



**BALANCE SHEET at 31 December 2016**

**STATEMENT OF ASSETS AND LIABILITIES**

(amounts in Euro)

	31 December 2016	31 December 2015
<b>ASSETS</b>	<b>1.317.110</b>	<b>1.283.808</b>
<b>A) Receivables from associate members for payments still due</b>	-	-
<b>B) FIXED ASSETS</b>	<b>3.797</b>	<b>3.527</b>
<b>II- Tangible fixed assets</b>	<b>3.797</b>	<b>2.973</b>
3) Other assets	9.278	7.012
4) Depreciations other assets	(5.481)	- 4.039
<b>C) CURRENT ASSETS</b>	<b>1.310.944</b>	<b>1.280.282</b>
<b>I- Inventory</b>	-	-
<b>II- Receivables</b>	<b>405.109</b>	<b>3.273</b>
1) With customers		-
2) of donations from the Foundation's supporters to be received		
3) Receivable represented by credit securities	400.609	
4) Tax receivables	1.326	461
5) With others	3.174	2.812
<b>IV- Cash equivalents</b>	<b>905.835</b>	<b>1.277.008</b>
1) Bank and post office accounts	900.522	1.271.194
2) Cash on hand and valuables	5.313	5.814
<b>D) Accrued income and prepayments</b>	<b>2.368</b>	-
1) Prepayments	2.368	

<b>LIABILITIES</b>		<b>1.317.111</b>		<b>1.283.808</b>
<b>A) NET EQUITY</b>		<b>1.231.212</b>		<b>1.194.206</b>
<b>I- Free Equity</b>		<b>1.081.212</b>		<b>1.044.206</b>
1) Profit (loss) for the year	37.006		80.036	
2) Retained Earnings	1.044.206		964.170	
<b>II- Endowment fund</b>	150.000	<b>150.000</b>	150.000	<b>150.000</b>
<b>B) PRVISION FOR CONTINGECIES AND OTHER LIABILITIES:</b>		-		-
<b>C) EMPLOYEE SEVERANCE PAY</b>		<b>56.597</b>		<b>41.401</b>
<b>D) PAYABLES</b>		<b>29.301</b>		<b>48.201</b>
1) Bank payables	-		-	
2) Payables to suppliers	105		-	
3) Taxes payables	5.881		6.942	
4) Payables to social security institutions	10.022		10.031	
5) Payables to other non profit organization	-		-	
6) Other payables	13.293		31.229	
<i>Account payables to employees for holidays</i>	4.380			
<i>Other payables</i>	8.913			
<b>E) Accrued liabilities and deferred income</b>		-		-



**BALANCE SHEET at 31 December 2016**

**MANAGEMENT REPORT**

(amounts in Euro)	31 December 2016				31 December 2015			
	INCOME		EXPENSES		INCOME		EXPENSES	
<b>1) ISTITUTIONAL ACTIVITY</b>								
<b>1.1 Income and Expenses:</b>								
<b>A Children Protection and Education Project</b>								
<b>Income</b>								
Operating grants	78.918	4,00%			138.235	6,07%		
<b>Expenses</b>								
Project maintenance costs			(17.056)	0,73%			(203.585)	9,27%
<b>Project A total</b>	<b>78.918</b>	<b>4,00%</b>	<b>(17.056)</b>	<b>0,73%</b>	<b>138.235</b>	<b>6,07%</b>	<b>(203.585)</b>	<b>9,27%</b>
<b>B Capacity Building and Organizational Development Project</b>								
<b>Income</b>								
Operating grants	454.880	23,06%			403.808	17,75%		
<b>Expenses</b>								
Project maintenance costs	-		(413.031)	17,68%	-		(372.606)	16,97%
<b>Project B total</b>	<b>454.880</b>	<b>23,06%</b>	<b>(413.031)</b>	<b>17,68%</b>	<b>403.808</b>	<b>17,75%</b>	<b>(372.606)</b>	<b>16,97%</b>
<b>C Community Development and Economic Justice Project</b>								
<b>Income</b>								
Operating grants	369.060	15,55%			610.291	26,82%		
Erogazione dei Fondi 5xmille assegnati	-	0,00%			-			
<b>Expenses</b>								
Project maintenance costs			(115.702)	4,95%			(705.714)	32,14%
<b>Project C total</b>	<b>369.060</b>	<b>15,55%</b>	<b>(115.702)</b>	<b>4,95%</b>	<b>610.291</b>	<b>26,82%</b>	<b>(705.714)</b>	<b>32,14%</b>

<b>D</b>	<b>Girls and Women Empowerment Project</b>								
	<b>Income</b>								
	Operating grants	587.991	24,78%			225.736	9,92%		
	<b>Expenses</b>								
	Project maintenance costs			(453.966)	19,43%	-		(44.610)	2,03%
	Project D total	<b>587.991</b>	<b>24,78%</b>	<b>(453.966)</b>	<b>19,43%</b>	<b>225.736</b>	<b>9,92%</b>	<b>(44.610)</b>	<b>2,03%</b>
<b>E</b>	<b>Emergency Relief Project</b>								
	<b>Income</b>								
	Operating grants	142.189	5,99%			360.493	15,84%		
	<b>Expenses</b>								
	Project maintenance costs			(96.647)	4,14%			(245.329)	11,17%
	Project E total	<b>142.189</b>	<b>5,99%</b>	<b>(96.647)</b>	<b>4,14%</b>	<b>360.493</b>	<b>15,84%</b>	<b>(245.329)</b>	<b>11,17%</b>
<b>F</b>	<b>Migrants and Anti-human Trafficking Project</b>								
	<b>Income</b>								
	Operating grants	166.370	7,01%			252.364	11,09%		
	<b>Expenses</b>								
	Project maintenance costs			(174.795)	7,48%			(305.009)	13,89%
	Project F total	<b>166.370</b>	<b>7,01%</b>	<b>(174.795)</b>	<b>7,48%</b>	<b>252.364</b>	<b>11,09%</b>	<b>(305.009)</b>	<b>13,89%</b>
<b>G</b>	<b>Multi sector</b>								
	<b>Income</b>								
	Operating grants	295.758	12,46%				0,00%		
	<b>Expenses</b>								
	Project maintenance costs			(694.485)	29,73%				0,00%
	Personnel costs				0,00%				0,00%
	Project G total	<b>295.758</b>	<b>12,46%</b>	<b>(694.485)</b>	<b>29,73%</b>	<b>-</b>	<b>0,00%</b>	<b>0</b>	<b>0,00%</b>
<b>TOTAL</b>		<b>2.095.166</b>	<b>88,29%</b>	<b>(1.965.682)</b>	<b>-82,83%</b>	<b>1.990.928</b>	<b>87,49%</b>	<b>(1.876.851)</b>	<b>-82,48%</b>

<b>2) GENERAL SUPPORT INCOME AND EXPENSES</b>							
<b>Income</b>							
2.1 Operating grants	241.879	10,19%			227.869	10,01%	
Disbursement of allocated 5x1000 Funds		0,00%			1.217	0,05%	
Other income	1.254	0,05%			2.163	0,10%	
Repayment of mistakenly paid funds		0,00%			(6.532)	-0,29%	
<b>Expenses</b>							
2.2 <b>Direct costs</b>			<b>(107.552)</b>	4,60%			<b>(51.116)</b> 2,33%
Office lease, condominium expenses and utilities			(884)	0,04%			0 0,00%
General and service expenses			(69.567)	2,98%			(39.542) 1,80%
Entertainment expenses			(98)	0,00%			0 0,00%
Purchase of durable goods and services			(9.171)	0,39%			(458) 0,02%
Travel expenses			(1.393)	0,06%			(4.755) 0,22%
Amortization, depreciation and write-downs			(1.996)	0,09%			(1.863) 0,08%
Taxes and duties			(13.989)	0,60%			(2.557) 0,12%
Other expenses			(9.946)	0,43%			(1.690) 0,08%
Bank commissions			(508)	0,02%			(251) 0,01%
2.3 <b>Personnel costs</b>			<b>(262.814)</b>	11,25%			<b>(267.438)</b> 12,18%
Employee wages and salaries			(198.515)	8,50%			(202.221) 9,21%
Staff project fees			(6.063)	0,26%			(1.298) 0,06%
Social security and national insurance expenses			(42.915)	1,84%			(50.215) 2,29%
Allocation of severance indemnity fund (TFR) quota			(15.322)	0,66%			(13.705) 0,62%
<b>TOTAL</b>	<b>243.132</b>	<b>10,25%</b>	<b>(370.366)</b>	<b>15,85%</b>	<b>224.717</b>	<b>9,88%</b>	<b>(318.554)</b> 14,51%
<b>3) FINANCIAL INCOME AND EXPENSES</b>	<b>34.797</b>	<b>1,76%</b>	<b>(41)</b>	<b>0,00%</b>	<b>59.841</b>	<b>2,63%</b>	<b>(44)</b> 0,00%
<b>4) TOTAL AVAILABLE MEANS FOR THE YEAR</b>	<b>2.373.095</b>	<b>100,30%</b>	<b>(2.336.089)</b>	<b>100,00%</b>	<b>2.275.485</b>	<b>100,00%</b>	<b>(2.195.449)</b> 100,00%
<b>OPERATING RESULT FOR THE YEAR</b>							
<b>OPERATING PROFIT</b>	<b>37.006</b>	<b>1,56%</b>			<b>80.036</b>	<b>3,52%</b>	



## ***BALANCE SHEET at 31<sup>st</sup> December 2016***

### **Supplementary Notes**

#### ***Introduction***

The last financial statement of the Foundation, relative to the financial year closing at 31<sup>st</sup> December 2016, 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 2016, on the basis of the indications in the guidelines.

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 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,



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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 2016 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 four 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 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.



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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 2016, 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.

#### ***Intangible Assets***

Intangible assets have been recorded at their purchase cost and have been depreciated at rates calculated on the basis of the remaining useful life of the assets.

The value of intangible asset is shown net of accumulated depreciation. The item refers entirely to costs incurred for the construction of the website and depreciation





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was operated over five years, a period believed to ensure a proper allocation of the cost over the useful life of the assets in question.

### ***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.

No discretionary or voluntary revaluations have been made and valuations have been made within the limit of the use, objectively defined, of the asset.

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.



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### ***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 to donations actually paid are considered available and acquired.

With regard to those grants with commitment of destination, 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 cost, 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 major 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 31.12.2016, the distribution of the projects performed in 2016 could not be compared with the previous year, and was therefore shown in general terms.

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

#### ***Assets***

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

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

Their nature, changes and final value are shown in the following table.



Item	Opening Balance	Increases	Decreases	Closing balance
Other intangible fixed assets	554	0	-554	0
<b>Total</b>	<b>554</b>	<b>0</b>	<b>-554</b>	<b>0</b>

“Other intangible fixed assets” is made up of expenses incurred for the creation of the website.

## *II. Tangible 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
Historic Cost	7.012
Initial Depreciation Fund	- 4.039
<b>Opening year balance</b>	<b>2.973</b>
Increase	2.267
Depreciation for the year	-1.442
<b>Closing balance</b>	<b>3.797</b>

The item “Other Assets” is made up of computers and EDP equipment.

## *C) Current Assets*

### *II- Receivables*

Receivables have been registered amounting to Euro 405.109 (Euro 3.273 in 2015) made up of “receivables for donations from the Foundation's supporters to be received” for Euro 400.609 related to contributions approved from the donor Misesan Cara, disbursed to GSIF in March 2017, tax receivables for excess IRAP advance payments of Euro 674 made in the course of the year and by other receivables of Euro 3.826 for refunds to be received from suppliers.

### *IV- Available Liquidity*

The item “available liquidity”, made up of freely available deposits, amounting to an overall Euro 905.835 (Euro 1.277.008 in 2015) is represented by Euro 899.787 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	964.170	80.036	0	1.044.206
Operating result for the year	80.036	-80.036	37.006	37.006
<b>NET EQUITY</b>	<b>1.194.206</b>	<b>0</b>	<b>37.006</b>	<b>1.231.212</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 2015. 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 2016 financial year closes with an operating profit of Euro 37.006, and this means a corresponding increase in the Free Equity Fund. It is thus considered appropriate to point out that in view of on-going projects the *Free net equity* still available at the close of the year enable the Foundation to meet all the commitments already undertaken for the maintenance of the existing structure and the realisation of new investment projects in support of initiatives that have been planned in 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	41.401	15.322	0	-126	56.597



The provision represents the effective debt of the company at 31/12/2015 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 48.201 (Euro 42.499 in 2014), best shown in the following table:

	Opening balance	Closing balance	Difference
Account payables	0	105	105
Tax payables	6.942	5.881	-1.061
Payables to Social Security institutions	10.031	10.022	-8
Other payables	31.229	13.293	-17.935
<b>Total payables</b>	<b>48.202</b>	<b>29.301</b>	<b>-18.899</b>

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

Description	Opening balance	Closing balance	Difference
Payables to Inland Revenue re employee withholding taxes	5.415	5.822	407
Payables to Inland Revenue re professionals /collaborators withholding taxes	1.482	5	-1.477
Substitute taxes	45	54	9
<b>Total tax payables</b>	<b>6.942</b>	<b>5.881</b>	<b>-1.061</b>

Payables to Social Security institutions are made up as follows:

Description	Opening balance	Closing balance	Difference
Payables to INPS	8.852	10.022	1.170
Payables to INAIL	355	0	-355
Other payables to Social Security institutions	823	0	-823
Rounding	1	0	-1
<b>Total social security payables</b>	<b>10.031</b>	<b>10.022</b>	<b>-9</b>

The other payables primarily refer to payables to employees for amounts accrued but not yet paid at 31/12/2016.

### MANAGEMENT REPORT

#### Income and Expenses

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

The item includes contributions and donations received in 2016 by the Foundation from private individuals and entities broken down amongst the various projects. Expenses are equally broken down per individual project.



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## ***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 32.262 in positive exchange rate differences and of Euro 2.535 in interest received on current accounts, while financial expenses refer to Euro 27 in negative exchange rate differences and of Euro 15 in interest paid.

## ***TAXES***

Current taxes are defined on the basis of the existing current law and relate to IRAP at 3.90% on personnel costs and taxes applied by financial intermediaries on the purchase and disposal of investment securities. 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 9.019.

## ***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 31/12/2016, there are no commitments, guarantees and/or other contingent liabilities other than those reported in the balance sheet.

## ***FEES FOR THE GOVERNING COUNCIL***

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



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manner, as well as the economic result for the year and correspond to the results of the accounting entries.

The operating profit amounts to Euro 37.006 and will be added to the Free Equity reserve, as previously stated.

On behalf of the Governing Council

Document approved by the Governing Council

At the meeting dated 6<sup>th</sup> April 2017