

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 2017

BALANCE SHEET - ASSETS	31/12/2017	31/12/2016
A) Receivables from shareholders for still pending payments		
I) part already called		0
II) part already called		0
A) Receivables from shareholders for still pending payments		0
B) Fixed assets		
I) INTANGIBLE ASSETS		
1) Intangible fixed assets		0
I) TOTAL INTANGIBLES ASSETS		0
II) TANGIBLE ASSETS		
1) Tangible fixed assets	165	524
II) TOTAL TANGIBLE ASSETS	165	524
III) INVESTMENTS		
1) long term receivables	48	48
III) TOTAL INVESTMENTS	48	48
B) TOTAL FIXED ASSETS	213	572
C) Current assets		
I) INVENTORY		
II) RECEIVABLES:		
1) Falling due within the financial year	1.602	1.708
II) Total receivables	1.602	1.708
III) FINANCIAL ACTIVITIES (other than fixed assets)		
IV) LIQUID ASSETS	89.347	34.278
C) TOTAL CURRENT ASSETS	90.948	35.986
D) Accruals and deferrals		1114
BALANCE SHEET TOTAL - ASSETS	91.170	37.672

BALANCE SHEET - LIABILITIES	31/12/2017	31/12/2016
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	-131.523	-152.201
IX) Operating results of the current period	42.053	20.678
A) TOTAL NET ASSETS	35.530	-6.523
B) RISK AND CONTINGENCY FUNDS		
C) SEVERANCE PAY	6.447	3255
D) DEBTS		
I) Due within the next twelve months	49.065	33.493
II) Due beyond the next twelve months	124	124
D) TOTAL DEBTS	49.189	33.617
E) ACCRUALS AND DEFERRALS	4	3
BALANCE SHEET TOTAL - LIABILITIES	91.170	30.352

DIRECTORS' REPORT - REVENUES	31/12/2017	31/12/2016
A) INCOME		
1) Income from core activities		
1.1 From project contributions	109.431	33.187
1.2 From non shareholders	303.030	267.795
1.3 Other revenues	0	10.474
2) Income from fund raising	149.009	280.577
4) Financial and capital income		
4.1 From bank deposits	11.411	60
A) TOTAL REVENUES	572.881	592.093
DIRECTORS' REPORT - CHARGES		
B) EXPENSES		
1) Charges for core activities		
1.1 Charges on projects	192.382	240.182
1.2 Other charges	0	12.435
2) Fund raising expenses	135.453	142.419
4) Financial and capital charges		
4.1 on bank loans	1.852	691
6) General Supporting Charges		
6.1 Materials	1.064	2.424
6.2 Services	59.070	38.818
6.3 Lease of third party assets	6.100	0
6.4 Staff	130.265	125.499
6.5 Amortisations	359	766
6.6 Sundry operating expenses	4.283	8.181
B) TOTAL CHARGES	530.828	571.415
POSITIVE OPERATING RESULTS	42.053	20.678
NEGATIVE OPERATING RESULTS		

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

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Financial statements as at 31st December 2017

Additional 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 also 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 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 entry.

It should be noted that there are no parent bodies.

On November 11, 2017, the Board of Directors approved the budget for the year 2018, including the recommendation for the development and support of projects for a total of Euro 252.500, which the Foundation intends to continue

to promote and support. Among the main approved projects there have been: 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 119.000; the funding of an MBA in the Rwandan capital for a total of € 28,000 to provide 8 scholarships to young Rwandan entrepreneurs and the Guri I Zi project in Albania to guarantee the training of weavers and of a referent of the project on site. In Italy, support to the Mantua Life Aid Centre in training and paving the way to female volunteers, beneficiaries for a total of € 30,000.

The negative 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 2016 expected for 2018 as reported in the lists published by the Inland Revenue Agency;
- the available cash remaining.

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 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 2017.

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 subsequent exercises

the conditions for devaluation are no longer valid, the original value is restored, corrected of just the amortization.

Tangible fixed assets

They are recorded at purchase cost and 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%;

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 for 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 Free Capital, in which the surpluses (or deficits) of the current year and of the previous financial years and of the Endowment Fund are included.

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 principals 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	B II 01
Description	ASSETS – TANGIBLE FIXED ASSETS Cost of fixed 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 01
Description	FIXED ASSETS - TANGIBLE ASSETS – Depreciation fund for tangible fixed assets
Initial worth	8.541
Increases	359
Decreases	0
Supplements (+/-)	0
Final worth	8.900

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

Current assets

Balance sheet	C II 01
Description	CURRENTS ASSETS - RECEIVABLES Due within the next twelve months
Initial worth	1.708
Increases	77
Decreases	-183
Final worth	1.602

Credits in details:

Description	31/12/2017	31/12/2016
Receivables vs Treasury	1.082	1.082
INAIL deposits	0	183
Rounding salaries	1	0
Other receivables vs suppliers	459	398
Receivables vs. "Fare Mutua-Unisalute	60	45
Total Credits	1.602	1.708

Liquid availability

Cash and cash equivalents, shown in the "active" section of the balance sheet under C.IV for 89,347 euros, correspond to current account balances held in Italian and foreign banks and to existing liquid assets in the social security funds at year-end and valued at nominal value.

Balance sheet code	C IV
Description	CURRENTS ASSETS - CASH ON HAND
Initial worth	34.278
Changes during the financial year	55.069
Final worth	89.347

They are so represented:

Description	31/12/2017	31/12/2016
Pre-paid credit card	529	288
Banca Popolare di Sondrio	77.788	32.772
KCB Bank c/c in RWF	10.216	0
KCB Bank c/c in RWF	19	0
KCB Bank c/c in RWF	11	0
Check cashier	299	0
Cash	1.218	216
Total Cash Flow	89.347	34.278

Prepayments and accrued income

Accruals pertaining to euro 8 were recognized on an accruals basis, corresponding to income for the year but which will be collected in the next year, divided as follows:

Description	amount
Interests on c/c	8
Total accrued income	8

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	-131.523
Operating profit	42.053
Total equity	35.530

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 2017 will be used to partially cover the losses brought forward and the Net Asset Value is equal to Euro 35.530.

The changes in equity for the last two years are detailed below:

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)

Description	Foundation equity fund	Losses brought forward	Operating profit	Total
Net assets 1.1.2017	125.000	(152.201)	20.678	(6.523)
Increases		20.678	42.053	62.731
Decreases			(20.678)	(20.678)
Net assets 31.12.2017	125.000	(131.523)	42.053	35.530

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	3.255
Increases	3.192
Decreases	0
Final amount	6.477

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 31/12/2017 amounted to euro 49,189, 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	3.748
Suppliers with invoices to receive	14.873
Total	18.621

Payable Taxes

Description	Amount
PAYE	4.812
Substitute tax for termination benefits	11
Total	4.823

Debts to Social Security Institutions.

Description	amount
INPS with dependent work contributions	4.025
INAIL with dependent work contributions	218
Supplementary pension fund	1.631
Total	5.874

Other debts

Description	amount
Employees with salaries	5.079
Employees with accrued but unpaid charges	14.668
Total	19.747

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	3
Increases	4
Decreases	(3)
Final amount	4

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 31/12/2017 but debited in the following year for euro 4.

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	99.724	
1.2 From non members	0	303.030
Total	99.724	303.030

Revenues from institutional activities refer binding liberal contributions of € 99.724 , mainly due to events organized by the Foundation, and non binding contributions of € 303.030 of which € 20.055 were paid by individuals and € 282.975 from legal entities.

Occasional fundraising proceeds

PUBLIC COLLECTION OF FUNDS 2017		
DESCRIPTION	NON TIED	TIED
1. Occasional fundraising from 1st March to 30 th May at Restaurant “Giallo Zucca” Mantua	0	1.300
2.Occasional Fundraising from 5 th to 9 th April at “La Stecca”	73	771
3.Occasional fundraising on the 11 th May at the “Ristorante Naviglio 1974”	60	1.000
4. Occasional fundraising on 20 th August for Golf Cup-Albarella		670
5. Occasional fundraising from 8 th to 10 th September at the “Il disegno” Gallery- Mantua.	3.147	813
6.Occasional fundraising from 16 th to 17 th September in the isle of Albarella	70.802	74.898
7.Occasional fundraising from 25 th November to 26 th November at the”Spazio Bernardelli” Mantua	60.845	11.368
8.Occasional fundraising from 28 th to 30 th November at the Gazoldo factory	527	7.258
9.Occasional fundraising from 13 to 15 December at the Milan’s factory	0	1.644
OCCASIONAL FUNDRAISING PROCEEDS	135.453	99.724

Fundraising income of euro 149.009 includes casual fundraising income of euro 135.453

and the share received for “ 5 x 1000 “ of € 13.556 for the year 2015.

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

1. The "Eat and Support" event held from March 1st to May 30th, 2017 at the Giallo Zucca Restaurant in Mantua, had the aim of promoting the "One Cow Rwanda" project and of raising funds for the same project. The formula was as follows: the restaurant gave the Foundation the sum of the cover charge (€ 3 per person), then gave the customer a coupon so he/she had the opportunity to participate in a raffle and, if drawn, win a stay for 2 people at the Island of Albarella (stay made available by the Foundation's partner, Marcegaglia Hotels & Resorts). Euro 1,300 was collected - no expenses were recorded - for the expenses sustained in the solidarity project in Rwanda.
2. Invited by the NGO COOPI, within the Haitian Cultural Week (5/9 April 2017) at the premises of La Stecca in Milan, Fondazione Marcegaglia set up a banquet and had the opportunity to introduce visitors to the projects in Haiti and to raise funds for them, through the sale of the Fer forgé (wrought iron) of Haiti. During a public conference, there was also an opportunity to show the photos of the book "5 days in Haiti", the fruit of the Foundation's mission with the photographer Federica Bottoli. Euro 771 was collected – including Euro 73 for lunch expenses - for the solidarity project supported in Haiti.
3. On the occasion of the raising of funds for charity for the beneficiaries of the "Help Center for Life" in Mantua, on 11th May 2017 a dinner was held at the Naviglio 1974 restaurant in Goito (Mantova). The aim of the evening is to raise awareness and support projects for women victims of violence that the Foundation has been supporting since 2014. During the evening, the project "A family for a family", active in Mantua and its province, was presented. "Italy in a glass", backer of the Foundation and sponsor of the evening, created the matching of Wine / Plate and, in collaboration with the Foundation, the graphics and invitations. Euro 1,000 was collected – including € 60 for accommodation costs – intended for the solidarity project of the Mantua Center for Life Support.
4. During the fundraising for charity "Fondazione Marcegaglia Golf Cup" at the Golf Club of Albarella (Isola di Albarella, Rovigo), Euro 670 was collected, which was destined for the "One Cow Rwanda" project. No expenses were recorded. The Foundation was the beneficiary of 50% of the registrations of the participants of the golf tournament that took place on 20 August 2017. At its fifth edition, the moment of the award ceremony was an opportunity to update the guests of the Golf Club of the projects of the Foundation also through ad-hoc communication on information totems.
5. At the Design Gallery in Mantua, from 8th to 10th September 2017, a photographic exhibition was organized entitled "The Colors of Women" which showed the two missions in Rwanda and Haiti carried out during the year together with the photographer Federica Bottoli. Some of the photos (in different formats) were printed on the two books that the Foundation published, named "5 days in Rwanda" and "5 days in Haiti", both the result of project missions. The opportunity, together with the collection of funds, was to accompany the visitor through an experience narrated by those who know the countries and coordinate them. Euro 813 was collected, net of the costs

of printing materials and food and staff accommodation –to be donated to the solidarity project of Haiti and Rwanda.

6. On 16 and 17 September 2017, in the splendid setting of the island of Albarella, "Future for Rwanda" was organized, a fundraising event and awareness of the projects of the Marcegaglia Foundation. Specifically, on September 16th there was a Gala dinner, under a tensile structure mounted for the occasion inside the Golf Club, with various moments of comic and musical entertainment. The entire proceeds of the Gala dinner went to the Rwanda projects of Fondazione Marcegaglia. Thanks to the presence of the project representatives in Rwanda, it was also an opportunity to update and make aware the approximately 200 guests present, of the progress of the projects. € 74,898 was collected, net of expenses, for the Rwanda projects of the Foundation. The guests were sympathizers, supporters, and partner companies of the Foundation.
7. On the occasion of the public event "Un dono per Natale" held in Mantua from 25th to 26th November 2017 at Spazio Bernardelli, Euro 11,368 was collected. The event consisted of organizing a market where visitors could choose goods donated by partner companies of the Foundation and allocate their donations equally restricted to projects: CAV Mantua and One Cow Rwanda. The expenses incurred amounted to € 1,933 shared between prints of materials for communication and room and board for staff. The expenses for the "goods in kind" represent the valorization of the goods donated by sponsor companies. On that occasion the visitors also had the opportunity to learn about the progress of the projects thanks to the presence of Foundation staff and informative materials.
8. On the occasion of the collection of charitable funds for the market at the Marcegaglia factory in Gazoldo degli Ippoliti (Mantova), Euro 7,258 was collected, which, net of expenses, was allocated equally to the following projects: CAV Mantova and One Cow Rwanda . The event took place from 28th to 30th November 2017 in one of the halls at the entrance of Gazoldo degli Ippoliti. The expenses incurred amounted to €526 and consisted of accommodation expenses for the Foundation's staff responsible for the proper management of the initiative and for communication expenses.
9. On the occasion of the collection of funds for charity at the market in the premises of the Marcegaglia Foundation, 1,664 Euros were collected, allocated equally to the following projects: CAV Mantua and One Cow Rwanda. No expenses were recorded. The event took place on 13th, 14th and 15th December 2017 and was opened primarily to employees of the Marcegaglia factory where the Foundation is a guest.

Financial and equity income

It refers to liquidity on the KCB foreign current account in Kigali, Rwanda equal to Euro 11.411. and to interest income on an Italian current account.

Typical activity charges

The following table shows the funds disbursed during the year 2017 to the operating partners for the realization of the project activities.

Fully funded institution/type of project	Euro
Association of Ideas on Migrants Onlus – Project Guri I Zi	17.500
Help center for Life- Mantua- Project CAV	10.000
Association operation living- Project Give yourself a smile	2.000
Solidarity Project Association – Family project for a Mantua family	7.500
Final Consistency	37.000

The difference between item B.1 of Euro 192,382 and the final amount is due to costs directly attributable to projects for Euro 954 and to funds provided by the foundation for the purchase of materials and services for projects:

Progetto	Euro
Haiti RAST Project	13.927
ONE COW Project-Rwanda	118.914
Employees Project 2017	21.587
Final consistency	154.428

Financial and equity charges

This item includes bank charges for € 691 and foreign exchange losses relating to currency current accounts.

General support charges

This item refers to costs related to the operational management of the Marcegaglia Onlus Foundation. The main types of expenditure are detailed below:

6.2 Services	31/12/2017	31/12/2016
Training expenses	146	181
Legal fees	0	0
Grant scholarships	9.700	10.300
Administrative formalities	10.957	10.558
Telephone costs (landline and mobile)	2.336	2.465
Travelling expenses	6.308	8.568
Advertising	541	3.460
Postal costs	1.666	1.156
Website renewal	9.906	0
Publication of 5 Days in Haiti book	9.152	0
Other	8.358	2.130
TOTAL	59.070	38.818

The change in costs for services is attributable to new cost items such as the creation of a new website and the publication of 500 copies of the photo book "5 days in Haiti" to donate to large donors and to raise funds for outstanding projects.

6.3 Personnel	31/12/2017	31/12/2016
Cost of Personnel	108.672	106.246
INPS Contributions	14.220	13.969
INAIL	270	252
TFR	6.908	6.747
Other Personnel Costs	195	165
TOTAL	130.265	127.379

Occasional fund-raising charges

The charges relating to fund raising amounted to 135,453 euros and are attributable to the macro-cost items:

Fundraising Expenses	2.Fundraising	3.Fundraising	5.Fundraising	6.Fundraising	7.Fundraising	8.Fundraising	TOTAL
Purchase of goods					58.912		58.912
Stationery			43				43
Staff	73	60	700	271	1.283	527	2.914
Advertising				131	650		781
Costs for services			2.403	70.400			72.803
TOTAL OUTPUTS	73	60	3.147	70.802	60.845	527	135.453

The item fundraising charges is mainly composed of:

Costs for the purchase of goods that refer to donations in kind by companies for the markets;

Costs for services that mainly refer to expenses (accommodation, catering, lights, guests,) incurred for the organization of the Albarella event.

CONCLUSIONS

CLOSING REMARKS

It is reiterated that the valuation criteria set forth herein, are compliant with the statutory regulations and the results of the financial statements correspond to the balances of the accounting records kept in compliance with the current regulations. The present supplementary note, as well as the entire financial statements of which it is an integral part, represents in a truthful and correct way the financial position of the foundation and the economic result of the year.

Gazoldo degli Ippoliti, 24 April 2018

The Chairman of the Board of Directors
