



***EMERGENCY***  
[www.emergency.it](http://www.emergency.it)

**{FINANCIAL STATEMENTS as of 31/12/2010}**



# **We treated 470,964 people in 2010.**

**81,256 patients were treated in our Surgical Centres** in Afghanistan, Cambodia and Sierra Leone. **20,331 women received treatment and 3,028 children were born** in the Maternity Centre in Afghanistan. **71,369 children were treated in Paediatric Centres** in Sierra Leone, Sudan, Central African Republic and in Afghanistan. **209,100 examinations were carried out in the Healthcare Centres and in the First Aid Posts** and **61,638 prisoners examined** in Afghanistan. **3,007 physiotherapy sessions, 490 prostheses applied, 28 small business cooperatives** set up by ex patients in the rehabilitation centre in Iraq. **1,042 cardiac examinations** carried out in 15 screening missions. **1,231 inpatients at the Salam Centre for cardiac surgery** in Sudan. **10,468 patients treated in the Outpatient Clinics** in Italy. **112 international staff and 2,176 national staff** working each day in our hospitals.

EMERGENCY is an independent and neutral humanitarian organization, founded in Italy, and provides free, high quality medical and surgical treatment to the victims of war, landmines and poverty.

EMERGENCY promotes a culture of solidarity, peace and respect for human rights.

EMERGENCY's work around the world is made possible thanks to the help of thousands of volunteers and supporters.

# | MANAGEMENT REPORT |

# Presentation

Emergency has always considered the financial statements to be the most important tool to report all information on the use of the funds donated for its institutional activity to partners and supporters.

We consider the financial statements as the mirror in which we must always find the reflection of the fundamental values of our activity: transparency, independence, neutrality, reliability and commitment and also passion and the strong drive, as something due and necessary, to bring support to the civil victims of war, of antipersonnel mines and of poverty which we have managed to give free treatment during these first 16 years of our history.

The financial statements say it all: how we use what each supporter/donor gives us, according to his/her own possibilities, and how we transform these 'tools' into concrete support actions for all patients we meet in our hospitals, according to their needs.

From a technical point of view though, the financial statements are mainly a tool made up of economic parameters which translate the main values of our actions into numbers. Numbers - additions and subtractions - which can sometimes be difficult to grasp for those people who don't have the knowledge or the competence to understand the overall "value" of our financial statements.

For this reason, we have decided this year to revise the presentation of the financial statements, in order to make it easier to read through the aid of charts and commentaries along with "our numbers" (for example as for data on the balance sheet) we have added a column listing the page numbers of the integrative note in which explanations about the information mentioned can be found).

We decided to do this for 2010, a year which for Emergency has been the first one of a "new phase": a year in which many new initiatives were carried out and others were planned for the years to come; a year which coincided with the approval of Emergency's highest financial statements ever, in which the results, as for data of "cured human beings", can be found and explained in the following document.

This is our way to thank all those who have chosen to support our work.

# INTRODUCTION

## **2010 was an eventful year for Emergency, crammed with meaningful new issues.**

Above all, the process of reorganization and revision of the association's organizational structure was made effective. This process started in 2009 with some variations to the charter and the nomination of new management boards. A board of directors extended to 27 members collaborates with an executive committee of 9 members, nominated within the board of directors. The executive committee is in charge of the revision of the activities of each office in Italy regarding ordinary administration and the realization of the structure strengthening measures which are considered.

These measures are put into operation through the pre-arrangement of function schemes and job descriptions which derive from the reorganization of the activities; through the organization and the realization of new internal regulations and through new general policies relevant to personnel, through the composition and putting into practice of a model organization, management and control which refers to the decree law D. Lgs. 231/2001. These measures go together with the decision to considerably increase the number of staff of the operational centres to support the strengthening of the overall activity. This process, which is to be intended as completed for the greater part by the end of 2010, will be the basis on which to work, with adjustments and revisions during the years to come.

## **Emergency was at first a witness and then a direct victim of the harshening of conflicts in Afghanistan during 2010.**

**During the night between February 12 and 13 the coalition of NATO/ISAF launched operation Moshtarak in southern Afghanistan.** The hot spots of fighting were concentrated around the city of Marjah in the region of Helmand. The city was besieged by troops of the international coalition because it was thought to be a Taliban stronghold. **Emergency had in vain denounced the lack of a humanitarian corridor to allow the evacuation of civilians and injured from the city.** The number of injured civilians who were referred to or arrived at Emergency's hospital in Lashkar-gah, located in the hot spot area of fighting, greatly increased during the following weeks and in the rest of the year: **more than 40% of inpatients were children.**

**In April 2010** Emergency's hospital in Lashkar-gah had been the scene of a very serious event. On the morning of April 10, after a threatening phone call about the imminent explosion of a bomb, the hospital was evacuated following Emergency's safety protocol. When everyone went back to the hospital, **three members of the international staff (surgeon Marco Garatti, nurse Matteo Dell'Aira and the logistician Matteo Pagni) and six members of the national staff had been abducted by the armed troops of the international coalition and the Afghan security services, which, in the meantime, had broken into the hospital.** The charge made against Emergency's staff is of inconceivable gravity: having conspired to murder the governor of the Helmand province. Shortly after a video is made public showing a box full of arms and explosives in a room used as a warehouse in Emergency's hospital. Other members of the international staff are forbidden to go back to the hospital and they are kept in the boarding house.

Emergency decides to restore the responsibility of the activities carried out within its facility to the Afghan authorities and so the hospital is closed. The Afghan press reports grotesque charges (then always proven wrong by facts and verifications) made against the three members of the international staff who were retained without a specific accusation being formalized, without giving information about their health and overall conditions, and without allowing them to consult a lawyer (the Italian diplomatic authorities were the only ones who could visit them).

On April 18, the three were taken to the Italian Embassy in Kabul, without any formal accusation having been made against them. In the following weeks, the other members of the national staff within the ordinary administration were also set free, all except one, against whom investigations still carried on. During the week of the above mentioned event, Emergency received great demonstrations of esteem and solidarity in Italy. **In only four days, more than 400,000 people adhered to the appeal launched by Emergency** on its website asking for the release of the staff members spuriously kept by the Afghan authorities. On Saturday April 17, about 50,000 people participated in a rally organized by Emergency in Piazza San Giovanni in Rome.

When the incident was over, Emergency met the Afghan authorities to discuss the conditions to operate in safety in the Helmand province. Emergency reopened the hospital in Lashkar-gah on July 29, 2010. During the following month of August the highest number of war injured were treated at the hospital since the beginning of its activity (158 only in a month). During the whole of 2010 the hospital registered an average of 104 inpatients suffering from war injuries each month: since 2004, the year of its foundation, it had never exceeded an average of 88 inpatients for war injuries each month.

**In 2010, Emergency decided to dedicate greater attention and resources to the "Programme Italy" project, which grants high quality free healthcare to those who live at the borders of our society, being immigrants or anyone in need.** Emergency's Outpatient Clinic in Palermo, opened in 2006, it was then joined by a second Outpatient Clinic in Marghera, opened in December 2010. In the same year, Emergency activated contacts with local authorities of other Italian cities to set up more similar facilities (Turin, Florence, Bari, Polistena-Rosarno, Vittoria, etc.). Always with the aim of strengthening "Programme Italy", two buses were restored and equipped as mobile outpatient clinics. The two "Polibuses" have the possibility to travel easily across the national territory and to extend the sphere of activity of Emergency's immobile outpatient clinics or to bring assistance in particular situations of need for healthcare related to the seasonal or temporary presence of immigrants in some areas of our country.

The National meeting of Emergency's volunteers, held in Florence in September 2010, registered an extraordinary participation of the public. On this occasion, Emergency presented a manifesto, "The world we want", with the intention of restating the founding principles of the humanitarian activity of the association and to yet again promote a culture of peace, solidarity and respect of human rights as the foundation of intervention programmes in our country. As a tool to help the putting into practice the concepts of "The world we want", Emergency conceived a new cultural project which took the shape of a monthly magazine **"E - Il Mensile"**. The publication of the magazine in 2011 was entrusted to the Cooperativa Dieci Dicembre, which had already published the online daily newspaper and the monthly magazine "PeaceReporter".

**The new monthly magazine aims at dealing with current events of Italian society and beyond, within the principles and the values to which Emergency's humanitarian activity is orientated: the right to healthcare and the repudiation of war in the first place, along with the safeguarding of fundamental human rights which are more and more at risk, also in our country, unfortunately.**

All these news go together with the realization of the new website and the online shop dedicated to the direct marketing of Emergency's gadgets.

## EMERGENCY'S PROJECTS

**PROGRAMME IRAQ** Emergency continues to manage the Rehabilitation and Social Reintegration Centre in Sulaimaniya, which specializes in the production and application of prostheses (6,210 since the beginning of its activity) and orthoses (741 since the beginning of its activity) for the victims of injuries caused by landmines and war and for disabled patients (5,890 since the beginning of its activity). Emergency also facilitates the social reintegration of former patients through professional and vocational training courses which are held every six months (28 courses have been organized since the beginning of the activity). At the end of the course, the participants (446 since the beginning of the activity) receive financial and management support in establishing small business cooperatives and handicraft workshops such as carpentry, woodwork, tailoring and shoemaking (206 have opened since the beginning of the activity). Through the social reintegration Programme, Emergency restores dignity to people and helps patients to provide maintenance and support for themselves and their families once again. Since 2005, the daily management of Sulaimaniya's centre is completely left to the Kurdish staff trained by Emergency during the previous years. In 2010, the Iraqi governmental agency in charge of assistance to victims of antipersonnel landmines in the country (GDMA – General Directorate of Mine Action) allocated a contribution (corresponding to 173,672.98 euro) to Emergency. The contribution is for the reimbursement of the expenses for the purchase of material used in the production of prostheses for amputees who were victims of mines and for the setting up of the cooperatives and handicraft workshops for patients who attended the training and vocational courses held at the rehabilitation centre in Sulaimaniya.

**PROGRAMME CAMBODIA** Emergency's hospital «Ilaria Alpi» in Battambang guarantees surgical assistance to war and landmines victims, emergency surgery interventions, trauma surgery, orthopaedic surgery (for the correction of congenital malformations such as twisted-foot and of the effects of polio) and plastic and reconstructive surgery (in particular for the treatment of harelip and burns) and is committed to the training of national staff.

Lessons are also held at the hospital: literacy for children inpatients and English language for the national staff in order to improve the progress of activities and professional growth. In September 2010, Emergency started to make contact with the Cambodian healthcare authorities to begin discussions about the programme for the gradual taking over of the responsibility of managing the hospital, all of which is still uncertain at the moment.

### PROGRAMME AFGHANISTAN

**PANSHIR VALLEY** The hospital in Anabah is still the only free healthcare facility accessible to a population of about 250,000 people living in small villages scattered around the Panahir Valley and the Pass of Salang. Besides surgery for war victims and antipersonnel landmines, the hospital also provides emergency surgery, general surgery, internal medicine, and paediatrics.

The Surgical and Medical Centre of Anabah is also the reference centre of a network of 17 First Aid Posts and Health Centres, opened and managed by Emergency in the region and in the surrounding provinces.

The neighbouring Maternity centre in Anabah registered a significant increase in its activities in 2010. Outpatients examinations, interventions and births have increased because the hospital has become more and more a reference point for women in the valley and in the neighbouring provinces, also thanks to the network of Healthcare Centres of the region which refer women patients to the Maternity centre.

**KABUL** Emergency has been managing a Surgical Centre for War Victims in Kabul since April 2001. The Centre is equipped with a high level 6 bed intensive care unit ward and a device for computed tomography (CT), the only one being totally free of cost and available to the whole population of Afghanistan. The hospital is also the reference centre for the network of 10 Emergency's First Aid Posts and Health Centres in the region and in Kabul (within the compounds of a reformatory and of an orphanage).

**LASHKAR-GAH** The Surgical Centre for War Victims "Tiziano Terzani" is located in southern Afghanistan in a region populated by a majority of Pashtun (the ethnic group to which about 40% of the Afghan population belongs), in the city of Lashkar-gah, capital of the Helmand province. The city is located at about 100 km west of Kandahar and is populated by over 100,000 inhabitants. The Centre has been active since 2004 and it specializes in surgery for war and antipersonnel landmines victims and trauma surgery. The hospital also receives patients in serious conditions who are transferred from Emergency's first Aid Post in the village of Grishk. A number of patients treated in the hospital in Lashkar-gah usually come from very far places, on the border with Iran. The drop in data on the total number of examinations, inpatients and of surgical interventions is only due to the temporary closing of the centre that occurred from April to July 2011 due to the serious events mentioned before in the presentation to this report.

**PRISON PROGRAMMES AND FIRST AID POSTS** Emergency's healthcare activities in favour of prisoners in Kabul's jails (*Governmental Jail, Investigation Department, Pol-e-charki*) also continued during 2010. At present Emergency manages a network of 28 first Aid Posts and healthcare centres in the country which all refer to the main hospitals. The First Aid Post of Charikar was closed in 2010.

**PROGRAMME SIERRA LEONE** Emergency's Surgical and Paediatric Centre - active since November 2001 - is located in Goderich, on the outskirts of Freetown, the country's capital. It is the only facility offering free high quality healthcare assistance in the area and specialized surgical treatment for the whole country. The main areas of intervention are emergency surgery, mainly abdominal, and trauma surgery. Elective surgery, instead, aims at the treatment of congenital or acquired malformations, such as torsive foot or the outcomes of polio. In 2002, Emergency opened a Paediatric Centre within the compound of the Surgical Centre. Children mainly suffer from respiratory infections, malaria and anaemia: the most serious cases are admitted to the medical paediatric ward of the hospital.

Emergency's hospital in Goderich is also the only facility in the whole of Sierra Leone offering a programme for the treatment of oesophagus burns caused by accidental lye ingestion by children. Lye is widely used by mothers for making soap at home. Its ingestion causes severe burns to the oesophagus which narrows in the cicatrizing process and can impede the ingestion of food. These children are treated as inpatients in the surgical paediatric ward and undergo cycles of progressive dilatations through endoscopic interventions. The young patients would have little chance of surviving without this treatment.

This year saw the continuation of the nutritional programme for children who undergo examinations at the paediatric outpatients clinic, and of the hygiene and healthcare education programme for their mothers.

In 2010, Emergency started the works to extend and restore the Surgical Centre in Goderich to meet the needs of the growing local population as proved by the increasing data on the number of examinations, inpatients and surgery carried out in the hospital. The works will include the building of a new operating block, a new intensive care unit and a

guest lodge for patients from remote places for the periods before and after their hospitalization. The whole hospital will be restored in order to improve the functionality and the destination of spaces. The present operating block, instead, will host the new first aid ward which will be separated from the three other rooms dedicated to examinations, plaster casts and medications.

The works were planned so as not to interrupt the regular activity of the Centre.

**PROGRAMME SUDAN** In April 2007, Emergency started a Regional Programme for paediatrics and cardiac surgery in Sudan and in the neighbouring countries. Fulcrum of the programme is the *Salam* ("peace" in Arab) Centre for Cardiac Surgery in Khartoum which offers free surgical treatment to patients suffering from acquired or congenital heart diseases, in particular those of rheumatic origin. The Centre also welcomes adult and children cardiac patients who are transferred - free of charge - after undergoing examinations in the network facilities of paediatric Centres opened by Emergency in Sudan and in the neighbouring countries. These Centres provide, besides the cardiac screening activities, basic healthcare assistance to children up to 14 years and carry out hygiene and healthcare education programmes for mothers. The first of these Centres was inaugurated in Bangui, in the Central African Republic in the spring of 2009. A second Centre was opened in July 2010 in Nyala, in South Darfour, Sudan. A third Centre is under construction in Port Sudan and will open in September 2011.

Emergency's international staff also carries out screening examinations at the hospitals of a number of African countries. Further patients are indicated by authorities and local or international humanitarian organizations.

In Khartoum, from the beginning of activities up to December 31 2010, a number of patients coming from 20 countries underwent surgery: Eritrea (92), Ethiopia (94), Central African Republic (44), Sierra Leone (28), Democratic Republic of the Congo (19), Rwanda (6), Kenya (23), Nigeria (23), Somalia (12), Chad (9), Jordan (1), Gibuti (15), Tanzania (4), Uganda (13), Zambia (8), Iraq (58), Burundi (5), Senegal (1), Sudan and Zimbabwe (1), besides two Italian citizens temporarily living in Sudan. Up to six open heart surgery interventions can be carried out each day at the *Salam* Centre.

In 2010, The *Salam* Centre received a contribution corresponding to 2,842,374.65 euro from the local Sudanese authorities for the immediate support of the hospital's activities. The contribution was allocated in monthly instalments.

In 2005 Emergency opened the Mayo Paediatric Centre within a refugee camp which nowadays hosts about 300,000 war refugees.

Local doctors and nurses work together with an international paediatrician and a nurse. Healthcare educators perpetually go around the camp to spot sick children, to give hygienic and healthcare advice to the patients' families and to check on the proper assumption of the prescribed therapies.

**CENTRAL AFRICAN REPUBLIC PROGRAMME** In March 2009, Emergency opened the first paediatric Centre of the Regional Programme for paediatric and cardiac surgery in Africa. The Centre is located in Bangui, the capital city of the Central African Republic.

The Centre is open 24/7 and offers healthcare assistance to children up to 14 years of age (80 screenings a day) and promotes public health and hygiene through educational activities for mothers.

The Centre is also equipped with a cardiac examination room where, through periodical missions, Emergency's international specialized staff carry out the screening of children and adult heart patients to be eventually transferred free of costs to the *Salam* Centre for cardiac surgery in

Khartoum. Patients who already underwent surgery can receive the needed post-operative treatment and check ups for free at the Centre in Bangui. Emergency is also engaged in practical and theoretical training of the national staff.

Before the construction of the Centre, and during its realization, Emergency's international staff carried out cardiac screening missions in other local hospitals. By December 2010, the patients from the Central African Republic to be treated at the *Salam* Centre in Khartoum were 44.

**PROGRAMME ITALY** During 2010, the activity in the field of "immigration" has continued with the aim of preserving, also in Italy, the fundamental right to treatment which is unfortunately often denied in Italy. Emergency's Outpatient Clinic in Palermo is dedicated to immigrants and to all people in need and it is equipped with 2 examination rooms for general and specialized medicine (ophthalmology, paediatrics, dermatology, infectious diseases, otorhinolaryngology, psychiatrics, psychology), 2 dental surgeries, an examination room for obstetrics and gynaecology, one cardiology examination room, an office, a technical auxiliary services room, a small pharmacy and a warehouse. Besides these activities, the Outpatient Clinic provides an important service of cultural mediation and counselling to help patients in finding their way within the regional Sicilian healthcare system.

As of December 2010, a total of 43,785 services were carried out: 16,152 dental examinations, 11,883 general medicine interventions, 6,595 specialized examinations, 12,966 gynaecologic examinations, 5,269 administrative counselling.

Services were offered to patients being for 97% non-EU, 2% European citizens and 1% Italians. The healthcare activities of the Outpatient clinic are carried out by 8 salaried staff and about 73 volunteers, being, doctors, nurses and administrative and support personnel who alternate according to predetermined shifts.

In December 2010, Emergency opened an Outpatient Clinic in Marghera in agreement with the municipality of Venice. The facilities offered by the municipality of Venice were restored and equipped thanks to a donation by the Fondazione Smemoranda.

The Outpatient Clinic is equipped with a general medicine consultation room, a dental surgery, an ophthalmology consultation room, an obstetrics and gynaecology consultation room and a paediatrics consultation room. During the first month of activity, 105 social-healthcare services were offered, of which 48 dental examinations and 46 of general medicine. In the summer of 2010, Emergency set up two mobile Outpatient Clinics to bring healthcare assistance to areas highly populated by immigrants where there are no other healthcare facilities.

## Other interventions and evaluation missions

**REGIONAL PROGRAMME - PORT SUDAN** In September 2010 the construction works of the third paediatric Centre of the Regional Programme began in Port Sudan, in the Red Sea state in Sudan. This structure, like the paediatric centre in Nyala, will be open 24/7 for emergencies and will offer basic medical assistance to children up to 14 years and hygiene-healthcare education activities for families. Emergency will also take care of the theoretical and practical training of the national staff. The start of clinical activities is scheduled for September 2011.

The construction works of the centre will be mainly sponsored through a donation by the artist Massimo Grimaldi, thanks to the award for the installation of his representative work of art of the National Museum of XXI century arts in Rome - MAXXI, inaugurated in June 2010. The Paediatric

centre in Port Sudan will be the object of that work of art: images of its construction and then its activity will be projected onto the external wall of the museum in Rome, creating an ideal link between the work of art and the object of the activity it represents.

The Centre in Port Sudan will be equipped with a cardiology examination room where, through periodical missions, Emergency's international specialized staff carry out the screening of child and adult heart patients who will eventually be transferred free of costs to the *Salam* Centre for cardiac surgery in Khartoum. Patients who already underwent surgery can receive the necessary post-operative treatment and check ups for free at the Centre in Port Sudan.

As of December 2010, 40 patients from the Red Sea state will have been treated at the *Salam* Centre in Khartoum.

## Monitoring Missions

**ANME – UGANDA** In August 2010, Emergency organized a monitoring mission to identify the right place where to build a Surgical and Paediatric Centre of excellence as scheduled by the Project ANME (African Network of Medical Excellence).

Project ANME was started in 2009 by Emergency and ten African countries with the aim of promoting the construction of medical centres of excellence in Africa.

As of 31 December 2010, there was no formal confirmation by Ugandan authorities about the assignment of the eligible ground to Emergency.

**SOMALIA** In February 2010, after a screening mission for cardiac patients scheduled to undergo surgery at the *Salam* Centre in Khartoum, Emergency was invited to Mogadishu to meet the President and the Health Minister of the ruling transition government. They asked Emergency to consider opening and managing a hospital for war victims in the capital. For this reason, while analyzing if the conditions could be suitable for the realization of this new project, it was decided to put aside a specific budget for 2011.

**HAITI** After the earthquake which devastated Haiti in January 2010, a team of Emergency went on the island to verify the feasibility of humanitarian healthcare intervention in collaboration with the local healthcare structures. The monitoring mission didn't proceed because the basic conditions on which Emergency usually bases its humanitarian interventions couldn't be met, also due to the already numerous aids and international organizations active on the island.

## Agreements and Collaboration With Other Institutions

### Agreements and Collaboration With Other Institutions

In October 2010, Emergency promoted the third edition of the workshop "Building Medicine in Africa: the ANME Implementation Strategy", on the Island of San Servolo, Venice. The ministerial delegations of Chad, Egypt, Eritrea, Central African Republic, Rwanda, Sierra Leone, Sudan, Uganda, Djibouti, Ethiopia, Somalia, Sudan and South Sudan participated in the workshop. During the meeting, the delegations formally committed themselves to ask their governments to introduce the ANME Programme in the national healthcare growth schemes of each country.

The "Manifesto for a Human Rights Based Healthcare" is the theoretical foundation of the ANME Programme. The Manifesto was drawn up during

the first meeting on the island of San Servolo in 2008, and it specifies the necessity of equality, high quality and social responsibility of the principles on which humanitarian projects and healthcare systems should be based. The ANME Project plans the construction of centres of excellence in different medical specializations, according to the needs indicated by each country. Thanks to the cooperative will of all countries involved, these centres will create a network which will make the transfer of patients from one country to another much easier.

The project derives inspiration from the model of cooperation of the *Salam* Centre for cardiac surgery in Khartoum, which opened in 2007 and where patients from 20 different African countries have already been treated. During the seminar, the representative of the Sudanese government announced that Sudan will fund a centre of excellence in Chad, in order to celebrate the recent peace agreement signed between the two countries, and entrusting to Emergency the construction and management of the structure. This is also another important result obtained by Emergency's regional Programme: healthcare as an instrument for dialogue and pacification among the countries involved in the construction of a network of centres of excellence.

## **| DATA OF THE HOSPITALS' ACTIVITY |**

## **IRAQ REHABILITATION AND SOCIAL REINTEGRATION CENTRE**

Patients treated: 363 - Examinations: 3,007

Physiotherapy sessions: 2,014 – Moulds for new prostheses: 487

Crutches and braces: 188 - Wheelchairs: 15

Prosthesis applied: 490 (451 inferior limbs; 39 upper limbs) - Orthoses: 25

Trainees who obtained their diploma: 30 - Cooperatives set up: 31

National salaried staff: 92, of which half are disabled

## **CAMBODIA SURGICAL CENTRE IN BATTAMBANG**

Examinations: 8,145

Total admissions: 1,988 (of which 110 for war injuries, mainly antipersonnel landmines; 973 for road accidents; 582 for other types of trauma; 135 for election surgery; 188 re-admissions)

Surgical interventions carried out: 2,644

National salaried staff: 188

## **AFGHANISTAN**

### **MEDICAL AND SURGICAL CENTRE IN ANABAH**

Total examinations: 29,598

- surgical examinations: 11,688

- medical examinations: 10,978

- paediatric examinations: 6,932

Total admissions (including re-admissions): 3,054

- surgical admissions: 2,149 (of which, in particular, 143 for war injuries)

- medical-paediatric admissions: 695

Surgical interventions: 1,641 (of which 161 for war injuries)

National salaried staff: 205

### **MATERNITY CENTRE IN ANABAH**

Examinations: 15,706

- obstetric examinations: 11,527

- gynaecologic examinations: 4,179

Admissions: 4,625

Surgical gynaecologic interventions: 1,569 (of which 337 cesareans)

Babies born: 3,028

National salaried staff: 34

### **SURGICAL CENTRE IN KABUL**

Examinations: 7,147 (of which 2,489 for war injuries) - Total admissions (including re-admissions): 1,981 (of which 1,297 for war injuries)

Surgical interventions: 2,834 (of which 2,273 for war injuries)

National salaried staff: 256

### **SURGICAL CENTRE IN LASHKAR-GAH**

Examinations: 6,662 (of which 2,847 for war injuries) - Total admissions including re-admissions: 1,802 (of which 1,036 for war injuries)

Surgical interventions: 2,535 (of which 2,040 for war injuries)

National salaried staff: 206

### **PRISON PROGRAMME**

Examinations: 61,638

National salaried staff: 25

### **28 FIRST AID POSTS AND PRIMARY HEALTH CLINICS**

Patients treated in First Aid POSTS: 44,291 - Patients treated in the Centres PHC: 161,550

Patients transferred to Emergency's hospitals: 3,259

National salaried staff: 199

## SIERRA LEONE **SURGICAL AND PAEDIATRIC CENTRE IN GODERICH**

Examinations: 25,914

Total admissions: 2,592 (of which 273 oesophagus dilatation interventions through endoscopy)

Surgical operations: 3,643 - Paediatric examinations: 13,727

Paediatric admissions: 1,318 - Cardiological examinations: 183

National salaried staff: 279

## SUDAN

### **SALAM CENTRE FOR CARDIAC SURGERY**

Examinations: 8,781 - Cardiological examinations: 7,248 - Admissions: 1,231

Surgical interventions: 1,159

Cathlab diagnostic and surgical procedures: 197

National salaried staff: 323

### **PAEDIATRIC CENTRE IN MAYO**

Examinations: 13,077 (children under 5 years: 85%)

Day hospitals at the Centre: 826

Patients transferred into hospitals: 371

Visits of healthcare educators : 1,868

Outreach activity (healthcare and hygiene activity carried out in the refugee camp in Mayo): 6,838

National salaried staff: 30

### **PAEDIATRIC CENTRE IN NYALA**

Examinations: 8,814 (children under 5 years: 82%).

Admissions: 515

Cardiological examinations: 110

National salaried staff: 70

## CENTRAL AFRICAN REPUBLIC **PAEDIATRIC CENTRE IN BANGUI**

Examinations: 19,769 (children under 5 years: 83%)

Check ups: 496

Admissions: 947

Cardiological examinations: 269

National salaried staff: 62

## ITALY

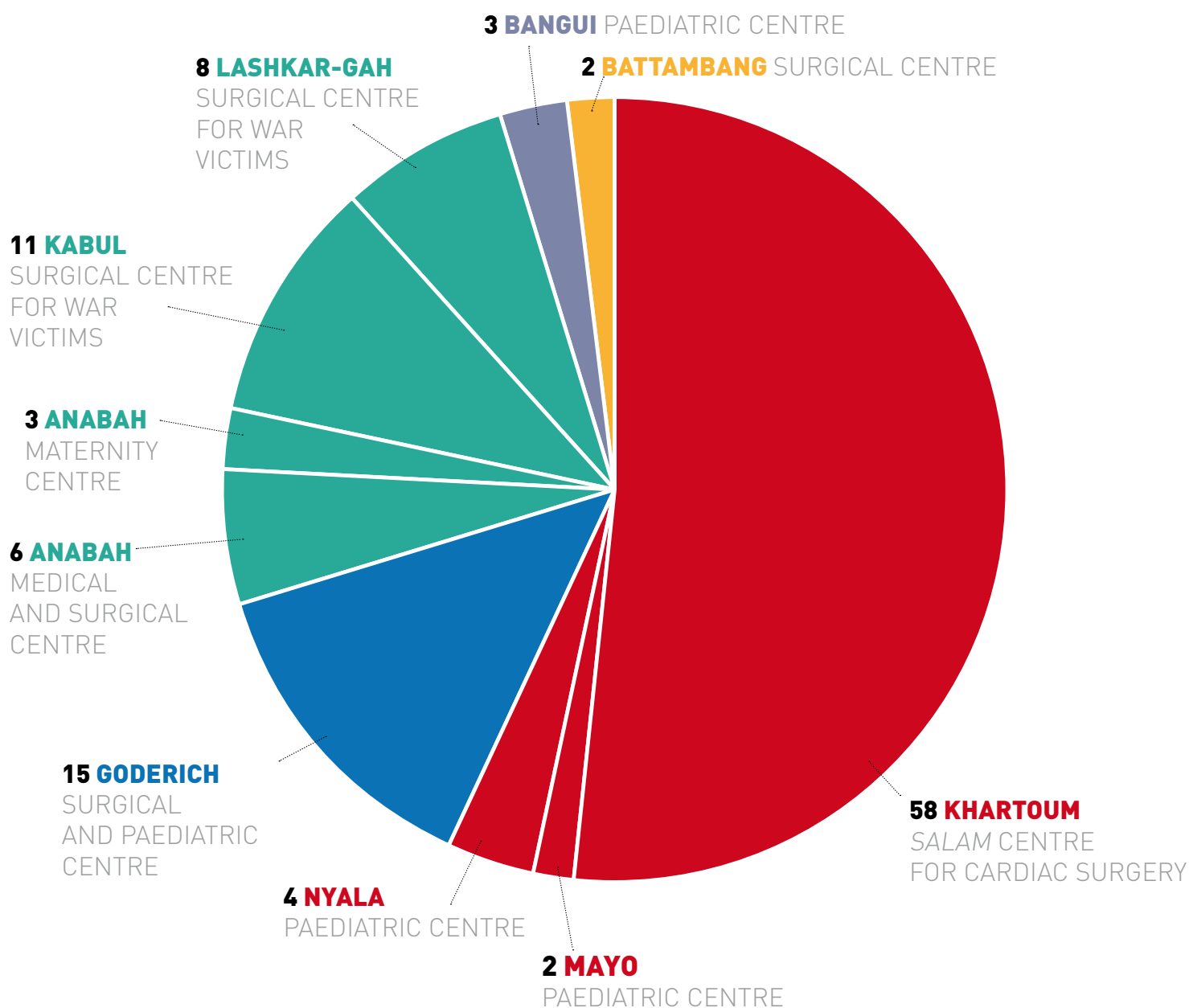
### **OUTPATIENT CLINIC IN PALERMO**

Examinations: 10,363

### **OUTPATIENT CLINIC IN MARGHERA**

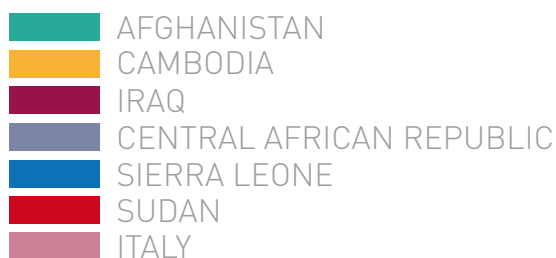
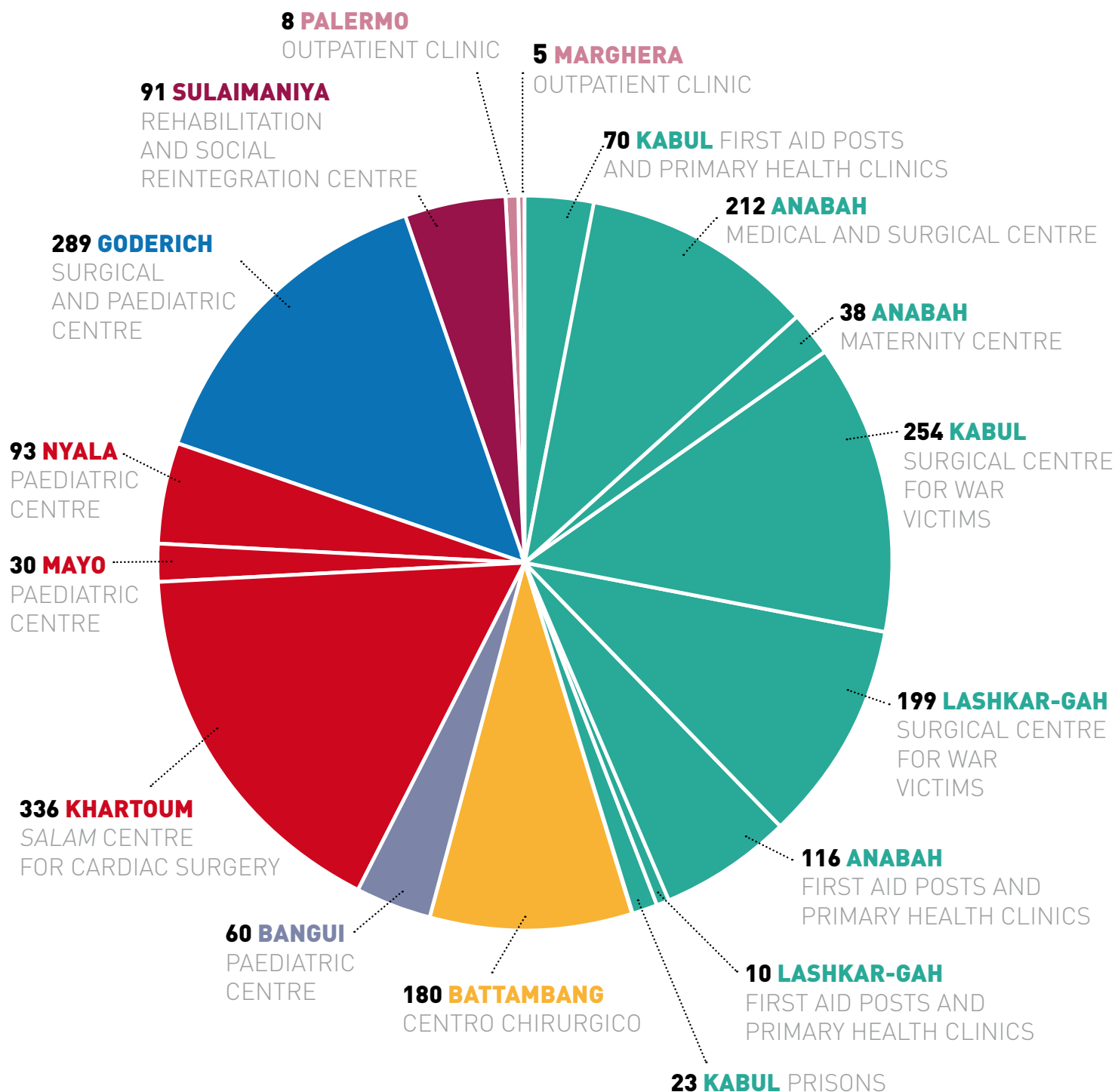
Examinations: 105

## AVERAGE MONTHLY PRESENCE of INTERNATIONAL STAFF in EMERGENCY'S projects: 112



In 2010, **261 STAFF** worked in EMERGENCY'S operational missions

## NATIONAL STAFF in EMERGENCY's missions in December 2010: 2,014



## **| COSTS FOR OPERATIONAL MISSIONS |**

### SUDAN - Salam Centre for Cardiac Surgery

Note: it is to mention that the cost of fixed assets of the *Salam* Centre for Cardiac Surgery in Khartoum is written off in more years, as better explained in the dedicated paragraph of the Explanatory Note (p.42). The costs of 2010 thus include this amount.

Costs	2010	2009
National and international staff	3,612,632.29	3,278,332.43
Medical and consumption materials	3,648,212.32	3,339,695.93
Non-medical consumption materials	244.93	
Hospital building, equipment and furniture	2,593,099.26	2,556,578.35
Restructurings and maintenance	402,122.13	246,575.37
Patients' canteen and staff board	288,654.07	238,083.61
Local transport and material	416,190.70	359,158.22
Fuel	210,875.75	154,979.17
Various (stationery-cleaning - bank costs - tailoring, etc..)	124,282.63	96,325.19
Utility consumption	348,850.63	278,285.36
Rentals	16,152.91	196,589.31
Logistics	17,616.24	20,342.66
Insurance premiums	22,653.64	15,241.27
Monitoring missions		7,563.51
Other	14,749.17	
<b>Total</b>	<b>11,716,336.67</b>	<b>10,787,750.38</b>

### SUDAN - Nyala

Costs	2010	2009
National and international staff	250,731.93	44,199.85
Medical and consumption materials	38,650.47	
Hospital building, equipment and furniture	553,184.48	506,059.64
Restructurings and maintenance	20,164.94	55,219.38
Patients' canteen and staff board	20,371.49	1,042.49
Local transport	19,961.60	44,124.32
Fuel	3,115.93	476.71
Various (stationery-cleaning - bank costs - tailoring, etc..)	17,173.70	1,506.73
Utility consumption	8,651.20	504.79
Other	3,678.38	
Rentals	2,110.13	7,104.70
Insurance premiums	384.04	725.37
Logistics	1,247.51	
<b>Total</b>	<b>939,425.80</b>	<b>660,963.98</b>

## SUDAN - Port Sudan

Costs	2010	2009
National and international staff	31,746.59	
Hospital building, equipment and furniture	343,252.08	
Restructurings and maintenance	2,455.39	
Patients' canteen and staff board	2,626.51	
Local transport	7,702.64	
Fuel	352.49	
Various (stationery-cleaning - bank costs - tailoring, etc.)	2,515.45	
Utility consumption	1,528.48	
Other	78.13	
Rentals	6,413.06	
<b>Total</b>	<b>398,670.82</b>	<b>-</b>

## SUDAN - Mayo

Note: in 2010 the costs of medicines for Mayo were suitably allocated; they were before ascribed to the *Salam* Centre.

Costs	2010	2009
National and international staff	141,005.10	116,397.97
Medical and consumption materials	32,201.90	455.41
Hospital building, equipment and furniture	17,416.96	3,620.14
Restructurings and maintenance	17,136.34	17,669.40
Patients' canteen and staff board	587.70	379.35
Local transport	31.97	151.44
Fuel	1,328.43	3,003.27
Various (stationery-cleaning - bank costs - tailoring, etc.)	1,629.69	2,238.19
Utility consumption	212.24	372.40
Logistics	227.04	
Rentals	8.10	
Other	776.96	
Social and Healthcare Programmes	15,528.14	
<b>Total</b>	<b>228,090.57</b>	<b>144,287.57</b>

## AFGHANISTAN

(\*) Note: in 2009 the costs of the Prisons Programme were incorporated in the expenses borne by the First Aid Posts.

Costs	2010	2009
National and international staff	2,261,526.72	2,128,435.24
Medical and consumption materials	728,129.53	832,284.27
Hospital equipment and furniture	104,340.26	135,687.02
Restructurings and maintenance	151,988.18	113,542.60
Patients' canteen and staff board	337,309.86	338,308.40
Local transport	108,382.35	125,747.88
Fuel	278,580.69	269,893.41
Various (stationery-cleaning - bank costs - tailoring, etc.)	168,196.28	138,645.35
Utility consumption	78,120.11	100,361.82
FAP (Healthcare Centres and First Aid Centres)	426,385.65	413,930.64
Rentals	105,756.19	67,186.06
Insurance premiums	300.26	14,116.70
Prisons Programmes (*)	37,259.03	
Logistics	154.55	
<b>Total</b>	<b>4,786,429.66</b>	<b>4,678,139.39</b>

## SIERRA LEONE

Costs	2010	2009
National and International staff	913,276.91	884,358.53
Medical and consumption materials	554,489.02	450,212.61
Hospital equipment and furniture	226,702.21	106,692.30
Restructurings and maintenance	141,461.06	48,880.41
Patients' canteen and staff board	158,812.92	177,616.36
Local transport	115,902.90	75,887.44
Fuel	73,563.07	59,223.89
Various (stationery-cleaning - bank costs - tailoring, etc.)	95,916.88	53,274.62
Utility consumption	24,090.82	18,196.78
Rentals	19,514.65	8,568.70
Insurance premiums	611.46	1,070.69
Logistics	7,571.02	
Prostheses	95.77	
<b>Total</b>	<b>2,332,008.69</b>	<b>1,883,982.33</b>

## CAMBODIA

Costs	2010	2009
National and International staff	530,077.61	614,732.74
Medical and consumption materials	132,733.48	189,499.55
Non-medical consumption materials	207.75	
Hospital equipment and furniture	13,733.69	30,858.30
Restructurings and maintenance	22,442.24	7,148.21
Patients canteen and staff board	91,385.94	101,088.71
Local transport	6,101.90	8,682.18
Fuel	4,558.22	7,588.45
Various (stationery-cleaning - bank costs - tailoring, etc.)	26,117.40	29,433.33
Utility consumption	9,884.65	51,365.53
Logistics		312.11
Rentals	10,845.55	10,345.39
Insurance premiums	698.81	
Other	163.28	
Cooperatives Programme	386.75	
<b>Total</b>	<b>849,337.27</b>	<b>1,051,054.50</b>

## IRAQ

Costs	2010	2009
National and international staff	210,643.30	219,698.29
Medical and consumption materials	706.71	423.04
Hospital equipment and furniture	6,311.85	8,837.35
Restructurings and maintenance	6,614.88	8,696.32
Patients' canteen and staff board	5,828.49	3,487.11
Local transport	40,355.86	17,078.94
Fuel	14,033.04	9,750.83
Various (stationery-cleaning - bank costs - tailoring, etc.)	2,988.57	4,025.34
Utility consumption	23,272.29	1,985.61
Other	13,168.76	20,423.26
Insurance premiums	52.36	
Prostheses	143,486.57	113,141.74
Cooperatives Programme	104,382.82	93,677.96
<b>Total</b>	<b>571,845.50</b>	<b>501,225.79</b>

## CENTRAL AFRICAN REPUBLIC

Costs	2010	2009
National and international staff	284,932.12	328,214.40
Medical and consumption materials	137,924.97	88,498.20
Hospital building, equipment and furniture	27,402.62	843,012.28
Restructurings and maintenance	16,730.75	5,664.21
Patients' canteen and staff board	20,266.29	15,763.18
Local transport	11,404.14	10,256.44
Fuel	5,908.73	5,492.81
Various (stationery-cleaning - bank costs - tailoring, etc.)	37,363.88	44,780.46
Utility consumption	15,089.99	10,517.76
Rentals	9,044.08	204.28
Insurance premiums	230.08	253.22
<b>Totale</b>	<b>566,297.65</b>	<b>1,352,657.24</b>

## ITALY - Outpatient Clinic in Palermo

Costs	2010	2009
Staff	170,060.09	133,725.63
Medical and consumption materials	15,579.97	12,707.42
Hospital equipment and furniture	13,742.11	19,758.62
Dental and ophtalmic material	20,630.58	20,558.22
Restructurings and maintenance	338.40	764.05
Patients canteen and staff board	1,089.09	972.36
Local transport	1,551.45	927.43
Fuel	387.50	129.00
Various (stationery-cleaning - bank costs - tailoring, etc.)	14,329.06	12,870.77
Utility consumption	3,044.32	1,257.25
Insurance premiums	2,715.78	2,706.16
Rentals	600.00	600.00
Prostheses	540.00	
<b>Total</b>	<b>244,608.35</b>	<b>206,976.91</b>

### ITALY – Mobile Outpatients Clinics

Note: the cost for the purchase and set up of the mobile outpatient clinics was of 366.610 EUR, but, as for other projects, only the amount of the portion written-off in 2010 was listed in the chart.

Costs	2010	2009
Staff	14.20	
Mobile Outpatients Clinics	91,652.41	
Local transport	372.00	
Insurance premiums	1,225.14	
<b>Total</b>	<b>93,263.75</b>	

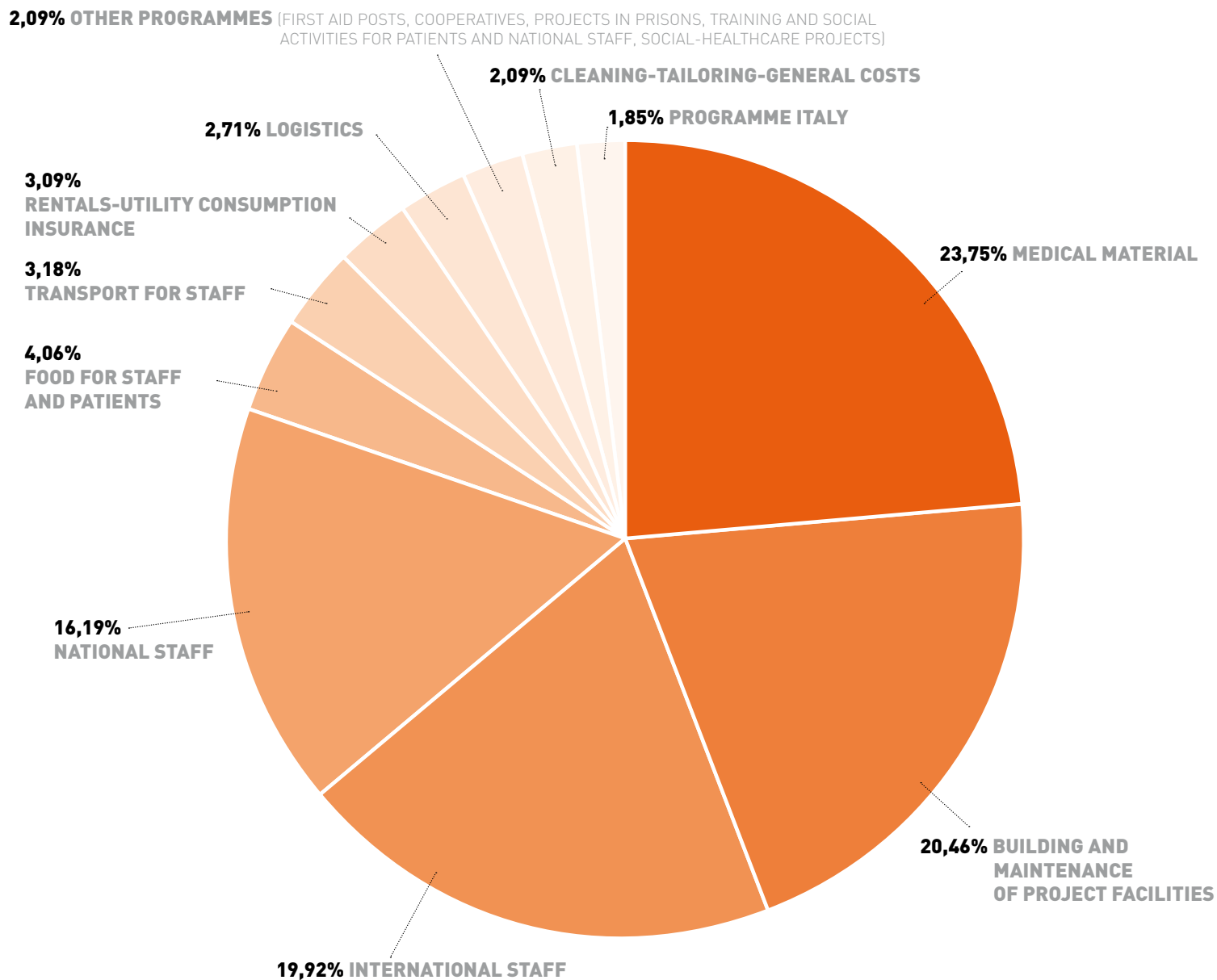
### ITALY – Outpatients Clinics in Marghera

Costs	2010	2009
Staff	24,076.60	
Medical and consumption materials	9,905.69	
Hospital equipment and furniture	31,829.86	
Restructurings and maintenance	5,906.49	
Patients' canteen and staff board	72.80	
Local transport	1,161.60	
Fuel	65.00	
Various (stationery-cleaning - bank costs - tailoring, etc)	6,448.83	
Other	3,567.18	
Insurance premiums	323.00	
<b>Total</b>	<b>83,357.05</b>	<b>-</b>

### NICARAGUA

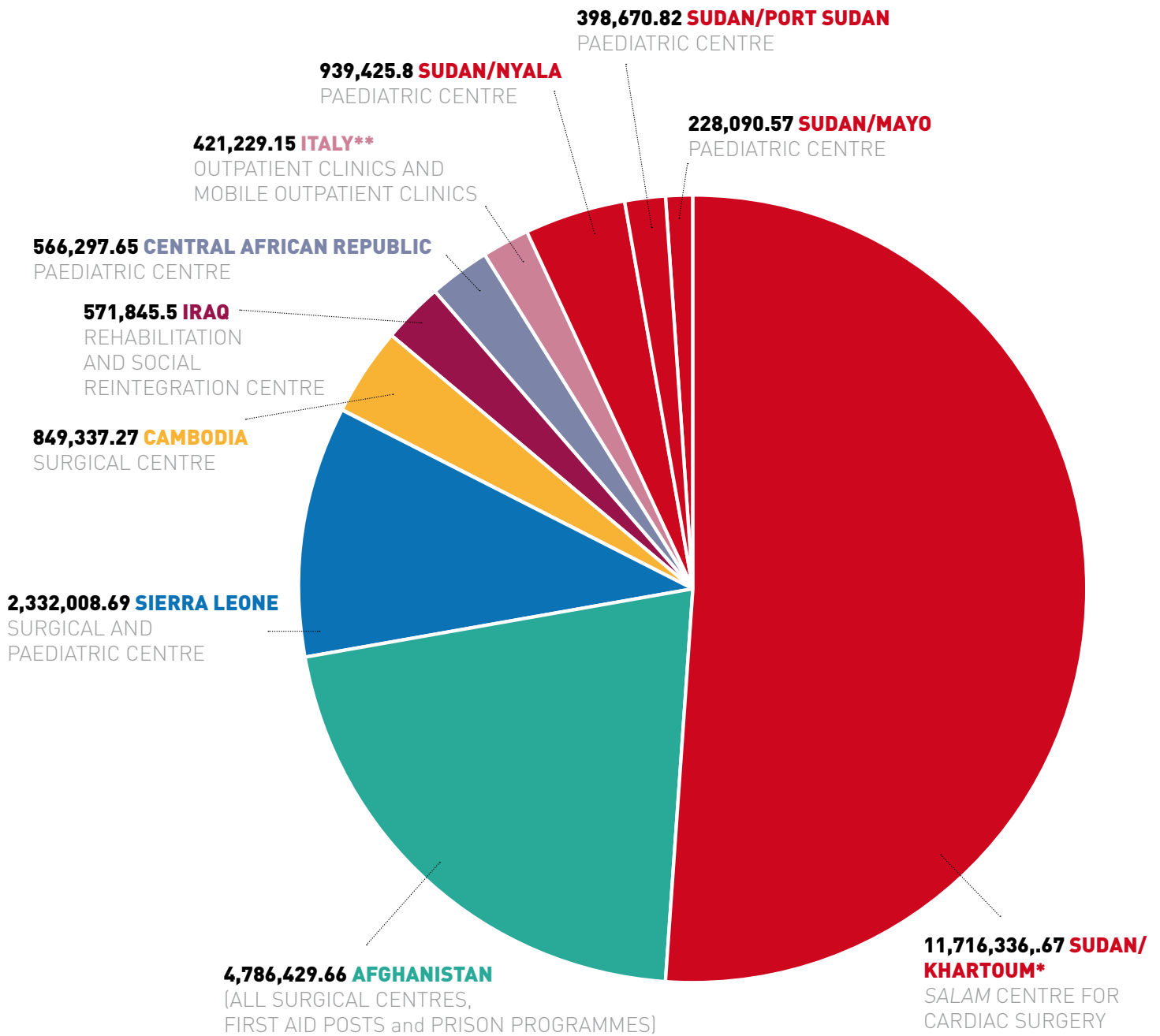
Costs	2010	2009
Staff		51,782.95
Restructurings and maintenance		4.44
Patients' canteen and staff board		375.49
Local transport		1,463.20
Fuel		329.02
Various (stationery-cleaning - bank costs - tailoring, etc.)		1,570.96
Utility consumption		929.76
Insurance premiums		21.76
<b>Total</b>		<b>56,477.58</b>

## DISTRIBUTION OF COSTS FOR OPERATIONAL MISSIONS



Note: in the items PROGRAMME ITALY and OTHER PROGRAMMES, all expenditure items were included for reasons of convenience.

## COST OF EACH PROJECT (EURO)



\* The total amount includes the portion of depreciation/amortisation associated to construction and plants for 2010.

\*\*The cost for the purchase and set up of mobile clinics was equal to €366,610 but, similar to other projects, only the portion amortized in the year 2010 was included in the table.





## **| ACTIVITY IN ITALY |**

# ORGANISATION CHART

## MEMBERS' MEETING (98 MEMBERS)

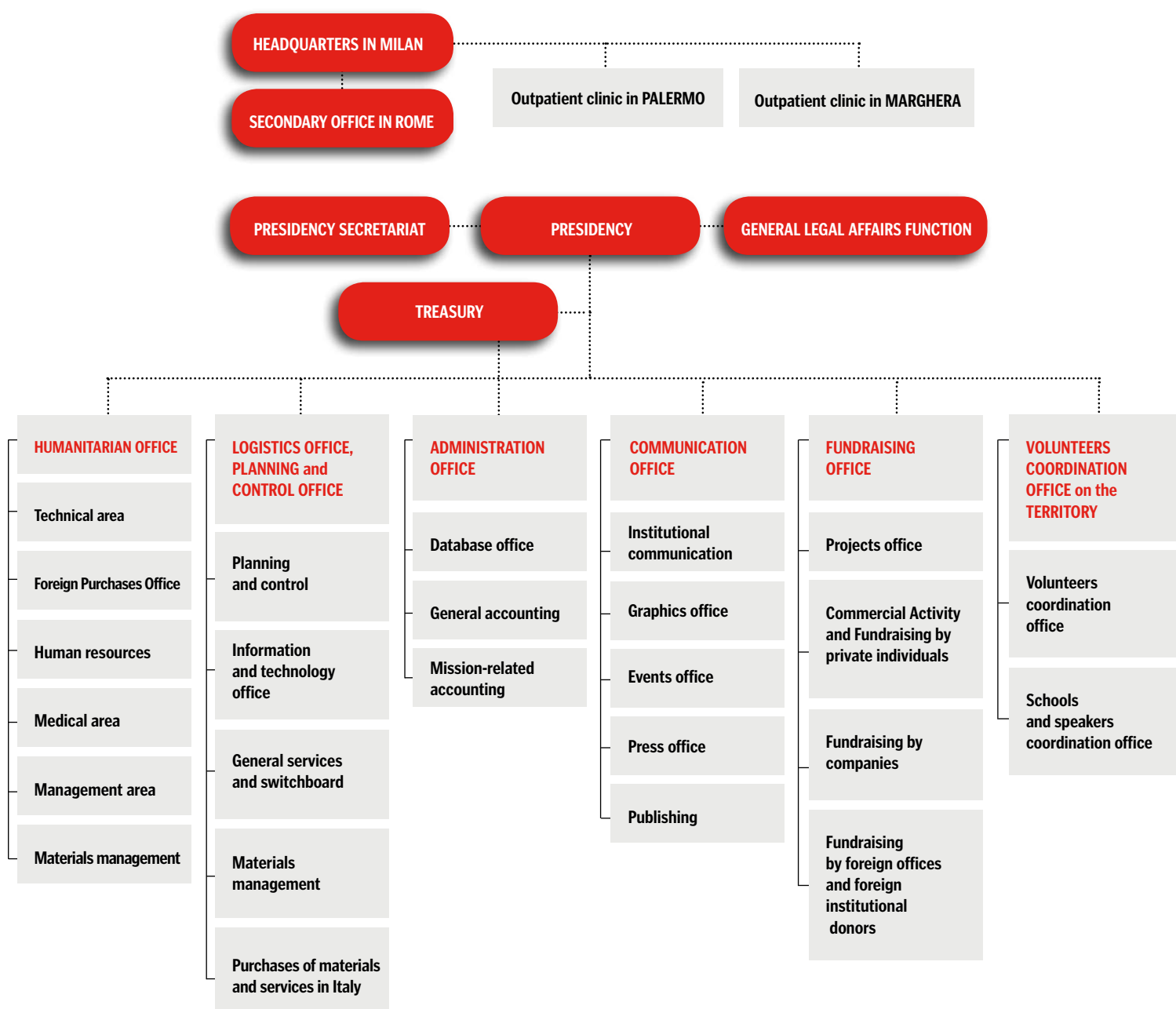
The General Meeting appoints the Board of directors, the Board of Auditors and the Arbitration Board, approves the final and draft financial statements and decides on the Association's overall and general guidelines.

## BOARD OF DIRECTORS (27 MEMBERS)

The Board of directors has the widest decision-making powers with respect to all acts of ordinary and extraordinary administration, and it ensures compliance with the Association's directives and general direction of in accordance with the resolutions passed by the shareholders.

## EXECUTIVE COMMITTEE (9 MEMBERS)

The Executive Committee ensures the implementation of resolutions adopted by the Board of directors and by the Association's current management, in addition to the approval and amendment of internal regulations that establish the Association's operational procedures.



## FACILITIES, HEADQUARTERS

### HEADQUARTER IN MILAN

Organizational structure of the Headquarter in Milan as of 31/12/2010:

- **Presidency** - employees: 3; volunteer: 1;
- **Humanitarian Office** - employees: 14; volunteers: 3;
- **Administration Office** - employees: 5;  
contract workers: 2; volunteers: 7.
- **Planning and Control, Logistics Office** - employees: 8;  
contract worker: 1; volunteers: 26.
- **Territory – School Office** - employees: 6; project collaboration  
contract workers: 2; Freelance professional collaborator: 1; volunteers: 16.
- **Fundraising Office** - employees: 5; project collaboration  
contract workers: 2; volunteers: 15.
- **Communications Office** - employees: 5; project collaboration contract  
workers: 2; volunteers: 2.

From September 2009 to September 2010, 14 volunteers of the Civil service collaborated in the areas of volunteers groups coordination and interventions in schools (6), in the Humanitarian Office (2), in the Communication and Fundraising initiatives Office (5), in the Planning and Control office, in the Logistics Office(1). At the end of September 2010, 9 new volunteers of the Civil service started working in the headquarters.

### SECONDARY OFFICE IN ROME

The Rome offices deal with programmes and activities throughout the territory with the help of full-time associates and volunteers.

As of December 31 2010, about 28 volunteers worked permanently in the offices of Emergency's office in Rome, alternating according to weekly schedules, 7 workers with an open-ended contract, 1 with a fixed-term contract and one with a project collaboration contract.

Organizational structure of the Office in Rome as of 31/12/2010:

- **Administration Office** - employees: 2; volunteer:1.
- **Planning and Control, Logistics Office** - employee: 1; volunteer: 1.
- **Territory – School Office** - employees: 3; project collaboration contract  
worker: 1; volunteers: 4.
- **Fundraising Office** - employees: 2; volunteers: 2.  
project collaboration contract workers: 2; volunteers: 15.
- **Humanitarian Office** - employee: 1; volunteer: 1.

Besides the offices in Milan and Rome, there are 5 employees and 3 project collaboration workers working at the Outpatient Clinic in Palermo and 4 project collaboration workers and 1 occasional collaborator working at the Outpatient Clinic in Marghera. Furthermore, 73 volunteer doctors and nurses work at the Outpatient Clinic in Palermo, and 60 at the Outpatient Clinic in Marghera.

### VOLUNTEERS AND «GROUPS»

Since 1994, Emergency's activity has grown both in Italy, thanks to awareness actions on the themes of war and access to treatment, and in countries hit by conflicts and poverty, through the humanitarian programmes started and managed by Emergency. Emergency promotes a culture of peace and solidarity and organizes fundraising activities through a capillary network of volunteers covering the national territory.

Volunteers have a fundamental, essential role in the work of informing and raising awareness of the public opinion and in divulging a culture of peace, through the participation in and the organization of conferences, meetings in schools and in work places, initiatives and events, and through informative stalls involving various territorial contexts. Volunteers plan

initiatives of their own for fundraising, they activate new contacts and enable the realization of campaigns promoted by the association.

Volunteers also offer precious support in the activities of the offices in Milan and in Rome, taking on different tasks according to their own competences, professionalism and time availability.

As of 31 December 2010, the territorial presences are articulated in 169 groups and 14 local reference points, including 9 zone groups in Rome and 5 in Milan. The association's volunteers covering the entire national territory amount to a total of 3,500 individuals, of which more than 1,800 are actively involved in the organization of initiatives and events.

**Territorial Groups** All Emergency's volunteers are organized in «groups» across the Italian territory. These groups represent the association in its territorial activity. The groups have different features depending on the number of their members, their internal organization, their terms of relationship with the headquarter in Milan or the secondary base in Rome. Their activity is coordinated in common activities and shared goals. In 2010, more attention was paid to the territorial activity of Emergency's volunteer groups, through a revision process of organizational criteria and the operational strategies of the groups, the identification of goals and priorities, a greater rationalization of accounting and fundraising activities of the groups and also initiatives to strengthen their visibility in the territory aiming to increase and enhance the activities they carry out for the association (the supply of a gazebo for each group and of identification badges for use in public events).

**Activities** A regional coordination of the various groups started in 2004; these include inter-municipality and inter-provincial coordination initiatives for highly populated areas, vast provinces or areas with local peculiarities; a subdivision in groups for zones, inter-zones and neighbourhoods is planned for Milan and Rome.

The regional coordination was conceived and realized as a moment for the exchange of ideas and experiences on awareness raising initiatives and fundraising activities; as an opportunity for groups to confront each other on their relationships with other associations, of updating, planning the optimization of the management of material and support for the starting up and development of smaller or recent groups. The regional coordination continued working to improve the communication among groups and to stimulate their commitment in the territory.

In many areas, the inter-municipality and inter-provincial coordination merged with the existing regional coordination. They though have more independent management schemes and have thus become an operative tool to collaborate in the realization of fundraising events and meetings for volunteers and for the public, to improve information on Emergency and to welcome new volunteers.

The role of "area coordinator" was introduced in 2010 in order to facilitate relations, communication and confrontation with the offices of the association. This role is covered by a number of volunteers who have greater experience; they are in charge of supporting the group's activities within a well defined territorial area, directly reporting to the Volunteers Coordination Offices of Emergency's seats.

The groups have major roles in the fundraising activities to support Emergency's work, in spreading information about the association's humanitarian programmes and in the awareness raising and promotion of a culture of peace, solidarity, and respect of human rights. The groups, with the headquarters' support, have used new communication tools and have taken part in educational meetings both on general and on specific topics improving their ability to communicate with the public.

Thanks to the coordination activities, there has been a quantitative and qualitative increase in opportunities of confrontation, update and exchange organized by the Volunteers Coordination Offices The meeting

opportunities reached their peak in the cycle of meetings with the staff who had just returned from working on international projects. This cycle of meetings occurred during the national meetings of March and November and in the traditional National Meeting of Volunteers held in September.

**Activities in Schools** The main activities coordinated by the School Office of the Headquarters in Milan and in the secondary base in Rome, consist of the organization and the realization of meetings in schools (primary and secondary schools), in universities and in libraries; in the organization and realization of extra-scholastic initiatives; in welcoming and training new volunteers for schools and in the management of relations with the schools which are in touch.

25 projects and 2 informative documents which differ according to age group and topics dealt with, are now at the disposal of volunteers. The drawing up and updating of this material is entrusted to a work group made up of volunteers from different territorial groups which are constantly in touch with the headquarters.

Emergency's website exclusively dedicated to school speakers has 635 operational volunteers. The groups carrying out activities in schools through their volunteer speakers are 166 at present.

During the scholastic year 2009/2010 the volunteer speakers performed more than 1,842 meetings in schools of every order and grade, promoting a culture of peace, solidarity, and respect of human rights to about 120,000 people (students, parents, teachers). This is Emergency's cultural answer to the effort of promoting the non-culture of war and of military propaganda in schools.

## COMMUNICATION

Our website **www.emergency.it** is one of the mostly used media by the public seeking information about the association's activities and initiatives in Italy and abroad, to contribute to fundraising activities (online donations, Christmas initiatives, etc.).

The new version of the website was online in October 2010, it was renewed both on the user's side (graphic layout, organization and contents), and as for its administration tools. In order to facilitate the management of contents and updates, we chose to shift from an internally developed tool to a content management system developed by a software corporation.

In 2010, the website tracked an average of 2,700 visitors a day in normal periods, that is excluding periods of greater interest due to external events. From April 10 to 18, with the issue of the appeal "Io sto con Emergency" (I'm with Emergency) there had been an average of 80,000 daily visitors. The same goes for periods in which particular campaigns are active (in October, with the "Solidarity SMS" initiative, peaks of 15,000 visitors a day were recorded) and the usual seasonal cycles (a consistent increase in visitors is registered during the Christmas period). Many visits were recorded on the sections "Help us", explaining how to support Emergency (donations and volunteering), and "Work with us" for staff recruitment. The integration among the activities on various online channels of the association has continued during the year; from this point of view, the number of accesses to the website is only one of the parameters to be considered in the monitoring of the divulgation of the association's messages which, on the whole, also considering the positive feedback from other Internet facilities (Facebook above all), can be considered as meaningfully increased.

**«Allistante» newsletter** *Allistante* is the newsletter of Emergency's weekly magazine which is sent out on Thursdays as an update on the association's activities and initiatives to more than 140,000 registered readers.

### Allistante - ordinary e-mailings

In 2010, 48 regular mailings of *Allistante* were made. In June 2010 the system used for sending newsletters changed, switching from an internally developed and managed software to a service provided by an external corporation, better suited to the new needs.

The number of contacts in the list of *Allistante* varies from week to week because of cancellations or the subscription of new members; during 2010 the number increased from just below 145,000 to about 147,500.

The e-mails opening rate amounted to an average between 11% and 12%, reaching peaks of 17%: this is a good opening rate when compared to other data relevant to the sector.

The average click-through rate, calculated on the email opening was about 11, 5%, with a high variability (from 3.8% to 29.3%), due to the nature of the specific content of each message.

The mailing of the newsletter was suspended in August.

### Allistante - extraordinary e-mailings

In addition to regular mailing, 5 extraordinary ones were made, (for the request of the opening of a humanitarian corridor in Marjah in February, for the appeal, "I'm with Emergency" and the manifestation of April 17 for the national meeting in Florence, for the campaign of solidarity SMS in October to support a program in Sierra Leone and for the appeal "Do not touch the 5/1000" (proceeds from the 5/1000 on individual tax returns). The extraordinary nature of these mailings is also reflected in the data on the openings and click-through rates, which increase on an average of 50% compared to normal mailings.

### Appeal "Io sto con Emergency" ("I'm with Emergency")

The online call "I'm with Emergency", promoted in April 2010 to ask for the release of Emergency's collaborators illegally detained in Afghanistan, was supported by about 300,000 people who were not registered readers of *Allistante*.

Three informational updates were provided to these supporters in 2010: about the reopening of the Centre of Lashkar-gah, on the solidarity SMS campaign of October in support of the humanitarian program in Sierra Leone and an invitation to sign the call "Do not touch the 5/1000" (proceeds from the 5/1000 on individual tax returns).

The attention these recipients had shown was higher than the average: more than one out of four had opened the message and the click-through rate rose to 42%.

**Facebook** Emergency's page ([www.facebook.com/emergency.org](http://www.facebook.com/emergency.org)) created in October 2009, counted about 485,000 supporters as of December 31, 2010. These are over 95% Italian, mostly women (about 55%). The age group most represented ranges from 18 to 44 (about 73% of the total).

A further 169,000 supporters joined the page on the launch of the appeal "Io sto con Emergency" (I'm with Emergency) in 12 days (from April 10 to 21), thus more than tripling the 71,000 supporters who had registered up to April 9.

There were more than 220 messages published during the year totalling over 80 million views and almost 260,000 between comments and "like" (which are an indicator of appreciation by Facebook users).

The Facebook page has been mainly used as a tool to spread information about the association's activities, campaigns and initiatives in Italy. Among the Italian NGOs present on Facebook, Emergency is the one with the largest number of supporters.

The study "Facebook: Best Non-Profit 2011", published by the consultancy firm I & B in February 2011, ranks Emergency's page at second place among the Italian pages of non-profit organizations, giving the maximum rating

"AAA" and defining Emergency's communication on Facebook as "*sober, clear and transparent on the importance and urgency of its activities.*" Emergency is also on Facebook with an official "group" which counts more than 30,000 members and with numerous pages or contact groups directly managed by local groups of Emergency's volunteers.

**Emergency's Magazine** During 2010, 4 issues of the quarterly magazine Emergency were published (N°s. 54, 55, 56 and 57). The total circulation of about 890,000 copies were distributed as follows:

- 552,363 sent to supporters of Emergency;
- the remaining copies distributed through bookstores and libraries and through stalls and initiatives of the seats and by local groups of volunteers.

Each copy of the magazine contains a postal voucher for donations to Emergency or to activate a direct debit without any bank fees being charged to donors.

The magazine vouchers were shipped to supporters who are registered in Emergency's data base and have a personal laser code which enables interaction with the supporters database.

**Report (annual report on Emergency's activities)** The Report 1994-2009 was issued in March.

The total circulation was 250,000 copies in Italian, about 129,000 of which were sent to supporters of Emergency as a supplement to the 54<sup>th</sup> issue of the magazine, and 14,000 in foreign languages (English, French and Spanish).

The other copies were distributed by the offices and groups during initiatives, events and at Emergency's stalls.

**Other Activities** Two photo exhibitions were organized in 2010.

*"L'Afghanistan, la guerra"* (Afghanistan and War) by Francesco Cocco, with the contribution of Banca Popolare dell'Emilia Romagna and the collaboration of Agency Contrasto, was held in Ragusa (Sicily) at Palazzo Garofalo within the exhibition "Elmi per gli uomini, per gli dei" (Helmets for Men and for Gods) with the patronage of the Cultural Heritage Department; in Florence at the Limonaia of the Congress Centre; in Milan at the Museo Diocesano.

The exhibition *"Qui Emergency Palermo"* (Emergency Palermo Here) by Mario Dondero, organized with a contribution of Melbookstore, was held in the Melbookstore libraries of Bologna, Novara, Florence, Rome and the townhall in Spoleto. Thanks to the collaboration of the hotel chain NH Hotels Italy, the exhibition *"Sudan. Diritto al cuore"* (Sudan, Straight to the Heart) by Marcello Bonfanti was held in the NH hotels of Milan (Touring, Linate), Brescia, Turin (Jolly Ligure, Jolly Ambasciatori), Genoa, Livorno, Florence.

To keep the attention of the public opinion high on the kidnapping of the three collaborators of Emergency Afghanistan, the association carried out intensive press office and awareness operations from April 10 to 18, and posted a special appeal, *"Io sto con Emergency"* (I'm with Emergency) on its website and gathered over 400,000 adhesions in only 4 days.

On April 17, Emergency organized a demonstration in Piazza San Giovanni in Rome for the release of its operators. About 50 thousand people participated.

In July 2010, in collaboration with Internazionale Football Club and Banca Popolare di Milano, the initiative *"Inter for Emergency"* was organized: And for two weeks, at the Hall of Columns in the headquarters of the Banca Popolare di Milano, fans had the opportunity to have their photo taken with the Champions League Cup and donate their contribution to Emergency. Thanks to this initiative **120,316.66 euro** were collected.

An acoustic concert of Patty Smith also took place in July 2010 in Piazza

San Marco in Venice and the whole proceeds were donated to Emergency.

From October 11 to 31, the campaign for solidarity texts *"Aiuta la Sierra Leone. Hai tutti i numeri per farlo"* (Help Sierra Leone – You can do it) was conceived and launched through video and radio spots.

Thanks to all communications activities - from the use of internal tools of the association, to press office activities and appearances in the major television programs - **734,528 euro** were collected for the renovation and expansion works of Emergency's hospital in Goderich, Freetown.

A calendar was made for 2011, entitled *"Facciamo la pace"* (Let's Make Peace), with the collaboration of the writer Flavio Soriga and of twelve renowned Italian designers: Ale+Ale, Alessandro Gottardo, Francesca Ghermandi, Franco Brambilla, Gabriella Giandelli, Gianni De Conno, Giovanni Mulazzani, Guido Scarabottolo, Matteo Perazzoli, Pia Valentinis, Pierluigi Longo, Steven Guarnaccia, Valeria Petrone, Valerio Vidali.

The "cultural" nature of the calendar offered a further opportunity to promote the values of the association through the activities of the press office and through the exhibition "Let's Make Peace" consisting of 14 panels of 40 cm by 50 cm for each illustration on display in the major Feltrinelli bookstores throughout Italy.

Between 2010 and 2011, a membership campaign was held. Thanks to mailing sent to supporters, a dedicated micro-website and to the activity of the groups on the territory about 10,000 memberships were subscribed worth over **388,000 euro**.

**National Meeting** The 9<sup>th</sup> National Meeting of Emergency's volunteers was held in Florence from September 7 to 12, under the patronage of the City of Florence, the Province of Florence and the Tuscany region.

During the meeting, a document was presented: *"The world we want"*, Emergency's manifesto for a world based on peace, justice and solidarity.

More than 30,000 people participated in the meetings and shows with: Stefano Rodotà, Massimo Fini, Nicolai Lilin, Stefano Bollani, David Riondino, Jean Ziegler, Marco Paolini, Vauro, Arturo Di Corinto, Marco Revelli, Bebo Storti, Renato Sarti, Fabio Fazio, Antonio Tabucchi, Vauro, Samuele Bersani, Serena Dandini, Neri Marcorè, Antonio Albanese, Dario Vergassola, Banda Osiris, Lella Costa, Fiorella Mannoia, Patti Smith.

## FUNDRAISING INITIATIVES

In 2010, about 71% of total revenues of the Association derived from the contribution of private citizens. Besides the proceeds from the 5/1000 on individual tax returns and the solidarity texts, the total amount of private contributions was of **11,456,598.45 euro**.

**Gadget** The gross proceeds of sales in 2010 (gadgets, Christmas shops, e-commerce, etc..) amounted to **2,531,932 euro**, in vast majority coming from private citizens.

About half of the gadgets were sold through the local groups and the remaining through the "Christmas Special" (for both individuals and companies), through the Christmas shops, "Wedding solidarity favors" and also during the National meeting and at our Milan and Rome offices. Almost 10% of the gadgets was distributed through the online shop (on buybaby.it up to October 2010 and then through the e-commerce shop on the new mini-site shop.emergency.it).

Our Commercial Office started a streamlining process of the selection and

management of the gadgets during the year, with the aim of increasing the "communication" value of the whole section and of generating even greater savings for the association, improving planning, promotion and distribution also taking into consideration the increase of sales channels.

As usual, the t-shirts are the most popular gadget. They were again produced in Bangladesh within a fair trade circuit (Emergency bought about 55,000 T-shirts from this channel in 2010).

Among the gadgets, there are also notebooks and pens, key rings and pass holders, shoppers, candles, etc. A new series of notebooks and scholastic diaries were produced as a membership promotion campaign, on the theme of Article 11 of the Italian Constitution. This series was produced through the partnership with Smemoranda - GUT Edizioni.

A special case, in 2010, was the T-shirt that conveyed the appeal, "I'm with Emergency" specially made for the national demonstration in Piazza San Giovanni in Rome, asking for the release of Emergency's operators who were illegally kidnapped from the Lashkar-gah hospital in Afghanistan in April. 40,000 T-shirts were produced.

In 2010, Emergency also tried to increase the contribution of e-commerce for fundraising. After the positive outcomes of a test carried out in the second half of 2009 - and which resulted in the collection of over 84,000 euro - Emergency decided, at the end of 2010, to open its e-commerce website, thanks to the partner BUY Ltd.

The result of the gadgets online sales – added to the results of both the previous platform (buybaby.it) and of the new site - was of about **281,876 euro** (including VAT), for a total of over 5,000 purchases by just as many supporters of the association.

During the Christmas period only, *shop.emergency.it* registered proceeds of nearly **130,000 euro**, through 1,400 customers and a total of 13,800 gadgets sold.

**Christmas** In addition to the amount collected through e-commerce, the Christmas period also produced good fundraising results by the usual sale of greeting cards (about 40,000), and Christmas gifts (about 2,000) to companies through the website *natale.emergency.it*, for a total of about **94,704.72 euro** to which **173,941.00 euro** of donations are to be added. Besides the two traditional Christmas shops in Milan and Rome, other three were added In 2010: Turin, Livorno and Reggio Emilia. The overall proceeds from these shops was of almost **680,000 euro** (including donations and memberships).

**Giftlists** The "Wedding Solidarity Favors" have already been a fundraising tool which Emergency provides to its supporters for a number of years. They are, in most cases, cards which the bride and groom use as invitations cards for the wedding or they can replace the usual wedding favors, and they are often used on other occasions (graduation parties, religious festivals, etc.).

As an alternative to cards, supporters can choose expressly created candles.

Some couples also decide to choose Emergency for their gift list, asking the wedding attendants to donate to Emergency the amount they would have designated for a present.

Also in 2010, the "Wedding Solidarity Favors" initiative was extremely significant and **413,970.53 euro** were collected. About 2,000 couples or individuals used our wedding favors, while nearly 79,400 candles were sent and 126,600 cards were ordered.

The average order was of about 260 euro.

With the "wedding list" (including all types of ceremonies and celebrations), around **208,000 euro** were collected in 2010.

## FUNDRAISING THROUGH COMPANIES

During 2010, a series of initiatives and collaborations which had successfully begun during the previous years were continued, re-proposed and others were added.

The agreement with American Express, active since 2007, was reconfirmed. Thanks to the *Operation Membership Rewards* (donation of points converted into contributions) **11,641 euro** were given to support the Surgical Centre in Sierra Leone (+20% compared to 2009).

Cartasi, thanks to the activation of a toll-free number for telephone donations, which created traffic of 106 transactions, against the 45 of 2009 and generated **13,876 euro**. A great part of the 2010 donations were mainly for the *Salam* Centre and partly to the Surgical Centre in Lashkar-gah.

Nordiconad, already active in the past with a points collection program, donated 13,416 euro (+65% compared to 2009) in 2010 thanks to the *Collection Immagina* in favour of the Surgical Centre of Battambang and partly in favour of the Surgical Centre in Goderich.

The collaboration which started in 2009 with Unicoop Florence in support of the Paediatric Centre of Bangui and with Micys (Pupa) in support of the Maternity Centre of Anabah continued through 2010.

The support of Unicoop Florence is articulated in different modes such as a point collection operation within their solidarity program of "A Heart Melts," which brought a contribution of **38,930 euro**, a donation of **50,000 euro** for the purchase of medicines and medical material, to which 9,600 euro (VAT included) were added as a contribution for the sponsorship of the National Meeting in Florence.

Micys, a cosmetics company that operates through the brand Pupa, increased its donation from 50,000 euros of 2009 to **60,000 euro** in 2010, plus a donation of 3,060 boxes for the Christmas shops of the value of **19,980 euro** and a purchase of Emergency's gadgets of 5,230 euro (VAT included).

The partnership with Luxottica was also confirmed in 2010, with a donation of **23,000 euro** to support the Programme Italy.

Lottomatica also supported Emergency in 2010, with a donation of **25,000 euro** for the rehabilitation and Social Reintegration Centre in Sulaimaniya, Iraq.

## BEQUESTS

The year 2010 saw a further significant increase in income derived from bequests (about 1.7 million euro), together with a significant increase in the number of requests for information, mainly due to the info campaign of November 2009 carried out with the collaboration and patronage of the National Council of the Notaries.

## FUNDRAISING: PROBLEMS AND PERSPECTIVES

The total revenue from fundraising for the year 2010 and its related budget represents the highest peaks ever obtained in the history of the Association. Consistent portions, which increased during the year, are represented by the proceeds from the proceeds from the 5/1000 on individual tax returns and by government contributions or from international agencies.

We must also point out proceeds from specific initiatives, being them newly activated or reactivated in 2010 as having good future perspectives.

In order to expand the fundraising channels and diversify the sources of revenue: the activation of the website for the online sale of gadgets, the SMS campaign, the new Christmas shops, the increase in proceeds from bequests and some donations from private citizens or entities (1 million euro donated by the Fondation *Assistance Leichtenstein* in support of the Regional Programme in Sudan) all add up to a relevant amount.

In August 2010, Emergency received the contributions made by the public in their 2007 tax declarations (proceeds from the 5/1000 on individual tax returns), these aforementioned tax declarations are compiled in early 2008, for an amount of **9,111,565.37 euro**. In order to meet cash needs, in the spring of 2010, the Banca Popolare di Sondrio granted the opening of a credit on a current account (not guaranteed by credit transfer) for 8 million euro.

From the allocation of the proceeds from the 5/1000 on individual tax returns

on the income of 2007, paid by the public donors in 2008, the Ministry of Social Affairs requests a report from the receiver of the donation which must be compiled following their guidelines.

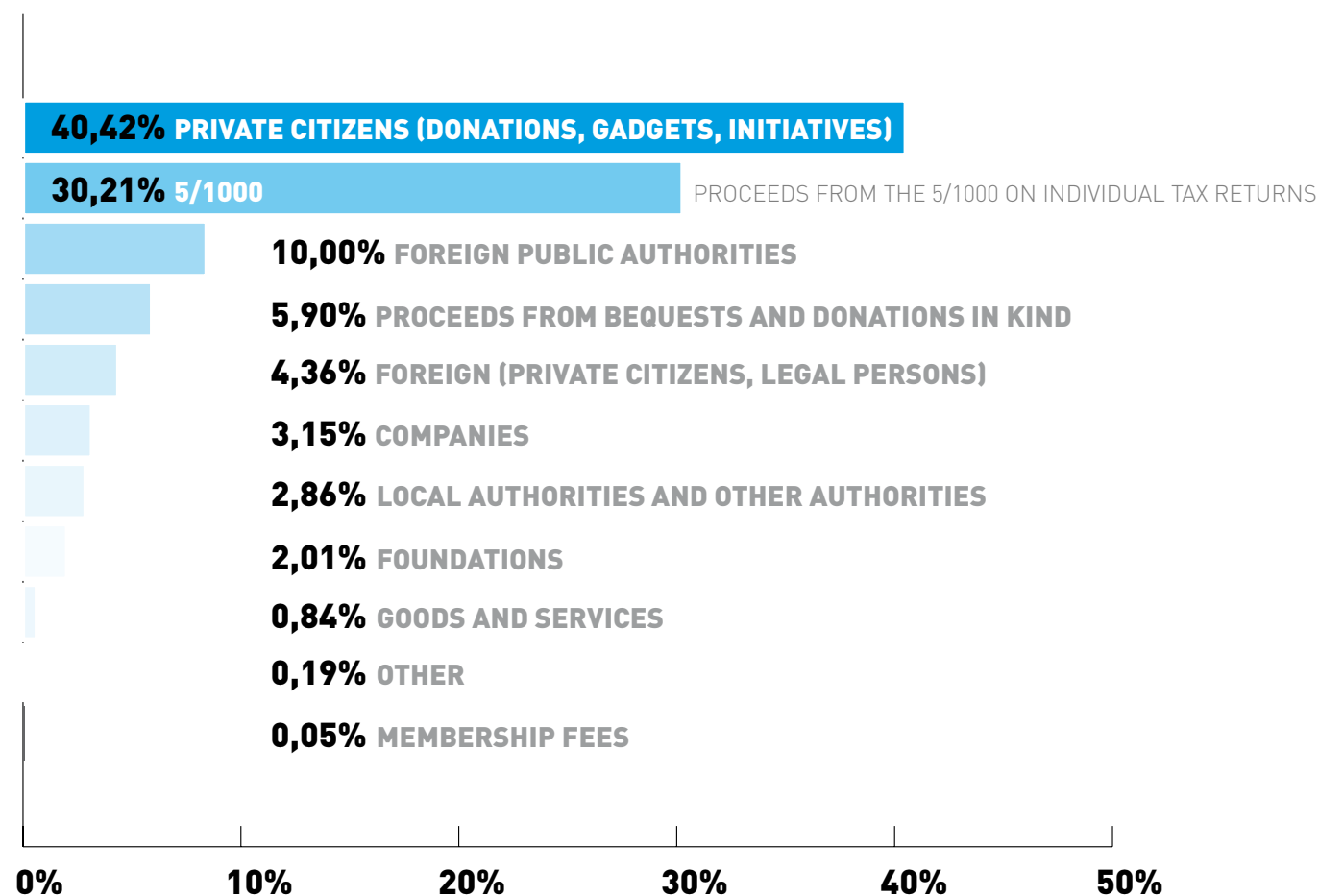
The summary detailing the use of these funds, according to the model provided by the Ministry, is published on Emergency's website in the section "what you can do \ private \ 5 per thousand." In this section, even without the obligation of report, Emergency already publishes all information about the use of the proceeds from the 5 per thousand on individuals' income tax funds allocated in the year of reference.

The Sudanese government financially participated, again in 2010, in covering part of the operating costs of the *Salam* Centre, as indicated above. Similarly, the Iraqi government agency that deals with the problem of landmines in Iraq, allocated a contribution to cover the expenses for the purchase of material for the production of prostheses at Emergency's centre in Sulaimaniya.

During 2010, the *United Nations-Common Humanitarian Funds* Sudan allocated \$ 200,000 to support the activities of the Paediatric Centre in Nyala. In 2010, there had been an overall decrease in donations from individuals and from companies, net of donations of a significant amount by individuals, which was probably due to the intensification of the economic crisis.

During 2011 a change is expected, through the progressive expansion of revenue sources from abroad through the support of associated organizations in the United Kingdom, United States of America, Japan and Switzerland.

## WE COLLECTED 30,159,628.78 EUR



The above mentioned total amount also includes the following amounts which are endorsed on the provisions for risks and charges:

- **120,317** collected thanks to the initiative "Inter football club for Emergency".

- **734,528** collected thanks to the sms solidarity campaign to support the extension works of Emergency's Surgical and paediatric centre in Goderich, Sierra Leone.

## INCIDENCE OF MANAGEMENT COSTS

In **2010**, the cost of the structure was of **6,19%**, and also this year it is fully below the 10% which the association considers as a virtuous amount. This percentage was calculated on the total amount of revenues net of fundraising costs which this year were 5,11% of the total of the funds raised.

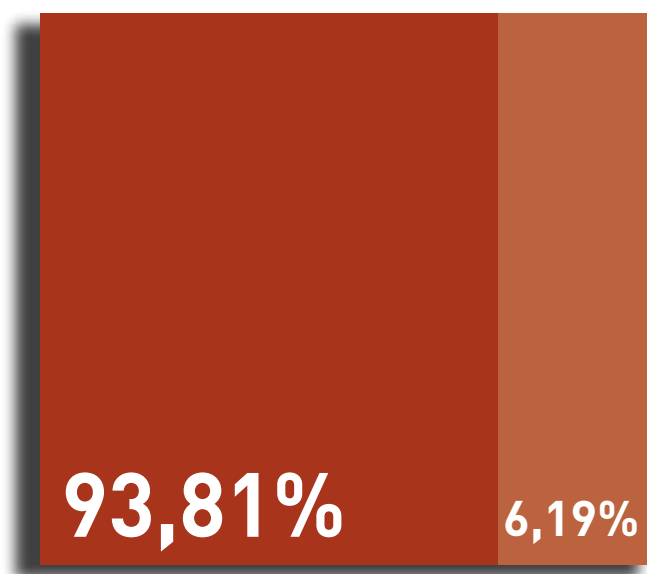
The item which had a major incidence on the costs of the structure, also for 2009, was the cost of personnel (wages and the related social contributions, mainly due to the increase of the entire number of staff). The rent costs for the warehouses in Milan and in Rome must be added to this amount.

The incidence of management costs on the financial statements represents a parameter, obviously, related to the amount of revenues: a "variable" against a "constant" parameter (the most representative of which are, as said before, the cost of labour and rental costs).

## GENERAL NOTES

The Security Policy document, drawn up in accordance with the decree law D. Lgs 30.6.2003 n° 196, "Code for the Protection of Personal Data" was changed after the closing of the financial statements, within March 30, 2011, on the basis of the variations made during 2010 to information systems and dealing, in particular, with the creation of electronic case histories for patients examined at the outpatients clinics in Italy, the start of the activity of the outpatient clinic in Marghera, and the converging to the *Salam* Centre of research procedures and personnel recruitment for this structure.

The document was given a determined and sure date by shipment of a registered letter which is preserved in a sealed envelope at the headquarter of the association and it will be opened in front of a notary if needed, in order to certify its content and the integrity of the envelope in relation to the postmark date.



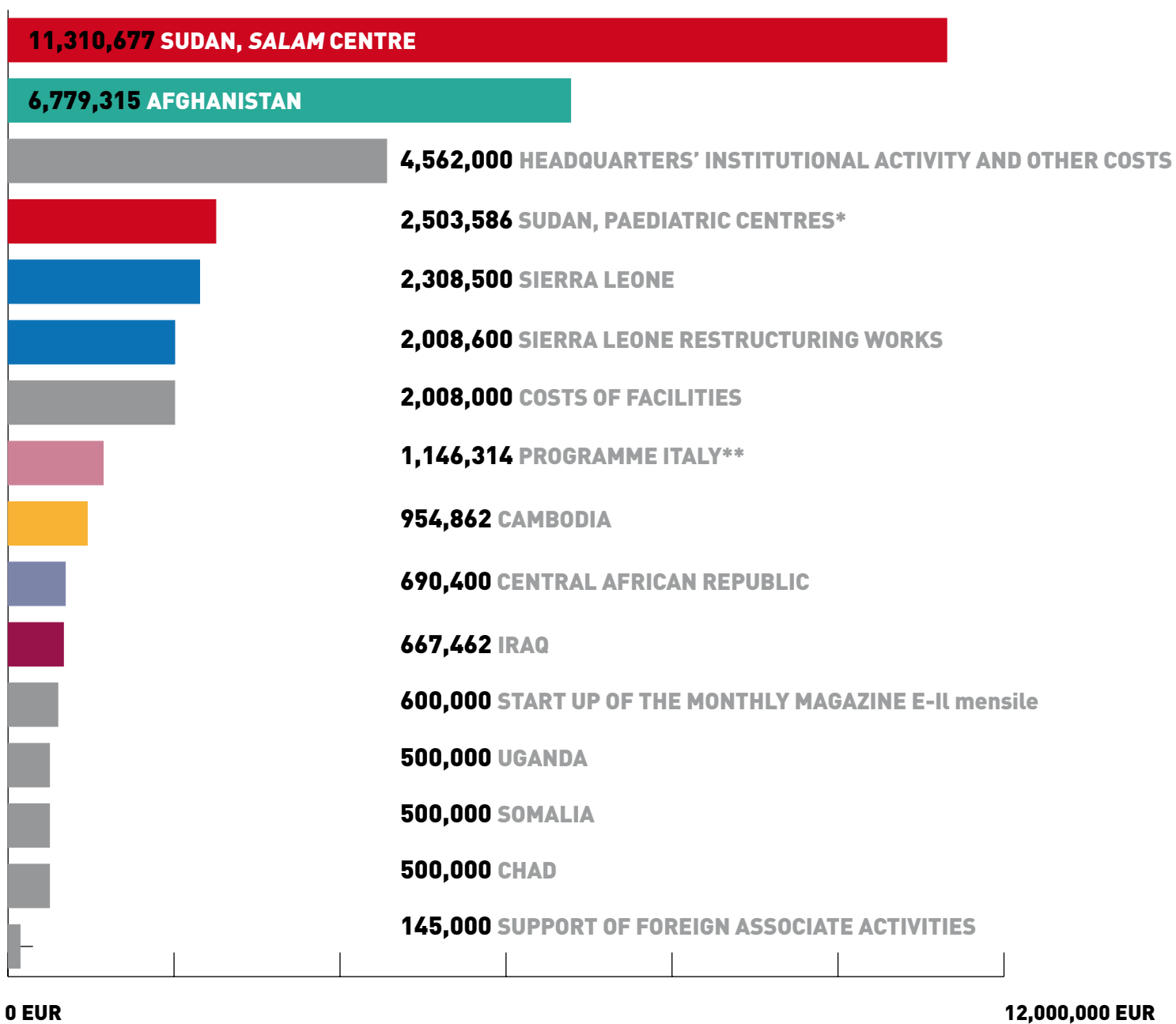
## ALLOWANCES

As for proceeds from fundraising resulting from the initiative 'Inter for EMERGENCY', 120,317 euro were put aside for the possible construction of a Paediatric Centre in Goma, in the Democratic Republic of the Congo, while working to complete the fundraising for the total necessary amount. 1,170,000 euro were put aside as a residual contribution from the Smemoranda Foundation to support the "Programme Italy."

(The items which instead led to the decrease of the "fund for missions" are better described in the explanatory note, point C - contingency budget. The amount of 200,000 euro has been left aside to cover risks resulting such as potential litigation regarding the interpretation of the consistency of a legacy left to Emergency and three other bodies, as heirs to inheritance (Bettini). This amount was prudently set aside considering a reasonable minimum and maximum of the exposure that could result from the interpretation of a will by the court, in case any dispute should occur.

## EXPECTED FUTURE EXPENSES 2011

**TOTAL = 37,184,716.00 EUR**



### Notes

\* It includes the completion works of the Paediatric centre in Port Sudan.

\*\* It includes the costs for the set up of a new Outpatient Clinic in Italy.

We invite the Members' meeting to approve the financial statements as predisposed by the board of directors. We also propose the deferment of the profit which amounts to 3,323.412 EUR.

# **| BALANCE SHEET AND MANAGEMENT STATEMENT |**

# BALANCE SHEET

## ASSETS

### A) FIXED ASSETS

A.I - INTANGIBLE ASSETS	tot 2010	tot 2009
1) PLANT AND ENLARGEMENT COSTS	-	-
2) RESEARCH, DEVELOPMENT AND ADVERTISING COSTS	-	-
3) ROYALTIES FOR INDUSTRIAL PATENT AND ROYALTIES ON INVENTION PATENTS	71,676	35,999
4) CONCESSIONS, LICENSES, TRADEMARKS AND PATENTS	-	-
5) OTHER	92,588	20,444
6) - CURRENT FIXED ASSETS AND DOWN PAYMENTS	-	-
	<b>164,264</b>	<b>56,443</b>
A.II - TANGIBLE ASSETS USED IN OPERATIONAL MISSIONS	tot 2010	tot 2009
1) LAND AND BUILDINGS	12,172,725	10,701,044
2) PLANTS AND HOSPITAL MACHINERY	9,300,532	9,100,285
3) HOSPITAL EQUIPMENT	6,152,770	5,902,316
4) OTHER GOODS	1,659,726	1,183,170
5) CURRENT FIXED ASSETS AND DOWN PAYMENTS	436,767	690,799
6) - DEPRECIATION	-23,498,253	-19,077,145
	<b>6,224,266</b>	<b>8,500,469</b>
A.III - TANGIBLE ASSETS USED IN GENERAL SUPPORT ACTIVITIES	tot 2010	tot 2009
1) LAND AND BUILDINGS	2,046,447	1,936,776
2) PLANTS AND MACHINERY	-	-
3) EQUIPMENT	92,646	48,901
4) OTHER GOODS	725,775	703,779
5) CURRENT FIXED ASSETS AND DOWN-PAYMENTS	-	-
6) - DEPRECIATION	-670,136	-616,323
	<b>2,194,732</b>	<b>2,073,134</b>
A.V - MEDIUM-LONG TERM FINANCIAL ASSETS	tot 2010	tot 2009
1) SHAREHOLDINGS	1,068	1,068
2) OTHERS SECURITIES	-	-
3) CREDITS	-	-
	<b>1,068</b>	<b>1,068</b>

### TOTAL FIXED ASSETS (A)

**8,584,330**

**10,631,113**

### B) CURRENT ASSETS

B.I - CREDITS	tot 2010	tot 2009
1) TOWARDS SUPRANATIONAL BODIES	-	-
2) TOWARDS PUBLIC INSTITUTIONS	-	-
3) DOWN PAYMENTS ON OPERATIONAL MISSIONS	-	-
4) FUNDS FROM PROCEEDS FROM THE 5/1000 OF INDIVIDUAL'S INCOME TAXES:		
a - from apportionment of 2006 on personal income tax revenue of 2006	-	-
b - from apportionment of 2007 on personal income tax revenue of 2007	-	-
5) TOWARDS OTHERS	3,017,465	533,201
TOTAL	<b>3,017,465</b>	<b>533,201</b>
B.II - LEFT-OVER STOCK	tot 2010	tot 2009
1) MEDICINES AND MEDICAL EQUIPMENT	2,934,079	2,906,791
2) MATERIALS FOR PROSTHESES	130,595	122,549
3) FOOD AND GENERAL PROVISIONS	-	-
4) MATERIAL FOR FUNDRAISING OPERATIONS	1,133,647	903,783
5) PROMOTIONAL MATERIAL	-	-
6) CURRENT MISSIONS	-	-
TOTAL	<b>4,198,320</b>	<b>3,933,123</b>
B.III - AVAILABLE FUNDS	tot 2010	tot 2009
1) CASH AND CASH EQUIVALENTS	190,994	321,157
2) BANK AND POST DEPOSITS		
- BANK AND POST DEPOSITS FOR OPERATIONAL MISSIONS	833,175	269,496
- OTHER BANK AND POST DEPOSITS	2,614,686	2,555,240
3) SHORT-TERM SECURITIES	-	-
6) OTHER SHORT-TERM AVAILABILITIES	51,053	48,208
TOTAL	<b>3,689,908</b>	<b>3,194,102</b>

### TOTAL CURRENT ASSETS (B)

**10,905,693**

**7,660,425**

### C) ACCRUALS AND PREPAYMENTS

C - ACCRUALS AND PREPAYMENTS	tot 2010	tot 2009
1) ACCRUAL ASSETS	-	-
2) PREPAYMENT ASSETS	33,037	57,329
TOTAL	<b>33,037</b>	<b>57,329</b>

### TOTALE PROFIT

**19,523,060**

**18,348,868**

## LIABILITIES

### A) NET ASSETS

A - NET ASSETS	tot 2010	tot 2009
I - ENDOWMENT FUND	8,801	8,801
II - RESERVES FROM DONATIONS AND DISPOSALS		
a - for capital goods	61,827	53,802
b - for not-capital goods	1,784,622	1,688,151
III - RESERVES FROM SURPLUSES OF PREVIOUS FINANCIAL YEAR	4,351,807	6,195,317
IV - RESERVES FROM SURPLUSES OF PREVIOUS FINANCIAL YEAR	-	-
V - OTHER RESERVES	-	-
VI - MANAGEMENT SURPLUS (LOSS) OF THE PREVIOUS FINANCIAL YEAR MANAGEMENT	-	-
VII - SURPLUS (LOSS) FROM FINANCIAL YEAR	3,323,412	-1,843,509
<b>TOTAL</b>	<b>9,530,470</b>	<b>6,102,561</b>

### B) DEBTS

B.I - FOREIGN DEBTS FROM OPERATIONAL MISSIONS	tot 2010	tot 2009
1) SUNDRY LIABILITIES FOR THE FUNDING OF OPERATIONAL MISSIONS	-	-
2) FUNDS INTENDED FOR MISSIONS	-	-
3) ADVANCE CONTRIBUTIONS FOR OPERATIONAL MISSIONS	-	-
4) DEBTS TOWARDS BANKS	-	-
5) DEBTS TOWARDS OTHER DONORS	-	-
6) DEBTS TOWARDS SUPPLIERS	208,499	81,718
7) DEBTS TOWARDS STAFF IN MISSIONS	-	-
8) INDEMNITY LEAVING FUND FOR OPERATIONAL MISSIONS SUPPORT STAFF	-	-
9) OTHER LIABILITIES	-	-
<b>TOTAL</b>	<b>208,499</b>	<b>81,718</b>

B.II - DEBTS FROM CULTURAL ACTIVITY AND ACTIVITY OF THE OPERATIONAL STRUCTURE AND OF SUPPLY OF GOODS AND SERVICES FOR OPERATIONAL MISSIONS	tot 2010	tot 2009
1) DEBTS TOWARDS BANKS	8,821	1,689,540
2) DEBTS TOWARDS OTHER DONORS	18,275	2,116
3) DEBTS TOWARDS SUPPLIERS	2,628,706	3,072,423
4) DEBTS TOWARDS OPERATIONAL STRUCTURE STAFF	355,721	281,371
5) DEBTS TOWARDS SOCIAL-SECURITY INSTITUTIONS	126,707	88,398
6) INDEMNITY LEAVING FUND FOR THE ORGANIZATION'S STAFF	273,727	208,650
7) FISCAL DEBTS	122,969	175,549
8) OTHER LIABILITIES	713,188	141,533
<b>TOTAL</b>	<b>4,328,114</b>	<b>5,659,580</b>

<b>TOTAL DEBIT</b>	<b>4,536,613</b>	<b>5,741,298</b>
--------------------	------------------	------------------

### C) FUNDS RELEVANT TO RISK AND CHARGES

C - FUNDS RELEVANT TO RISK AND CHARGES	tot 2010	tot 2009
1) FOR EQUIPMENT RENEWAL	-	-
2) FOR FUTURE MISSIONS	1,290,317	766,251
3) FOR CURRENT MISSIONS	3,934,528	5,500,000
4) FOR TAXES	-	-
5) OTHER	200,000	200,000
<b>TOTAL</b>	<b>5,424,845</b>	<b>6,466,251</b>

<b>TOTAL FUNDS RELEVANT TO RISK AND CHARGES</b>	<b>5,424,845</b>	<b>6,466,251</b>
---	------------------	------------------

### D) WRITING OFF

D - WRITING OFF	tot 2010	tot 2009
1) ACCRUAL LIABILITIES	31,133	38,758
2) PREPAYMENT LIABILITIES	-	-
<b>TOTAL</b>	<b>31,133</b>	<b>38,758</b>

<b>TOTAL WRITING OFF</b>	<b>31,133</b>	<b>38,758</b>
--------------------------	---------------	---------------

<b>TOTAL LIABILITIES</b>	<b>19,523,060</b>	<b>18,348,868</b>
--------------------------	-------------------	-------------------

### OFF-BALANCE SHEET ACCOUNTS

OFF-BALANCE SHEET ACCOUNTS	tot 2010	tot 2009
1) ROYALTY-FREE ASSETS LIABLE TO BE REVERTED	5,440,395	7,775,453
2) THIRD PERSONS' GOODS	74,764	77,100
3) PERFORMANCE GUARANTEES	150,000	-
<b>TOTAL</b>	<b>5,665,159</b>	<b>7,852,553</b>

<b>TOTAL OFF-BALANCE SHEET ACCOUNTS</b>	<b>5,665,159</b>	<b>7,852,553</b>
---	------------------	------------------

# MANAGEMENT STATEMENT

## INCOME (A)

INSTITUTIONAL ACTIVITY - FUNDRAISING	tot 2010	tot 2009
1) DONATIONS AND CONTRIBUTIONS	14,953,072	14,425,084
2) INCOME FROM FUNDRAISING ACTIVITIES		
a - from proceeds from the 5/1000 of individual's income taxes	9,111,565	6,951,105
b - other	927,856	1,742,064
3) CONTRIBUTIONS FROM BEQUESTS OR DONATIONS	1,780,358	992,653
4) ) INCOME FROM COMMERCIAL ACTIVITY		
a - for assignment of goods	2,475,392	1,276,180
b - for assignment of services	56,540	20,040
TOTAL (A)	29,304,784	25,407,126

## EXPENSES (B,C,D)

INSTITUTIONAL ACTIVITY - EXPENSES FOR FUNDRAISING (B)	tot 2010	tot 2009
5) EXPENSES FOR THE ORGANIZATION OF FUNDRAISING ACTIVITIES	766,329	810,997
6) COSTS FOR COMMERCIAL ACTIVITY	997,328	460,075
7) VARIATION ON THE LEFTOVER OF MATERIALS FOR FUNDRAISING OPERATIONS	-265,780	250,209
TOTAL (B)	1,497,877	1,521,280

INSTITUTIONAL ACTIVITY - EXPENSES FOR OPERATIONAL MISSIONS (C)	tot 2010	tot 2009
8) FOR MEDICINES AND MEDICAL EQUIPMENT	5,391,010	5,005,625
9) FOR RAW MATERIAL FOR PROSTHESES	144,122	113,412
10) FOR FOOD AND GENERAL PROVISIONS	929,115	878,945
11) FOR SERVICES	3,994,513	3,107,049
12) FOR THE USE OF THIRD PERSONS' GOODS	448,229	550,471
13) FOR PERSONNEL ENGAGED IN OPERATIONAL MISSIONS:		
a - clerical staff salaries	100,478	140,381
b - remuneration of national and international staff	7,723,069	6,989,139
c - social contributions	373,103	403,117
d - staff insurance premiums	142,955	150,700
e - indemnity leaving fund	21,218	14,894
f - other costs	-	-
14) OTHER COSTS FOR OPERATIONAL MISSIONS	-	-
	SUB TOT 19,267,812	SUB TOT 17,353,734
15) REPAYMENT AND DEVALUATION		
a - depreciations of fixed assets	25,562	6,777
b - depreciations of tangible fixed assets	3,654,372	3,699,393
c - other depreciations of fixed assets	-	-
d - devaluation of credits of current assets and of available cash	-	-
16) VARIATIONS IN THE LEFT-OVER STOCKS OF MEDICINES, MEDICAL EQUIPMENT, MATERIALS FOR PROSTHESES	-35,334	413,063
17) RISKS FUND	-	-
18) OTHER FUNDS	-	-
	SUB TOT 3,644,600	SUB TOT 4,119,233
TOTAL (C)	22,912,412	21,472,967

INSTITUTIONAL ACTIVITY - COSTS FOR PUBLICATIONS, CULTURAL ACTIVITIES AND MANAGEMENT OF LOCAL GROUPS (D)	tot 2010	tot 2009
19) FOR PURCHASE AND PRODUCTION OF MATERIAL FOR INFORMATION AND	369,878	228,520
20) FOR SERVICES	805,316	1,556,508
21) FOR THE USE OF THIRD PERSON'S GOODS	-	-
22) FOR PERSONNEL		
a - salaries to clerical staff	487,092	386,479
b - remunerations to non-clerical staff	186,694	155,645
c - social contributions	170,400	114,031
d - insurance premiums	-	-
e - indemnity leaving fund	30,521	22,121
f - other costs	-	-
23) DIFFERENT COSTS FOR MANAGEMENT OF CULTURAL ACTIVITIES	54,934	41,608
	SUB TOT 2,104,837	SUB TOT 2,504,911
24) REPAYMENT AND DEVALUATION		
a - depreciations of fixed assets	-	-
b - depreciations of tangible fixed assets	-	-
c - other depreciation of credits of profit working capital and on available cash	-	-
25) VARIATIONS IN THE LEFT-OVER STOCKS OF MATERIALS FOR CULTURAL ACTIVITIES	-	-
26) RISKS FUND	-	-
27) OTHER FUNDS	-	-
	-	-
TOTAL (D)	2,104,837	2,504,911

<b>TOTAL COSTS (B + C + D)</b>	<b>26,515,127</b>	<b>25,499,159</b>
--------------------------------	-------------------	-------------------

<b>OUTCOME OF THE INSTITUTIONAL ACTIVITY (A - B - C - D)</b>	<b>2,789,658</b>	<b>-92,033</b>
--	------------------	----------------

MANAGEMENT AND GENERAL SUPPORT ACTIVITIES COSTS (E)	tot 2010	tot 2009
28) FOR THE PURCHASE OF ADVERTISING MATERIAL AND STATIONERY	24,162	34,160
29) FOR SERVICES	430,107	365,863
30) FOR THE USE OF THIRD PERSON'S GOODS	323,311	304,605
31) FOR PERSONNEL		
a - salaries to clerical staff	412,634	264,697
b - remunerations to non-clerical staff	74,781	46,085
c - social contributions	130,248	86,297
d - insurance premiums	-	-
e - severance pay	28,881	19,073
f - other costs	93,618	77,980
32) DIFFERENT COSTS FOR STRUCTURE MANAGEMENT	107,140	114,506
	SUB TOT 1,624,882	SUB TOT 1,313,267
33) REPAYMENT AND DEVALUATION		
a - depreciations of fixed assets	38,310	46,825
b - depreciations of tangible fixed assets	41,458	43,629
c - other depreciations of fixed assets	-	-
d - depreciation of credits of profit working capital and on available cash	-	-
34) VARIATIONS IN THE LEFT-OVER STOCKS OF MATERIALS FOR SUPPORT ACTIVITIES	-	-
35) RISKS FUND	-	-
36) OTHER FUNDS	-	-
	SUB TOT 79,768	SUB TOT 90,453
TOTAL (E)	1,704,650	1,403,720

<b>OPERATING RESULT (A - B - C - D - E)</b>	<b>1,085,007</b>	<b>-1,495,753</b>
---	------------------	-------------------

REVENUES AND FINANCIAL EXPENSES	tot 2010	tot 2009
37) REVENUES FROM SHARES	-	-
38) OTHER FINANCIAL REVENUES		
a - from credits registered in fixed assets	-	-
b - from shares registered in fixed assets	-	-
c - from shares registered in current assets	2,846	-
d - credit interests	2,754	2,646
e - different revenues	-	-
f - profits from foreign-exchange transactions for transfer of funds	130,090	183,280
g - profits from foreign-exchange operations	-	-
	SUB TOT 135,690	SUB TOT 185,926
39) INTERESTS AND OTHER COSTS		
a - interests paid on medium and long-term financings	-	-
b - interests paid on short-term financings	-51,673	-96,552
c - losses from foreign-exchange transactions for transfer of funds	-53,823	-214,225
d - losses from foreign-exchange operations	-	-
	SUB TOT -105,496	SUB TOT -310,777
TOTAL (F)	30,193	-124,851

EXTRAORDINARY REVENUES AND COSTS (G)	tot 2010	tot 2009
40) REVENUES OF WHICH		
a - capital gains of assets from bequests	-	-
b - capital gains of assets donation	-	-
c - other	2,343,425	258,670
	SUB TOT 2,343,425	SUB TOT 258,670
41) COSTS		
a - interests paid on medium and long-term financings	-112,067	-464,253
	SUB TOT -112,067	SUB TOT -464,253
TOTAL (G)	2,231,358	-205,584

<b>RESULT BEFORE TAXATION (A - B - C - D - E ± F ± G)</b>	<b>3,346,558</b>	<b>-1,826,188</b>
---	------------------	-------------------

INCOME TAXES (H)	tot 2010	tot 2009
42) INCOME TAXES	23,146	17,321
TOTAL (H)	23,146	17,321

<b>FINANCIAL YEAR RESULT (A - B - C - D - E + F + G - H)</b>	<b>3,323,412</b>	<b>-1,843,509</b>
--	------------------	-------------------





## **| EXPLANATORY NOTE |**

## INTRODUCTION

Dear Sirs,

the following financial statements refer to the financial year closed on the 31th of December 2010 of the NGO "EMERGENCY ONG ONLUS", having its headquarter in Milan, in Via Gerolamo Vida n. 11 (mentioned in the following also as "**Emergency**" or the "**Association**"). The financial year closed with a **positive result of 3,323,412 EUR**, by virtue of what is highlighted in the following parts of this document.

### Association's Activity

The Association is a non-governmental organization recognized under the law 26/02/1987 n° 49 by the Ministry of Foreign Affairs – General Direction of Cooperation and Development – through the regulations 1999/128/001747/2P and 1999/128/002910/3; as such, the Association is also, by right, an Onlus (n.d.t.: Italian category of non-profit organization).

According to the Charter, the Association aims at:

- promoting a culture of peace and solidarity, also through the activity of volunteers on the territory;
- promoting the affirmation of human rights also through initiatives aimed at their actual concretization;
- intervening in war zones with humanitarian initiatives in favour of the victims - mainly civil - of conflicts, of the injured and of all those who suffer from other social consequences of conflicts or poverty such as hunger, malnutrition, diseases, lack of healthcare assistance and schooling;
- helping the victims of natural calamities.

Emergency is a recognized association, chartered in the legal persons register at the prefecture of Milan, on 28/04/2005 n° 594, page 973, volume III. The Association is also listed in the "Register of associations and bodies which carry out activities in favour of immigrants" – first section, n°: A/622/2009/MI. This registration is the recognition of the activities carried out by Emergency in favour of immigrants at the Outpatient Clinic in Palermo.

### Compilation Criteria

There are no laws or legal regulations in Italy yet on the compilation and on the contents of the financial statements of non-profit organizations.

To overcome the substantial absence of normative references in the context of social financial reporting, the "Non-profit Organizations' Commission", established within the National Council of Certified Public Accountants, has drawn up two documents in order to provide some guidance and suggestions on the guidelines and principles for the compilation of the financial statements of associations and non-profit organizations in general, and to propose a system which is representative of the summary results of non-profit organizations.

Besides, on 11 February 2009, the Agency for Onlus associations (established by article n° 1 of the D.P.C.M. 26 September 2000, as a supervising organization for non-commercial bodies and non-profit organizations of social utility) approved the "guidelines and outlines for the compilation of financial statements of non-profit organizations", as a coordinating act issued by article n° 3, comma 1, letter a) of the D.P.C.M. 21 March 2001 n° 329. These documents do not impose any binding obligation to non-profit bodies and, therefore, to this Association, however, they constitute an important reference for the compilation of financial statements, using the forms which are considered to be more appropriate and suitable to the various activities. As for this Association, the financial statements models, as proposed by the Agency for non-profit organizations and the National Council of Certified Accountants, while constituting an important reference, are not considered sufficient to express and highlight the articulate activity carried out by the Association.

As for the above, it was decided to follow, and adapt to the purpose, the provisions of the Civil Code for corporations, the accounting principles and the guidelines provided by the committees in charge, but without adopting any of the proposed outlines, and choosing the appropriate solutions considering the administrative, economic and organizational characteristics of the Association itself.

Besides, the accounts recommendation on donations, bequests and other liberalities was applied. The recommendation was issued by the National Board of Public Accountants.

The financial statements for the year ended on 31/12/2010, of which the following explanatory note is an integral part under art. 2423, paragraph 1 of the Civil Code, corresponds to the results of the accounts records regularly kept and is compiled in accordance with articles 2423, 2424-bis and 2425-bis of the Civil Code and according to the principles of compilation consistent with Art. 2423-bis, paragraph 1, of the Civil Code and the evaluation criteria set out in Article 2426, of the Civil Code.

Any exceptions to the accounting principles and recommendations, if and as applied, are highlighted in the paragraph on the related issue which is the object of the dispensation.

The principle of competence was adopted for the compilation of the financial statements, therefore, the transactions and other events have been listed in the accounts and attributed to the year which said transactions and events refer, and not the year in which the relative movements of cash (cash and payments) actually took place.

This principle is waived only if all the sure and precise elements to make the surveys are not available.

The evaluation criteria adopted are in accordance with Art. 2426 of the Civil Code and are comparable with those employed in previous years.

The reclassification outline of the financial statements was adopted taking into consideration the purposes of the Association (non-profit), the activities it carries out, and the lack of a framework provided by law.

The items, shown grouped in the balance sheet and income statement, are commented on in this explanatory note. In this note, variations in their consistency are made explicit, when significant.

In addition it was decided to:

- Assess the single items with prudence and in anticipation of a normal continuity of the association, and taking into account the economic function, asset or liability item in question;
- Include only the profits truly made during the year;
- Determine the income and costs in respect of the accrual, regardless of their financial manifestation;
- Consider separately, for the purposes of the assessment, the heterogeneous elements included in various budget items.

## Variations to the reclassification outline

In an effort to provide a clearer and simpler reading of the financial statements, compared to the previous year, we have made some changes in the description of certain categories. In addition, it was considered appropriate to reclassify some items, as best shown in the following paragraphs. In order to make the data of the year ended on 31/12/2009 more easily comparable with those of the financial year closed on 31/12/2010, it was necessary to reclassify some entries for the year ended on 31/12/2009 to make them homogeneous with the values at 31/12/2010; these changes are not significant and of course do not affect the economic result of 2009.

The main changes from the previous reclassification are the following:

- **Balance sheet - Assets:** *A.III – Tangible fixed assets used in general support activities.* This item also includes the previous category “*Tangible fixed assets used in cultural activity*” and the category “*Tangible fixed assets used in the facility*”, seeing as the distinction between the two was superfluous as it didn't mirror the items included in the first category of the relevant activities for the Association.

- **Balance sheet - Liabilities:** *B.I – Foreign payables for operational missions.* This item re-includes and highlights only the debts of the Association contracted with foreign subjects in the countries in which the Association carries out humanitarian programmes; in the past, this item was named “*Payables for operational missions*” and also included other debts contracted in Italy (as for example wages and termination benefits for staff employed in the headquarters and dealing with the management of projects and of the expatriate personnel).

- **Balance sheet - Liabilities:** *B.II – Payables from cultural activity, operational facility and procurement of goods and services for operational missions.* This category re-includes all the Association's debts towards national or foreign subjects and which are not contracted in countries in which the Association carries out humanitarian programmes.

The amounts indicated in the memorandum accounts - *Assets that can be freely donated* have undergone a change in the assessment. The value of tangible fixed assets used in operational missions at the net of their depreciation funds is shown, while before the gross value was indicated. This approach is considered more correct to better highlight the real entity of Assets that can be freely donated to be relinquished at the date of the financial statements.

The income statement underwent greater variations as for its content because of the re-classification carried out with the intention of better reflecting the needs for clear and complete information and, in particular, to allow the display of the whole amount of revenues separately from the costs.

- **Income statement:** *A – Institutional activity - Fundraising.* This category only includes the items related to the proceeds of the Association.

Costs were previously displayed in this same category, but in this financial statements they are shown separately.

- **Income statement:** *B – Institutional activity – Costs for Fundraising.* The intention of this grouping is to highlight the direct costs for the fundraising activity. These items were before displayed in curtailment of the amounts related to the proceeds.

For further details see the single paragraphs of this explanatory note.

The financial statements were compiled in euro (EUR) and are comparable with that of the previous year.

## Tax reliefs

The Association, being a recognized non-governmental organization, is a non-profit organization (Onlus) by law and therefore it utilizes the special conditions for this sector such as:

- Art. 150 T.U.I.R. - Non-taxation of proceeds from the institutional activity in the pursuit of social solidarity purposes, as well as proceeds from directly related activities;
- Art. 10, Presidential Decree 633/1972 - exemption from taxation on the surplus value on the purchase of goods as gratuities;
- Art. 14, L. n° 49/1987 - tax exemption of VAT on purchases of goods intended for use abroad;
- Art. 27-bis chart attached to the Presidential Decree 642/1972 - exemption from stamp duty (bank statements, receipts, etc.);
- Art. 3, paragraph 1, Legislative Decree n° 346/1990 - exemption from taxes on inheritances and donations;
- Tariff, first part, attached to the Presidential Decree 131/1986, - exemption from register tax for the purchase of tangible fixed assets if designed for the institutional activity of the Association;
- Exemption from the I.R.A.P. tax - arrangements for taxable basis of non-commercial entities in the regions of Lombardy (Article 1, paragraph 7 of Regional Law 18/12/2001 n° 27, confirmed by article 7, paragraphs 1 and 2, the regional law n° 14/07/2003 n.10) and Sicily (Article 7, paragraph 5, 26/03/2002 Regional Law n° 2);
- Exemption from the I.C.I. (tax on real estates) by article n°7 of the Legislative Decree n° 504/1992, paragraph 1, letter i)
- Exemption from payment of the municipal tax on real estates used by public and private bodies, who do not have as sole or main object the exercise of commercial activity, solely destined to the performance of welfare, healthcare and education activities.. [omissis]; the tax section of the Supreme Court by decree n° 22894 of 10/11/2010 reasserted that the exemption from the ICI tax is subordinate to the joint presence of an objective requirement (sole exercise of welfare or similar activities) and of a subjective requirement (exercise of the above mentioned activities by a public or private body which does not have as a sole or main object of activity the exercise of commercial activities); art. 21 of the Legislative Decree n° 460/1997 on the tax discipline of non-commercial entities and non-profit organizations (Onlus) also stipulates that the municipalities, provinces, regions and the autonomous provinces of Trento and Bolzano may deliberate the reduction or exemption from payment of charges related to their relevance and of the related fulfilment for non-profit organizations.

For private citizens/donors the applicable tax reliefs are stated either by:

- Art. 14 D.L. 35/2005 converted with amendments into Law n° 80, May 14, 2005: deductibility of donations in cash or in kind by private citizens and legal persons subject to corporate income tax to non-profit organizations up to 10% of the stated income and not above 70,000 euro per year;
  - Art. 10, letter g) Income Tax Code T.U.I.R.: deductibility of contributions and donations by private citizens in favour of NGOs for amounts not exceeding 2% of the total declared income;
  - Art. 15, paragraph 1, letter i-bis) of the Income Tax Code T.U.I.R.: deduction of 19% of cash donations made by private citizens in favour of non-profit organizations for an amount not exceeding 2,065.83 euros.
- Being a non-profit organization, the Association participates in the allocation of proceeds from the 5/1000 on individual tax returns (I.R.Pe.F.).

## → INFORMATION ON THE BALANCE SHEET ITEMS (ASSETS AND LIABILITIES)

### A. – FIXED ASSETS

#### 1. Valuation criteria

Fixed assets are recorded at their purchase and/or production cost, and they are adjusted by the relevant accumulated depreciation.

The production cost of any capitalised fixed assets and the incremental costs of depreciable assets include all costs directly attributable to said assets.

The value was calculated by summing up the cost of materials, of direct labour, and of the portion of production costs directly attributable to the asset.

Fixed assets received as donations were valued at their market value.

Improvements and incremental costs of leased goods (property) have been capitalised and amortised over a shorter period between that of validity of the incurred expenditures and the time left on the lease, taking into account, with regards to the latter, the possible renewal period.

In the event that, regardless of the depreciation already recorded, there is a permanent loss of value, the fixed asset is written down accordingly. If in subsequent financial years the assumptions for the devaluation fail, the original value is reinstated, adjusted only by depreciations.

In particular, there were no revaluation operations, either voluntarily or required by law.

Tangible assets are subdivided into two categories and, more precisely, in:

**A II      Tangible fixed assets used in operational missions**

**A III      Tangible fixed assets used in general support activities.**

#### 2. Depreciation criteria

The depreciation quotas, charged to the income statement, were calculated considering the use, destination and economic-technical duration of the assets, based on the criterion of their remaining useful life.

Depreciation related to:

- assets used for general activities in foreign missions have been fully depreciated in the year of acquisition;

- assets used in Italian missions, at the Salam Centre for Cardiac Surgery in Khartoum and at the headquarters are depreciated at the following rates:

  - Software: 33,33%

  - Concessions and licenses: 20%

  - Improvements third-party assets: 25%

  - Property assets: 10%

  - Plants: 15%

  - Equipment: 20%

  - Electronic machinery: 20%

  - Furniture: 12%

- assets (received through donations or bequests) are not depreciated.

The decision to fully depreciate the assets used during the missions is determined by the nature of the assets in question, that is, assets that can be freely donated to local authorities at the end of the mission, or existing in places with a high "country risk". For this reason, such assets are considered "non-returnable", seeing that it is not possible to transfer them back to Italy at the end of the mission.

In addition, having prudently considered the country risk, it is difficult to claim an ownership right protected by the local authorities.

Finally, according to contracts entered into with international cooperation agencies or with the local authorities, the assets still in operation at the end of the mission are to be considered as assets that can be freely donated to the local authorities.

On the other hand, the choice to write off over several years the fixed assets of the *Salam* Centre for Cardiac Surgery in Khartoum, is the result of the following considerations:

- a. agreements entered into with the local government (which provide for a twenty-year concession of the land where the facility was built and the direct involvement of the local authorities in supporting the project);

  - b. the country risk, as Sudan, also based on the data of the United Nations' Human Development Index, is ranked in a - relatively - less needy position compared to the other countries where the Association operates and manages its hospitals (for some of these countries, such as Iraq and Afghanistan, for example, there is not even any information available for Human Development Index purposes);

  - c. the nature of the facility (hi-tech centre);

  - d. the specific humanitarian program (a programme with a regional dimension in Sudan and in the neighbouring countries that will only be completed in the following years with the construction of a network of satellite healthcare centres).

It should be noted that, in reference to the items recorded in the assets section of the balance sheet, and considered to be assets that can be freely donated to the local authorities, it was deemed appropriate to list their net worth in the memorandum accounts in order to emphasise the limited availability for this Association.

### 3.Detail of the items

#### A.I – INTANGIBLE FIXED ASSETS

The change compared to the previous financial year is as follows:

Items	Net initial accounting value	Net final accounting value	Variations
A.I.3 Industrial patents and similar intellectual property rights	35,999	71,676	35,677
A.I.5 Other intangible fixed assets	20,444	92,588	72,144
<b>TOTALS</b>	<b>56,443</b>	<b>164,264</b>	<b>107,821</b>

The transactions carried out during the financial year are listed in the following table:

Items	Initial historical cost	Initial accumulated depreciation	Net initial accounting value	Change in the historical cost during the financial year	Final historical cost	Depreciation during the financial year	Accumulated depreciation at the end of the financial year	Final net accounting value
A.I.3 Industrial patents and similar intellectual property rights	280,874	244,874	35,999	71,369	352,243	35,693	280,567	71,676
A.I.5 Other intangible fixed assets	349,728	329,284	20,444	105,192	454,921	33,048	362,332	92,588
<b>TOTALS</b>	<b>630,602</b>	<b>574,158</b>	<b>56,443</b>	<b>176,561</b>	<b>807,164</b>	<b>68,741</b>	<b>642,899</b>	<b>164,264</b>

Costs incurred for Industrial patents and similar intellectual property rights refer to the purchase of licenses needed for the management software intended for administrative purposes, in addition to the costs for creating the website.

Other intangible assets consist of improvements to leased assets, and refer to, for the greater amount, the Marghera (VE) facilities, used as an Outpatient Clinic.

The increases in 2010 totalled **176,561 euro**.

Depreciation recorded in 2010 amounted to **68,741 euro**.

#### A.II – TANGIBLE FIXED ASSETS USED IN OPERATIONAL MISSIONS

The change compared to the previous financial year is as follows:

Items	Net initial accounting value	Net final accounting value	Variations
A.II.1 Land and buildings	4,311,315	3,789,960	-521,355
A.II.2 Plants and hospital machinery	1,884,766	1,160,507	-724,259
A.II.3 Hospital equipment	1,395,521	514,554	-880,967
A.II.4 Other tangible fixed assets	218,067	322,478	104,411
A.II.5 Under construction and advances	690,800	436,767	-254,033
<b>TOTALS</b>	<b>8,500,469</b>	<b>6,224,266</b>	<b>-2,276,203</b>

The item in question has been reduced during the financial year from **8,500,469 euro** to **6,224,266 euro**.

Acquisitions have been systematically planned throughout the financial year.

The related financial commitments were taken on in line with the hedging requirements of the investments.

The transactions carried out during the financial year are listed in the following table:

Items	Initial historical cost	Initial accumulated depreciation	Net initial accounting value	Variation of the historical cost during the financial year	Final historical cost	Depreciation during the financial year	Accumulated depreciation at the end of the financial year	Final net accounting value
A.II.1 Land and buildings	10,701,044	6,389,728	4,311,315	1,471,681	12,172,725	1,993,037	8,382,765	3,789,960
A.II.2 Plants and hospital machinery	9,100,285	7,215,519	1,884,766	200,247	9,300,532	924,506	8,140,025	1,160,507
A.II.3 Hospital equipment	5,902,316	4,506,795	1,395,521	250,454	6,152,770	1,131,421	5,638,216	514,554
A.II.4 Other tangible fixed assets	1,183,170	965,103	218,067	476,556	1,659,726	372,144	1,337,247	322,478
A.II.5 Under construction and advances	690,799	0	690,800	-254,031	436,767	0	0	436,767
<b>TOTALS</b>	<b>27,577,614</b>	<b>19,077,145</b>	<b>8,500,469</b>	<b>2,144,907</b>	<b>29,722,519</b>	<b>4,421,108</b>	<b>23,498,253</b>	<b>6,224,266</b>

The item "Land and buildings", equal to **3,789,960 euro** (item A.II.1), refers primarily to costs related to buildings used as hospitals and boarding houses for the various missions around the world. Most of this sum refers to The Salam Centre for Cardiac Surgery in Khartoum.

The item "Plants and hospital machinery", equal to **1,160,507 euro** (item A.II.2), mainly includes supplies, general equipment and existing plants at the various hospitals and boarding houses for the various missions in different countries around the world.

The item "Hospital equipment", equal to **514,554 euro** (item A.II.3), includes medical equipment and equipment of various kinds used in different missions in countries around the world.

The item "Other tangible fixed assets", amounting to **322,478 euro** (item A.II.4), includes, among others, telecommunications equipment, motor vehicles, electronic machinery and various types of furniture used at the various missions in different countries around the world.

The item "Under construction and advances", equal to **436,767 euro** (item A.II.5), mainly contains the costs incurred for the construction of the Paediatric Centre in Port Sudan.

The changes in the historical cost of the item "Land and buildings" (item A.II.1), equal to **1,471,681 euro** are mainly in reference to the Paediatric Healthcare Centre in Nyala, Sudan, whose construction was completed during the financial year. Previously, costs incurred in relation to this project were entered in the "Under construction and advances".

There were other increases as for the "Programme Italy", due to the set up of two mobile clinics.

Depreciation calculated following the criteria specified in paragraph 2, amounted to **1,993,037 euro**.

Changes in the historical cost of the item "Hospital equipment" (item A.II.3), amounting to **250,454 euro** (voice A.II.3), mainly refer to the purchase of goods for The *Salam* Centre for Cardiac Surgery in Khartoum.

Depreciation, calculated following the criteria specified in paragraph 2, amounted to **1,131,421 euro**.

Changes in the historical cost of the item "Other tangible fixed assets", amounting to **476,556 euro** (item A.II.4), mainly relate to purchases made for the mobile clinics. Depreciation, calculated with the criteria defined in paragraph 2, amount to **372,144 euro**.

As mentioned above, the item "Under construction and advances" has decreased after completion of the construction works of the Paediatric Centre in Nyala and, at the same time, it has increased due to costs incurred for the construction of the Paediatric Centre in Port Sudan, which began in July 2010. These costs will remain posted to this item until this Centre will be completed.

### Additional information

The amount listed on the profit and loss statement, concerning the Paediatric Centre in Nyala (Sudan - State of South Darfur), was reduced by **766,251 euro** compared to the cost incurred (amounting to 939,426 euro, as indicated in the relevant table below), as the funds were tied to the project itself (SMS campaign) and were recorded in previous financial statements under the item 'provisions for future missions'.

### A.III – TANGIBLE FIXED ASSETS USED IN GENERAL SUPPORT ACTIVITIES

The change compared to the previous financial year is as follows:

Items	Net initial accounting value	Net final accounting value	Variations
A.III.1 Land and buildings	1,936,776	2,046,447	109,671
A.III.3 Other intangible fixed assets	10,956	44,353	33,397
A.III.4 Other tangible fixed assets	125,402	103,932	-21,470
<b>TOTALS</b>	<b>2,073,134</b>	<b>2,194,732</b>	<b>121,598</b>

This item in question has increased, during the financial year, from **2,073,134** euro to **2,194,732** euro.

The acquisitions were systematically planned during the financial year.

The related financial commitments were taken on in line with the hedging needs of the investments.

The transactions carried out during the financial year are listed in the following table:

Items	Initial historical cost	Initial depreciation fund	Net initial accounting value	Variation of the historical cost in the financial year	Final historical cost	Depreciations in the financial year	Depreciation fund at the end of the financial year	Final net accounting value
A.III.1 Land and buildings	1,936,776	0	1,936,776	109,672	2,046,447	0	0	2,046,447
A.III.3 Equipment	48,901	37,945	10,956	43,745	92,646	10,348	48,293	44,353
A.III.4 Other tangible fixed assets	703,779	578,378	125,402	21,996	725,775	43,465	621,843	103,932
<b>TOTALS</b>	<b>2,689,456</b>	<b>616,323</b>	<b>2,073,134</b>	<b>175,413</b>	<b>2,864,868</b>	<b>53,813</b>	<b>670,136</b>	<b>2,194,732</b>

As mentioned above in the introduction of these explanatory notes, this category includes items that were classified as "Tangible assets used in cultural activities" in previous financial statements, as well as the items listed as "Tangible assets used at the facility."

The purpose of this new classification is to separate the tangible assets used solely for operational missions from the tangible assets used for support management, precisely to emphasise that the Association's organisational structure is aimed at supporting the institutional management activity of operational missions, both domestic and foreign.

The item "Land and buildings", amounting to **2,046,447** euro (item A.III.1), refers primarily to non-capital buildings, received as donations or inheritance from third parties, which are entered at the amount equal to the cadastral surveys or inferred from the donation deeds, at the same time increasing the reserve for donations and gratuities.

Changes in the historical cost of the item "Land and buildings", amounting to **109,671** euro (item A.III.1), reflect the values of the property received during the course of the financial year, net of the disposals carried out. In concomitance with the posting of the higher value of the profit item of the balance sheet, the "Reserves for donations and gratuities" posted in the liabilities section of this balance sheet.

As mentioned above, this item is not depreciated.

As of December 31, 2010, the non-capital properties are the ones listed in the following tables:

LAND

Location	Typology	Ownership percentage	Sheet	Cadastral map	Land ownership income	Agrarian income	Balance sheet value
Rogeno (LC)	arable	500/1000	9	494	4,61	4,92	60,50
Rogeno (LC)	arable	500/1000	9	508	4,84	5,16	63,50
Rogeno (LC)	arable/with trees	500/1000	9	514	17,74	18,78	232,88
Rogeno (LC)	meadowland	500/1000	9	545	4,88	4,27	64,00
Monte Marenzo (LC)	copse woodland	333/1000	9	547	0,85	0,10	7,42
Monte Marenzo (LC)	copse woodland	333/1000	9	548	0,44	0,05	3,83
Charvensod (AO)	high woodland irrigated field	1000/1000	20 20	136 137	3,39	7,28	1.000
Torrenova (ME)	farmland residential zoning	500/1000	13	165	276,24	92,41	48.625
Carpasio (IM)	chestnut wood/ orchard 2	1000/1000	8	129	6,07	3,64	683
Carpasio (IM)	irrigated cultivation/ tree field with trees U	1000/1000	8	157	1,37	1,88	154
Carpasio (IM)	copse woodland 1	1000/1000	8	74	0,04	0,01	5
Carpasio (IM)	arable 2	1000/1000	8	50	3,56	5,69	401
Carpasio (IM)	demolished building	1000/1000	8	52	0	0	0
Carpasio (IM)	sarable irrigated field	1000/1000	9	33	0,96	1,92	108
Carpasio (IM)	arable irrigated field / /with trees U	1000/1000	8	129	0,31	0,43	35
Carpasio (IM)	chestnut wood/ orchard 4	1000/1000	8	129	1,09	0,66	123
The Charvensod land was valued based on the value specified in the deed of donation. The Torrenova land was valued according to the assessed cadastral valuation. The Carpasio, Rogeno and Monte Marenzo lands were valued according to the assessed cadastral valuation.							

BUILDINGS

Location	Category	Ownership share	Sheet	Land parcel	Sub.	Cat./class	Cadastral rent	Balance sheet value
Calolziocorte (LC)	shed	500/1000	CA/1	1407	28	C/6	34.40	1,806.00
Calolziocorte (LC)	housing unit	500/1000	CA/1	1407	21	A/3	289.22	15,183.00
Calolziocorte (LC)	shed	500/1000	CA/1	1482	45	C/6	21.02	1,103.55
Calolziocorte (LC)	housing unit	333/1000	CA/1	1407	702	A/3	325.37	11,385.50
Calolziocorte (LC)	shed	333/1000	CO/1	1311	12	C/6	45.86	1,605.10
Calolziocorte (LC)	housing unit	333/1000	CO/1	1311	7	A/3	361.52	16,652.50
Calolziocorte (LC)	housing unit	500/1000	CA/2	1446	16	A/3	433.82	22,774.50
Calolziocorte (LC)	shed	111/1000	CA/2	961	2	C/6	22.93	267.52
Calolziocorte (LC)	shed	111/1000	CA/2	961	3	C/6	32.49	379.05
Calolziocorte (LC)	housing unit	111/1000	CA/2	961	21	A/3	361.52	4,217.50
Lecco (LC)	shed	500/1000	CAS/2	804	3	C/6	70.50	3,701.25
Lecco (LC))	housing unit	500/1000	CAS/2	728	1	A/3	263.39	13,827.98
Seregno (MI)	housing unit	1/6	17	508	702	A/4	169.91	2,973.43
Seregno (MI)	housing unit	5/24	17	506	702	A/4	169.91	3,716.78
Seregno (MI)	storehouse	5/24	17	506	703	C/2	137.58	3,009.56
Milano (MI)	housing unit	333/1000	225	242	17	A/4	253.06	8,857.10
Desenzano del Garda (BS)	housing unit	333/1000	NCT/27	163	30	A/2	632.14	22,124.90
Scandicci (FI)	housing unit	250/1000	68	562	14	A/2 - 2	298.25	56,610
Scandicci (FI)	housing unit	250/1000	68	562	29	A/2 - 2	298.25	50,760
Scandicci (FI)	housing unit	250/1000	68	562	30	A/2 - 2	298.25	44,100
Scandicci (FI)	housing unit	250/1000	68	562	31	A/2 - 2	244.03	39,560
Scandicci (FI)	housing unit	250/1000	68	562	32	A/2 - 2	216.91	39,010
Scandicci (FI)	housing unit	250/1000	68	562	34	A/2 - 2	298.25	44,100
Scandicci (FI)	housing unit	250/1000	68	562	35	A/2 - 2	244.03	39,560
Scandicci (FI)	housing unit	250/1000	68	562	36	A/2 - 2	216.91	39,010
Scandicci (FI)	housing unit	250/1000	68	562	37	A/2 - 2	298.25	59,920
Scandicci (FI)	housing unit	250/1000	68	562	38	A/2 - 2	298.25	46,060
Scandicci (FI)	housing unit	250/1000	68	562	39	A/2 - 2	244.03	41,280
Scandicci (FI)	housing unit	250/1000	68	562	40	A/2 - 2	216.91	40,670
Scandicci (FI)	housing unit	250/1000	68	562	41	A/2 - 2	298.25	52,920
Scandicci (FI)	housing unit	250/1000	68	562	42	A/2 - 2	298.25	46,060
Scandicci (FI)	housing unit	250/1000	68	562	43	A/2 - 2	244.03	41,280
Scandicci (FI)	housing unit	250/1000	68	562	44	A/2 - 2	216.91	40,670
Scandicci (FI)	housing unit	250/1000	68	562	46	A/2 - 2	352.48	73,320
Scandicci (FI)	shed	250/1000	68	562	47	C/6 - 6	57.95	6,750
Scandicci (FI)	shed	250/1000	68	562	48	C/6 - 6	57.95	6,750
Scandicci (FI)	shed	250/1000	68	562	49	C/6 - 6	57.95	6,750
Scandicci (FI)	shed	250/1000	68	562	50	C/6 - 6	44.31	5,625
Scandicci (FI)	shed	250/1000	68	562	51	C/6 - 6	47.72	5,625
Scandicci (FI)	laboratory	250/1000	68	562	55	C/3	916.14	54,960
Pelago (FI)	housing unit	250/1000	3	219 - 229	201	A/7 - 5	632.66	124,788
Pelago (FI)	shed	250/1000	3	229	22	C/6 - 4	65.85	12,562
Forte de' Marmi (LU)	housing unit	250/1000	2	65		A/3 - 5	1,398.57	287,000
Menconico (PV)	housing unit	1000/1000	29	346		A/7 - 2	650.74	39,118
Varzi (PV)	housing unit	1000/1000	6	635	20	A/3 - 2	105.36	6,333
Varzi (PV)	shed	1000/1000	6	1060	6	C/6 - 2	31.76	1,909

The real estate properties in Menconico and Varzi are owned as bare property. The balance sheet therefore shows the cadastral value, net of the estimated usufruct.

Location	Category	Ownership share	Sheet	Land parcel	Sub.	Cat./class	Cadastral rent	Balance sheet value
Trapani (TP)	housing unit	1000/1000	307	472	6	A/3 - 6	650,74	100.000
The building in Trapani was valued based on the value specified in the deed of donation.								
Carpasio (IM)	housing unit	1000/1000	9	516	2	A/4 - 2	125,50	15.060
Carpasio (IM)	shed	1000/1000	9	493	4	C/2 - 1	26,13	3.293
Arluno (MI)	housing unit	333/1000	12	232	501	A/3 - 1	302,13	36.256
Arluno (MI)	shed	333/1000	12	234	=	A/3 - 1	83,51	11.862
Brescia (BS)	housing unit	1000/1000	89	223	13	A/2	774,69	81.342
Brescia (BS)	shed	1000/1000	89	224	4	C/6	53,20	5.586
The buildings in Carpasio, Arluno, Brescia were valued based on the cadastral surveys.								

At the end of the financial year, certain inventory procedures were underway for purposes of the benefited acceptance of additional properties, while certain properties were sold during the course of 2010 [Treviso - Crespan bequest; Brescia - Robustelli bequest; Eppan Wine (BZ) - Uhrer bequest, S. Olcese (GE), from donation].

Since all these properties are not instrumental to the Association's activity, their tax situation is currently the following:

- both the land and the buildings generate land and real estate revenues that are ordinarily taxed;
- The Carpasio (IM) and Charvensod (AO) lands, as well as the real estate units in Carpasio (IM) and in Trapani, were **acquired through donation**, therefore, in case of transfer, they can potentially generate taxable capital gains as they can be classified among the different revenues referred to in article 67 T.u.i.r. (Italian Consolidated Law on Income Taxes);
- The Mount Marengo (LC), Rogeno (LC) and Torrenova (ME) lands, and the real estate units in Calolziocorte (LC), Lecco, Seregno (MI), Desenzano del Garda (BS), Scandicci (FI), Pelago (FI), Forte dei Marmi (LU), Menconico (PV), Varzi (PV), Arluno (MI), Brescia and Milan were **received through inheritance or legacy**, consequently they do not generate taxable capital gains.

#### A.IV – FINANCIAL FIXED ASSETS

The Association holds a share in the Banca Popolare Etica Soc. Coop. a r.l. – located at the address of Piazzetta Beato Giordano Forzatè, Padua, where it has also opened a bank account. The shareholding amounts to **568 euro**, valued at the acquisition cost.

The Association also holds a share of **500 euro** as an investor partner in the Cooperative Dieci Dicembre Soc.Coop. a r.l.

There are no control or affiliation relationships with other companies.

## B. – CURRENT ASSETS

### B.I – RECEIVABLES

#### 1. Valuation criteria

Credits were valued and recorded at their estimated realisable value. The adjustment of the nominal value of the receivables to their estimated realisable value is obtained by a special bad debt provision, taking into consideration the general economic conditions of the sector as well as the country risk.

The only item that changed, and its relevant variation compared to the previous financial year, is shown below:

Items	Balance as of 31/12/2010	Balance as of 31/12/2009	Variations
B.I.5 Due from others	3,017,465	533,201	2,484,264
<b>TOTALS</b>	<b>3,017,465</b>	<b>533,201</b>	<b>2,484,264</b>

The item in question increased from 533,201 euro to 3,017,465 euro during the financial year for the following reasons.

#### 2. Detail of the items

##### B.I.4) – FOR PROCEEDS FROM THE 5/1000 ON INDIVIDUAL TAX RETURNS

During the 2010 financial year, the Italian Ministry of Labour and Social Policy paid out funds originating from the allocation of proceeds from the 5/1000 on individual tax returns (I.R.Pe.F.) donated by taxpayers in 2008 based on their 2007 income, including the portion attributable to the "remnants", for a total of 9,111,565 euro. The entire amount was already collected at the date on which these financial statements were drawn up.

At the closing date of the financial statements, no information was provided concerning the allocation of funds donated by taxpayers in 2009 based on their 2008 income; consequently, at the time of preparation of these financial statements, there is no certain element that allows to account for the relevant proceeds. Please refer to the paragraph concerning the events which occurred after the closing of the financial year.

### B.I.5) – DUE FROM OTHERS

The balance of receivables due from others amounts to **3,017,465 euro** up from the previous financial year, with a net change of 2,484,264 euro.

The balance mainly consists of:

- Contributions receivable for **1,038,687 euro**
- Receivables due from social security institutions for **677,125 euro**
- Receivables due from Foundation Smemoranda for **1,170,000 euro**
- Other receivables for a total of **131,653 euro**

The item Contributions receivable refers to recognised contributions, yet to be paid. The contributions are of various kinds and include contributions from the SMS campaign, which are yet to be received from the telephone companies. The contra-entry for such amounts is posted in the "missions fund" if referred to projects to be carried out after December 31, 2010. Contributions receivable also include payments to be made by groups of volunteers for current initiatives and other donations awaiting their actual disbursement.

Receivables due from social security institutions refer to the credit accrued by the Association towards INPS (Italian Institute for Social Security) for social security contributions paid on behalf of doctors in mission abroad from 2005 to 2009, following the settlement of a dispute between INPS and ENPAM (National Insurance and Assistance Association for Doctors) concerning which agency was the actual beneficiary of such contributions (it later turned out to be ENPAM). Against this receivable, accrued from 2005 to 2009 (the one for the 2010 financial year has already been fully offset with payables due to INPS during the year), a payable due to doctors was recorded, as the doctors will be reimbursed the amounts according to a multiple-year plan.

The receivables due from Foundation Smemoranda include the residual amount approved by said organisation in support of the "Programme Italy."

This receivable was included in the "missions fund" for the corresponding amount as it is a project to be developed in 2011.

"Other receivables" include rent receivable (relating to real estate properties received through inheritance), travel expense advances and prepaid credit cards, credit notes yet to be received, deposits and other receivables due from third parties.

## B.II – INVENTORIES

### 1. Valuation criteria

Raw materials, ancillary materials, finished products and gadgets are stated at the lower between the purchase or manufacturing cost and the realisable value based on the market, applying the specific cost.

Inventories of drugs and medical supplies are valued at the last purchase price.

### 2. Detail of the items

Inventories represent the value of existing material as of 31/12/2010 both at the operational missions (for medicines, medical supplies, prostheses and supplies), and at the headquarters and local groups (for promotional material).

Inventories were valued for a total of **4,198,320 euro** with an increase of 265,197 euro compared to the previous financial year.

Inventories of medicines, medical supplies and prostheses increased by **35,334 euro**.

Inventories of materials for fundraising operations increased by **229,864 euro**.

In detail, the change in inventories as of 31/12/2010 was as follows:

Type of inventories	31/12/2010	31/12/2009
Medicines and medical equipment for the missions	2,934,079	2,906,791
Materials for prostheses for the missions	130,595	122,549
Material for fundraising activities at the headquarters	763,272	412,318
Material for fundraising activities at the local groups	370,374	491,465
<b>TOTALS</b>	<b>4,198,320</b>	<b>3,933,123</b>

Please note the practically unchanged amount for inventories of medicines and medical supplies, an indication of greater efficiency in managing resources and the warehouse, against the increase in clinical activities at The *Salam* Centre for Cardiac Surgery in Khartoum (most significant cost item) and the opening of a new activity (The Paediatric Centre in Nyala).

The increase in inventories of material for fundraising activities is due to an increase in commercial activity volumes and to the consequent adjustment of the procurement needed to meet new requirements.

Please also note the decrease in inventories for material for fundraising activities at local groups, thus continuing a downward trend that has been underway for several years now, the result of greater efficiency in the accounting and logistical management of the groups.

## B.III – AVAILABLE FUNDS

### 1. Valuation criteria

The balance of this item represents the availability of cash and the existence of cash and securities at the end of the financial year.

Receivables originally expressed in foreign currency, recorded at the exchange rates in effect on the date on which they arose, are adjusted to reflect current exchange rates at the end of the financial year.

Gains and losses arising from the conversion of receivables are credited and debited, respectively, in the Profit and Loss Statement under item F38 "Gains from foreign currency transactions " and F39 "Losses from foreign currency transactions ".

### 2. Detail of the items

Items	Balance as of 31/12/2010	Balance as of 31/12/2009	Variations
B.III.1 Cash and cash equivalents	190,994	321,157	-130,163
B.III.2 Bank and postal deposits for the missions	833,175	269,496	563,679
B.III.2 Other bank and postal deposits	2,614,686	2,555,240	59,446
B.III.4 Other short-term available funds	51,053	48,208	2,845
<b>TOTALS</b>	<b>3,689,908</b>	<b>3,194,102</b>	<b>495,807</b>

In addition to cash and cash equivalents, this section also includes items relating to bank and postal accounts, with a separate listing of accounts with a specific purpose, i.e. accounts used for specific fundraising campaigns and whose available funds have already been allocated, except for any temporary cash requirements that the administrative body shall evaluate from time to time and then shall arrange for reinstating.

The available funds at the end of the financial year increased by a total of **495,807 euro** compared to the same date of last year, amounting to **3,689,908 euro**.

This amount includes donations from physical persons received in total for Christmas, proceeds from Christmas market sales and other donations of significant value.

The cash balances decreased by **130,163 euro** settling at **190,994 euro**.

## ACCRUALS AND PREPAYMENTS

### C – ACCRUED INCOME AND PREPAID EXPENSES

#### 1. Valuation criteria

Accrued income and prepaid expenses were determined according to the criterion of the actual accrual period.

For long-term accruals and prepayments, the conditions that had determined their original entry were verified, adopting the appropriate changes, where necessary.

Accruals and prepayments measure proceeds and charges whose competence is anticipated or deferred compared to the actual date of the payment and/or of the document; they are irrespective of the date of payment or collection of related proceeds and charges, common to two or more financial years and prorated over the applicable time.

#### 2. Detail of the items

The variation, compared to the previous financial year, is as follows:

Items	Balance as of 31/12/2010	Balance as of 31/12/2009	Variations
C.I.2 Accruals and prepayments	33,037	57,329	-24,292
<b>TOTALS</b>	<b>33,037</b>	<b>57,329</b>	<b>-24,292</b>

The item, totalling **33,037 euro** decreased by **24,292 euro** compared to the previous year.

The amount recorded in item C of the assets consists of prepaid expenses for insurance premiums and maintenance fees.

## → INFORMATION ON BALANCE SHEET ITEMS/LIABILITIES

### A. - NET EQUITY

The enclosed table lists the movements that generated variations in the net equity items (items A of the liabilities):

Items	Initial balance	Allocation of result for the financial year	Increases	Decreases	Final balance
Endowment fund	8,801	0	0	0	8,801
Reserves for donations and gratuities:					
a) for capital assets	53,802	0	26,935	18,910	61,827
b) for non-capital assets	1,688,151	0	217,389	120,918	1,784,622
Reserves for operating surplus from previous financial years	6,195,317	-1,843,509	0	1	4,351,807
Reserves for operating surplus from previous financial years	0	0	0	0	0
Other reserves	0	0	0	0	0
Operating Surplus (Loss) from previous financial years	0	0	0	0	0
Surplus (Loss) for the financial year	-1,843,509	0	3,323,412	-1,843,509	3,323,412
<b>TOTALS</b>	<b>6,102,561</b>	<b>-1,843,509</b>	<b>3,567,736</b>	<b>-1,703,681</b>	<b>9,530,470</b>

The reserve for donations and gratuities for non-capital assets whose items, as we would like to remind you, are entered as a contra-entry for assets considered to be non-capital assets received through inheritance or donation, increased (to account for properties received) by **217,389 euro** during the financial year and decreased (to account for properties sold) by **120,918 euro**.

The only movement in item " Reserves for operating surplus from previous financial years " refers to the coverage of the loss incurred during the year ended on 31/12/2009.

### B – PAYABLES

#### 1. Valuation Criteria

Payables are recognised at their nominal value and, if necessary, adjusted in case of returned goods or billing adjustments.

The payables originally entered in foreign currency, recorded based on the exchange rates in effect on the date on which they arose, are adjusted to reflect the exchange rates in effect at the close of the financial statements, and the relevant gains or losses are charged to the profit and loss statement.

#### 2. Detail of the items

##### B.1 – Foreign payables for operational missions

Items	31/12/2010	31/12/2009	Variations
B.I.5 Trade payables	208,499	81,718	126,781
<b>TOTALS</b>	<b>208,499</b>	<b>81,718</b>	<b>126,781</b>

The item refers to the exposure of operational missions for purchases made on site, in the country where the mission is being carried out. Compared to the previous financial year, this table only shows payables incurred abroad. Please note that the exposure has increased compared to the previous year, amounting to **208,499 euro** with an increase of **126,781 euro**. The reason for this is mainly attributable to a residual payable for the supply of medicines in Afghanistan.

## B.II – Payables from cultural activity, operational facility and procurement of goods and services for operational missions

Items	31/12/2010	31/12/2009	Variations
B.II.1 Payables due to banks	88,821	1,689,540	-1,600,719
B.II.2 Payables due to other financial backers	18,275	2,116	16,159
B.II.3 Trade payables	2,628,706	3,072,423	-443,717
B.II.4 Payables due to operational facility's staff	355,721	281,371	74,350
B.II.5 Payables due to social security and welfare institutions	126,707	88,398	38,309
B.II.6 Termination benefits for operational facility's staff (TFR Fund)	273,727	208,650	65,077
B.II.7 Tax payables	122,969	175,549	-52,580
B.II.8 Other payables	713,188	141,533	571,655
<b>TOTALS</b>	<b>4,328,114</b>	<b>5,659,580</b>	<b>-1,331,466</b>

The most significant items are the payables due to suppliers for goods and services for the headquarters and for the missions" (payables incurred in Italy). The reduction of this item is part of the voluntary plan aimed at reducing exposure implemented by the Association as from 2008 (the starting figure was 3.7 millions - euro). Another significant item is represented by payables due to headquarters' staff and associates, which has nevertheless decreased compared to the previous year. The payables due to banks have decreased significantly due to the fact that the excess liquidity as of 31/12/2010 made it unnecessary to draw from the existing credit line.

The increase in the item "Other payables" (B.II.8) as of 31/12/2010 is due to the amount that Emergency will have to disburse to doctors for contributions payable to ENPAM; as regards this payable, a receivable was recorded for Emergency due from INPS in the assets section of this balance sheet, as already explained in the section on "Other receivables".

All payables are due within the following financial year, except for the item listed in section B.II.6, "Termination benefits for operational facility's staff", and the item listed in section B.II.8, which refers to the repayment of INPS portions to expatriate personnel. These two items are part of a long-term programme.

The balance as of 31/12/2010 is **4,328,114 euro** with a decrease of **1,331,466 euro** compared to the previous year.

Below please find detailed information Concerning the changes in termination benefits for the facility's operational staff.

Name	Previous fund	Accrued during the year	Contributions as per Italian Law 297/82	Additional fund	Substitute tax	Advances/ balances for the year	Indemnity leaving fund	Movements
B.II.6 Termination benefits for operational facility's staff (TFR)								
Cultural	65,716	28,714	1,834	3,979	224	8,912	79,481	0
Local groups management	12,873	7,322	451	1,536	69	0	18,139	8,529
Headquarters	81,399	32,651	1,972	3,769	307	0	108,002	822
Operational activity	48,662	25,235	1,648	4,017	127	0	68,105	-9,350
<b>TOTALS</b>	<b>208,650</b>	<b>93,922</b>	<b>5,905</b>	<b>13,301</b>	<b>727</b>	<b>8,912</b>	<b>273,727</b>	<b>0</b>

## C – PROVISIONS FOR RISKS AND CHARGES

### 1. Valuation criteria

The provisions for risks and charges are allocated to cover losses or payables whose existence is certain or probable, but for which, nevertheless, at year's end it was not possible to determine the amount or the date of occurrence.

If necessary, the risks and losses for the year are taken into account, even though they might have surfaced after the closing of the financial year, but before the financial statements were drawn up.

In evaluating these provisions, the general criteria of prudence and competence were complied with, and no generic risk funds lacking economic justification have been set up.

Potential liabilities were recorded in the provisions as their occurrence was deemed likely and the amount of the relevant charge could be reasonably estimated.

### 2. Detail of the items

At the end of the 2010 financial year, the situation is as follows:

Items	Initial balance	Decrease	Increase	Final balance
C.I.2 For future missions	766,251		524,066	1,290,317
C.I.3 For current missions	5,500,000	1,565,472		3,934,528
C.I.4 Other	200,000	0	0	200,000
<b>TOTALS</b>	<b>6,466,251</b>	<b>1,565,472</b>	<b>524,066</b>	<b>5,424,845</b>

The final balance of the item "For future missions" (C.I.2), amounting to **1,290,317 euro** reflects the economic value of existing risks as of 31/12/2010 relating to future missions, as detailed below:

- The amount of **1,170,000 euro** is for the residual contribution approved by the Smemoranda Foundation for development of the " Programme Italy", yet to be used as of December 31, 2010;
- The amount of **120,317 euro** refers to contributions received in 2010 thanks to the fundraising campaign "Inter for EMERGENCY" intended to finance a Paediatric Centre in Goma, which has yet to begin as of 31 December 2010.

The final balance of the item "For current missions" (C.I.3), amounting to **3,934,528 euro** reflects the economic value of existing risks related to missions as of 31/12/2010 and detailed as follows:

- The amount of **3,200,000 euro** refers to the risk of the possibility that the Sudanese government may default on the contribution in support for The *Salam* Centre for Cardiac Surgery in Khartoum. Said default would imply higher costs for the Association.
- The amount of **734,528 euro** refers to the contribution received in 2010 as the result of a fundraising campaign via phone text messages
- "Solidarity SMS" - to support the renovation works at the Surgical Centre already operational in Sierra Leone. This amount shall offset the total cost for the renovation jobs during the financial year in which said cost is incurred.

The final balance of the "Other" risks and charges (C.I.4), amounting to **200,000 euro** refers to a risk of a lawsuit, the level of which has stayed the same compared to the previous year, as the risk of a legal dispute being initiated concerning the amount of the payment of a legacy for the succession Bettini still exists.

The variation in provisions as of 31 December 2010 was recorded, as for **2,300,000 euro** as a contingent asset in the profit and loss statement; the amount of **2,024,845 euro** as a contra-entry for receivables entered in the balance sheet, as specifically detailed in the relevant section of these explanatory notes.

## ACCRUALS AND DEFERRALS

### 1. Valuation criteria

Accrued liabilities and deferred income were determined according to the criterion of the actual accrual period.

For long-term accruals and deferrals, the conditions that had determined their original entry were verified, adopting the appropriate changes, where necessary.

Accruals and deferrals measure proceeds and charges whose competence is anticipated or deferred compared to the actual date of the payment and/or of the document; are irrespective of the date of payment or collection of related proceeds and charges, common to two or more financial years and prorated over the applicable time.

### 2. Detail of the items

The variation, compared to the previous financial year, is as follows:

Items	Balance as of 31/12/2010	Balance as of 31/12/2009	Variations
D.I.1 Accruals and deferrals	31,133	38,758	-7,625
<b>TOTALS</b>	<b>31,133</b>	<b>38,758</b>	<b>-7,625</b>

The amount of **31,133 euro** recorded in item D of the liabilities, refers to accrued payables for insurance premiums relating to staff on missions as of 31/12/2010 for which, on the same date, the insurance company had yet to demand payment of the premium, which was then paid after the close of this financial statement. The amount was calculated based on certain data and depending on the duration of the insurance policy. A decrease of **7,625 euro** was posted compared to the previous year.

## MEMORANDUM ACCOUNTS

### 1. Valuation criteria

Commitments were recorded in the memorandum accounts at their nominal value, inferred from the relevant documentation.

Third-party assets used at the Association's was valued at the value inferred from existing documentation.

The risks related to granted guarantees, personal or real, are recorded in the memorandum accounts for an amount equal to the amount of the same guarantees.

### 2. Detail of the items

The detail of the items is as follows:

Items	Balance as of 31/12/2010	Balance as of 31/12/2009	Variations
Assets that can be freely donated	5,440,395	7,775,453	-2,335,058
Third-party assets	74,764	77,100	-2,336
Performance Guarantees	150,000	0	150,000
<b>TOTALS</b>	<b>5,665.159</b>	<b>7,852,553</b>	<b>-2,187,394</b>

The memorandum accounts include the value of assets that can be freely donated, net of the related accumulated depreciation, as said fixed assets, used in missions, will be donated to local institutions and authorities once the project is completed.

Third-party assets used at the Association include the value for leasing instalments payable for tangible assets (printers/photocopiers) purchased through operating lease agreements for **64,764 euro**. Please note that no additional assets were purchased during the financial through leasing contracts.

The third-party assets used at the Association include a motor vehicle worth **10,000 euro** as a free loan.

The risks also include a bank guarantee issued by Banca Popolare di Sondrio for the amount of **150,000 euro** in favour of the company Centro Direzionale Valtorta S.r.l. and in the interest of the Association as collateral for the rent paid for the Milan headquarters.

## → INFORMATION ON THE ITEMS OF THE INCOME STATEMENT

### GENERAL INFORMATION

A few changes were made to the structure of the financial statements for the period ending on 31/12/2010, compared to the previous year, in order to provide all the necessary information with greater clarity and completeness.

To this end, it was considered appropriate to group together or break down certain items of the profit and loss statement of 2009 compared to last year's financial statements.

The structure and content are described below:

### INSTITUTIONAL ACTIVITY

**A – Fundraising:** it groups together items relating to donations and contributions received by the Association, with fundraising activities, contributions from bequests or donations and with proceeds from the commercial activity;

**B – Fundraising costs:** it groups together direct costs incurred for fundraising activities and costs incurred in the management of the commercial activity;

**C – Costs for operational missions:** it groups together direct costs for the functioning of operational missions, such as medicines, hospital material, directly related services, and staff, in addition to the depreciation of tangible assets used in operational missions;

**D – Costs for publications, cultural activities and management of local groups:** this group concerns the Association's institutional activity and mainly includes costs incurred for various Emergency publications, organisation of cultural events, training courses for volunteers, management of local groups and staff employed in this sector;

### NON-INSTITUTIONAL MANAGEMENT ACTIVITY

**E – Management and general support activities costs:** this item refers to costs incurred for the headquarters that provide support to the Association's institutional activity. It mainly includes expenses incurred for the facilities in Milan and in Rome, rent, personnel costs and accumulated depreciation of tangible fixed assets used for general support.

**F – Financial income and expenses:** these two items mainly result from the algebraic sum of profits and losses on foreign currency exchanges as well as interests payable and receivable.

**G – Extraordinary income and expenses:** they mainly refer to capital gains and losses on the sale of property, rental income from property considered to be non-instrumental and contingent assets and liabilities.

**H – Income taxes:** this item includes the taxes for the financial year.

Please find below a summary of the economic data:

Items	Balance as of 31/12/2010	Balance as of 31/12/2009	Variations
Institutional activity – fundraising	29,304,784	25,407,126	3,897,658
Institutional activity – fundraising costs	1,497,877	1,521,280	-23,403
Institutional activity – costs for operational missions	22,912,412	21,472,967	1,439,445
Institutional activity – costs for publications, cultural activities and management of local groups	2,104,837	2,504,911	-400,074
Management and general support activities costs	1,704,650	1,403,720	300,930
Financial income and expenses	30,193	-124,851	155,044
Extraordinary income and expenses	2,231,358	-205,584	2,436,942
Income taxes	23,146	17,321	5,825
<b>TOTALS</b>	<b>3,323,412</b>	<b>-1,843,509</b>	<b>5,166,921</b>

## A – INSTITUTIONAL ACTIVITY - FUNDRAISING

Items	Balance as of 31/12/2010	Balance as of 31/12/2009	Variations
A.1 Donations and contributions	14,953,072	14,425,084	527,988
A.2 Income from fundraising activities from 5/1000 on individual tax returns	9,111,565	6,951,105	2,160,460
A.2 Proceeds from fundraising activities – Other	927,856	1,742,064	-814,208
A.3 Income from disposal of assets from bequests or donations	1,780,358	992,653	787,705
A.4 Income from commercial activity – for the sale of goods	2,475,392	1,276,180	1,199,212
A.4 Proceeds from the commercial activity – for the rendering of services	56,540	20,040	36,500
<b>TOTALS</b>	<b>29,304,784</b>	<b>25,407,126</b>	<b>3,897,658</b>

During 2010, the total proceeds from fundraising activities amounted to **29,304,784 euro**, with an increase of **3,897,658 euro** compared to the previous year.

The above figures include donations and contributions, proceeds from the sale of movables and fixed real estate property received by the Association as inheritance or gift, as well as proceeds from the commercial activity.

In particular, the amount of donations and contributions collected during 2010 and resulting from the sum of the following items:

A.1 Donations and contributions,

A.2 Proceeds from fundraising - from 5/1000 on individual tax returns,

A.2 Proceeds from fundraising - other, amounted to **24,977,795 euro**, with an increase of **1,873,943 euro** compared to the previous year.

Details on the origin of the collected funds collected and the possible existence of a restriction are shown below:

Type of donor	31/12/2010		31/12/2009	
	Free	Restricted	Free	Restricted
Private citizens	4,993,928	2,553,300	4,970,237	1,539,342
From 5/1000 on individual tax returns	9,111,565	0	6,951,105	0
Legal entities	467,345	388,002	277,543	366,039
Local authorities	108,370	310,621	93,335	240,808
Other authorities	166,233	277,462	130,657	303,713
Foundations	13,800	593,350	6,000	5,000
Abroad	58,547	1,257,317	84,457	604,446
Fundraising initiatives	426,609	501,247	438,016	394,808
Gadgets (*)	0	0	533,921	375,318
Christmas gadgets (*)	0	0	0	0
Memberships cards	226,889	58,337	0	0
Christmas donations		195,285	0	173,391
Emergency Foundation contribution	0	0	300,000	0
Contributions from the allocation of goods	14,131	237,097	30,171	864,946
Contributions from the provision of services	2,300	12	1,118,665	0
Iraq financing		173,637	0	128,602
Sudan financing		2,842,375	0	3,173,332
<b>TOTALS</b>	<b>15,589,717</b>	<b>9,388,078</b>	<b>14,934,107</b>	<b>8,169,745</b>
<b>TOTALS 2010 (Free + Restricted)</b>	<b>24,977,795</b>			

Membership fees	31/12/2010	31/12/2009
Membership fees	14,700	14,400
<b>TOTALS</b>	<b>14,700</b>	<b>14,400</b>

(\*) Please note that in last year's financial statements the proceeds from the commercial activity were included in item "Proceeds from fundraising operations – other", while in the current year section A.4 includes only this kind of proceeds. The composition of proceeds from the commercial activity is detailed below.

The proceeds from the sale of real estate received by the Association through inheritance or donation, as set out in item A.3, amounted to **1,780,358 euro** with an increase of **787,705 euro** compared to the previous year.

Details on the origin of the collected funds and the possible existence of a restriction are shown below:

Source of donation	31/12/2010		31/12/2009	
	Free	Restricted	Free	Restricted
Income from the sale of assets from bequests or donations	1,536,383	145,000	992,653	0
Capital gains from the sale of donated/inherited property	98,975	0	0	0
<b>TOTALS</b>	<b>1,635,358</b>	<b>145,000</b>	<b>992,653</b>	<b>0</b>
<b>TOTALS 2010 (Free + Restricted)</b>	<b>1,780,358</b>		<b>992,653</b>	

The income from the commercial activity, included in items A.4a Income from commercial activity - for the sale of goods and A.4b Proceeds from the commercial activity - for the rendering of services amounted to **2,531,932 euro**, with an increase of **1,235,712 euro** compared to the previous year. Please note that Emergency opened a VAT account on July 2009 to qualify as an (incidental) commercial activity the sale of assets in support of its institutional purposes. By this we mean the sale of gadgets, solidarity wedding favours and other promotional items either through the our website or through the organisation of Christmas shop, as well as income from sponsorships. This item, according to the reclassification carried out in the previous financial year, was included among other proceeds of the generic type, while in the financial statements for the period ending on 31<sup>st</sup> December 2010 it was decided to show this activity separately, as it is fully operational by now.

Details on the origin of the collected funds and the possible existence of a restriction are shown below:

Source	31/12/2010	
	Free	Restricted
Revenues from solidarity wedding favours	0	413,971
Revenues from gadgets	1,285,120	56,954
Revenues from Christmas gadgets	0	94,705
Revenues from Christmas shop	0	470,352
Revenues from Christmas shop	0	154,292
Sponsorships	52,083	0
Copyrights	3,867	0
Teaching activities	588	0
<b>TOTALS</b>	<b>1,341,658</b>	<b>1,190,274</b>
<b>TOTALS 2010 (Free + Restricted)</b>	<b>2,531,932</b>	

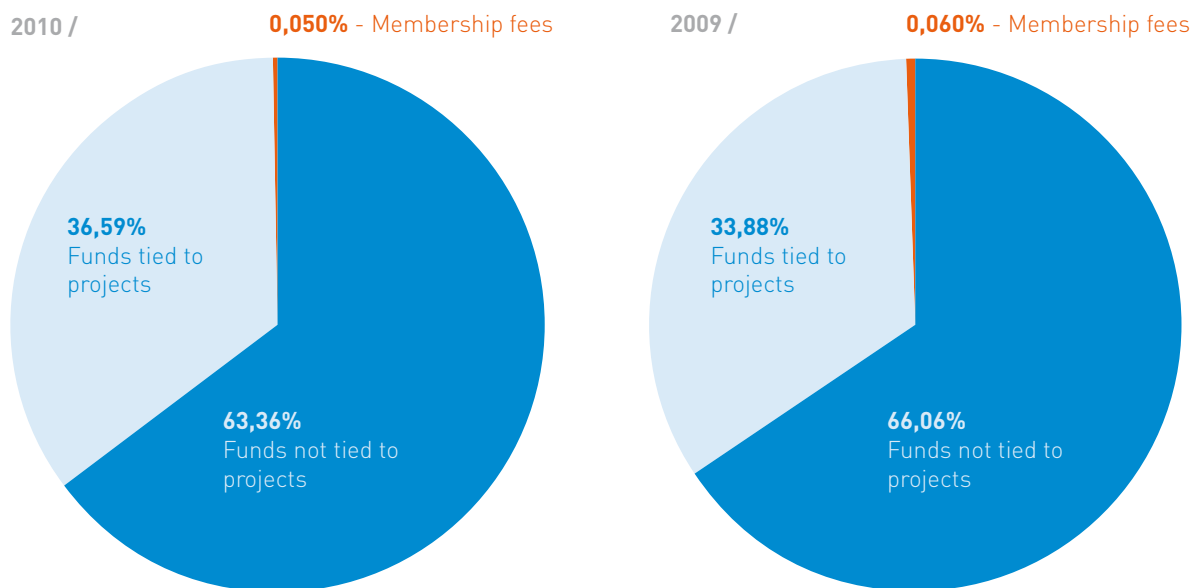
The above data show that, again in 2010, the Association largely obtained its financing sources from its own initiatives without the support of governments or supranational entities (excluding contributions from the Government of Sudan, from the governmental authorities of Kurdistan and from UN-CHF for Nyala).

The percentage of donations and contributions from independent sources (other than government authorities) is **89.51%**.

The analysis carried out based on the allocation of the collected funds shows the following situation:

Items	31/12/2010	%	31/12/2009	%
Membership fees	14,700	0.05	14,400	0.06
Funds tied to projects	10,723,351	36.59	8,169,745	33.88
Funds not tied to projects	18,566,733	63.36	15,926,760	66.06
<b>TOTALS</b>	<b>29,304,784</b>	<b>100.00</b>	<b>24,110,905</b>	<b>100.00</b>

The following chart shows (in percentage) the allocations of the collected funds, distinguishing between funds with a restriction and free donations.



Below is a list of the allocations specified by donors.

Projects	31/12/2010	31/12/2009
Iraq	42,801	40,109
Iraq - contribution from local authorities	173,673	128,602
Afghanistan	701,515	832,105
Cambodia	101,945	115,898
Sierra Leone	1,750,450	903,588
Sudan - The <i>Salam</i> Centre for Cardiac Surgery	2,103,665	2,059,956
Sudan - Paediatric Centre in Mayo	225,088	0
Sudan - Paediatric Centre in Nyala	1,225,850	544,765
Sudan - contribution from the Sudanese government	2,842,375	3,173,332
Sudan - Paediatric Centre in Port Sudan	522,636	0
Central African Republic	313,863	237,979
Programme Italy	719,375	113,958
Nicaragua	0	19,453
Goma	115	0
<b>Totals</b>	<b>10,723,351</b>	<b>8,169,745</b>

A review of the data reveals that, compared to the previous financial year, there is a slight difference in the composition of the destination of projects.

## B – INSTITUTIONAL ACTIVITY - FUNDRAISING COSTS

Items	Balance as of 31/12/2010	Balance as of 31/12/2009	Variations
B.5 Costs for the organization of fundraising activities	766,329	810,997	-44,668
B.6 Costs for commercial activity	997,328	460,075	537,253
B.7 Variations in inventories of materials for fundraising operations	-265,780	250,209	-515,989
<b>TOTALS</b>	<b>1,497,877</b>	<b>1,521,280</b>	<b>-23,404</b>

The category "Fundraising costs" was included in these financial statements to better understand the data, as previously stated in these explanatory notes. These expenses were previously posted with a negative sign under the item "Fundraising". For greater clarity, please note that the cost items highlighted herein with reference to 2009 differ from last year's financial statement as these items, in 2009, also included the costs for the management of local groups and the cost of radio and television advertising (this cost was not incurred during the financial year ending on 31st December 2010). In this year's financial statements, these costs are listed under item "Institutional activity - costs for publications, cultural activities and management of local groups" (item "D" in the income statement).

The costs incurred for the management of the commercial activity increased by **537,253 euro**, for a total of **997,328 euro**. This allowed a proportional increase in proceeds from this activity. These costs consist primarily of gadgets and purchases for the Christmas shops during the Christmas holidays. The incidence of these costs on the corresponding income stood at **39.39%**, in line with the previous year.

Overall, the costs associated with fundraising operations decreased by **23,404 euro** compared to the previous year. By comparing this figure with the increase in proceeds related to fundraising, approximately 4 millions (euro), we can see the positive trend of the results in 2010.

## C – INSTITUTIONAL ACTIVITY - COSTS FOR OPERATIONAL MISSIONS

Items	Balance as of 31/12/2010	Balance as of 31/12/2009	Variations
C.8 For medicines and medical equipment	5,391,010	5,005,625	385,385
C.9 For raw material for prostheses	144,122	113,412	30,710
C.10 For food and general provisions	929,115	878,945	50,170
C.11 For services	3,994,513	3,107,049	887,464
C.12 For the use of third-party assets	448,229	550,471	-102,242
C.13 For personnel engaged in operational missions	8,360,824	7,698,232	662,592
C.14 Other costs for operational missions	0	0	0
C.15 Amortisation, depreciation and write-downs	3,679,934	3,706,170	-26,236
C.16 Variations in inventories	-35,334	413,063	-448,397
<b>TOTALS</b>	<b>22,912,412</b>	<b>21,472,967</b>	<b>1,439,446</b>

In 2010, the organisation was engaged in Afghanistan, Sierra Leone, Cambodia, Iraq, Sudan, Central African Republic and Italy.

The aims and methods for conducting the missions are summarised in the management report.

The total costs for operational missions shown in the income statements are equal to **22,912,412 euro**, with an increase of **1,439,446 euro** compared to the previous financial year.

As for the international staff, on average, approximately 112 units were employed in operational mission each month.

Details of the total costs relating to the missions carried out in 2010 are provided from page 17 to page 22.

## D – INSTITUTIONAL ACTIVITY - COSTS FOR PUBLICATIONS, CULTURAL ACTIVITY AND MANAGEMENT OF LOCAL GROUPS

Items	Balance as of 31/12/2010	Balance as of 31/12/2009	Variations
D.19 For the purchase and production of material pertaining to informational and cultural activity	369,878	228,520	141,358
D.20 For services	805,316	1,556,508	-751,192
D.22 For personnel	874,708	678,275	196,433
D.23 Other costs for the management of cultural activity	54,934	41,608	13,326
<b>TOTALS</b>	<b>2,104,837</b>	<b>2,504,911</b>	<b>-400,074</b>

The item contains costs incurred for performance of the cultural activity, which basically consists in the publication of the quarterly magazine "Emergency" and in the organisation of meetings and conferences. The latter were again organised in 2010 only thanks to volunteer work by speakers and owners of the premises where said meetings and conferences took place and, consequently, no costs were incurred.

Item D.20 includes costs incurred to support the informational activities carried out by the Cooperativa Dieci Dicembre, incurred by Emergency in 2010 as an investor partner and which amounted to **589,718 euro**.

The number of volunteers is constant and their distribution throughout the territory is organised into 169 groups, which in total bring together more than 3,500 volunteers, over 1,800 of which are actively engaged.

At the closing of the financial statements, the Association had 79 salaried staff, of which 60 employees and 17 project workers, in addition to one external consultant and one occasional freelance worker.

At the Milan offices, there were 54 workers, 10 at the Rome offices; 8 associates were employed in the Outpatient Clinic in Palermo, 5 in the Outpatient Clinic in Marghera; 2 associates worked at The *Salam* Centre for Cardiac Surgery in Khartoum. In addition to said personnel, 112 international staff (doctors, nurses, administrators and logisticians) was employed at the hospitals abroad.

The office in Milan availed itself of the constant support of over 73 volunteers and 14 civil service volunteers (until September 2010, since October this group was replaced by 9 new volunteers). Twenty-eight volunteers worked at the offices in Rome, 73 volunteer doctors and nurses worked at the Outpatient Clinic in Palermo and 60 at the Outpatient Clinic in Marghera.

As mentioned before, as a result of the reclassification carried out in these financial statements, this category also includes charges associated with the management of local groups and television advertising (which, we remind you, were not incurred in 2010). These charges were previously included in the costs related to fundraising.

Compared to the previous financial year, there was a decrease of **399,974 euro**, down to **2,104,837 euro**.

## E – MANAGEMENT AND GENERAL SUPPORT ACTIVITIES COSTS

Items	Balance as of 31/12/2010	Balance as of 31/12/2009	Variations
E.28 For the purchase of advertising material and stationery	24,162	34,160	-9,998
E.29 For services	430,107	365,863	64,244
E.30 For the use of third-party assets	323,311	304,605	18,706
E.31 For personnel	740,162	494,133	246,029
E.32 Other costs for operational facility management	107,140	114,506	-7,366
E.33 Amortisation, depreciation and write-downs	79,768	90,453	-10,685
<b>TOTALS</b>	<b>1,704,650</b>	<b>1,403,720</b>	<b>300,930</b>

In 2010, the cost for the operational facility in 2010 was about **6.19% (in the 2009 financial year it was 6.10%)** of the funds raised (net of the relevant charges). As a result of the reclassification carried out in these financial statements, the amounts included in this group did not change compared to the previous reclassification.

The operational facility continues to be generally flexible, and it is based on employment relationships, project work, staff working in the civil service sector or as interns, and by a strong component of volunteer work.

The items that particularly weigh on this group are represented by rental costs for the office in Milan, the offices in Rome and their warehouses, as well as the costs for services, represented mainly by telephone costs, due in part to international communications with the operational missions and in part to contacts in Italy for fundraising and support operations.

No fees were paid or planned for the members of the Management board. Some members of the Board receive fees for the activities they carry out within the Association, or as employees or project workers and, occasionally, they are reimbursed only for the transportation costs they had to incur directly in order to perform their tasks.

Said payments for a total for **12,378 euro** were estimated for the year 2010 as fees to auditors for the performance of their activities.

These fees are included in the professional fees set by the Order of Chartered Accountants in relation to the Association's equity.

## Additional information on the cost of labour

In order to provide more complete information about the cost of labour incurred by the Association, the table below summarises the total overall costs that, in these financial statements, were recorded in different categories:

Items	31/12/2010	31/12/2009
Salaries to employees	1,000,204	817,188
Remunerations to non-employees	7,984,544	7,165,238
Social security and welfare contributions	673,752	603,445
Insurance premiums	142,955	150,700
Employees' termination benefits	80,621	56,088
Other personnel costs	93,618	77,980
<b>TOTALS</b>	<b>9,975,694</b>	<b>8,870,639</b>

The total cost of labour incurred for the 2010 financial year increased by **1,105,055 euro** compared to the cost incurred for the previous financial year, as we continued the work of consolidating various professional figures at the offices in Italy.

Some employees have chosen to pay their portion of severance pay into a supplementary pension fund. Consequently, the amount of the Employees' termination benefits (T.F.R.) shown in items B.I.8 AND B.II.6 is net of these payments.

## F – FINANCIAL INCOME AND EXPENSES

Items	Balance as of 31/12/2010	Balance as of 31/12/2009	Variations
F.38 Other financial income - from securities recorded in current assets	2,846	0	2,846
F.38 Other financial income - interest receivable	2,754	2,646	108
F.38 Other financial income - gains from foreign currency transactions for transfer of funds	130,090	183,280	-53,190
F.39 Interest and other financial expenses - interest payable on short-term loans	51,673	96,552	-44,879
F.39 Interests and other financial expenses - losses from other foreign currency transactions for transfer of funds	53,823	214,225	-160,402
<b>TOTALS</b>	<b>30,193</b>	<b>-124,851</b>	<b>155,044</b>

The reclassification carried out in the financial statements as of 31/12/2010 resulted in the elimination from that group of the item related to rents receivable, which were included among the extraordinary profits to distinguish this income from income related to the institutional activity.

The interest receivable from bank accounts and from fixed income securities, net of the withholding tax on bank deposits, amounted to **2,754 euro**.

The recording of exchange rate differences associated with the different currencies with which the Association operates has generated a surplus of **76,267 euro**; in fact, the gains from exchange rates amounted to **130,090 euro** against losses from exchange rates of **53,823 euro**.

All income and expenses deriving from financial management derive from the ordinary management of the activity and not from speculative financial transactions or investments.

Please note that the Association has obtained, from a financial institution, an advance in the current account on funds from the 5/1000 on individual tax returns donated in the 2008 financial year (relating to 2007 income); the cost of such funding amounted to **30,217 euro**.

## G – EXTRAORDINARY INCOME AND EXPENSES

Items	Balance as of 31/12/2010	Balance as of 31/12/2009	Variations
G.40 Income - other	2,343,425	258,670	2,084,755
G.41 Expenses	112,067	464,253	-352,186
<b>TOTALS</b>	<b>2,231,358</b>	<b>-205,584</b>	<b>2,436,942</b>

For this group, the reclassification has resulted only in the addition of the item relating to the rents receivable previously listed among financial income. Extraordinary income mainly refers to a contingent asset (of **2,300,000 euro** recorded as a result of the adjustment of the "Fund for missions" to the existing risks as of 31/12/2010, as explained in greater detail in the relevant section ("Provisions for risks and charges").

The other amounts included in the contingent assets mainly include write-offs on supplies of medical equipment approved by suppliers in 2010 but referred to previous years, and, to a much lesser extent, to the realignment of cash balances at operational missions.

The costs mainly refer to contingent liabilities of **109,467 euro**, related to prior years. The (positive) difference between extraordinary income and expenses amounts to **2,231,358 euro**.

## Income tax – tax reliefs

Since commercial activities are carried out, in a fully incidental fashion, as from the previous financial year, the taxable amount for Emergency is determined by the following components:

- The taxable amount related to the institutional activity;
- The taxable amount related to the commercial activity.

The I.R.A.P. tax (Italian regional tax on production activities) for the year 2010 amounted to **11,354 euro**, and is calculated by considering as the taxable amount the value of the production generated by the Association. Specifically, it is calculated on wages and retributions for project workers, as well as on payments to occasional freelance workers for the activities carried out on the Italian territory. In addition, the I.R.A.P. tax for commercial activity must be calculated by deducting from the relevant revenues a portion of costs calculated by comparing commercial proceeds with the total revenues generated. The tax reliefs pertaining to the I.R.A.P. tax have already been highlighted in the specific paragraph in the introduction of these explanatory notes.

The total I.Re.S. tax (tax on company revenues) payable for the year 2010 is equal to **11,792 euro**. This tax is due for revenues on land owned by the Association, for accrued revenues on copyrights, and for interest receivable accrued on the current accounts opened at foreign banks.

## Events that occurred after the closing of the financial year

Please note that, at the closing of the financial year, the Revenue Office had yet to publish the list bearing the amount of allocations of funds from the 5/1000 on individual tax returns for the 2008 financial year - tax returns filed in 2009. The list published on 28/02/2011 shows that the Association is the recipient of funds amounting to **8,074,262.57 euro**, of which **7,381,738.14 euro** for choices made by taxpayers and **692,524.43 euro** for distribution of the remaining funds.

Based on this allocation, an advance on the amount was requested by opening a credit line guaranteed by the credit itself.

The need to resort to this advance is due to the uncertainty concerning the timing of the actual payment of the funds owed to the Association.

As a result of the reductions in allocations of funds for the cooperation, the Ministry of Foreign Affairs did not renew the conformities already obtained by Emergency and pertaining to current projects. The legal proceedings brought against newspapers in order to protect the name of the Association continue.

The Association was also called into certain new successions for which inventory procedures are underway in order to define the estate or the eligible heirs. A few sales transactions of non-capital assets already recorded in the Association's equity were also concluded.

Starting on April 2011, the Association has expanded the space available at its Milan offices, which are partly shared with the Cooperativa Dieci Dicembre, publisher of the new publishing project entitled "E-Il Mensile", launched in April 2011 according to an industrial and publishing plan approved and shared by the boards of directors of the two organisations. At the same time, due to the higher rents which no longer make it economically feasible to rent instead of owning real estate property, it was decided to start looking for a new space to buy (or to be received as a donation or, alternatively, as a loan for use), with the aim of relocating the Association's headquarters in 2012.

### The Chairman of the Board of directors

Cecilia Strada



## BOARD OF AUDITORS / AUDITORS' REPORT ON THE FINANCIAL STATEMENTS as of December 31, 2010

Dear Members, the final financial statements, which were submitted by the Board of directors, show a summary of the following values:

### Balance Sheet

Total ASSETS	<b>Euro 19,523,060</b>
Total LIABILITIES	<b>Euro 9,992,590</b>
Net equity	<b>Euro 9,530,470</b>
Total liabilities + Net equity	<b>Euro 19,523,060</b>

### Income statement

Value of production	<b>Euro 29,304,784</b>
Costs of production	<b>Euro 28,219,777</b>
Difference between value and costs of production	<b>Euro 1,085,007</b>
Extraordinary management	<b>Euro 2,231,358</b>
Result before taxes	<b>Euro 3,346,558</b>
Income taxes	<b>Euro 23,146</b>

**Profit (loss) for the financial year** **Euro 3,323,412**

Given that your Association, pursuant to Article 2477, 4th paragraph, has assigned the Board of Auditors both the administrative supervision and the functions of statutory auditor, we hereby provide an account of our work for the financial year ended on 31 December 2010.

The financial statements were prepared in compliance with the principles of economic pertinence, accrual-based accounting and applicable laws, as well as with the accounting principles and recommendations set forth by the National Board of Certified Accountants and Bookkeepers. Exceptions were outlined by the directors in the explanatory notes and which, as already indicated in the reports on the financial statements for previous financial years, meet with our consent.

The Board of Auditors hereby confirms that the Association, despite the difficulties of strategic planning due to the uncertainty of the law on the management of funds from the 5/1000 on individual tax returns, was successful in ensuring the continuity of its operations. The Board of Auditors has acknowledged that the Association has continued its work while maintaining an exceptionally high level of performance.

We also acknowledge that the Association, for the 2010 financial year, received almost all its resources from private sources, and the Board of directors continues in the action aimed at improving the analysis the sources of the contributions received.

*In particular:*

### WITH REFERENCE TO THE LEGAL AUDITING OF ACCOUNTS

The Board of Auditors has carried out the statutory audit of the Association's financial statements as of December 31, 2010. The responsibility for preparing the financial statements falls on the administrative body, while the Board of Auditors is responsible for the professional opinion based on a legal audit of the accounts.

The balance sheet and income statement show, for purposes of comparison, the values pertaining to the previous financial year, and the summary management report was also prepared with opposing sections.

Based on the checks carried out and the evaluations performed, also through the circularisation of certain balance sheet items, we hereby confirm the regular bookkeeping and note that the financial statements submitted for your approval correspond to the accounting records and that, as regards their form and content, that they were prepared in compliance with current statutory regulations, by applying the criteria set out in the Explanatory Notes.

The valuation of each balance sheet element was carried out with prudence and with a view to ongoing operations, as well as by taking into account the economic function of the assets and liabilities in question.

Revenues and expenses were charged to the income statement according to the principle of accrual-based accounting.

Intangible assets are recorded based on the costs incurred and amortised over their estimated useful life, and in any case within the terms provided for by Article 2426 of the Italian Civil Code.

The values of intangible assets are shown net of amortisation with reference to capital assets having a limited duration.

No additional adjustments were made other than those provided by the amortisation schedules. There is no evidence, in fact, of the need to make write-downs as per Article 2426 no. 3 of the Italian Civil Code in addition to those provided for by the fixed amortisation schedule.

The net equity is derived from the allocation of operating surpluses of previous years. The net equity items are analytically specified as provided for by Article 2427 no. 7-bis of the Italian Civil Code.

Provisions for risks and charges were determined according to principles of prudence against probable future liabilities for activities already undertaken or to be started, for a total of 5,424,845 euro.

Other payables are recorded at their nominal value, which corresponds to the expected discharge value. The proper counting of accruals and deferrals was verified.

Ultimately, in our opinion, the financial statements correspond to entries of accounting books and records and, as a whole, they correctly represent the Association's financial and equity position and its economic result for the financial year ending on December 31, 2010. We therefore render a favourable opinion for the approval of the financial statements as prepared by the Board of Directors, including the allocation of the profits.

## WITH REFERENCE TO LEGAL CONTROL

We have monitored compliance with the law and with the Association's Charter and observance of the principles of proper administration.

We were informed in due time of the decisions of the Executive Committee which took place in compliance with the statutory rules and laws governing the functioning and for which we can reasonably guarantee that the resolved actions are in accordance with the law and with the Association's Charter, and are not imprudent, careless, reckless, in potential conflict of interest or could in any way compromise the integrity of the Association's equity.

During our periodic verifications, the administrators gave us all information on the general performance and its outlook and on principal transactions, because of their size or characteristics, made by the Association.

We can therefore reasonably guarantee that the actions taken comply with the law and with the Association's Charter and are not imprudent, reckless, in potential conflict of interest or could in any way compromise the integrity of the assets.

We have acquired knowledge of and monitored the adequacy of the Association's organisational structure, including through the gathering of information from department manager, and in this regard we have no details to report, except the recommendation to evaluate the preparation of the "Ethics Manual" and the related documentation provided for by the best practices.

We have evaluated and supervised the adequacy of the administrative and accounting procedures and their faithfulness in representing the economical functioning, by obtaining information from Association's managers and through the examination of documents. In this regard we have no observations to report.

We have verified the correspondence between the financial statements and the facts and information we have become aware of as a result of carrying out our duties, and we have no observations to report.

The financial statements presented to us were prepared in accordance with the models provided by Articles 2424 and 2425 of the Italian Civil Code, and by Article 2427. The financial statements are also consistent with the models prescribed by the Articles 2423 and 2423-bis, and also take into account the provisions of Articles 2424-bis and 2425 referring to the processing of the individual Balance Sheet items and the recognition of revenues, income, costs and expenses in the income statement.

As a result of the checks that we have carried out on the financial statements, we can also state that:

- the items in the balance sheet have been carefully evaluated in the view of normal continuity of the Association's activity;
- the criteria used for the valuating the items in the financial statements comply with the provisions of Article 2426 of the Italian Civil Code and are also relevant to those used for the previous year;
- the costs were included in the financial statements in accordance with the principle of their accrual-based accounting;
- the operating surpluses are shown in the financial statements only if actually realised at the closing of the financial year;
- in determining the results, all the losses were taken into account, even when they became known after the closing of the financial year;
- the explanatory notes, prepared by the Board of Directors, were written in accordance with Articles 2423 and following of the Italian Civil Code and, in particular, Article 2427. The notes contain addition information deemed necessary for purposes of completion, including those of a financial nature.

No complaints were received pursuant to Article 2408 of the Italian Civil Code.

During the course of the supervision, as described above, there were no additional significant facts such as to require mentioning in this report.

To our knowledge, the Directors, in preparing the financial statements, complied with the law pursuant to Article 2423, paragraph four of the Italian Civil Code

We have verified the correspondence between the financial statements and the facts and information we have become aware of as a result of carrying out our duties, and we have no observations to report.

Given that the documents we examined did not show structural problems that may affect the result for the year, we express our favourable opinion concerning the approval of the financial statements and the proposed allocation of the profits.

*We also thank the Associates for their trust.*

Milan, June 1, 2011

Rag. Flavia Corradi  
Rag. Laura Pigoli  
Rag. Mario Moiso



via Gerolamo Vida, 11 — 20127 Milan, ITALY  
T +39 02 881881 — F +39 02 86316336  
[info@emergency.it](mailto:info@emergency.it)

via dell'Arco del Monte 99/a — 00186 Rome, ITALY  
T +39 06 688151 — F +39 06 68815230  
[roma@emergency.it](mailto:roma@emergency.it)

[www.emergency.it](http://www.emergency.it)

Donations in favour of EMERGENCY can be made via:

- Credit card, on-line (on Secure Server) at [www.emergency.it](http://www.emergency.it) (Euro)
- PayPal, online on [www.emergency.it](http://www.emergency.it) (Euros or US\$)
- Post Office current account in favour of EMERGENCY n° 28426203
- Bank wire in favour of EMERGENCY:
  - IBAN IT 41 V 05387 01600 000000713558 - BIC BPMOIT22 XXX - Banca Popolare dell'Emilia Romagna
- Regular donation on the website [www.emergency.it](http://www.emergency.it) (in the "Help us" section under "Individual")