



BALANCE SHEET at 31 December 2018

STATEMENT OF ASSETS AND LIABILITIES

(amounts in Euro)	31 December 2018	31 December 2017
ASSETS	1.265.794	1.476.449
A) Receivables from associate members for payments still due	-	-
B) FIXED ASSETS	8.651	4.500
I- Intangible fixed assets	-	-
7) Other intangible fixed assets	-	-
II- Tangible fixed assets	8.651	4.500
3) Other assets	17.456	11.412
4) Depreciations other assets	(8.805)	(6.912)
5) Immobilizzazioni in corso e acconti		
C) CURRENT ASSETS	1.257.143	1.471.950
II- Receivables	463.639	683.935
2) of donations from the Foundation's supporters to be received		
4) Tax receivables	-	653
5) With others	6.377	9.389
IV- Cash equivalents	793.504	788.014
1) Bank and post office accounts	790.723	783.088
2) Cash on hand and valuables	2.782	4.927
D) Accrued income and prepayments	-	-
1) Prepayments	-	-

LIABILITIES		1.265.794	1.476.449
A) NET EQUITY		1.111.080	1.125.164
I- Free Equity		961.080	975.164
1) Profit (loss) for the year	(14.083)		(106.048)
2) Retained Earnings	975.163		1.081.212
II- Endowment fund	150.000	150.000	150.000
B) PRVISION FOR CONTINGECIES AND OTHER LIABILITIES:		-	-
C) EMPLOYEE SEVERANCE PAY		44.621	42.179
D) PAYABLES		110.093	77.182
1) Bank payables	-		-
2) Payables to suppliers	10.593		5.985
3) Taxes payables	16.733		11.682
4) Payables to social security institutions	21.512		16.050
5) Payables to other non profit organization	-		-
6) Other payables	61.255		43.465
<i>Account payables to employees for holidays</i>	<i>60.038</i>		<i>40.441</i>
<i>Other payables</i>	<i>1.217</i>		<i>3.024</i>
E) Accrued liabilities and deferred income		-	231.925
2) Accrued liabilities	-		231.925



BALANCE SHEET at 31 December 2018
MANAGEMENT REPORT

(amounts in Euro)	31 December 2018				31 December 2017			
	INCOME		EXPENSES		INCOME		EXPENSES	
1) ISTITUTIONAL ACTIVITY								
1.1 Income and Expenses:								
A Children Protection and Education Project								
Income								
Operating grants	1.157.195	38,93%			387.337	14,29%		
Expenses								
Project maintenance costs			(1.215.326)	40,69%			(486.147)	17,26%
Project A total	1.157.195	38,93%	(1.215.326)	40,69%	387.337	14,29%	(486.147)	17,26%
B Capacity Building and Organizational Development Project								
Income								
Operating grants	144.551	4,86%			427.996	15,79%		
Expenses								
Project maintenance costs	-		(49.902)	1,67%			(703.236)	24,96%
Project B total	144.551	4,86%	(49.902)	1,67%	427.996	15,79%	(703.236)	24,96%
C Girls and Women Empowerment Project								
Income								
Operating grants	17.838	0,60%			930.896	34,34%		
Expenses								
Project maintenance costs			(368.934)	12,35%			(431.739)	15,33%
Project C total	17.838	0,60%	(368.934)	12,35%	930.896	34,34%	(431.739)	15,33%
D Emergency Relief Project								
Income								
Operating grants	49.144	1,65%			265.969,65	9,81%		
Expenses								
Project maintenance costs			(64.009)	2,14%			-177798,28	6,31%
Project D total	49.144	1,65%	(64.009)	2,14%	265.970	9,81%	(177.798)	6,31%

E Community Strengthening and Participation Project							
Income							
Operating grants	9.050	0,30%			16.714	0,62%	
Expenses							
Project maintenance costs			(5.765)	0,19%			(15.915)
Project E total	9.050	0,30%	(5.765)	0,19%	16.714	0,62%	(15.915)
F Livelihood and Economic justice							
Income							
Operating grants	255.841	8,61%			117.472	4,33%	
Expenses							
Project maintenance costs			(295.356)	9,89%			(279.065)
Personnel costs							
Project F total	255.841	8,61%	(295.356)	0,00%	117.472	0,00%	(279.065)
G Other projects GSS							
Income							
Operating grants	336.892	11,33%				0,00%	
Expenses							
Project maintenance costs			(131.814)	4,41%			0,00%
Personnel costs							
Project G total	336.892	11,33%	(131.814)	4,41%	0	0,00%	0
TOTAL	1.970.510	66,29%	(2.131.106)	71,35%	2.146.384	79,18%	(2.093.900)
							-77,24%



BALANCE SHEET at 31st December 2018

Supplementary Notes

Introduction

The Final Financial Statement of the Foundation, relative to the financial year closing at 31st December 2018, made up of the Statement of Assets and Liabilities, the Management Report and these Supplementary Notes, 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 Voluntary Sector on 11th February 2009, under the provisions of art. 3, paragraph 1, letter a) of Prime Ministerial Decree 329 dated 21st March 2001, even though it was drawn up after the entry into force of the Third Sector Reform.

The reform contained in the code for the voluntary sector (Legislative Decree 117/2017) prepared by the Ministry of Labour and Social Policies provides under article 13, that the bodies of the voluntary sector must draw up a financial statement for the year made up of the balance sheet, the management statement, showing its income and expenses, and the mission report that illustrates the items of the management accounts, economic and financial trends and the means by which it pursues statutory purposes.

In addition, article 13, paragraph 3 requires that the financial statement referred to under paragraphs 1 and 2 must be drawn up in accordance with the forms defined by decree of the Minister of Labour and Social Policy, after consulting the National Council of the Voluntary Sector. This form at the date of preparation of these financial statements have not yet been approved.

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 2018, on the basis of the indications in the guidelines.

The Report shows that all the activities already present in 2017 continued with the addition of a activity called "Other Good Shepherd Sisters projects", which refers to the service activities that the Foundation carries out for the communities of the Good Shepherd Sisters in the world.

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.

In drawing up the Financial Statement for the year, charges and revenues are registered on an accrual 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 2018 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.

Association Profile

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

It is considered appropriate to draw attention to the fact that, after the lapse of the term referred to under article 104, paragraph 2) of Legislative Decree 117/17, and subject to registration of the Foundation in the National Register of the Voluntary Sector (RUNTS) referred to under articles 45 et seq. of Legislative Decree 117/17, the name of the Foundation will change losing the O.N.L.U.S. acronym in its name and acquiring instead the acronym ETS (Voluntary Sector Body) subject to renewal of the By-Laws that according to legal provisions, must occur by 3rd August 2019.

In any case, as a result of the reform, from 1st January 2018 the new criteria for tax deductibility of donations made in cash or in kind to voluntary sector entities established by Article 83 are already applicable.

In particular, the Voluntary Sector Code - while awaiting the establishment of the National Register - provides new tax benefits for those who make donations to voluntary organizations (ODV), social promotion associations (APS) and non-profit organizations.



More specifically, in compliance with the new regulations, for year 2018, for donations made to an Voluntary Sector Body (ETS), a tax deduction from the income of individuals equal to 30% of the donation made is applicable, for a total amount in each tax period not exceeding 30,000 euros. Alternatively, donations in cash or in kind can be deducted up to 10% from the total net income of the individual, entity or company providing the service.

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

The criteria used in drawing up the financial statement and 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.

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 Equivalent

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.

CHANGES 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:

Description	Other Assets
Historical cost	2.133
Initial depreciation fund	-1.430
Opening year balance	4.500
Increases	6.044
Depreciation for the year	-1.893
Closing balance	8.651

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

C) Current Assets

II- Receivables

Receivables have been registered amounting to Euro 463.639 (Euro 683.935 in 2017) made up of "receivables for donations from the Foundation's supporters to be received" for Euro 457.262 related to contributions approved from the donor Eurasian Resources Group (ERG), Congregation of the Sisters of Our Lady of Charity of the Good Shepherd, Porticus and Caritas Italiana, 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 2019 and other receivables for Euro 6.377 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 793.504 (Euro 788.014 in 2017) is represented by Euro 790.723 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	1.081.212	-106.048	0	961.080
Operating result for the year	-106.048	106.048	-14.083	-14.083
NET EQUITY	1.125.164	0	-14.083	1.111.080

The opening endowment fund (unavailable) is unchanged compared to the previous year, while free net equity shows a reduction due the carrying forward of the operating deficit as a result for the 2017 financial year. In fact, the operating results for the previous years, show profits that are posted in the Free Equity fund, used to cover the operating deficit generated in 2017.

The 2018 financial year closed with a management deficit of Euro 14.083, 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	42.179	23.506	-20.964	-100	44.621



The provision represents the effective debt of the Foundation at 31/12/2018 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 110.993 (Euro 77.182 in 2017), best shown in the following table:

	Opening balance	Closing balance	Difference
Account payables	5.985	10.593	4.608
Tax payables	11.682	16.733	5.051
Payables to Social Security institutions	16.050	21.512	5.462
Other payables	43.465	61.255	17.790
Total payables	77.182	110.093	32.911

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

Description	Opening balance	Closing balance	Difference
IRAP	1.316	2.726	1.410
Payables to Inland Revenue re employee withholding taxes	9.905	14.004	4.099
Payables to Inland Revenue re professionals /collaborators withholding taxes	460	34	-426
Substitute taxes	1	-31	-32
Total tax payables	11.682	16.733	5.051

Payables to Social Security institutions are made up as follows:

Description	Opening balance	Closing balance	Difference
Payables to INPS	11.181	20.413	9.232
Payables to INAIL	221	322	101
Other payables to Social Security institutions	4.648	777	-3.871
Total social security payables	16.050	21.512	5.462

The other payables primarily refer to payables to employees for amounts accrued but not yet paid at 31/12/2018.

MANAGEMENT REPORT

Income and Expenses

1) Income and Expenses from core activities

The item includes contributions and donations received in 2018 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 15.567 in positive exchange rate differences and of Euro 432 in interest received on current accounts, while financial expenses refer to Euro 8.243 in negative exchange rate differences.

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 18.205.

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 31/12/2018, 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.

FEES FOR THE STATUTORY AUDITORS

In accordance with the provisions of the Voluntary Sector reform, the fee paid to the independent Auditor amounts to €3,172 (including the pension and VAT fund).



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 14.083 and will be covered by the Free Equity reserve.

On behalf of the Governing Council

Document approved by the Governing Council

At the meeting dated 8 April 2019