

FONDAZIONE MARCEGAGLIA ONLUS
Tax code 97562250155
VIA GIOVANNI DELLA CASA 12 - 20151 MILAN MI
Register of Companies of Milan n. 97562250155
Organisation's endowment fund Euro 125,000.00, fully paid-up

FINANCIAL STATEMENTS AS AT 31st December 2015

BALANCE SHEET - ASSETS	31/12/2015	31/12/2014
A) Receivables from shareholders for still pending payments		
I) part already called	0	0
II) part already called	0	0
A) Receivables from shareholders for still pending payments	0	0
B) Fixed assets		
I) INTANGIBLE ASSETS		
1) Intangible fixed assets	183	366
I) TOTAL INTANGIBLES ASSETS	183	366
II) TANGIBLE ASSETS		
1) Tangible fixed assets	1.108	2.601
II) TOTAL TANGIBLE ASSETS	1.108	2.601
III) INVESTMENTS		
1) long term receivables	48	48
III) TOTAL INVESTMENTS	48	48
B) TOTAL FIXED ASSETS	1.339	3.015
C) Current assets		
I) INVENTORY		
II) RECEIVABLES:		
1) Falling due within the financial year	1.483	5.746
II) Total receivables	1.483	5.746
III) FINANCIAL ACTIVITIES (other than fixed assets)		
IV) LIQUID ASSETS	7.594	18.450
C) TOTAL CURRENT ASSETS	9.078	24.196
D) Accruals and deferrals	0	61
BALANCE SHEET TOTAL - ASSETS	10.416	27.272

BALANCE SHEET - LIABILITIES	31/12/2015	31/12/2014
A) Net assets		
I) Foundation's endowment fund	125,000	125,000
II) Share premium fund		
III) Revaluation reserves		
IV) Legal reserve		
V) Statutory reserves		
VI) Treasury stock reserve		
VII) Other reserves		
VIII) Profits (losses) carried forward	-146.691	22.979
IX) Operating results of the current period	-5.510	-169.669
A) TOTAL NET ASSETS	-27.201	-21.690
B) RISK AND CONTINGENCY FUNDS		
C) SEVERANCE PAY	370	
D) DEBTS		
1) Due within the next twelve months	30.810	48.862
D) TOTAL DEBTS	30.810	48.862
E) ACCRUALS AND DEFERRALS	6.437	100
BALANCE SHEET TOTAL - LIABILITIES	10.416	27.272

DIRECTORS' REPORT - REVENUES	31/12/2015	31/12/2014
A) INCOME		
1) Income from core activities		
1.1 From project contributions	49.807	52.987
1.3 From shareholders		
1.4 From non shareholders	280.242	78.783
2) Income from fund raising	64.672	102.804
4) Financial and capital income		
4.1 From bank deposits	379	1.391
A) TOTAL INCOME	395.100	235.965
DIRECTORS' REPORT - CHARGES	31/12/2015	31/12/2014
B) EXPENSES		
1) Charges for core activities	169.592	163.640
2) 2) Fund raising expenses	51.252	55.421
4) Financial and capital charges		
4.1 for bank deposits	902	822
6) General Supporting Charges		
6.1 Materials	2.693	6.015
6.2 Services	34.402	38.489
6.3 Staff	132.117	126.741
6.4 Amortisations	1.677	3.427
6.5 Sundry operating expenses	7.975	11.079
B) TOTAL CHARGES	400.610	405.634
POSITIVE OPERATING RESULTS		
NEGATIVE OPERATING RESULTS	5.510	169.669

This balance sheet is current and consistent with the accounting records.

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Organisation's endowment fund Euro 125,000, fully paid-up

Financial statements as at 31st December 2015**Notes to the financial statements**

Fondazione Marcegaglia was established on July 14, 2010.

It obtained the certification as a legal entity pursuant to D.P.R. n. 361 of 10/05/2000 and is enrolled in the Register of the Prefettura of Milan with n.1193 pag.5411, vol 5°.

Structure and contents of the Financial Statements.

The financial statements were drafted pursuant to the recommendation issued in July 2002 by the **Commissione Aziende Non Profit** (Non-Profit Organisations Committee) of the Italian National Council of Accountants and to the "Guidelines and templates for the drafting of financial statements of non-profit organisations".

The financial statements were prepared according to the standard template for enterprises, as included in the Civil Code, taking into account the peculiarities that characterise the asset structure of the foundation, and with the purpose of informing the public on how funds were raised and used during the relevant period in the different management areas.

The figures included in the financial statements are expressed in Euros, as well as in comments to entries.

There are no parent concerns.

In addition, the Founding Members, while hoping for an increase in contributions deriving from the initiatives of fund-raising, have expressed their intention to provide financial support to the ordinary management of the foundation for the current year, as far as is practicable, necessary and appropriate.

Sect. 1 – EVALUATION CRITERIA APPLIED

The criteria applied to assess the items of the financial statements comply with the provisions of art.2426 of the Italian civil code.

The evaluation of balance sheet items was carried out on the basis of the general prudential criteria and on an accrual basis, with a view to continuing the activity, and taking into account the economic role of the assets and liabilities under consideration. For the purposes of the items, posted in the financial statements, the economic purpose of the various transactions, rather than their legal form, prevails, with full disclosure thereon in these notes.

Intangible fixed assets

The intangible fixed assets are posted/assessed at their purchase or production cost, inclusive of all accessory charges, and are being systematically depreciated according to their residual life and taking into account the provisions of paragraph 5) of art. 2426 of the Italian Civil Code.

Tangible fixed assets

Tangible assets are booked at the cost of purchase, including additional charges, and the costs directly attributable to the relevant asset.

Ordinary maintenance costs are fully attributed to the profit and loss account. Increasing maintenance costs are attributed to the assets they refer to and depreciated at the same time as the relevant asset according to the latter residual life.

Tangible fixed assets are depreciated systematically in every financial year, with the straight-line method, in a percentage that is proportional to their residual life and taking into account also the asset's physical wear and tear; for the first year of use of the assets the rates are reduced by 50% , in consideration of the asset's actual participation in the production process, which is considered to have occurred, on average, in mid-period.

Depreciation on assets that were transferred or disposed of during the period was not posted.

The **depreciation rates** used for the individual categories of assets are:

Office machinery and data processing systems: 10% to 20%.

Other pluriannual charges: 33.33%.

Receivables

Receivables are booked at the presumable realisable value.

Cash on hand

Assets in the form of cash on hand are booked at their nominal value.

Accruals and deferrals

Accruals and deferrals are accounted for in accordance with the accrual basis, with reference to when they were actually incurred. They are percentages of charges and income that are in common between two or more financial years.

Debts

Debts are booked under liabilities at their nominal value, as shown in the documents and accounts in the statement of assets and liabilities.

ASSETS**Fixed Assets**

Balance sheet code	B I 01
Description	FIXED ASSETS - INTANGIBLES Intangibles
Initial worth	549
Increases	0
Decreases	0
Amortisation	(366)
Final worth	183

Intangibles refer to the Foundation expenses for the purchase of software licence

Balance sheet code	B II 01
Description	FIXED ASSETS - TANGIBLE ASSETS Tangible assets
Initial worth	9.066
Increases	0
Decreases	0
Amortisation	(7.958)
Final worth	1.108

Tangible fixed assets refer to the purchase of ordinary and electronic office machinery.

Balance sheet code	B II 01
Description	FIXED ASSETS - TANGIBLE ASSETS – Tangible assets depreciation reserve
Initial worth	6.465
Increases	1.493
Decreases	0
Final worth	7.958

The tangible assets depreciation reserve is increased due to the effects of usual depreciation.

Current assets

Balance sheet code	C II 01
Description	CURRENTS ASSETS - RECEIVABLES Due within the next twelve months
Initial worth	5.746
Increases	97
Decreases	(4.360)
Final worth	1.483

This item mainly consists of treasury account tax credits of € 1.087.

Balance sheet code	C IV
Description	CURRENTS ASSETS - CASH ON HAND
Initial worth	18.450
Increases	390.897
Decreases	(401.753)
Final worth	7.594

The settlement is the total of the freely available bank current accounts and cash on hand. The significant decrease in cash is attributable to the normal absorption of the current management due to lower revenue in the period compared to the previous one.

LIABILITIES**RESERVES AND SEVERANCE PAY**

As at December 31st 2015 the Foundation has three employees.

OTHER LIABILITY HEADINGS

Balance sheet code	D 01
Description	DEBTS Due within the next twelve months
Initial worth	48.862
Increases	242.928
Decreases	(260.980)
Final worth	30.810

The increase of debts falling due in the next financial year is a consequence of the ordinary activities. Debts are mainly payable to suppliers.

Balance sheet code	D
Description	ACCRUALS AND DEFERRALS

This is the deferral of amounts collected with respect to CAV project for the part exceeding the costs incurred during the year 2015 amounted to € 3,866 in relation to the project to which these funds are intended:

CAV collection design	10.304
Costs incurred for the project in 2015	3.866
Deferred income	6.438

Balance sheet code	A1
Description	Organisation's endowment
Restricted reserve pursuant to the By-laws of July 2010	125.000
Results for the previous periods	(146.691)
Results for the current period	(5.510)
Net asset at 31 December 2015	(27.201)

As described in the introduction, as a result of operational loss achieved during 2015, the Foundation Endowment Fund showed a capital deficit of € 27,201. Following the financial statement The Founding Members made a payment of € 125,000, bringing the Foundation in a balanced equity. In that context the financial statements have been prepared using criteria consistent with the going concern basis, given the commitment made by the Founding Members to ensure the necessary financial support to the Foundation.

COMMENTS ON THE MAIN ITEMS OF THE DIRECTORS' REPORT

Charges and Income

Charges and income are booked on an accrual basis, independently from the date of collection or payment, net of returns, discounts, allowances and bonuses.

Income from core activities

Revenues from institutional activities related to liberals amounts bound for Euro 49,807 and not tied to Euro 280,242 of which Euro 4,021 to Euro 276,221 from physical and legal persons.

Income from occasional funds raising

Funds raising public statement year 2015			
Description	REVENUES (a)	BOUND TO PROJECTS (b)	EXPENSES
1.Occasional funds raising at De vincenti Multiliving Piubega 25 th June 2015	300	220	80
2 Occasional funds raising by Marcegaglia Foundation Golf Cup at Albarella 13 th August 2015	826		505
3.Occasional funds raising during aperitif at La Fenice in Mantua 11 th September 2015	500		0
4.Occasional funds raising at the dinner at Blue Note in Milan 7 th October 2015	41.510	31.258	10.252
5 Occasional funds raising at "This Christmas donate with all your heart" from 28 th to 29 th November 2015	58.632	18.637	39.996
6.Occasional funds raising at Marcegaglia flea market in Gazoldo from 1 st to the 3 rd December 2015	8.445		419
TOTAL	110.213	50.115	51.252
Amounts collected (a)-(b)	60.098		

Income from fundraising for a total of EUR 60 098 differ from the budget item of € 300 relating to a donation in kind and EUR 4,274.23 euros on the share received for 2013:

1. On the occasion of the collection of charitable funds for the "One Cow Rwanda" project, there was an aperitif at the commercial operation of De Vincenti Multiliving of Piovega (Mantova). The location was the back of the furniture showrooms and the interveners had available spaces for tasting with the presence of musicians and entertainers. For the Foundation it was an opportunity to raise awareness of those present on the projects and in particular on the One Cow Project. Some sponsors provided spaces, furnishings and materials for the aperitif. 300 Euros were collected, which, net of expenses, were allocated to the project of solidarity sustained in Rwanda. The recorded outputs of 80 Euros were for the housing costs of the Foundation staff.

2. On the occasion of fundraising for charity "Fondazione Marcegaglia Golf Cup" at the Golf Club of Albarella (Rovigo) 680 Euros were collected, which, net of expenses, were allocated to charity projects supported by the Foundation. The Foundation was the recipient of 50% of the registrations of participants in the golf tournament held on August 13, 2015. The expenses incurred amounted to 359 Euros and consist of the purchase and customization of the prizes for the winners who also received the donation in kind of Fazio wines worth 146 Euros.

The third edition gave the opportunity, during the time of the award ceremony, to update the guests of the Golf Club on the Foundation's projects, also through ad-hoc communication on information kiosks.

3. In conjunction with the Literature Festival it was organized at the Café-Enoteca La Fenice di Mantova an aperitif open to the public and supporters. It was an opportunity to meet with supporters, answer their questions and update them on the project. 500.00 euros were collected, corresponding to 50% of the purchases

carried out during the evening, not having recorded the expenses, the amount was allocated to charity projects supported by the Foundation.

4. On October 7, 2015 at the Jazz Club Blue Note Restaurant in Milan, it was held a fundraising event, during which Euro 40,010 was collected, net of expenses, and allocated to the project "One Cow Rwanda". The event consisted of a gala dinner with the presence of comedians and entertainers. They were invited sympathizers, supporters and partners of the Foundation and its corporate sponsors. It was an opportunity to present the One Cow Rwanda project and objectives of the Foundation for 2016. The expenses incurred amounted to Euro 8,751.78 and consisted mainly in the dinner (dining room rent and wine costs) and the purchase of a promotional video about the project in Rwanda. In-kind donations of Euro 1,500 refer to the supply of 30 bottles of champagne served at the end of the dinner.

5. On the occasion of the public event "This Christmas give with your heart!" held in Mantova 28 to 29 November 2015, at "Bernardelli spazio" Euros 21,716 were collected. The event consisted in the organization of a market where visitors could choose goods donated by partner companies of the Foundation and allocate their donations to the Mantua CAV project or One Cow Rwanda. Expenditure amounted to Euro 39,996 of which Euro 36,916 in-kind donations. On that occasion, the visitors also had the opportunity to inquire about the progress of the projects thanks to the presence of the Foundation staff and to the paper communication material. The raised funds, net of expenses, are placed as follows:

Euro 13,333 to the One Cow Ruanda project to support the entry of 10 beneficiaries in the project;

Euro 5,304 to the CAV Mantua project to support the beneficiaries with the repayment of home and work skills endowments.

6. On the occasion of the collection of charitable funds at the Charity flea market at Marcegaglia factory of Gazoldo degli Ippoliti Euros 8,445.00 were collected, which, net of expenses, were allocated to charity projects supported in Italy and in the world. The event was held from 1st to 3rd December 2015, in one of the halls at the entrance of the headquarters of Gazoldo degli Ippoliti (Mantova). The expenses incurred amounted to Euro 419 and consist of the accommodation costs for the Foundation staff, responsible for the proper conduct of the initiative and for the operating expenses of Carta Si.

Expenses from core activities

The following list shows the funds disbursed during the year 2015 to operating partners for the implementation of project activities.

Subsidized Entity/Project Type	Euro
Life Counselling Centre and Mantua Caritas	2.666
Amurt Association- Social Shopping basket Casalmaggiore	4.564
Association of Citizen together with Sinti men Cremona	2.100
COALA-Grafts Consortium (Employees tender 2014)	10.000
Altis scholarships in Sierra Leone	4.000
Artefacts Onlus-Weaving Marocco	24.353

Operation Life Association-Give yourself a smile	4.040
Association Children from the world-Family helps family	4.526
Final amount	56.249

The difference between the voice B.1 equal Euro 169.592 and the final amount is due to funds provided directly by the foundation for the purchase of equipment and services for projects:

Project	Euro
CAV Project (work voucher))	1.200
RAST Project Haiti	21.240
ONE COW Project-Rwanda	48.115
Youth Project MEN SINTI	3.290
Employees Project 2015	30.000
Various charges on Projects	9.498
Final amount	113.343

General administrative costs

This item relates to the costs of operational management of the Non-profit-making Marcegaglia. Foundation. Detailed below are the main types of expenditure:

6.2 Services	Euro
Training Expenses	2.264
Legal Fees	7.803
Scholarships	1.000
Administrative Formalities	8.967
Telephone costs (land lines and mobiles)	3.736
Travel Expenses	8.224
Miscellaneous	2.408
TOTAL	34.402

6.3 Staff	Euro
Personnel Costs	131.069
INPS Contributions	1.033
INAIL	15
TOTAL	132.117

The personnel costs include an amount of Euro 25,049 for a conciliation following the closure of a project contract.

Charges from occasional fundraising

Charges relating to the fundraising of € 51.252, are attributable to the following costs in Euro:

Charges from fund-raising	1. Fund-raising	2. Fund-raising	4. Fund-raising	5. Fund-raising.	6.Fund-raising	TOTAL
Purchase goods and advertising		505	2159	37670		40.334
Materials charges (stationary)			31	371		402
Services costs	80		8062	1954	420	105.16
TOTAL OUTPUT	80	505	10252	39996	420	51.252

The account Charges from fundraising consists of:

- Euro 38.56 for donated goods, Euro 1.063 for purchased goods and Euro 709 for advertising;
- Euro 402 for office equipment;
- Services costs relate to Euro 6,100 for rental of the Blue Note and EUR 1,962 for the realization of the promotional video for project One Cow Rwanda; € 419 for insurance of "Bandinelli Spazio" and Euro 200 for the setting costs; € 1,656 for travel expenses and € 179 for commissions on donations accumulated through SOP.

CONCLUSIONS

Closing Remarks

It reiterates that the evaluation criteria set forth herein, are in accordance with statutory regulations and the results of the balance sheet correspond to the balances of the accounting records kept in accordance with current regulations. These notes, as well as the entire budget of which is an integral part, give a true and fair view of the assets and financial situation of the Foundation and the results of operations.

Gazoldo degli Ippoliti, 26 April 2016

THE CHAIRMAN OF THE BOARD