

FONDAZIONE MARCEGAGLIA ONLUS

Tax code 97562250155 - VAT Number 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 2016

BALANCE SHEET - ASSETS	31/12/2016	31/12/2015
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
I) TOTAL INTANGIBLES ASSETS		183
II) TANGIBLE ASSETS		
1) Tangible fixed assets	524	1.108
II) TOTAL TANGIBLE ASSETS	524	1.108
III) INVESTMENTS		
1) long term receivables	48	48
III) TOTAL INVESTMENTS	48	48
B) TOTAL FIXED ASSETS	572	1.339
C) Current assets		
I) INVENTORY		
II) RECEIVABLES:		
1) Falling due within the financial year	1.708	1.483
II) Total receivables	1.708	1.483
III) FINANCIAL ACTIVITIES (other than fixed assets)		
IV) LIQUID ASSETS	34.278	7.594
C) TOTAL CURRENT ASSETS	35.986	9.078
D) Accruals and deferrals	1.114	0
BALANCE SHEET TOTAL - ASSETS	37.672	10.416

BALANCE SHEET - LIABILITIES	31/12/2016	31/12/2015
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	-152.201	-146.691
IX) Operating results of the current period	20.678	-5.510
A) TOTAL NET ASSETS	-6.523	-27.201
B) RISK AND CONTINGENCY FUNDS		
C) SEVERANCE PAY	3.255	370
D) DEBTS		
I) Due within the next twelve months	40.813	30.810
II) Due beyond the next twelve months	124	
D) TOTAL DEBTS	40.937	30.810
E) ACCRUALS AND DEFERRALS	3	6.437
BALANCE SHEET TOTAL - LIABILITIES	37.672	10.416

MANAGEMENT STATEMENT OF INCOME - REVENUES	31/12/2016	31/12/2015
A) INCOME		
1) Income from core activities		
1.1 From project contributions	33.187	49.807
1.2 From nonshareholders	267.795	280.242
1.3 Other revenues	10.474	
2) Income from fund raising	280.577	64.672
4) Financial and capital income		
4.1 From bank deposits	60	379
A) TOTAL REVENUES	592.093	395.100
MANAGEMENT STATEMENT OF INCOME - CHARGES		
B) EXPENSES		
1) Charges for core activities	240.182	169.592
1.1 Charges on projects		
1.2 Other charges	12.435	
2) Fund raising expenses	142.419	51.252
4) Financial and capital charges		
4.1 on bank loans	691	902
6) General Supporting Charges		
6.1 Materials	2.424	2.693
6.2 Services	38.818	34.402
6.3 Staff	125.499	132.117
6.4 Amortisations	766	1.677
6.5 Sundry operating expenses	8.181	7.975
B) TOTAL CHARGES	571.415	400.610
POSITIVE OPERATING RESULTS	20.678	
NEGATIVE OPERATING RESULTS		5.510

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 2016

Explanatory note, initial part

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 regulations in force, art. 2426 C.C. and, at any rate, in compliance to the law issued by the Italian National Council of Accountants (OIC) and to the new Guidelines issued on 22nd December 2016. for a non-profit Foundation, if applicable after taking into account the peculiarities that characterize the structure of the assets and to inform about the ways in which resources have been acquired and used during the relevant period in the various management areas.

The financial statements are based on the balance sheet, the management statement of income and this explanatory note.

The balance sheet and the management statement are prepared in accordance with the guidelines set out in the recommended guidelines for the ONLUS and supplemented by the above mentioned recommendations, in accordance with principles of warranty and in full compliance with the applicable legal provisions. The financial statements have been prepared on an accrual basis.

The structure, the form and the principles are consistent with those adopted in the previous year, despite of the novelties introduced by D.Lgs. 139/2015.

The amounts expressed in the budget statements are in Euros, as well as in the comments to the single entries.

It should be noted that there are no parent bodies.

The Board of Directors approved the budget for the year 2017 on November 11, 2016, including the recommendation for the development and support of projects for a total of Euro 172,500, which the Foundation plans to continue to promote and support.

It has to be reminded, among the projects promoted by the Foundation, the followings:

- the "One Cow Rwanda" project for women and their families in the community of Rilima through modern and sustainable farming, livestock and farming practices for a total of Euro 67,000;
- the funding of an MBA in the Rwandan capital for a total of € 28,000 to provide 8 scholarships to young Rwandan entrepreneurs.
- the support to the Mantua Life Aid Centre in training and paving the way to female volunteers, beneficiaries of a total of € 20,000 (Italy);

The cash-flow expected by the Foundation's institutional activity for the next 12 months will be guaranteed by:

- contributions from public fund raising initiatives at events organized by the Foundation in the coming months;
- contributions from 5x1000 2015 expected for 2017 as reported in the lists published by the Inland Revenue Agency;
- the remaining part by the available cash.

With reference to the public collection activity, hoping an increase in contributions, The Founders have expressed their intention to guarantee financial support to the ordinary management of the Foundation for the current financial year, in case this becomes necessary and appropriate.

In this context, based on the evidence available up to date, there are no significant uncertainties about the financial situation. Thus the financial statements have been prepared on a going concern basis.

Sect. 1 – EVALUATION CRITERIA APPLIED

Below are disclosed the accounting policies adopted in the financial statements at 31 December 2016.

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.

ACTIVE:

Intangible assets

They are recorded at the historical cost of acquisition, including ancillary costs and VAT (which, by virtue of the nature and activity of the association); they are shown net of amortization carried over during the years and charged directly to the single items.

The period of amortization of intangible assets is represented by the technical-economic duration of the assets, depending on the type of asset.

This principle is well represented by the following amortization rates:

- other multi-year costs: 33%

In the event that, irrespective of the amortization already recorded, there is a permanent loss of value, the asset will be depreciated; if, in the following years the prerequisites of the write-down default, the original value is restored, corrected of just the amortization.

Tangible fixed assets

They are recorded at purchase cost and they are adjusted by the corresponding amortization funds.

The accessories charges, the VAT and the setting costs have been taken into account in the balance sheet value.

Amortization charges entered in the income statement have been calculated on the basis of the residual utilization criteria, taking into account the use, destination and technical and economic life of the assets.

This criterion is well represented by the following amortization rates:

- Other tangible assets 15%;
- Office machines and data processing systems: 20%;

In the event that, irrespective of the amortization already recorded, there is a permanent loss of value, the asset is depreciated; if in the following years the prerequisites of the write-down default, the original value, corrected only amortization.

They are recorded at the historical cost of acquisition, including ancillary costs and VAT (which, by virtue of the nature and activity of the association, is non-deductible)

They are stated at purchase cost and adjusted by the corresponding amortization funds

Amortization charges entered in the income statement have been calculated on the basis of the residual utilization criteria and taking into account the use, destination and technical and economic life of the assets.

This criterion is well represented by the following amortization rates:

- Other tangible assets 15%;
- Office machines and data processing systems: 20%;

In the event that, irrespective of the amortization already recorded, there is a permanent loss of value, the asset is depreciated; if in the following years the prerequisites of the write-down default, the original value is restored, corrected of just the amortization.

Credits

They are subjected to the presumed realization value. Any adjustment of the nominal value of the receivables to the estimated realizable value is obtained by means of a provision for bad debts.

Liquid assets

Liquid assets are subjected to their nominal value.

Prepayments and accrued income

Accruals and deferrals were accounted on the basis of the principle of economic and temporal competence, taking care to ascribe the related cost and revenues to the closing financial year.

PASSIVE:

Net assets

Shareholders' Equity is constituted by the Freehold, in which the surpluses (or deficits) of the current and previous years and the Endowment Funds are collected.

Severance pay (T.F.R.)

Severance pay is registered in accordance with the provisions of the current legislation and corresponds to the company's actual commitment to each employee at the closing date of the financial statements, minus of the TFR advances paid.

Debts

Payables are registered at nominal value.

Accruals and deferred income

They were determined in accordance with the principle of the actual timing of the financial year, taking care to impute the relevant cost and revenue shares to the closing financial year.

INCOME STATEMENT:

Revenues

They are accounted for in accordance with the principle of warranty and competence that normally coincides with the time when they are realized

They include revenues from typical institutional activity and from fundraising proceeds. Typical revenues include donations collected through the bank accounts without a specific intended use and those dedicated to distinct projects.

5x 1000 contribution

The 5 x 1000 contribution is attributed to the year in which it is collected, because only after its actual numerical manifestation the institutional authority can proceed to its institutional purposes with its relative assignment and subsequent distribution to the individual projects.

From the date of publication of 5 x 1000 listings on the website of the inland Revenue Agency, it is possible to commit the figures of 5 per thousand and pay (by anticipating with own funds) the relative costs.

Costs

They correspond to the costs incurred by the Foundation during the relevant period in order to carry out its activities which are accounted for in terms of economic and temporal competence.

Financial Income

Financial and capital gains refer to interest on ordinary bank accounts with coupons accrued on bonds recorded between current assets receivables.

BALANCE SHEET

ACTIVE

Fixed Assets

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

Intangibles refer to the Foundation expenses for the purchase of software licence and totally amortized.

Balance sheet code	B II 01
Description	FIXED ASSETS - TANGIBLE ASSETS Tangible assets
Initial worth	9.065
Increases	0
Decreases	0
Amortisation	0
Final worth	9.065

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

Balance sheet code	B II 02
Description	FIXED ASSETS - TANGIBLE ASSETS – Tangible assets depreciation reserve
Initial worth	7.958
Increases	583
Decreases	0
Supplements	0
Final worth	8.541

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	1.486
Increases	228
Decreases	(5)
Final worth	1.708

Credits in details:

Description	31/12/2016	31/12/2015
Receivables vs Treasury	1.082	1.087
INAIL deposits	183	0
Other receivables vs suppliers	398	398
Receivables vs. "Fare Mutua-Unisalute	45	0
Total Credits	1.708	1.483

Balance sheet code	C IV
Description	CURRENTS ASSETS - CASH ON HAND
Initial worth	7.594
Increases	542.898
Decreases	516.214
Final worth	34.278

Description	31/12/2016	31/12/2015
Pre-paid Credit Card	288	493
Banca Popolare di Sondrio	32.772	6.885
Cash	1.218	216
Total Cash Flow	34.278	7.594

Accruals and deferrals

Accrued income of € 1,114 corresponds to income earned during the year but which will be collected in the next financial year and broken down as follows:

Description	Amount
Fundraising from Legal Persons	1.100
Interests on c.a.	14
Total accrued income	1.114

LIABILITIES

OTHER LIABILITY HEADINGS

Abbreviated, passive and equity supplementary notes

There are variations in the consistency of liability items.

Net assets

The items that make up the equity are thus represented

Description	Amount
Foundation equity fund	125.000
Losses brought forward	-152.201
Operating profit	20.678
Total equity	-6.523

The Foundation equity fund corresponds to the payment made by the Founding Members as a statutory provision made in 14 July 2010.

The operating surplus earned during 2016 will be used to partially cover the losses brought forward and the Net Asset Value is equal to Euro -6,523

Below is the change in net assets of the last two financial years:

Description	Foundation Equity fund	Losses brought forward	Operating profit	Total
Net assets 1.1.2015	125.000	22.979	(169.670)	(21.691)
Increases			(5.510)	(5.510)
Decreases		(169.670)	169.670	0
Net assets 31.12.2015	125.000	(146.691)	(5.510)	(27.201)

Description	Foundation equity fund	Losses brought forward	Operating profit	Total
Net assets 1.1.2016	125.000	(146.691)	(5.510)	(27.201)
Increases			20.678	20.678
Decreases		(5.510)	5.510	0
Net assets 31.12.2016	125.000	(152.201)	20.678	(6.523)

The Foundation's provision fund shows a deficit of Euro 6.523. Subsequent to the end of the financial year, the Founding Members made payments for a total of Euro 70,000, ensuring the financial stability of the Foundation.

Severance funds (T.F.R.)

Employee termination indemnity provision

Severance indemnity debt has been calculated in accordance with the current provisions governing the working relationship for employees and corresponds to the company's actual commitment to each employee at the closing date of the financial statements

Balance sheet Code	C
Description	Employee severance provision
Initial amount	370
Increases	3.095
Decreases	(209)
Final amount	3.255

The deferred amount represents the actual employer's indebtedness for T.F.R. to employees at that date at the end of the financial year, net of advances paid.

Debts

Payables as at 31/12/2016 amounted to euro 40,937, of which euro 124 due after the year.

It should be noted that all debts have a residual maturity of no more than five years.

The individual items are analyzed below, highlighting the major events that involved them.

Debts towards suppliers

Description	Amount
Debts vs suppliers	8.183
Suppliers with invoices to receive	10.270
Total	18.453

Payable Taxes

Description	Amount
PAYE	5.037
Total	5.037

Debts to Social Security Institutions

Description	amount
INPS with dependent work contributions	4.119
INAIL with dependent work contributions	218
Supplementary pension fund	1.916
Total	6.253

Other debts

Description	amount
Employees with salaries	5.190
Employees with accrued but unpaid charges	5.880
Total	11.070

Other debts to suppliers beyond the year

Description	amount
Debts to suppliers	124
Total	124

Accruals and deferred income

Balance sheet code	D
Description	Accruals and deferred income
Initial amount	6.437
Increases	3
Decreases	(6.437)
Final amount	3

Accrued expenses due to economic and temporal costs in the current year are reported and refer to charges, fees and expenses recognized on the c / a with value date 31/12/2016 but debited in the following year for euro 3. The decrease refers to the deferred income relating to the amount collected in the previous year relative to the CAV project ,for the part that exceeded the costs incurred

COMMENTS TO THE MAIN ITEMS OF THE MANAGEMENT REPORT

Typical activity income

1) Typical activity income	Liberal submissions for projects	
	Restricted funds	Non restricted funds
1.1 From contributions on projects	33.187	
1.2 From non members	0	267.795
1.3 Other income	10.474	
Total	43.661	267.795

Revenues from institutional activities refer totied legal contributions of € 33,187 , mainly due to events organized by the Foundation, and non restricted contributions of € 267,795, of which € 22,130 were paid by individuals and € 245,590 from legal entities.

"Other income" refers to income from funds collected for other non-profit entities

Occasional fundraising proceeds

PUBLIC COLLECTION OF FUNDS 2016		
DESCRiption	NON TIED	TIED
1. Occasional fundraising La Musica fa Goal, 30/05 Mantova	283	1.067
2 Occasional fundraising Ristorante Naviglio 1974, 27/06 Goito	0	1.000
3 Occasional fundraising. Fondazione Marcegaglia Golf Cup, 11/09 Albarella	0	320
4. Occasional fundraising Cena di Gala "Passion for Life", 11/09 Albarella	214.903	0
5. Occasional fundraising "Un Sorriso per Natale", 26-27/11 Mantova	46.992	22.443
6. Occasional fundraising "Un Sorriso per Natale", 29-30/11 e 1/12 Gazoldo	736	4.777
7. Occasional fundraising "Un Sorriso per Natale", 14-15/12 Milano	0	997
OCCASIONAL FUNDRAISING PROCEEDS	262.914	30.604

Fundraising income of euro 280,577 includes casual fundraising income of euro 262,914, share received for five for one thousand financial year 2014 for euro 8,666 and a donation in kind of euro 8,997 for 500 copies of the book " 5 days in Rwanda".

As regards the occasional fundraising proceeds, the following is noted:

1. On 30 May at the Teatro Sociale di Mantova, the event "La Musica fa Goal" was held in collaboration with the Vialli Foundation and Mauro Onlus. The aim of the evening is to raise awareness of scientific research projects against Lateral Sclerosis (SLA). The present enjoyed a unique spectacle: some of the most beautiful football (video) performances were performed in live music by two classical instrumentalists. 1,350 Euros were collected which were entirely devolved to the projects of the Vialli Foundation and Mauro Onlus.

2. On the occasion of the fundraising for the "One Cow Rwanda" project, a dinner was held

at the Naviglio Restaurant 1974 in Goito (Mantova). The aim of the evening is to raise awareness and support the solidarity projects that the Foundation has in Rwanda and specifically in breeding projects. During the evening, a video was screened about the operating modes of the "One Cow Rwanda" project. Italy in the Glass, sponsor of the Foundation and sponsor of the evening, was involved in the Wine / Plate combination and, in collaboration with the Foundation, of graphics and invitations. A total of 1,000 Euros have been collected - no expenditures have been incurred - for the solidarity project supported in Rwanda

3. On the occasion of fundraising for "Marcegaglia Golf Cup Foundation" at Albarella Golf Club (Isola di Albarella, Rovigo), Euro 320 was collected for the "One Cow Rwanda" project. They have not been registered expenses. The Foundation received 50% of the entries of the golf tournament participants on September 11, 2016. At its 4th edition, the award ceremony was an opportunity to update the guests at the Golf Club of the Foundation projects also through ad-hoc communication on informative totems.

4. On 11 and 12 September 2016, in the splendid setting of the island of Albarella, was organized "Passione for Life", a fundraising event in partnership with Fondazione Vialli and Mauro Onlus. Specifically, a Gala dinner was held on September 11, under a tensile structure mounted for the occasion in the space in front of Villa Cà Tiepolo, with various moments of comic and musical entertainment. The entire proceeds of the Gala dinner went in favor of the Fondazione Marcegaglia projects. It has also been an opportunity to update and raise awareness of the approximately 250 guests present on project progress. € 120,494.69 were collected, net of expenses, for the Foundation's socio-sanitary projects. The invitees were the sympathizers, the supporters, the partner companies of the Foundation.

5. On the occasion of the public event "A Smile for Christmas" held in Mantua from 26 to 27 November 2016 at Spazio Bernardelli, a collection of Euro 22,442.99 was collected. The event consisted in the organization of a market where visitors could choose goods donated by the Foundation's partner companies and allocate their donations equally to the following projects: CAV Mantova, One Cow Rwanda, No to SLA. Expenses incurred amounted to Euro 46,992.26 of which donations in kind were Euro 44,409.25. On that occasion visitors also had the opportunity to be informed about the progress of the projects thanks to the presence of the staff of the Foundation and paper communication material. At the later of the market was organized the presentation of the photo book "5 days in Rwanda", fruit of the mission of the President and a photographer who has immortalized various scenes of daily Rwandan life.

6. On the occasion of the collection of funds for the benefit of the market at the Marcegaglia factory in Gazoldo degli Ippoliti (Mantua), a total of € 4,777.15 was collected which, net of expenses, were allocated equitably to the following projects: CAV Mantova, One Cow Rwanda, No to SLA. The event took place from November 29 to December 1, 2016 in one of the halls at the entrance to Gazoldo degli Ippoliti. Expenses are € 735.85 and consist of the Foundation staff responsible for the proper conduct of the initiative and communication expenses.

7. On the occasion of the fundraising of the market at the premises of the Marcegaglia Foundation, Euro 997 was collected, equally allocated to the following projects: CAV Mantova, One Cow Rwanda, No to SLA. No expenses have been recorded. The event took place on December 14 and 15, 2016 and was first open to the employees of the Marcegaglia Plant in which the Foundation is host

Typical activity charges

The following table shows the funds disbursed during the year 2016 to the operating partners

for the realization of the project activities.

Fully funded institution/type of project	Euro
Centro Aiuto alla Vita e Caritas-Mantova	30.459
Associazione Amurt-Carrello Sociale Casalmaggiore	5.000
Associazione Cittadini Insieme-Men Sinti Cremona	2.900
Terre Des Hommes Italia-Scholarships for unaccompanied minors	13.500
Mission Bambini-Youths at work	15.000
Missione Punto Onlus-Curtea Culorilor	15.000
Associazione operazione vivere-Regalati un sorriso	13.500
Associazione bambini dal mondo-Famiglia aiuta famiglia	3.000
Total accrued income	98.359

The difference between B.1 amounting to Euro 240,182 and the final balance is due to funds directly paid by the Foundation for the purchase of materials and services for projects:

Project	Euro
Progetto CAV (work voucher)	3.320
Progetto RAST Haiti	30.027
Progetto ONE COW-Rwanda	64.214
Progetto dipendenti 2016	35.262
Total accrued income	132.823

End for Euro 8,997 at the donation in kind of 500 copies of the photo book "5 days in Rwanda".

Other charges

It refers to contributions to other non-profit organizations, specifically during the public collection of funds to the Vialli and Mauro Foundation and to the Association No alla Sla, and in favor of the Arte-Fatto Association.

General support charges

This item refers to the costs associated with the management of the Marcegaglia Onlus Foundation.

The following are the main types of expenditure:

6.2 Services	31/12/2016	31/12/2015
Training expenses	181	2.264
Legal costs	0	7.803
Allocation of scholarship	10.300	1.000
Administrative formalities	10.558	8.967
Phone costs (landlines and mobiles)	2.465	3.736
Travel costs	8.568	8.224
Advertisements	3.460	804
Mailing costs	1.156	540
Miscellaneous	2.130	1.064
TOTAL	38.818	34.402

The change in the cost of services is due, on the one hand, to the increase in the allocation of scholarships and advertising costs in 2016, on the other hand to a reduction in costs for training expenses and legal expenses.

6.3 Staff	31/12/2016	31/12/2015
Staff costs	104.366	131.069
INPS contributions	13.969	1.033
INAIL	252	15
Severance pay	6.747	0
Ulterior staff costs	165	0
TOTAL	125.499	132.117

The cost of staff varied mainly as a result of a reconciliation of € 25,049 and of the Inps for cofounding contributions that were transformed into end-of-term (1) and indefinite (2).

Occasional fundraising fees

Funding charges amount to euro 142,419 and are attributable to the following cost items:

Fundraising costs	1.Raccolta	4.Raccolta	5.Raccolta	6.Raccolta	TOTALE
Goods purchasing			44.409		44.409
Stationery			129	85	214
Staff	52	1.828			1.880
Services costs	231	92.580	2.454	651	95.916
Total expenses	283	94.408	46.992	736	142.419

The item to fundraising expenses consists of:

- Euro 44,409 for donations in kind from market companies;

- Service costs refer to Euro 92,580 mainly at expense (overnight, catering, lights, tensile structure, guest, Siae) incurred for the organization of the Golf Club Foundation event on September 11, 2016 at Albarella

- Euro 214 for office fees.

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 are 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, 28 aprile 2017

THE CHAIRMAN OF THE BOARD