformity with the Civil code. These do not diverge from those used in drawing up the financial statement for the previous year.

Pursuant to the new provisions introduced by company law, the amounts denominated in foreign currencies have been entered, after conversion into euros according to the exchange rate in force on the date of the transaction, or at the exchange rate, if lower, at the closing date of the 'financial year', if the reduction in value is permanent.



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### ***Tangible Assets***

These have been recorded at their purchase cost and are adjusted by the relevant accumulated depreciation.

The book value includes any ancillary costs and the costs incurred for the use of the asset, less any trade discounts and any significant cash discounts.

The depreciation charged to the profit and loss account has been calculated on the basis of the remaining useful life of the assets, taking into account their use, destination and economic-technical life, and we believe that this is well reflected by the following rates, halved in the year in which the asset has entered operation.

These assets are entirely represented by electronic office equipment and the rate of depreciation applied to this category is 20%.

### ***Account Receivables***

Account receivables have been recorded at their nominal value, and are representative of their redemption value.

### ***Cash Equivalents***

The item includes cash flow, both in Euro and in foreign currency, stamps and cash holdings resulting from accounts held by the company with banks, all expressed at their nominal value, specially converted into local currency in the case of foreign currency accounts.

### ***Account Payables***

Account payables have been recorded at their nominal value, and are representative of their redemption value.

### ***Income and Expenses***

Proceeds are shown in the management report when actually collected, both to be aligned with the best practice used by the other no profit organizations and for prudential purposes, therefore the amounts referred only to donations actually paid are considered available and acquired.

With regard to those grants with commitment of destination, formally approved and received from institutional donors and legal entities for particular projects started





during the year and financed by contributions that are not paid in the same year when the expenses are accounted, an accrual was done under the item "Receivables from donors for grants to be received", based on the accrual basis (correlation between revenues and expenses).

Expenses are registered based on accrual criteria; they are classified on the basis of the destination in terms of type of activity for which they are sustained and not with regard to the nature of the accounts, in order to show better the value of the efforts and the engagements of our Foundation.

### **ADJUSTMENT AND COMPARISON OF ITEMS WITH THE PREVIOUS FINANCIAL STATEMENT**

There are no material problems regarding the comparativeness of the items of this financial statement with the one from the previous year in that both reports were drawn up using the same criteria.

While absolutely guaranteeing the comparison of the figures between the previous year and the one closed at 31.12.2017, the division of projects that took place in 2017 underwent some changes compared to the previous year and therefore in some cases projects have been created that cannot be compared with those of the previous year.

### **VARIATIONS REGISTERED BETWEEN THE ITEMS OF ASSETS AND LIABILITIES**

#### **Assets**

#### **B) Fixed Assets**

#### **I. Intangible Fixed Assets**

Any movements that occurred in the wake of acquisitions made in the year and their relative depreciation are shown in the following table:

<b>Descrizione</b>	<b>Altri beni</b>
Historical cost	9.278
Initial depreciation fund	- 5.481
<b>Opening year balance</b>	<b>3.797</b>
Increases	2.133
Depreciation for the year	-1.430
<b>Closing balance</b>	<b>4.500</b>

The item "Other assets" consists of computers and EDP equipment.



## C) Current Assets

### II- Receivables

Receivables have been registered amounting to Euro 683.935 (Euro 405.109 in 2015) made up of “receivables for donations from the Foundation's supporters to be received” for Euro 673.893 related to contributions approved from the donor Miseen Cara, Caritas e OAK, a part of which have been collected in the first months of the current year and the rest to be collected within the first half of 2018, by tax credits for withholding tax on interest income for Euro 653 and other receivables for Euro 9,389 for reimbursements to be received, advances from employees and advances from suppliers.

### IV- Available Liquidity

The item “available liquidity”, made up of freely available deposits, amounting to an overall Euro 788.014 (Euro 905.835 in 2016) is represented by Euro 783.088 from current account deposits, cash-on-hand representative of the quota of the organisation's restricted and unrestricted reserves, from the surplus generated by the Association in the course of the year and by the financial resources necessary for paying all financial liabilities still unsettled at the close of the year.

## Liabilities

### A) Net Equity

The table below shows details of the changes in the items of net equity for the previous year and the one in course.

Description	Opening balance	Destination Operating result	Other increases	Closing balance
Endowment fund	150.000	0	0	150.000
Free net equity:				
Operating result brought forward	1.044.206	37.006	0	1.081.212
Operating result for the year	37.006	-37.006	-106.048	-106.048
<b>NET EQUITY</b>	<b>1.231.212</b>	<b>0</b>	<b>-106.048</b>	<b>1.125.164</b>



The opening endowment fund (unavailable) is unchanged compared to the previous year, while free net equity shows changes following the carrying forward of the operating result for the year 2017. In fact, the operating results for the years show a profit that is posted in the Free Equity fund, by which is meant the part of Net Equity that is free of allocation restrictions, from the donor, destined to various projects that have been initiated and still in a partial state of advancement.

The 2017 financial year closed with a management deficit of Euro 106,048, which therefore entails a reduction in Free Equity. The amount available at the end of the year makes it possible to address all the commitments already made to maintain the existing structure and the implementation of new investment projects to support the initiatives planned for the coming years.

### C) Severance Indemnity Fund (TFR)

The movements that took place in the course of the year are detailed as follows:

Description	Opening balance	Provisions	TFR paid in the year	Other changes (+/-)	Closing balance
TFR	56.597	18.879	-32.382	-915	42.179

The provision represents the effective debt of the Foundation at 31/12/2017 with its employees in force at that date, net of any advance payments paid out.

### D) Payables

There are debit positions for an overall Euro 77.182 (Euro 29.301 in 2016), best shown in the following table:

	Opening balance	Closing balance	Difference
Account payables	105	5.985	5.880
Tax payables	5.881	11.682	5.801
Payables to Social Security institutions	10.022	16.050	6.028
Other payables	13.293	43.465	30.172
<b>Total payables</b>	<b>29.301</b>	<b>77.182</b>	<b>47.881</b>



The “tax payables” item is made up as follows:

Description	Opening balance	Closing balance	Difference
IRAP	0	1.316	1.316
Payables to Inland Revenue re employee withholding taxes	5.822	9.904	4.082
Payables to Inland Revenue re professionals /collaborators withholding taxes	5	460	455
Substitute taxes	54	1	-53
<b>Total tax payables</b>	<b>5.881</b>	<b>11.682</b>	<b>5.801</b>

Payables to Social Security institutions are made up as follows:

Description	Opening balance	Closing balance	Difference
Payables to INPS	10.022	11.181	1.159
Payables to INAIL	0	221	221
Other payables to Social Security institutions	0	4.648	4.648
<b>Total social security payables</b>	<b>10.022</b>	<b>16.050</b>	<b>6.028</b>

The other payables primarily refer to payables to employees for amounts accrued but not yet paid at 31/12/2017.

## **MANAGEMENT REPORT**

### **Income and Expenses**

#### **1) Income and Expenses from core activities**

The item includes contributions and donations received in 2017 by the Foundation from private individuals and entities broken down amongst the various projects. Expenses are equally broken down per individual project.

#### **2) Income and Expenses for general support activities**

The item includes expenses of a general nature incurred primarily in support of generic institutional activities on projects. In particular, personnel costs are entirely attributed to general support activities. The allocated contributions cover these costs.

#### **3) Financial Income and Expenses**

The amount of financial income refers to Euro 28 in positive exchange rate differences and of Euro 3 in interest received on current accounts, while financial expenses refer to Euro 72.973 in negative exchange rate differences and of Euro 151 in interest paid.



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## **TAXES**

Current taxes are defined on the basis of the existing current law applicable to non-profit organizations and relate to IRAP at 3.90% on personnel costs. These have been reclassified in the item 'taxes' in the context of direct costs for general support activities. IRAP for the year amounts to Euro 11.843

## **OPERATIONS WITH CORRELATED PARTIES**

The Foundation, in the course of the year that has just passed, has not undertaken any operations with members of the board of directors.

## **OTHER INFORMATION**

It should be pointed out that at 31/12/2017, there are no commitments, guarantees and/or other contingent liabilities other than those reported in the balance sheet.

## **FEES FOR THE BOARD OF DIRECTORS**

In observance with the principles of the Foundation, the directors and founding partners provide their services free of charge and therefore no fee of any nature and under any form has been paid out.

## **FINAL CONSIDERATIONS**

These Supplementary Notes, as with the entire Financial Statement, of which they are an integral part, represent the financial situation of the Foundation in a true and fair manner, as well as the economic result for the year and correspond to the results of the accounting entries.

The management deficit amounts to Euro 106,048 and will be covered by the Free Equity reserve.

On behalf of the Governing Council

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Document approved by the Governing Council

At the meeting dated 20 April 2018