



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

**{Financial statements at 31/12/2012}**





ambulatorio



ti der  
rep  
a te c  
te ler

cherevra

EMERGENCY is an independent and neutral humanitarian organization, founded in Italy in 1994 to provide free surgical and medical assistance to the victims of war, landmines and poverty.

EMERGENCY promotes a culture of peace, solidarity 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 |

## INTRODUCTION

In 2012, Emergency decided to intensify its humanitarian action in Italy, begun in 2006 and extended in 2011 with the start-up of two mobile clinics. There were two basic reasons behind this decision: the need for healthcare assistance among migrants in our country, above all those employed as farm labourers in the countryside of southern Italy, who are forced to live and work in conditions of slavery; and the number of Italian patients coming to our Outpatients clinics in Marghera (20% of the total) and, to a lesser extent, in Palermo, during the previous year as well as the reasons for their requests for assistance from Emergency (exclusion from the Italian National Health Service). The loss of jobs and consequent rise in poverty in our country, due to growing social disparity in recent years as a consequence of the economic crisis, has dramatically increased the number of people who live on the margins of society. For a growing number of people, Italians and foreigners, article 32 of the Italian Constitution contains merely empty words. For these people, the Republic seems no longer to safeguard health as a fundamental right of the individual and in the interests of the collectivity, nor to guarantee treatment of the poor and needy.

From the end of 2011 and throughout 2012, the two Mobile clinics of Emergency provided social and healthcare assistance to migrant workers on site, as follows: in Rosarno and in Piana di Gioia Tauro (RC), during the winter harvest of citrus fruit; in Vittoria (RG), for greenhouse workers; in Cassibile (SR), during the potato harvesting season; in Capitanata, in the province of Foggia, and in Venosa (PZ), throughout the tomato harvesting season. At the request of some communities in the zone, between June and September one of the Mobile medical units also provided social and healthcare assistance in Carpi and other areas around Modena, following the earthquake that hit Emilia Romagna in spring 2012. The healthcare personnel of Emergency treated and provided information to patients who came to the Mobile unit; one Mobile unit was placed at the disposal of some local doctors, whose consultation rooms had been declared out of bounds in the period immediately following the earthquake.

In order to further extend the work in Italy, in the final months of 2012 the details of some new projects were defined. A co-operation agreement with the Regional Authority of Puglia will enable us to strengthen our local presence through the acquisition and operation of two "minivans" to be used as Mobile clinics, somewhat smaller than the buses we have used so far, but which will enable us to provide services in the region throughout the year. In Polistena, in the Gioia Tauro plane, work has begun on getting a new clinic ready inside a building confiscated from organized crime and entrusted to the management of the Valle del Marro Association, an affiliate of Libera. The clinic will be operational in spring 2013. In Naples the City Authority has granted the use of premises for a new outpatient department in Ponticelli: this too will be operational in 2013. In Sassari, by virtue of the agreement reached with the Local Health Authority, ASL 1, in December 2012 a social and healthcare help desk was set up by which the cultural mediators of Emergency can help the needy - Italians and non-Italians - free of charge, providing access to the treatment guaranteed by the National Health Service.

More attention to Italy has not meant that Emergency has lessened its humanitarian commitments abroad. In 2012 a new building was inaugurated inside the Goderich Hospital in Freetown, Sierra Leone, where a new surgery wing has been added together with an Intensive Care Unit. This new wing will further improve the healthcare provisions of the hospital in view of the growing needs of the local population, in one of the poorest countries in the world, and the stay-over will allow patients to come to the capital from all over the country for treatment free of charge.

In Afghanistan, for the second year running, we treated the highest number of war injured in our hospitals during the summer, when the fighting became intense. Therefore, at the end of the year, we decided to plan for the extension of the network of Healthcare Centres and First Aid Posts to include new facilities in the areas of highest risk, able to refer patients to the three Emergency hospitals in the country.

According to agreements stipulated in the final months of 2011 with the Cambodian authorities, in the quarter of 2012 the Battambang surgical hospital was transferred, under the responsibility of the local authorities. From 1st March 2012, the operational management of the hospital has passed on to the Handa Foundation, the Japanese foundation which had shown interest in managing the Battambang hospital as negotiations for the transfer were ongoing with the Cambodian authorities.

In the final few days of the year, the Central African Republic was once again strongly threatened with war. Seleka rebels began to march on the capital, Bangui, clashing with the regular army. The situation, which seemed about to come to a head in the short-term, was defused by the signature of a peace agreement on 11 January 2013. During the crisis and the fighting, the staff of our paediatric centre in Bangui continued to work, treating the children examined in the Centre. Sadly, the peace did not last and proved to be only a truce. The inclusion of Seleka in the new government failed to put an end to hostilities. On 22 March 2013, fighting resumed with the Seleka rebels continuing to march on the capital, Bangui, which they reached on 24 March. Our staff stayed in the paediatric centre and continued to

treat children even during the fighting in the city. After a short time, children who had been injured in the conflict began to arrive. The Complexe Pédiatrique, the paediatric hospital in the capital, had no personnel, medicine or consumable medical items in order to treat patients arriving from the conflict. On 29 March 2013, Emergency decided to send a team of war surgeons to Bangui. The team moved into the Complexe Pédiatrique and began to operate on 6 April, providing surgical treatment to patients in the centre who would otherwise not have received any kind of healthcare assistance.

The extension of our humanitarian activities in Italy and abroad was accompanied by reorganizing and restructuring the Association in Italy, following the financial difficulties that became acute in the second half of 2011. The plan for reducing financial commitments in 2012 was implemented, whilst strengthening the activities resolved by the Board of Directors at the end of 2011. The budget of expenses was reviewed, and cost cuttings were found, reducing, where possible, some of the planned actions, without lowering the quality of the healthcare service provided under humanitarian programmes. These cost reductions unfortunately also impacted on office staff in Italy. With the aim of maintaining employment as much as possible, 37 employees were temporarily laid off with unemployment benefit, and the overall number of working hours was reduced from February onwards. This measure was discontinued in June, as soon as the finances of the Association became a little healthier.

Unfortunately, the review of planned expenditure by Emergency showed that the costs of supporting the information activities of the 10 Dicembre co-operative - formerly the publisher of the monthly magazine "PeaceReporter" and then of "E-Il Mensile" as well as the website [www.peacereporter.net](http://www.peacereporter.net) - could no longer be sustained at a time of severe economic crisis in the information sector, above all for print magazines. Following this decision, the Board of Directors of the 10 Dicembre co-operative decided to discontinue its publishing activities and to wind up the organization. Emergency committed itself to covering all the costs arising from this decision.

The implementation in 2012 of the financial plan to reduce costs and relaunch activities was successful, and the aims were achieved. The financial year was closed with a reduction of debt to suppliers, compatible with the activities carried out, and the elimination of all debt to banks. The period ended with funds raised during the year which exceeded the costs and with a significant surplus from management (excluding the variation for ongoing missions, as explained in the Supplementary Notes). The aims for the years to come remain the further improvement of overall finances and the stabilization of basic parameters in line with the recommendations of organizations for international cooperation (in particular, the European Commission Humanitarian Office), in order to further increase our response capability to healthcare needs abroad and in Italy.

## ACTIVITIES ABROAD

**IRAQ** Emergency continues to manage the Rehabilitation and Prosthetic Production Centre in Sulaimaniya, where prostheses and orthoses are produced and applied to victims of land mine explosions, the war injured and patients with disabilities. Emergency also helps in the social reintegration of patients through professional training courses every six months (30 courses carried out since the beginning of the activity). Disabled people with diplomas issued at the end of the course (489 since the beginning of the activity) receive economic and management assistance to start up cooperatives or craft workshops for the processing of iron, wood, leather and textiles and for the production of shoes (297 since the beginning of the activity). Through this social reintegration programme, Emergency wants to restore dignity to those who have become disabled and to help them overcome their disability, assisting patients in making a living for themselves and their families. Since 2005 the day-to-day management of the Centre in Sulaimaniya has been handled by Kurdish personnel trained by Emergency over the previous years. In 2012 too, the Iraqi government agency which deals with anti-personnel mines in the country (GDMA - General Directorate of Mine Action) provided Emergency with a partial reimbursement (of euros 111,248.45) of the costs incurred for the purchase of material used in the production of prostheses for people with amputated limbs following mine explosions and for opening cooperatives and craft workshops by patients who took part in training courses at the Rehabilitation Centre in Sulaimaniya.

**CAMBODIA** Responsibility for the management of the Emergency hospital named after Ilaria Alpi in Battambang was transferred, on 1 March 2012, to the Cambodian authorities and from them to a Japanese Foundation, the Handa Foundation. The interest of this Foundation in managing the hospital emerged during discussions with the Cambodian Ministry of Health. The commitment to retain almost all the national personnel trained by Emergency and to hire an international surgeon as medical coordinator of the Centre was such as to guarantee during the transfer full management continuity in line with the recommendations for operational criteria drawn up by Emergency during its 15 years in Battambang.

### AFGHANISTAN

**THE PANSHIR VALLEY** The hospital in Anabah is the only free of charge healthcare facility accessible to a population of about 250,000 people, spread over many small villages in the Panshir Valley and Salang Pass. In addition to operating on war casualties and anti-personnel mines, the hospital carries out emergency surgery, general surgery, internal medicine and paediatric medicine. The hospital also acts as a reference centre to a network of 16 First Aid Posts and Healthcare Centres opened and managed by Emergency in the region and surrounding provinces. The next-door Maternity Centre run by Emergency in Anabah has increased its activities continuously over recent years. Visits to doctors surgeries have increased, as well as operations and deliveries, because the hospital has become a point of reference for women in the valley and nearby provinces, partly due to the network of Healthcare Centres in the region which refer women to the Maternity Centre. Now, there are 10 births a day in the facility. This is an important result in terms of the acquisition of an understanding of healthcare problems to which women are exposed during pregnancy, including important measures for prevention, among the population in the Panshir region, as well as a vote of confidence in the work carried out by Emergency.

For the first time since Emergency began working in the country (1999),

the Afghan government has provided funding of 1,500,000 USD to support our activities in the Panshir Valley. In addition to the amount, this is a significant sign of appreciation for our work in Afghanistan and for Emergency represents a first step towards greater cooperation with local healthcare authorities.

**KABUL** In Kabul, since April 2001, Emergency has managed a Centre for War Surgery, with a top-level IC unit with six beds (the only facility of its kind completely free of charge in the whole of Afghanistan) and computerized tomography.

The hospital acts as the central focus of the network of 14 First Aid Posts and Healthcare Centres managed by Emergency in the Kabul region (in prisons, reformatories and an orphanage).

The restriction of admission only to war casualties (and accident victims under the age of 14) decided in 2010 has proved to be foresighted in the light of the escalation of fighting in the past two years: over 5 war casualties a day are admitted to the hospital in Kabul, an average of about 10 operations a day.

**LASHKAR-GAH** The "Tiziano Terzani" Surgical centre for war casualties in the south of Afghanistan, where the population has a pashtun majority (an ethnic group which represents about 40% of the Afghan population), is located in the city of Lashkar-gah, the capital of Helmand province. The city is about 100 km west of Kandahar and has a population of about 100,000 people. The Centre has been active since 2004 and carries out operations on war casualties and victims of anti-personnel mines and accidents to patients under the age of 14. Ambulances take seriously injured patients to the hospital after examination in a First Aid Post run by Emergency in Helmand, Grishk, Sangin or Garmsir. Some patients treated in the Emergency hospital in Lashkar-gah come from very distant regions, on the border with Iran. In 2012, examinations, admissions and operations on war casualties were significantly more numerous in line with the recent trend.

**THE PRISON PROGRAM AND FIRST AID NETWORK** In 2012 the healthcare activities in relation to prisoners continued in Kabul (Governmental Jail, Investigation Department, Pol-e-charki) and the city reformatory (Juvenile Rehabilitation Center). Emergency is the only organization able to guarantee continuous healthcare services in the three facilities.

Emergency currently manages a network of 33 First Aid Posts and healthcare centres in the country, referring to three main hospitals. In the last months of the year, plans were drawn up to extend these Healthcare Centres in order to respond to the escalation of the conflict. At the end of the year, the First Aid Post in Azrà, near Kabul, was closed.

During 2012, Emergency benefited from funding of 187,470 USD to support its First Aid activities and assistance to war casualties in the area of Kabul and Lashkar-gah. The funding was from the ERF – Emergency Response Fund, a UN Emergency Humanitarian Response Fund.

**SIERRA LEONE** The situation of Sierra Leone in general continues to be very difficult. The country is still almost bottom of the United Nations Development Index (data from 2012).

The Surgical and Paediatric Centre run by Emergency – active since November 2001 – is located in Goderich, in the suburbs of the capital of Sierra Leone, Freetown, and is the only facility that provides high-level healthcare services free of charge in the area, together with specialist surgical assistance, which can be obtained nowhere else in the country. The main activities of the Centre are emergency operations, mainly



abdominal, but also following trauma.

In 2002, a paediatric centre was built inside the hospital, enlarged in 2003 with the addition of wards. Children are mainly affected by respiratory diseases, malaria and anemia: the most serious cases lead to admissions to the paediatric wards of the hospital.

The Emergency hospital in Goderich also runs a programme for the dilation of the oesophagus in endoscopy for the treatment of burns from the ingestion of caustic soda. This type of accident is very frequent because mothers use caustic soda to make soap at home. Ingestion causes serious burns to the oesophagus which heals creating scar tissue that makes its diameter narrower and can make eating impossible. During the year, the nutritional programme continued for children examined in the paediatric surgery; and the healthcare/hygiene programme for their mothers also continued, including information on nutrition and symptoms of leading paediatric illnesses and how to prevent them.

In 2012, work continued on enlarging and restructuring the hospital. The new surgical unit was inaugurated in the summer. The third operating theatre has yet to be completed and the services have not yet been reorganized.

For the first time since Emergency began its operations in the country (2002), in 2012 the government of Sierra Leone provided funding of 355,630 euros to support the activities of the Emergency hospital in Goderich. This is a further sign of confidence in us and recognition of the importance of our work in the country.

**SUDAN** In April 2007, Emergency started up a regional paediatric and heart surgery programme in Sudan and surrounding areas. The fulcrum of the programme is the *Salam* ("peace" in Arabic) Centre for cardiac surgery in Khartoum, which treats patients with operable, congenital and acquired cardiopathy completely free of charge. Especially significant are pathologies of the heart valves of rheumatic origin. Patients - adults and children - are taken to the Centre free of charge after examination in one of the outlying paediatric centres in Sudan and surrounding areas. These Centres carry out cardiological screening and provide basic healthcare services to children up to the age of 14, and carry out healthcare and hygiene education activities for their mothers. The first of these Centres was inaugurated in Bangui, in the Central African Republic, in spring 2009. A second Centre was inaugurated in July 2010 in Nyala, in the state of South Darfur, in Sudan. A third Centre opened in Port Sudan in December 2011; initially the paediatric Centre carried out examinations in outpatient department, and then extended its activities to include admissions in January 2012.

The activities of the paediatric Centre of Nyala are currently suspended following the kidnap and detention of Francesco Azzarà, between August and December 2011. Safety and security of national and international workers in the area can't be assured till now.

The international personnel of Emergency also carry out screening examinations in local state-run hospitals in several African countries and at the Emergency facilities in Sierra Leone, Afghanistan and Iraq. Other patients are referred by local and international humanitarian organizations and institutions.

In Khartoum, since the start-up of activity on 31 December 2012, patients have been operated from 24 countries other than Sudan: Afghanistan (23), Burkina Faso (5), Burundi (10), Chad (30), Eritrea (124), Ethiopia (129), Djibouti (16), Jordan (3), Iraq (76), Liberia (1), Kenya (46), Nigeria (36), the Central African Republic (74), the Democratic Republic of Congo (31), Rwanda (19), Senegal (2), Sierra Leone (54), Somalia (40), Tanzania (4), Uganda (35), Zambia (8), Zimbabwe (5), as well as two Italian citizens temporarily living in Sudan and 3 patients from what is now

South Sudan.

During 2012, the *Salam* Centre received funding from the local Sudanese authorities of 1,956,853 euros as direct support for the hospital activities, paid monthly.

The Emergency Paediatric Centre inside the Mayo refugee camp has been active since December 2005 and carries out a vital function inside the camp, which has an unknown number of refugees (mainly from the conflict in Darfur and South Sudan). The Centre carries out examinations in the camp and Community Health Promoters (CHP) examine patients in their homes, admit patients for observation during the day and refer the most serious cases to local hospitals.

Since December 2011 the Mayo Paediatric Centre has been co-funded by the European Union (the EuropeAid 278-106 project), with 499,999 euros in three years: in 2012, 127,345 euros were received.

The Port Sudan Paediatric Centre received 200,000 USD from the Common Humanitarian Fund (CHF) of the United Nations, including 128,571 USD provided in 2012. A further amount of 70,074 euros was provided by the Sudanese authorities to support the Centre.

**THE CENTRAL AFRICAN REPUBLIC** In March 2009, in Bangui, the capital of the Central African Republic, the first Paediatric Centre was inaugurated under the Emergency Regional paediatric and cardiac surgery Programme for Africa, focused on the *Salam* Centre in Khartoum. The facility has a ward with eight beds and is open around-the-clock; it provides basic medical assistance to children under the age of 14 (about 70 examinations are carried out each day) and education in healthcare and hygiene to their mothers. The Centre is also equipped with a cardiology department where, during previous missions, Emergency specialist carry out the screening of cardiopathic children and adults to be transferred to the *Salam* Centre in Khartoum, for cardiac surgery. In December 2012, 74 patients from the Central African Republic were treated at the *Salam* Centre in Khartoum.

After surgery, patients are given a post-op check-up directly at the Healthcare Centre in Bangui, and are provided with pharmaceuticals free of charge.

Since June 2011 a first-level prenatal programme has been running for pregnant women.

From November 2011 to June 2012, the Emergency Paediatric Centre in Bangui received funding of 177,000 USD from the Common Humanitarian Fund (CHF) of the United Nations, about half of which was provided in 2012.

**ACTIVITIES IN ITALY** During 2012 activities continued in the "immigration" area, with the aim of safeguarding in Italy as elsewhere the fundamental right of individuals to healthcare, unfortunately too often denied in our country.

On 31 December 2012, the Italy Programme comprised the following facilities, providing socio-sanitary assistance to migrants and the needy:

- outpatient clinic in Palermo (2006);
- outpatient clinic in Marghera (2010);
- two mobile clinics (2011);
- socio-sanitary help desk in Sassari (2012).

On the basis of specific agreements with the healthcare authorities, the clinics provide general and specialist medical services according to the healthcare needs found in the territory (oculistic, odontology, paediatrics,

gynaecology, cardiology, dermatology, infectious diseases, ear-nose-and-throat, psychiatry, psychology). In addition to the provision of healthcare activities, personnel in the clinics carry out an important function in terms of cultural mediation, accompanying patients during examinations and indicating which regional healthcare facilities are appropriate, helping them to overcome the bureaucratic difficulties that often stand in the way of the healthcare service to which the patients are entitled.

In 2011, Emergency also started operating with mobile medical units set up inside refurbished buses (polibus). After operating first next to the migrant camp in Manduria, in the Province of Taranto, over the next two years the Polibuses provided healthcare assistance to agricultural labourers in the countryside around Foggia, Potenza, Reggio Calabria, Siracusa, Ragusa and, starting in January 2013, Caserta. In summer 2012 a mobile clinic assisted victims of the earthquake in Emilia Romagna, in the province of Modena.

## Other actions and evaluation missions

### Evaluation missions

#### **ANME (African Network of Medical Excellence) - UGANDA**

During 2012 evaluation missions were carried out for the purpose of finalizing the allocation of land for the construction of a Centre of Excellence in surgery and paediatric medicine, under the umbrella of the ANME Project. The area allocated is in Entebbe, on Lake Victoria, and is property of the Ugandan government; it is about 120,000 m<sup>2</sup>. The procedures were set in motion to legally register Emergency as an NGO in Uganda, and the technical-operation design of the facility is close to completion.

In order to start up the project, however, the priority is to find the funds required for the construction and future management of the hospital, to be added to those placed at our disposal by the Prosolidar Foundation and the Health Ministry of Uganda (committed to covering 20% of the total cost).

#### **SOMALIA**

In 2012, evaluation missions were carried out to assess the possibility of starting up humanitarian action in the form of war surgery in Mogadiscio, Somalia. The project will only be started up if specific funds are found and the country is considered safe to operate in.

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

## IRAQ

### **SULAIMANIYA REHABILITATION AND PROSTHETIC PRODUCTION CENTRE, from January to December 2012**

Patients treated: 632  
Examinations: 2,864  
Physiotherapy sessions: 1,830  
Casts for new prostheses: 472  
Crutches and leg braces: 144  
Wheelchairs: 14  
Prostheses applied: 450 (417 lower limbs; 33 upper limbs)  
Orthoses: 34  
Diplomas issued: 30  
Co-operatives set up: 22

National staff involved: 78, half of whom are disabled

## CAMBODIA

### **BATTAMBANG SURGICAL CENTRE, from January to February 2012**

Examinations: 1,625  
Patients treated: 427 (including 14 injured by mines or other unexploded devices; 215 following road accidents, 141 for other traumatological causes, 20 for elective surgery, 37 readmissions)  
Operations: 557

National staff employed: 180

## AFGHANISTAN

### **ANABAH MEDICAL-SURGICAL CENTRE, from January to December 2012**

Examinations: 25,159  
- surgical examinations: 11,203  
- medical examinations: 7,422  
- paediatric examinations: 6,534

Overall admissions (including readmissions): 2,807  
- admissions for surgery: 1,777 (including 192 caused by war, 585 for emergencies and 635 for elective surgery, in addition to 252 patients admitted for observation)  
- medical-paediatric admissions: 725  
Surgeries: 1,505 (including 253 caused by war)

National staff employed: 228

### **ANABAH MATERNITY CENTRE, from January to December 2012**

Examinations carried out: 19,017  
- obstetric examinations: 13,684  
- gynaecological examinations: 5,333  
Patients admitted: 4,921  
Gynecological operations: 1,031 (including 397 C sections)  
Deliveries: 3,736  
Babies born: 3,683  
Babies treated in Intensive Care: 1,297 (including babies not born in the Maternity Centre but referred to us)

National staff employed: 45

### **KABUL SURGICAL CENTRE, from January to December 2012**

Examinations: 5,110 (including 4,451 caused by war)  
Total admissions (including readmissions): 2,268 (including 1,950 for reasons of war)  
Surgeries: 3,707 (including 3,590 for reasons of war)

National staff employed: 260

### **LASHKAR-GAH SURGICAL CENTRE, from January to December 2012**

Examinations: 8,649 (including 2,670 for reasons of war)

Admissions overall (including readmissions): 2,428 (including 1,223 for reasons of war)

Surgeries: 3,140 (including 2,329 for reasons of war)

National staff employed: 206

### **PRISON PROGRAMME, from January to December 2012**

Examinations: 87,632

National staff involved: 27

### **33 FIRST AID POSTS AND HEALTHCARE CENTRES, from January to December 2012**

Cases treated: 208,749

Patients transferred: 5,213

National staff employed: 193

## SIERRA LEONE

### **GODERICH SURGICAL AND Paediatric CENTRE, from January to December 2012**

Examinations: 37,828

Surgical admissions: 2,136 (including 878 for orthopedic emergencies, 671 for surgical emergencies, 305 within the framework of the programme for the treatment of burns to the oesophagus from caustic soda and 282 cases of elective surgery)

Surgeries: 3,138

Paediatric examinations: 20,731

Paediatric admissions: 1,589

National staff employed: 351

## SUDAN

### **SALAM CARDIOLOGICAL SURGERY CENTRE IN KHARTOUM, from January to December 2012**

Triage examinations: 7,055

Cardiological examinations: 7,339

Admissions: 591

Cardiac operations: 496

Cardiac procedures: 10

Diagnostic heart procedures through in haemodynamics: 98

National staff employed: 300

### **MAYO Paediatric CENTRE, from January to December 2012**

Examinations: 18,874

Admissions to the Centre for observation during the day: 3,162

Patients transferred to hospitals: 2,065

Examinations by CHPs: 3,303

Prenatal examinations: 1,711

Beneficiaries of activities for preventive medicine (healthcare and hygiene activities carried out in the Mayo refugee camp): 6,562

National staff employed: 35

### **PORT SUDAN Paediatric CENTRE, from January to December 2012**

Examinations: 18,220

Admissions: 823

National staff employed: 89

## THE CENTRAL AFRICAN REPUBLIC

### **BANGUI Paediatric CENTRE, from January to December 2012**

Examinations carried out: 21,525

Admissions: 1,563

Prenatal examinations: 4,895

National staff employed: 68

## ITALY

**As of 31 December 2012**, 85,437 healthcare provisions had been offered in **Italy**.

In 2012 the following services were provided:

### **Outpatient Clinic in Palermo**

10,692 services, 62% to citizens of countries outside the EU, 33% to EU citizens and 5% to Italian citizens;

### **Outpatient Clinic in Marghera**

6,535 services, 69% to citizens of countries outside the EU, 12% to EU citizens and 19% to Italian citizens;

### **Mobile clinics**

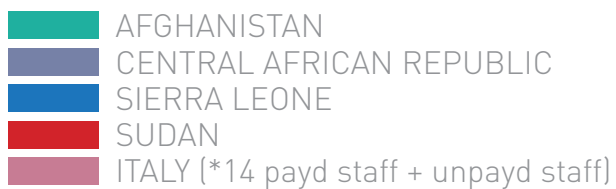
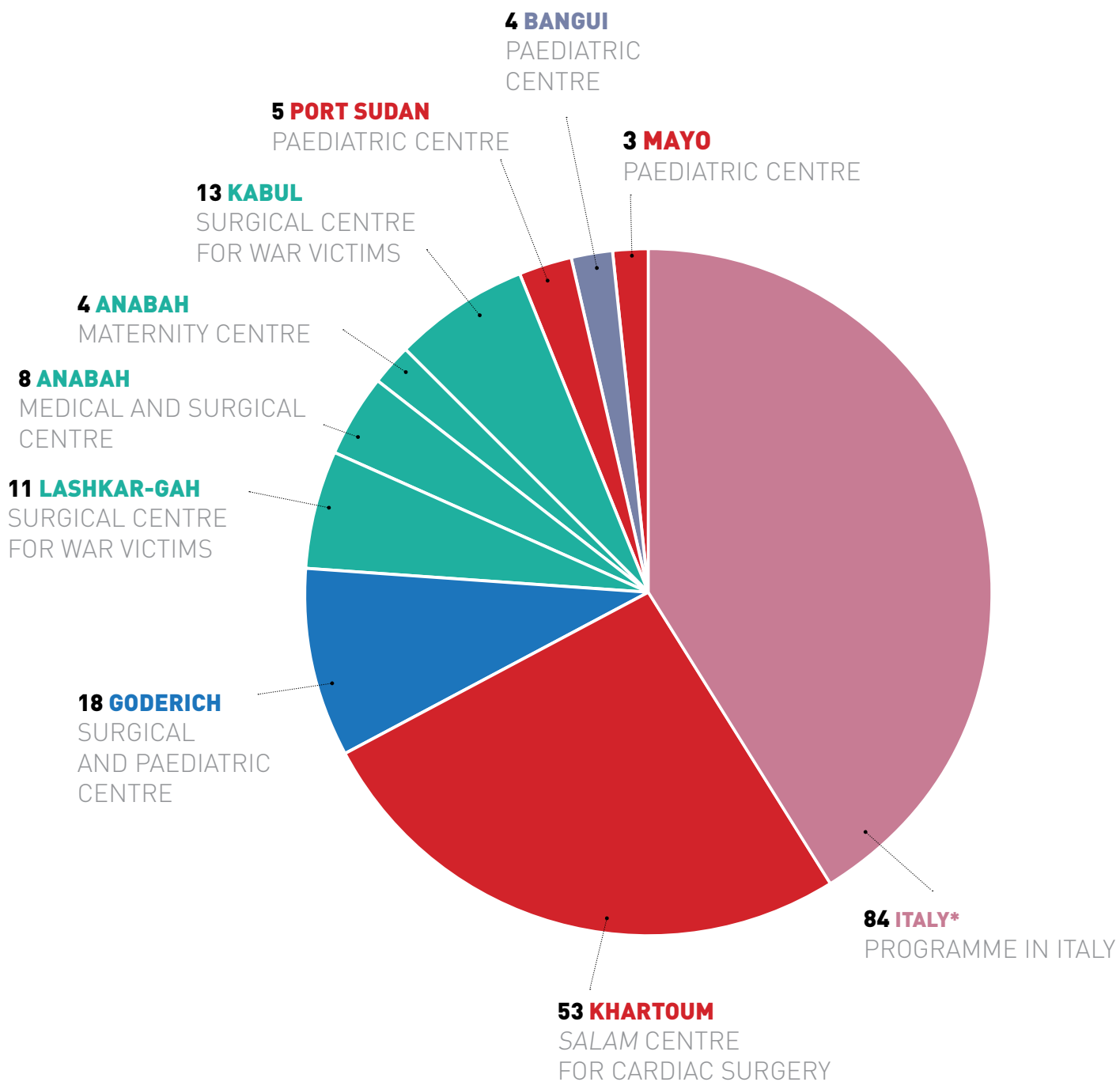
8,642 services (almost all to agricultural workers).

### **Help desk in Sassari**

The activities relating to the socio-sanitary help desk in Sassari began at the end of December: in 2012, the first five patients were assisted and monitoring was begun in three authorized Gypsy camps.

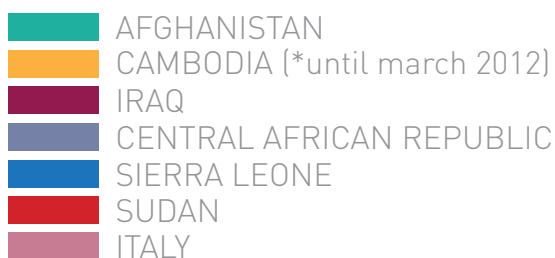
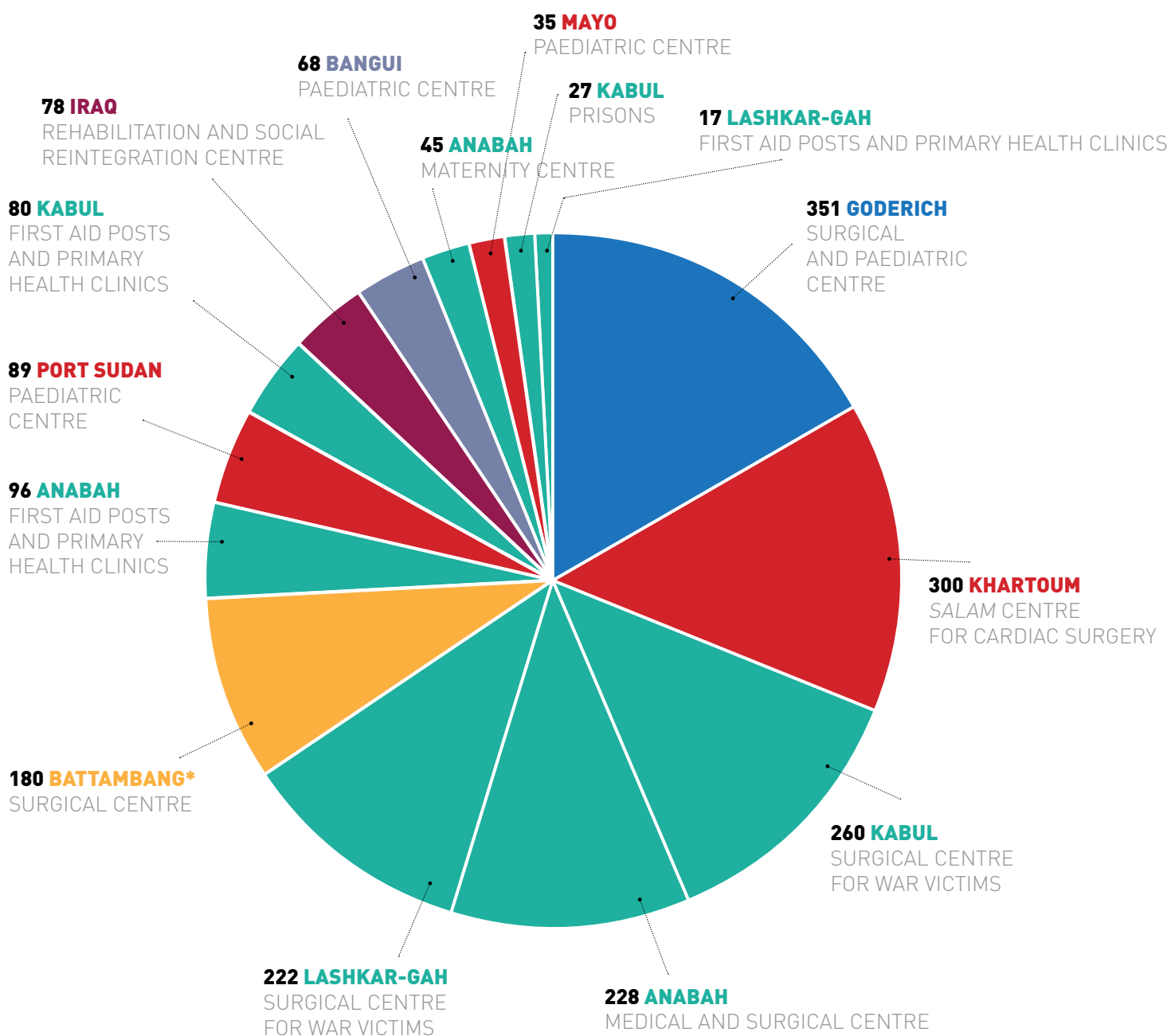
# **| WHO WORKS IN EMERGENCY'S HUMANITARIAN PROGRAMMES |**

## AVERAGE MONTHLY PRESENCE OF INTERNATIONAL STAFF: 133





# NATIONAL STAFF IN EMERGENCY'S MISSIONS IN DECEMBER 2012: 2.212







# | COSTS FOR OPERATIONAL MISSIONS |

## AFGHANISTAN

Costs	2012	2011
National and international staff	2,795,756	2,550,254
Medical and consumption materials	843,097	901,387
Hospital equipment and furniture	51,863	90,351
Restructurings and maintenance	189,907	129,276
Patients' canteen and staff board	393,828	344,526
Local transport	33,417	45,363
Fuel	452,197	420,658
Various (stationery-cleaning - bank costs - tailoring, etc..)	175,511	144,291
Utility consumption	91,721	85,512
FAP (Healthcare Centres and First Aid Centres)	584,956	446,251
Rentals	192,460	152,869
Insurance premiums	470	204
Prisons Programmes	46,240	38,874
Logistics	2,769	99
Patients' transfer		2,301
Donation		3,717
<b>Total</b>	<b>5,854,192</b>	<b>5,355,932</b>

## SIERRA LEONE

Costs	2012	2011
National and International staff	1,250,396	1,154,977
Medical and consumption materials	528,903	726,443
New surgical block building	229,965	676,708
Restructurings and maintenance	116,067	150,489
Patients' canteen and staff board	196,562	159,566
Local transport	81,442	102,837
Fuel	182,076	125,415
Various (stationery-cleaning - bank costs - tailoring, etc..)	93,580	79,405
Utility consumption	19,229	22,604
Rentals	65,718	67,209
Insurance premiums	889	1,296
Logistics	8,996	-
Recreational activities for patients		1,148
Regional Programme's patients transfers		2,183
<b>Total</b>	<b>2,773,821</b>	<b>3,270,280</b>

**CAMBODIA**Until 1<sup>st</sup> march 2012

Costs	2012	2011
National and International staff	90,277	540,585
Medical and consumption materials	16,689	125,694
Hospital equipment and furniture	8	5,217
Restructurings and maintenance	116	4,732
Patients' canteen and staff board	16,096	86,858
Local transport	4,549	6,521
Fuel	733	5,502
Various (stationery-cleaning - bank costs - tailoring, etc..)	3,008	34,224
Utility consumption	1,272	9,600
Logistics		-
Rentals	1,837	10,356
Insurance premiums	349	627
Recreational activities for patients		1,083
<b>Total</b>	<b>134,934</b>	<b>831,000</b>

**IRAQ**

Costs	2012	2011
National staff	242,970	236,788
Medical and consumption materials	1,154	1,211
Hospital equipment and furniture	7,081	4,742
Restructurings and maintenance	9,661	7,796
Patients' canteen and staff board	5,167	4,220
Local transport	9,329	9,101
Fuel	9,545	14,234
Various (stationery-cleaning - bank costs - tailoring, etc..)	3,714	3,744
Utility consumption	3,658	2,938
Rentals	8,107	7,245
Prostheses	129,862	228,849
Cooperatives Programme	121,614	62,301
Patients' transfer		2,709
Logistics	356	
<b>Total</b>	<b>552,219</b>	<b>585,878</b>

## 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. The costs of 2012 thus include this amount.

Costs	2012	2011
National and International staff	3,017,876	3,652,218
Medical and consumption materials	1,251,355	2,407,758
Hospital building, equipment and furniture	888,528	2,645,355
Restructurings and maintenance	303,325	349,038
Patients' canteen and staff board	278,113	313,997
Trasporti locali e materiali	117,958	213,857
Fuel	157,155	208,129
Various (stationery-cleaning - bank costs - tailoring, etc..)	85,071	115,290
Utility consumption	259,533	281,481
Rentals	137,803	151,475
Logistics	16,714	26,569
Insurance premiums	21,347	24,163
Monitoring missions	4,476	17,389
Patients' transfer	56,188	191,213
Regional Programme	7,997	
<b>Total</b>	<b>6,603,439</b>	<b>10,597,931</b>

## SUDAN - Mayo

Costs	2012	2011
National and International staff	155,854	127,270
Medical and consumption materials	62,824	46,480
Hospital building, equipment and furniture	2,716	1,680
Restructurings and maintenance	22,470	5,438
Patients' canteen and staff board	964	1,503
Local transport	2,184	65
Fuel	8,025	5,505
Various (stationery-cleaning - bank costs - tailoring, etc..)	10,288	9,165
Utility consumption	321	419
Logistics	1,187	356
Insurance premiums	271	
Rentals	4,215	4,289
Recreational activities for patients	2,367	-
<b>Total</b>	<b>273,689</b>	<b>202,171</b>

## CENTRAL AFRICAN REPUBLIC

Costs	2012	2011
National and International staff	421,486	367,343
Medical and consumption materials	136,482	244,432
Hospital building, equipment and furniture	8,678	33,920
Restructurings and maintenance	26,822	10,610
Patients' canteen and staff board	28,397	24,621
Local transport and materials	18,236	17,752
Fuel	10,519	10,262
Various (stationery-cleaning - bank costs - tailoring, etc..)	32,856	30,874
Utility consumption	18,076	14,942
Rentals	9,078	10,840
Insurance premiums	229	187
Patients' transfer		1,022
Logistics	490	
<b>Total</b>	<b>711,349</b>	<b>766,807</b>

## SUDAN - Nyala

Note: in 2012 the hospital wasn't open, the cost are referred to the security personnel.

Costs	2012	2011
National and international staff	7,938	412,913
Medical and consumption materials	1,447	147,374
Hospital building, equipment and furniture		20,087
Restructurings and maintenance		20,289
Patients' canteen and staff board	1,425	50,796
Local transport	588	11,531
Fuel		4,974
Various (stationery-cleaning - bank costs - tailoring, etc..)	1,237	21,730
Utility consumption	691	18,382
Rentals	804	10,212
Insurance premiums		505
Logistics	430	8,703
Donations		118,079
Regional Programme costs		9,410
<b>Total</b>	<b>14,560</b>	<b>854,987</b>



## SUDAN - Port Sudan

Costs	2012	2011
National and International staff	416,115	265,755
Medical and consumption materials	61,877	17,251
Hospital building, equipment and furniture	192,889	904,939
Restructurings and maintenance	9,990	14,179
Patients' canteen and staff board	39,000	15,930
Local transport and materials	11,634	53,209
Fuel	4,026	3,409
Various (stationery-cleaning - bank costs - tailoring, etc..)	19,785	14,809
Utility consumption	26,691	11,613
Recreational activities for patients	35	
Rentals	20,952	12,246
Insurance premiums	1,331	540
Logistics	2,550	1,315
<b>Total</b>	<b>806,873</b>	<b>1,315,197</b>

## ITALY - Programme in Italy - organizing

Costs	2012	2011
National and international staff	63,220	44,680
Equipment	46	
Restructurings and maintenance	869	8
Staff board	930	773
Local transports and materials		10
Fuel	374	31
Insurance premiums	1,811	
Others	2,641	3,421
Utility consumption	172	19
Evaluating mission	1,466	
Rentals	550	295
Logistics	40	
<b>Total</b>	<b>72,118</b>	<b>49,236</b>

## ITALY - Mobile Clinics

Costs	2012	2011
Staff	245,272	137,942
Medical and consumption materials	5,115	9,718
Polibus	96,139	96,0212
Restructurings and maintenance	20,081	21,634
Patients' canteen and staff board	20,123	20,042
Local transport	4,079	1,490
Fuel	33,524	22,442
Various (stationery-cleaning - bank costs - tailoring, etc..)	5,468	4,165
Utility consumption	3,408	949
Rentals	13,172	27,045
Insurance premiums	6,456	5,432
Logistics	157	2,095
Social and health programme		3,090
Evaluation missions cost	3,478	522
<b>Total</b>	<b>456,473</b>	<b>352,587</b>

## ITALY - Outpatient Clinic in Palermo

Costs	2012	2011
Staff	163,841	180,145
Medical and consumption materials	6,499	13,672
Hospital equipment and furniture	12,917	13,840
Dental and ophthalmic material	14,196	10,671
Restructurings and maintenance	3,364	2,258
Patients' canteen and staff board	671	1,140
Local transport	-	94
Fuel	302	400
Various (stationery-cleaning - bank costs - tailoring, etc..)	14,114	15,166
Utility consumption	4,381	4,183
Insurance premiums	2,066	1,430
Rentals	600	-
Prostheses	170	415
<b>Total</b>	<b>223,122</b>	<b>243,414</b>

### ITALY - Outpatient Clinic in Marghera

Costs	2012	2011
Staff	114,239	88,445
Medical and consumption materials	27,086	35,987
Hospital equipment and furniture	52,948	52,844
Dental and ophthalmic material	55,225	32,168
Non medical materials		
Restructurings and maintenance	5,884	1,039
Patients' canteen and staff board	662	725
Local transport	62	43
Fuel	185	178
Various (stationery-cleaning - bank costs - tailoring, etc..)	15,230	11,660
Utility consumption	13,609	9,103
Insurance premiums	1,424	2,768
Rentals	3,246	
<b>Total</b>	<b>289,799</b>	<b>234,960</b>

### ITALY - Information desk in Sassari

Costs	2012	2011
Staff		
Equipment	20	
Restructurings and maintenance	860	
Fuel	21	
Various (stationery-cleaning - bank costs - tailoring, etc..)	200	
Utility consumption	15	
<b>Total</b>	<b>1,116</b>	<b>-</b>

### ITALY - Outpatient Clinic in Polistena

To be equipped

Costs	2012	2011
Staff	1,987	
Equipment	1,978	
Local transport	315	
Rentals	100	
<b>Total</b>	<b>4,380</b>	<b>-</b>

## ITALY - Outpatient Clinic in Napoli

To be equipped

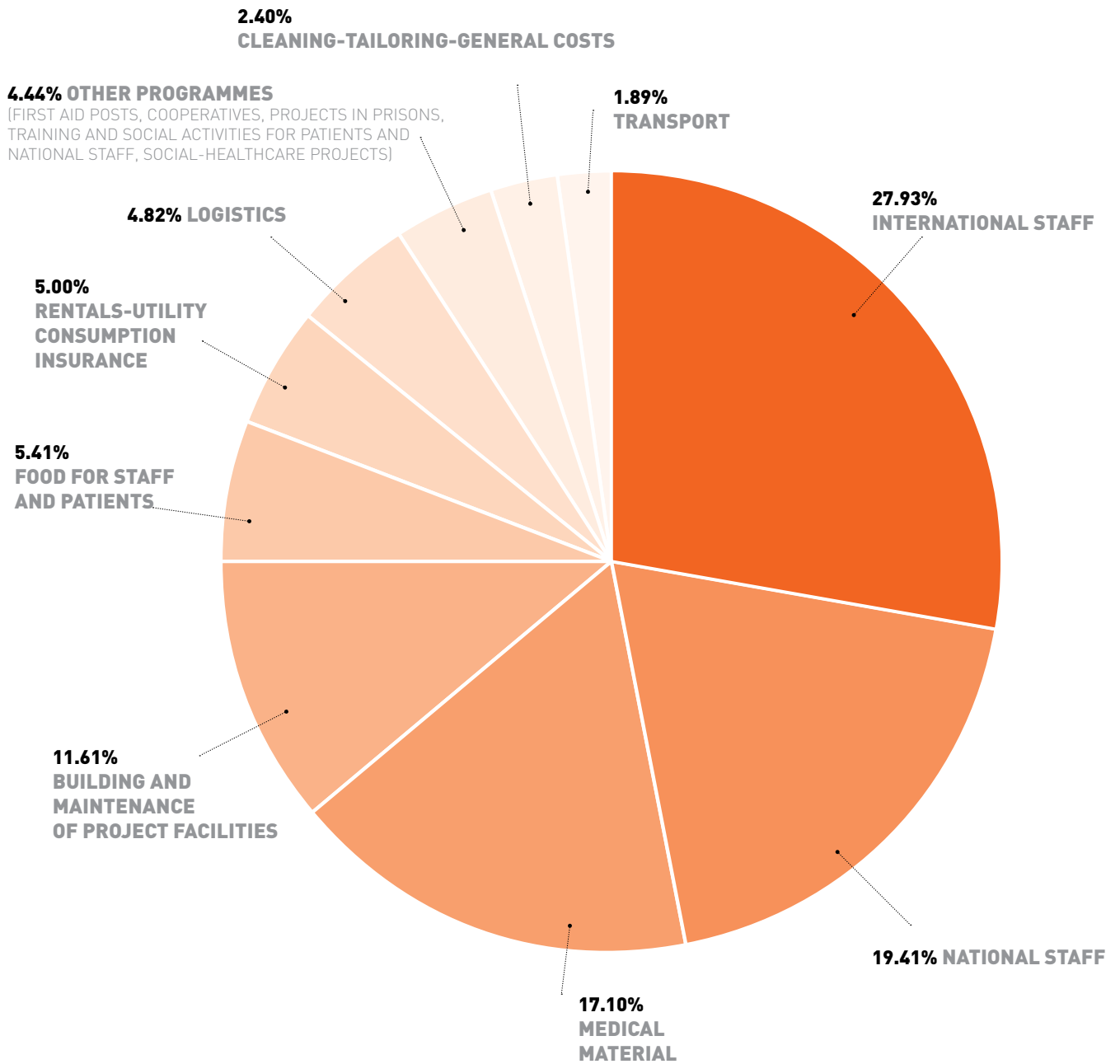
Costs	2012	2011
Restructurings and maintenance	1,195	
Local transport	446	
<b>Total</b>	<b>1,641</b>	<b>-</b>

## EVALUATING MISSIONS

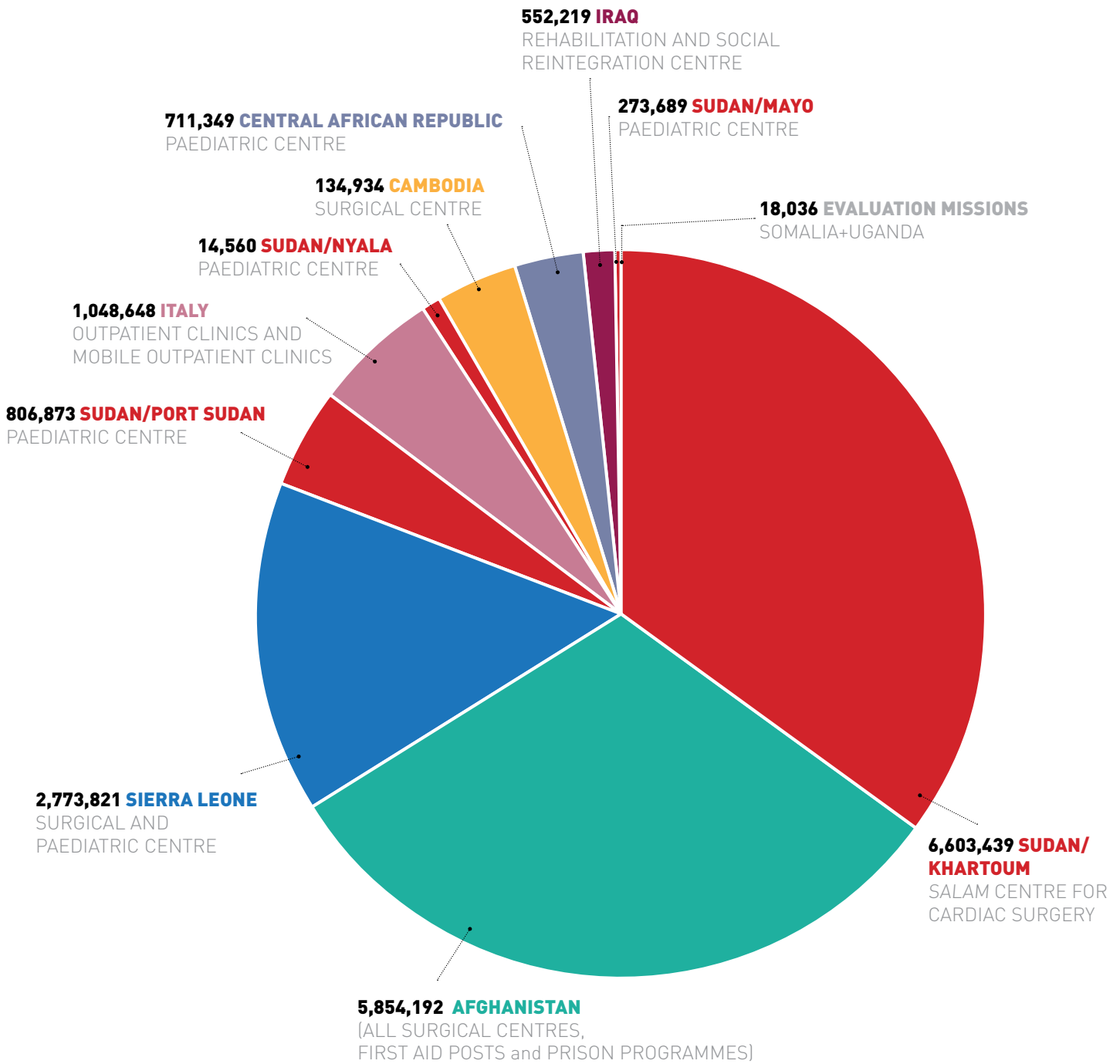
Costs	2012	2011
Somalia	370	
Uganda	17,666	
<b>Total</b>	<b>18,036</b>	<b>-</b>

# **| COSTS FOR OPERATIONAL MISSIONS AND PROJECTS |**

# DISTRIBUTION OF COSTS FOR OPERATIONAL MISSIONS



## COST OF EACH PROJECT (EURO)



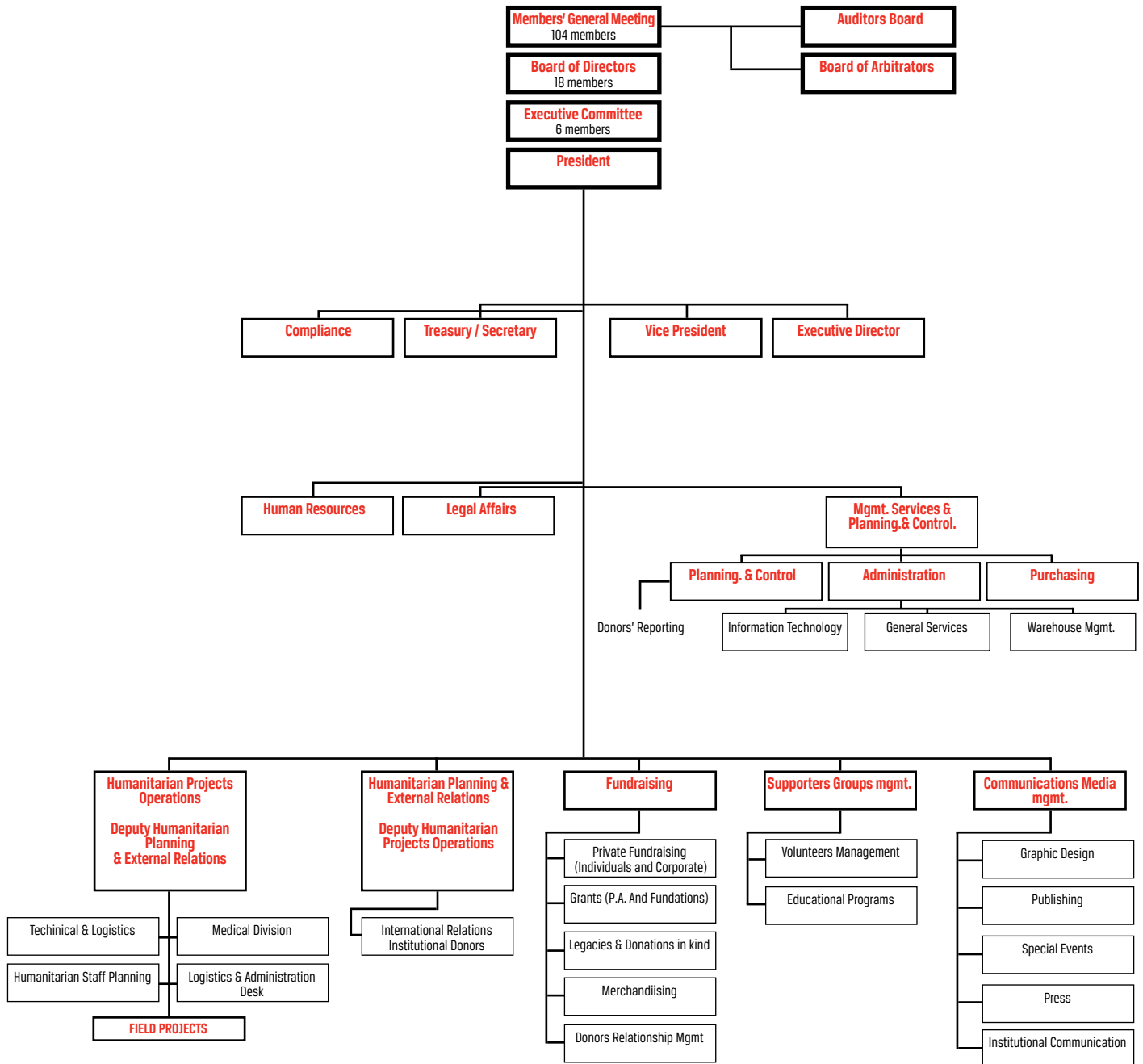






## **| ACTIVITIES IN ITALY |**

# ORGANIZATION CHART



## STRUCTURES, ORGANIZATION

### MILAN HEADQUARTERS

The activities of the humanitarian and support missions are coordinated chiefly from Milan. As of 31 December 2012, a total of 133 people were working on these premises, including 75 volunteers.

Organizational structure of the headquarter in Milan as of 31/12/2012

- **Presidential Office** - employees: 3.
- **Humanitarian Department** - employees: 7; project workers: 5; volunteers: 4.
- **Administration Department** - employees: 17; project workers: 2; self-employed: 1; volunteers: 16 (the data includes the unification of the Planning and Control Department with the Procurement Department).
- **Human Resources** - Employees: 1.
- **Department Coordinating Volunteers in the Territory - Schools** - employees: 3; project workers: 2; self-employed: 1; volunteers: 27.
- **Fund Raising Department** - Employees: 9; project workers: 2; volunteers: 26.
- **Communications Department** - employees: 3; project workers: 2; volunteers: 2.

From March 2012 to February 2013, 8 volunteers of civil service worked in our premises in Milan, respectively, on coordinating volunteers and actions in schools (6) and in the Communications Department (2).

### SECONDARY OFFICE IN ROME

The offices for the subsidiary in Rome carry out activities in the field through the work of full time professionals and volunteers.

As of 31 December 2012, our offices in Rome were stably manned by about 40 volunteers, rotating on a week-by-week basis, 6 employees and 2 project workers. In 2012, Rome took over the activity of managing Christmas shops throughout Italy.

Organizational structure of the Rome office as of 31/12/2012:

- **Administration office** - employees: 3; volunteers: 10.
- **Coordinating Volunteers in the Territory - Schools** - employees: 1; volunteers: 13.
- **Humanitarian office** - employees: 1.
- **Fund Raising office** - employees 1; project workers: 2; volunteers: 15

In addition to employees in Milan and Rome, 7 people are employed by the Outpatients clinic in Palermo and 7 work on a project basis for the Outpatients clinic in Marghera. The Outpatients clinic in Palermo has 68 volunteer doctors and nurses, Marghera has 70. The Mobile clinics have 10 workers and a variable number of volunteer doctors and nurses depending on the location, as well as two people who coordinate their activities in Italy, with different functions, reporting to Milan.

Four employees are currently on humanitarian missions abroad.

### VOLUNTEERS AND «GROUPS»

Emergency promotes a culture of peace, solidarity and respect for human rights and organizes fund raising initiatives through an intensive network of volunteers throughout the territory. Volunteers play a fundamental and essential role in informing public opinion and gaining support for the causes we support, such as peace, through taking part in and organizing

conferences, meetings in schools and in the workplace, as well as initiatives and events, info desks and so on, engaging local communities as much as possible.

In their fund raising activities, volunteers carry out their own initiatives, activate new contacts, and assist in the campaigns promoted by the Association.

Volunteers also provide precious support for the activities of the offices in Milan and Rome. In 2012, about 120 volunteers worked with us in the two premises, with a range of duties based on their skills, professionalism and the time they could dedicate to us. A further roughly 30 volunteers worked on the annual national meeting, helping the group of local volunteers.

On 31 December 2012, there were 172 local groups, including 8 in Rome and 6 in Milan; there are about 3,500 volunteers in the Association nationwide, 2,697 of whom have a badge to identify them as Emergency volunteers and are active in initiatives and events.

**Territorial Groups** Volunteers at Emergency are organized into «groups» throughout the country. These groups represent the Association and carry out its activities in the field.

The groups differ in kind, numerical composition, internal organization and their relations with headquarters or the Rome office. All groups, however, follow the guidelines of the Association in terms of organization and carrying out activities, as well as in responding to local needs.

The review of organizational guidelines and the operational strategies of groups is an ongoing process for the purpose of identifying aims and priorities, providing a more rational approach to accounting in relation to fund raising and to create initiatives promoting visibility, further enhancing the territorial effectiveness of groups of Emergency volunteers. Activities have always been oriented towards “virtuous” fund raising, integrating activities for the sale of gadgets and stimulating initiatives and the instruments for continuous support.

In 2012, an experimental programme was implemented for the training of volunteers. The module of two days, repeated during the year, in Milan and Rome, was attended by a large number of volunteers and proved to be more effective than the meetings organized during the national meeting, responding to the needs of volunteers in the field and better responding to the needs of the Association.

**Activities** In 2012 the support of “area co-ordinators” for the work of groups in the field was confirmed, with new people taking on the role either to replace or to support existing co-ordinators.

The activities were designed and implemented in order to facilitate the exchange of information about initiatives in order to increase awareness and for fund raising purposes, reviewing relations with other local situations. They were an opportunity to bring everybody up to date with ongoing initiatives, and to optimize the management of material by groups, as well as to support the birth and development of smaller and more recently formed groups.

Within this framework, the activities of area co-ordinators and the organization of regional co-ordination contributed to facilitating communications between groups and to stimulating commitment in the field.

In the regions where the experience gained by area co-ordinators made it possible, this method became an operational instrument for cooperating on the creation or fund raising events, for meetings between volunteers and the general public, for sharing experiences and skills, for the improvement of information about Emergency and to welcome new volunteers, ensuring that they make an optimum contribution.

During 2012, area co-ordinators liaising directly with volunteers in the Co-ordination Department at the two headquarters, provided the

following support: in the majority of cases they took part in the meetings of individual groups, managed and co-ordinated inter-group meetings, organized common initiatives involving several groups, and training courses in the territory – whose contents were determined by the groups themselves. They helped to create new groups and, through liaison with headquarters, sought to solve the complex problems of groups in their territory.

Groups were involved in fund raising activities on behalf of Emergency, in disseminating information about the humanitarian programmes of the Association and in promoting a culture of peace, solidarity and respect for human rights.

In the difficult economic and social situation of the country, which continued throughout 2012, the presence of volunteers in the field was a stable point of reference providing important visibility for supporters and donors.

The traditional national meeting in March was useful for information exchange, to stimulate initiatives and to reinforce the aims of the Association.

The national meeting in September in L'Aquila, three years after the earthquake that devastated the city and surrounding area, was a very emotional event, able to give new impetus to the work of volunteers in the field.

**Activities in Schools** The leading activities co-ordinated by the Schools Department in Milan and in the secondary premises in Rome included: the organization and implementation of meetings in primary and secondary schools and in libraries; the organization and implementation of extra-scholastic activities for children and youngsters; welcoming and training new school volunteers and volunteers managing relations with schools.

Currently, volunteers are working on 22 projects and can consult 2 policy and information documents, suitable for various ages and broken down into subjects. The preparation and updating of material is handled by headquarters on the basis of the recommendations of volunteers in the schools group.

The Emergency site reserved for schools has 688 operational volunteers (206 of whom are active in the field, 24 more than last year). In Italy, there are 93 schools groups which organize and arrange meetings with classes. In the 2011-2012 school year, schools volunteers carried out 2,693 meetings in schools of all types and levels (20% more than the previous year, continuing the trend from the year before), promoting a culture of peace, solidarity and respect for human rights, involving over 150,000 people, including school children, parents and teachers. A significant role in presenting the activities of Emergency to schools is now played by the video documentary produced in summer 2011, "Life in Italy is OK", a project designed chiefly for schools. The video describes the humanitarian activity of Emergency in Italy on behalf of the needy, migrants and Italians, and is used to increase the awareness of school children in relation to the consequences of war and the poverty war inevitably leaves behind, and promotes a culture of equality and welcome in opposition to all forms of racism.

Activities in schools continue to be the educational and cultural response of Emergency for the promotion of peace, solidarity and respect for human rights, opposing the attempt in recent years to disseminate within schools military propaganda and a culture of intolerance towards foreigners.

## COMMUNICATIONS

**The «www.emergency.it» website** The website [www.emergency.it](http://www.emergency.it) is one of the instruments of communication most commonly used by the general public to obtain information about the activities and initiatives of the Association, in Italy and abroad, and to contribute to fund raising activities (online donations, Christmas initiatives, etc.) as well as to obtain information about how to work with Emergency.

In 2012 the most commonly viewed pages – in addition, of course, to the home page – continued to be those relating to supporting Emergency (with the great success of solidarity wedding favours) and the section headed "Work with us". With an average of 2,400 visits per day, the number of online contacts has gone down compared to last year. External events have influenced this result (in 2011: the war in Libia, the kidnap of Francesco Azzarà, the decade-long war in Afghanistan) as well as internal events (the campaign entitled "What kind of world do you want?") – periods in which most of the difference between one year and the next was highest – together with the displacement of part of the traffic to a small site entitled [dueminutiperemergency.it](http://dueminutiperemergency.it) in November and December 2012 and the increasing role of social networks. In 2012, the average time spent consulting a page increased and the number of new visitors as a percentage of all visitors also increased.

The site is visited to a large extent by Italians rather than people abroad.

**The mini website DUE MINUTI PER EMERGENCY** In November 2012, the mini website [www.dueminutiperemergency.it](http://www.dueminutiperemergency.it) was inaugurated, an interactive animation illustrating the history of Emergency and the future developments of the Italy Program. It is the leading part of a campaign which has three objectives: to create awareness of Emergency and its activities, to enlist new support and to collect new donations. In the months of November and December the site was visited by about 100,000 people and was commented on broadly in internet, newspapers, blogs and social networks.

### Electronic Mailing Lists

#### Allistante

Allistante is the weekly newsletter of Emergency, sent each week to registered members to update them on the activities and initiatives of the Association. The consultation rate (on average 13-14%) and click rate (5-35%, a huge variation owing to the variation in contents from one issue to another) were in line with the previous year.

At the end of 2012 a new version of the newsletter was launched, developed with the supplier of the e-mail service: the graphics have been overhauled to increase the effect and utility of the instrument. It was also made easier for social networks to link to the site and therefore to disseminate the newsletter.

The e-mailing list and its use will be further optimized in 2013.

#### Other E-mail Lists

In addition to the news set out in Allistante for the e-mailing list that receives it, supporters of other e-mail lists are contacted on specific occasions: campaigns, appeals, particularly important events, local initiatives and where specific content is appropriate.

Most of the people on these lists are those who had previously signed our appeals. The lower number of messages sent compared to Allistante

and hence the special character of these communications, together with the fact that these lists are relatively recent, means that consultation and click rates are much higher.

Between November and December, within the framework of the campaign "Due minuti per Emergency" a new list of 5,000 contacts was compiled, comprising supporters interested mainly in the Italy Program and its developments. With these users, contacted on a specific issue, we intend to create a specific channel of communication and method of fund raising for our activities in Italy.

At the end of the year, in conjunction with the Schools Department, we began sending out a newsletter to teachers on a list of about 2,500 contacts.

During 2012, particularly important messages were sent to donors who had requested to be contacted by e-mail, with exclusive messages for certain categories of donors and supporters, and local messages on the occasion of nearby events of particular importance.

**Social Media** Facebook remains undoubtedly the most important internet instrument for the Association, with over 735,000 contacts on the page entitled "EMERGENCY", over 350,000 on the page entitled "Gino Strada" and over 310,000 on the page entitled "Io sto con Emergency".

Facebook is used mainly for information, to involve people and to promote campaigns and initiatives, as well as acting as a point of contact between supporters and potential supporters.

In addition to these pages, Emergency manages the pages dedicated to "Emergency Gadget e bomboniere" (Emergency gadgets and wedding favours) and the pages of the Infopoints in Milan, Turin and, from 2013, Genoa.

Twitter is also used frequently, with contacts that have doubled in a year to nearly 300,000.

In 2012, profiles were opened on Pinterest and Google+; in 2013, in addition to the current management activities, Emergency will monitor and assess the opportunity to use new communications channels.

**Emergency Magazine** During 2012, 4 issues of our 3-monthly Emergency magazine were published (numbers 62, 63, 64 and 65). This is the main instrument for an in-depth description of our humanitarian activities, to keep readers up to date and to explain to donors the uses to which their donations are put.

A total of about 1,000,000 copies were printed and distributed as follows:

- about 628,000 sent to registered supporters of Emergency
- the remaining copies were sent to bookshops, theatres, libraries and stalls and were handed out during initiatives carried out by headquarters and the secondary offices, as well as by groups of volunteers.

Each copy contains a printed Post Office payment slip for donations to Emergency. Donations can also be made by bank remittance without costs to the donor.

**Report (Annual Report on Activities)** In March we published the Report for 1994-2011.

A total of 80,000 copies in Italian were printed and distributed by the two offices and by groups during initiatives, events, and at stalls.

To minimize costs, in 2012 it was decided not to mail the Report to registered supporters, but to inform them of the progress of humanitarian programmes, adding a supplement to issue 62 of the three-monthly magazine (March), summarizing the data set out in the Report.

**Other Activities** The subject of communications during the year was "SOS Emergency", in order to draw the attention of the general public to the need of Emergency to broaden its base of supporters given the economic difficulties emerging in the second half of 2011.

This subject drove the two main campaigns of the year, for solidarity by text message "SOS EMERGENCY. Support for our hospital in Kabul" and the 5 per thousand campaign.

The text message campaign ran from 30 January to 19 February 2012 in cooperation with telephone companies Tim, Vodafone, Wind, 3, PosteMobile, CoopVoce, Tiscali, Telecom Italia, Noverca, Infostrada, Fastweb and TeleTu.

The campaign included the production of posters and postcards for groups, banners and postcards for the internet, postcards for Facebook, a promotional video for TV and a radio advertisement.

Another video was produced for social media and disseminated by seeding, newsletters and the social media themselves. In 15 days, 115 thousand people saw the video.

The text message campaign raised **761,879 euros**.

The 5 per thousand campaign began in March with the production and distribution of postcards and visiting cards, posters, banners, an audio advertisement and a video for the social media. An "interactive" video was also produced for the internet for the 5 per thousand campaign: "5 good reasons to donate 5 per thousand to Emergency", with testimony from Emergency expatriates who explain why a tax payer should choose Emergency for his/her 5 per thousand tax contribution and how the money would be used.

**Exhibitions and Videos** Emergency took part in the Festival of Ethical Photography in Lodi with the exhibition called "Here Emergency Palermo" by Mario Dondero. The exhibition called "Treating people" was shown at Palazzo Ducale in Genoa. The video "Life in Italy is ok" was presented at the "Sguardi altrove" Festival in Milan and the Festival of European cinema in Lecce.

From 6 to 8 September, in L'Aquila, the eleventh national meeting of Emergency took place under the aegis of the City Authority of L'Aquila. Emergency chose L'Aquila for the national meeting in order to bring solidarity to the population of the zone hit by the earthquake, enliven the historic city centre for three days and remind media of the problems of a community abandoned to its destiny and left to itself.

The city responded magnificently: over 10 thousand people took part in public meetings, debates and shows in the temporary facility set up in piazza del Duomo.

"The words of Emergency" were the main topic of the national meeting: equality, peace, war, rights, excellence, beauty, work, school, volunteers... these were the words put forward by Emergency for discussion by artists, volunteers and citizens.

Among those who added a word to those of Emergency were: Giancarlo Caselli, Lella Costa, Maurizio Landini, Ascanio Celestini, Alessandro Bergonzoni, Corradino Mineo and Erri de Luca.

The event, which had the mediapartnership of [repubblica.it](http://repubblica.it), was broadcast by streaming on [corriere.it](http://corriere.it), [repubblica.it](http://repubblica.it), [rainews24.it](http://rainews24.it), [tg3.it](http://tg3.it) and leading Italian media sites.

The same topic, "The words of Emergency" was used for our membership

campaign, which began in autumn.

The membership campaign was carried out using the communications instruments of the Association and by mailing to supporters.

For 2013, Emergency produced the calendar "E smetterla con la guerra?".

Among the Italian cartoonists who made a drawing to banish war were: Altan, Elle Kappa, Vauro, Bucchi, Emilio Giannelli.

## FUND RAISING INITIATIVES

In 2012 about 60% of the funding to the Association came from private donations: **17,083,451 euros** out of a total of **28,866,239 euros**, up **3.4%**. Growth is due exclusively to the substantial increase in tax options for the 5 per thousand contribution compared to the previous year: **10,699,131 euros**. Excluding this contribution, revenue from fund raising activities, i.e. donations from private citizens, amounted to **6,384,320 euros**, down 19% compared to 2011. Although the number of one-off donations rose, their value fell by 2,347,811 euros - down 5% on the previous year. Up by about 11%, on the other hand, were continuous donations: 1,414,344 euros. This was due mainly to the larger number of donors who chose this way of supporting the Association. Slightly down were the donations received through Post Office payments using the form sent out with the Emergency three-monthly magazine: **1,165,437 euros**; the chief source of bank remittances is, however, the magazine itself.

The membership campaign raised the number of registered members but the overall value of funds raised by membership fell by about 15%, chiefly due to the reduction in additional donations over and beyond the membership donation and to the introduction of a lower membership option with a donation of just 12 for members under the age of 25, aimed at broadening our membership base among the young.

The above shows the continued support received from private citizens for Emergency, albeit with reduced donations at this time of economic crisis.

**Commercial Activities** Gross revenues from commercial activities in 2012 totalled **2,508,368 euros**, broken down as follows: **24%** from the activities of territorial groups; **35%** from Christmas shops; about **41%** from e-commerce (Shops, Happy Events and Christmas Special).

In 2012, the sales channel for gadgets produced higher sales than in 2011: in April an Info Point was opened in Turin, in addition to the one in Milan; Christmas markets, which sell gadgets and other products donated to the Association or which originate from the countries in which Emergency works, were held in 12 Italian cities and from September to December a new e-commerce site was operational for Christmas, this year bringing the company and private sections under the same roof. During the year, our Commercial Department implemented a procedure for the selection and management of gadgets and, in the second half of the year, set up two new sections, one of them dedicated to recycling. The standard criteria for the evaluation of ethical production were fine-tuned for the products we purchase (supply chain, origin, certification, environmental impact). All suppliers of gadgets were examined with an assessment of margins of improvement for investments, the quality of the products and the services provided to Emergency, partly in relation to the analysis of the margin derived from the sale of gadgets through the various sales channels.

These assessments led to the identification of new suppliers both for

the gadgets and for the solidarity gifts. For jerseys, in particular, the new supplier, a member of the fair trading organization, guaranteed better economic conditions and greater flexibility in placing orders and in forms of payment. A new tender was carried out for the supply of t-shirts (as ever the best selling item), based on the evaluation of objective data, with the aim of further reducing our financial exposure for the purchase of gadgets. For jerseys, in particular, the new supplier, a member of the fair trading organization, guaranteed better economic conditions and greater flexibility in placing orders.

**Shop.emergency.it** Inaugurated in the second half of 2010, the online shop in 2012 recorded gross sales of about **117,896 euros**.

During the year, to promote the shop and other fund raising initiatives, a weekly newsletter, Allistante, was sent online, promoting one item each week, and a fortnightly newsletter was sent to 15,000 contacts placed at our disposal by our commercial partner.

In the period from November to December, the shop was given new graphics and contents in order to include the "Private Christmas Special". These revenues were used for the Goderich Surgical and Paediatric Centre. In addition to the usual gadgets, Christmas parcels were again sold on a sale or return basis in partnership with a well-known wine producer and with Altromerco, a Fair Trading co-operative.

**Lietieventi.emergency.it** We have two main partners in e-commerce for solidarity gifts: Buy srl, also our partner for the sale of gadgets, and Julia Cartotecnica, a leading company for Greetings cards, where we sell on a sale or return basis.

Also partners are two Fair Trading co-operatives for the supply of gift wrappings and two waxworks for the candles.

The funds raised in 2011 through these activities (gross revenues of **796,077 euros**) were used for the *Salam* cardiac surgery centre in Khartoum.

**Christmas Special** The usual fund raising activities under the "Christmas Special", in 2012, included some new aspects via the sale of greetings cards and company gifts handled - as already stated - by our commercial partner, as in 2011, and via new commercial agreements with suppliers to increase the volume of business on a sale or return basis, particularly for Christmas parcels.

The Christmas site was redesigned, giving it a single access for companies and private citizens. For both categories, we proposed donations to the Goderich Surgical and Paediatric Centre in Sierra Leone and the purchase of gadgets and gifts.

Space was also reserved for the promotion of Christmas shops and a page was included to thank companies who supported these initiatives.

In terms of donations, the Christmas Special in 2012 raised **104,427 euros**.

**Contributions from Italian and Foreign Entities** Implementing the agreement for the support of a new project for the construction of a medical, surgical and paediatric centre in Uganda, the *Prosolidar Foundation* provided the first part of the funding of **700,000 euros** granted.

The *Lanfrosa Foundation* donated via a Swiss sister organization,

Emergency CH, funding of **250,000 euros** for the purchase of healthcare and surgical material for the *Salam* Cardiac Surgery Centre in Khartoum. For the Bangui Paediatric Centre we received **29,933 euros** from *Beneficentia Stiftung*.

The *Giorgio Pardi Foundation* donated **45,000 euros** to support the Anabah Maternity Centre in Afghanistan, within the framework of a broad strategic agreement for the recruitment of international personnel for the Centre.

The *Nando Peretti Foundation* donated **21,600 euros** to the Goderich Surgical and Medical Centre in Sierra Leone. For the restructuring of this facility, funding of **17,500 euros** was received from *Tavola Valdese*, completing the funding allocated in 2011.

The *Fondazione Cassa di Risparmio di Forlì* and *Fondazione Cassa di Risparmio di Trento e Rovereto* each donated **10,000 euros** to support the humanitarian activities of Emergency.

**Other Initiatives** During 2012, a number of initiatives and cooperations successfully begun in previous years continued, whilst others were added. The agreement with *American Express*, active since 2007, was confirmed. Thanks to the *Club Membership Rewards* operation (the donation of points converted into funds) **13,245 euros** were donated for the support of the Goderich Surgical Centre in Sierra Leone.

*Nordiconad*, active for many years with a points scheme for clients, donated **12,168 euros**, also for the Goderich Surgical Centre in Sierra Leone.

*Unicoop Tirreno* introduced via its 2011/2012 catalogue the possibility to donate solidarity points in support of the Clinic in Palermo, leading to a donation of **20,000 euros**.

*Micys*, a cosmetics company with the Pupa trademark, confirmed for the fourth year running its support for the Anabah Maternity Centre, with a cash donation of 60,000 euros and a donation of goods worth 20,011 euros.

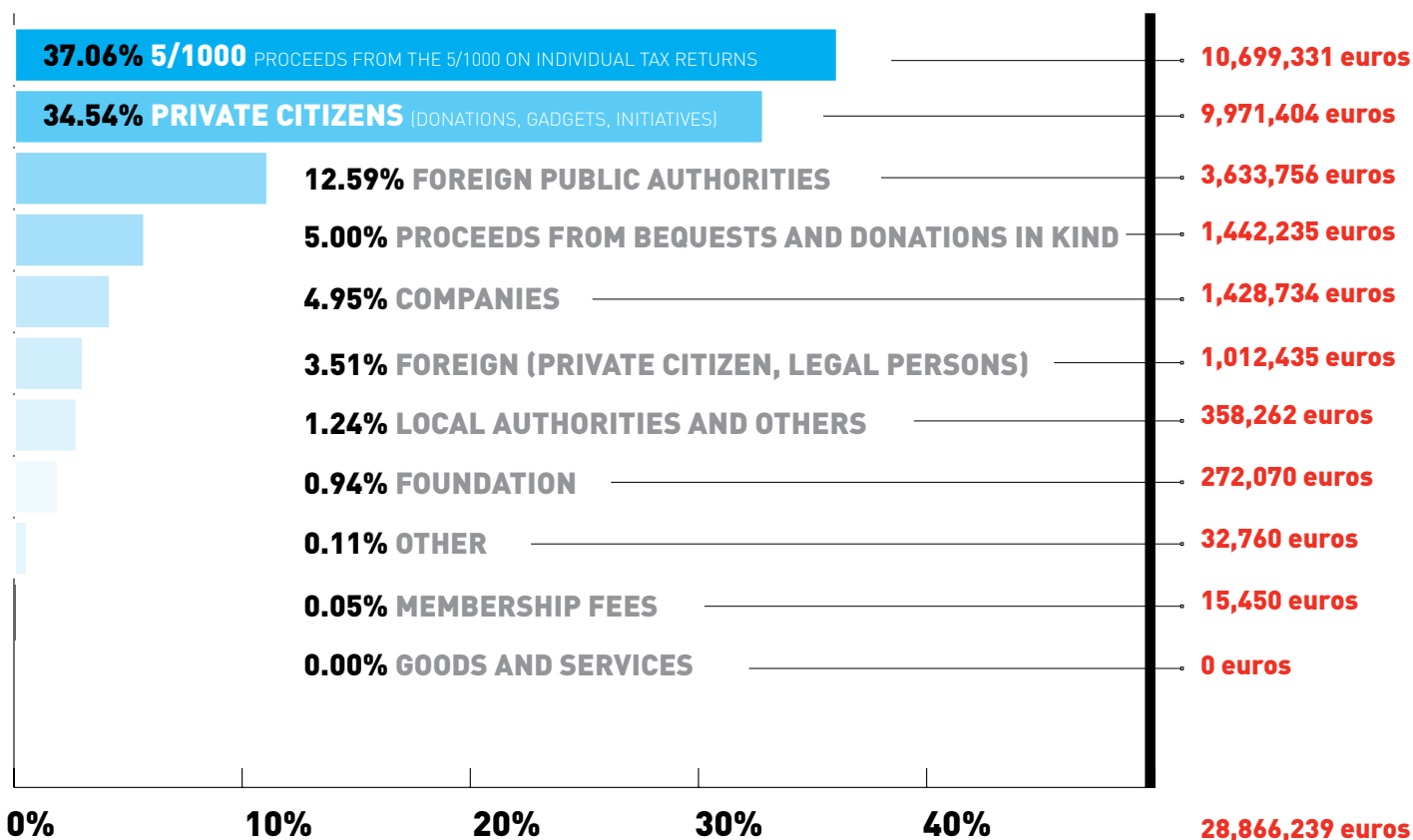
*Carpi Tecnica*, a company in the hydraulic heating sector, waived the premium it had earned with suppliers, donating **28,704 euros** for the Goderich Surgical and Paediatric Centre in Sierra Leone.

In 2012 *Lottomatica* confirmed its support for Emergency with a donation of 25,000 euros destined for the Clinic for migrants and the needy in Palermo.

*Jaeger Le Coultre*, a company in the Richemont SA Group, manufacturing and marketing luxury watches, supported us for the second year running, donating to the Anabah Maternity Centre in Afghanistan the revenues from the initiative called "A Rose for Emergency" and also two Reverso watches, subsequently sold at auction.

*Oviesse*, a company in the *Coin Group*, promoted a fund raising activity on the occasion of International Peace Day, raising **10,044 euros** for the *Salam* Cardiac Surgery Centre in Khartoum.

The fund raising initiative called "A Tavola con" during 2012 made new agreements and renewed existing ones, for a total donation of **14,298 euros**, shared out among the humanitarian programmes in Anabah, Kabul,





Lashkar-gah (Afghanistan), Goderich (Sierra Leone) and the *Salam* Cardiac Surgery Centre in Khartoum (Sudan).

After opening the first Info Point in Milan, in 2012 Emergency opened a new Info Point in Turin, to raise awareness of the numerous activities of the Association (information and in-depth illustration of humanitarian programmes, activities for the recruitment of personnel, activities in schools, activities by volunteers and so on). The Info Point is self-funded through the sale of gadgets.

## FUND RAISING: PROBLEMS AND PROSPECTS

As stated in the introduction, the amount of funds raised in 2012 exceeded the previous year, despite the continuing social and economic crisis in Italy. However, this increase is due to the increased funding from 5 per 1,000 tax (in 2010), from institutional funds - governmental and non-governmental - and from some large donors, partly as a result of the development plan adopted by resolution at the end of 2011. Hence the general economic situation of the country continues to be a concern, since it impacts on the many small donors and supporters of Emergency. Therefore diversifying our sources of funding in support of our activities remains an ongoing commitment.

## MANAGEMENT CHARGES

**Fixed costs in 2012 were 8.02%** of the total, again under the 10% we consider «virtuous».

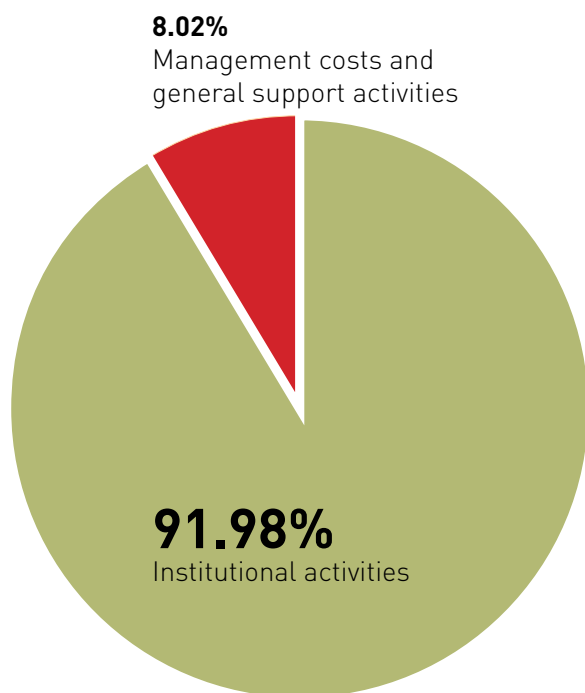
Once again, in 2012, the most significant item in fixed costs was the cost of personnel (salaries and social security payments). To these costs should be added the costs of leasing the warehouses in Milan and Rome, for consumables and utilities, and for the rent of the premises in Milan and Rome.

Naturally fixed costs in relation to the overall balance sheet of Emergency need to be considered against revenues: "variable" revenues against "fixed" costs, where the most effective expenses are represented by labour and rent costs.)

## PROVISIONS

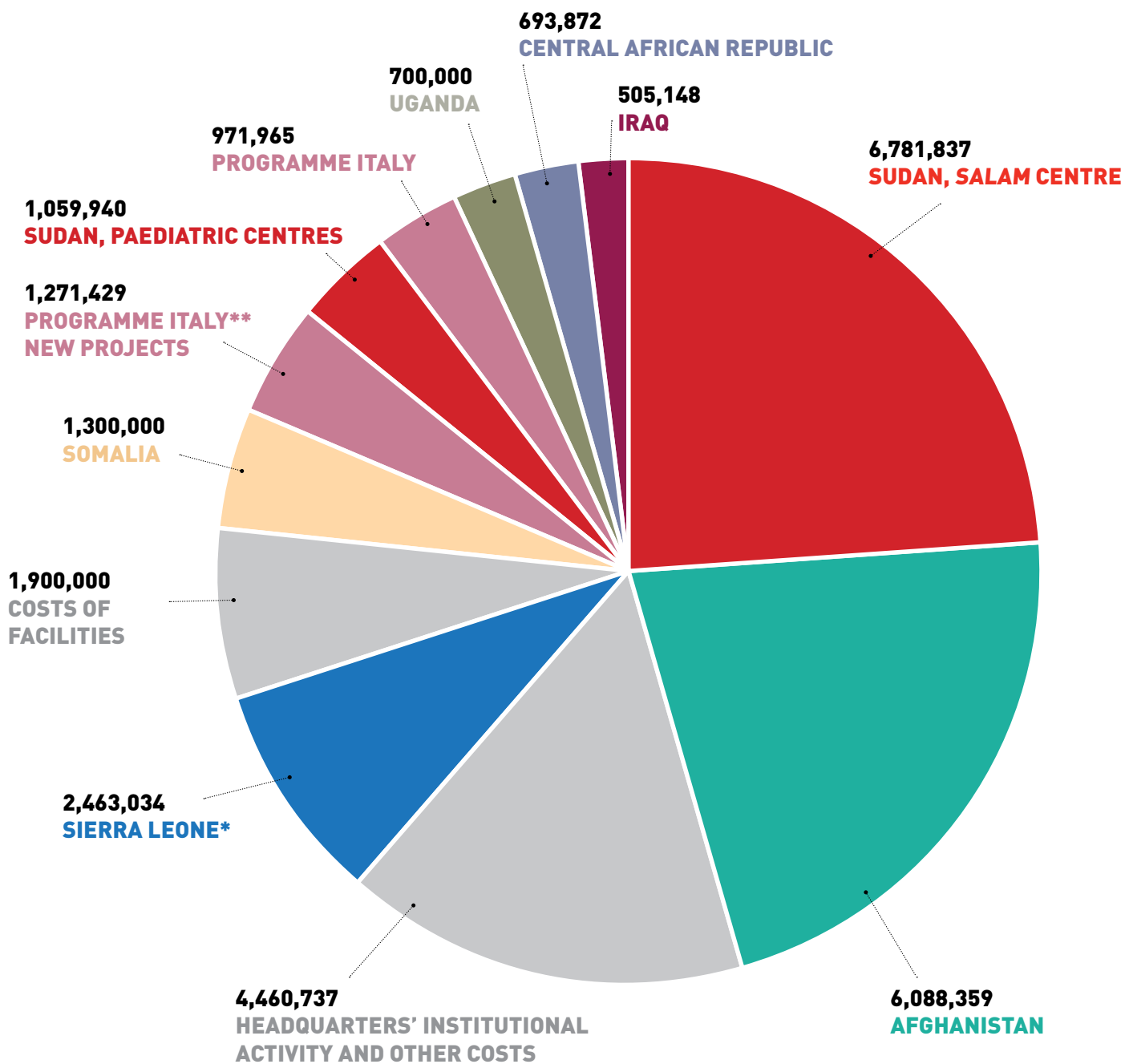
The balance sheet for 2012 shows provisions of **2,980,000 euros**, the funding commitment of the *Prosolidar Foundation* for the construction of a surgical and paediatric centre in Uganda and **970,000 euros** from funding to be received from the *Smemoranda Foundation* for the Italy Programme.

The Board decided to show as contingency assets the fund of **120,317 euros** comprising contributions from the "Inter for Emergency" initiative, to be used for the construction of a paediatric centre in Goma, in the Democratic Republic of Congo, if that project succeeds.



## EXPECTED FUTURE EXPENSES 2013

**TOTAL = 28,196,321 EUR**



### Notes

\* It includes the completion works of the new surgical block in Sierra Leone.

\*\* It includes the set up costs of minivan, project which will be founded by Regione Puglia.

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

# BALANCE SHEET

## ASSETS

### A) FIXED ASSETS

A,I - INTANGIBLE ASSETS	tot 2012	tot 2011	see page 53
1) PLANT AND EXPANSION COSTS	-	-	
2) RESEARCH, DEVELOPMENT AND ADVERTISING COSTS	-	-	
3) INDUSTRIAL PATENTS AND INTELLECTUAL PROPERTY RIGHTS	36,341	53,433	
4) CONCESSIONS, LICENSES, TRADEMARKS AND PATENTS	-	-	
5) OTHER	82,640	141,219	
6) ASSETS UNDER DEVELOPMENT AND ADVANCES	-	-	
<b>TOTAL</b>	<b>118,981</b>	<b>194,652</b>	
A,II - TANGIBLE ASSETS USED IN OPERATIONAL MISSIONS	tot 2012	tot 2011	see page 54
1) LAND AND BUILDINGS	13,956,033	12,265,041	
2) PLANT AND HOSPITAL EQUIPMENT	9,596,816	9,366,169	
3) HOSPITAL EQUIPMENT	6,383,421	6,298,272	
4) OTHER ASSETS	1,916,419	1,869,311	
5) ASSETS UNDER DEVELOPMENT AND ADVANCES	28,059	1,742,326	
6) - CUMULATED DEPRECIATION	-27,886,657	-26,433,156	
<b>TOTAL</b>	<b>3,994,091</b>	<b>5,107,962</b>	
A,III - TANGIBLE ASSETS USED IN GENERAL SUPPORT ACTIVITIES	tot 2012	tot 2011	see page 56
1) LAND AND BUILDINGS	3,330,121	2,461,903	
2) PLANT AND EQUIPMENT	-	-	
3) EQUIPMENT	97,269	92,771	
4) OTHER ASSETS	803,136	763,328	
5) ASSETS UNDER DEVELOPMENT AND ADVANCES	-	-	
6) - CUMULATED DEPRECIATION	-767,025	-716,589	
<b>TOTAL</b>	<b>3,463,501</b>	<b>2,601,412</b>	
A,IV - Financial assets	tot 2011	tot 2010	see page 61
1) investments	1,067	1,068	
2) Other securities	-	-	
3) receivables	-	-	
<b>TOTAL</b>	<b>1,067</b>	<b>1,068</b>	
<b>TOTAL FIXED ASSETS (A)</b>	<b>7,577,640</b>	<b>7,905,095</b>	

### B) CURRENT ASSETS

B,I - RECEIVABLES	tot 2012	tot 2011	see page 61
1) FROM SUPRANATIONAL BODIES	-	-	
2) FROM PUBLIC BODIES	-	-	
3) ADVANCES FOR OPERATIONAL MISSIONS	-	-	
4) FROM 5 PER THOUSAND FUNDS	-	-	
5) FROM OTHERS	4,916,357	5,421,307	
<b>TOTAL</b>	<b>4,916,357</b>	<b>5,421,307</b>	
B,II - INVENTORIES	tot 2012	tot 2011	see page 62
1) MEDICINES AND MEDICAL SUPPLIES	2,032,859	2,773,547	
2) MATERIALS FOR PROSTHESES	370,993	299,376	
3) FOOD AND SUPPLIES IN GENERAL	-	-	
4) MATERIALS FOR FUND-RAISING OPERATIONS	671,711	647,571	
5) PROMOTIONAL MATERIALS	-	-	
6) ONGOING MISSIONS	70,609	-	
<b>TOTAL</b>	<b>3,146,173</b>	<b>3,720,494</b>	
B,III - FINANCIAL RESOURCES	tot 2012	tot 2011	see page 63
1) CASH ON HAND	181,610	69,076	
2) BANK AND POST-OFFICE DEPOSITS	-	-	
- BANK AND POST-OFFICE DEPOSITS FOR OPERATIONAL MISSIONS	305,938	393,786	
- OTHER BANK AND POST-OFFICE DEPOSITS	2,389,715	1,241,412	
3) SHORT-TERM SECURITIES	-	-	
6) OTHER FUNDS ON HAND	-	-	
<b>TOTAL</b>	<b>2,877,263</b>	<b>1,704,273</b>	
<b>TOTAL CURRENT ASSETS (B)</b>	<b>10,939,794</b>	<b>10,846,074</b>	

### C) ACCRUED INCOME AND PREPAYMENTS

C - ACCRUED INCOME AND PREPAYMENTS	tot 2012	tot 2011	see page 63
1) ACCRUED INCOME	-	-	
2) PREPAYMENTS	44,014	67,234	
<b>TOTAL</b>	<b>44,014</b>	<b>67,234</b>	
<b>TOTAL ASSETS</b>	<b>18,561,448</b>	<b>18,818,404</b>	

## LIABILITIES

### A) NET EQUITY

A - NET EQUITY	tot 2012	tot 2011	see page 64
I - ENDOWMENT FUND	8,801	8,801	
II - RESERVES FROM DONATIONS AND GIFTS	-	-	
A - FOR INSTRUMENTAL ASSETS	41,346	49,890	
B - FOR NON-INSTRUMENTAL ASSETS	3,116,921	2,200,078	
III - RESERVES FROM SURPLUSES OF PREVIOUS YEARS	2,191,301	7,675,220	
IV - RESERVES FROM ALLOCATED SURPLUSES OF PREVIOUS YEARS	-	-	
V - OTHER RESERVES	-	-	
VI - OPERATING SURPLUS (LOSS) FROM PREVIOUS FINANCIAL YEARS	-	-	
VII - OPERATING PROFIT (LOSS) FOR THE YEAR	2,445,321	-5,483,918	
<b>TOTAL</b>	<b>7,803,690</b>	<b>4,450,070</b>	

### B) RESTRICTED CAPITAL ASSETS

C - FUNDS RELEVANT TO RISK AND CHARGES	tot 2012	tot 2011	see page 64
1) FOR EQUIPMENT RENEWAL	-	-	
2) FOR FUTURE MISSIONS	3,950,000	4,070,317	
3) FOR ONGOING MISSIONS	-	-	
4) TAXES	-	-	
5) OTHERS	200,000	200,000	
<b>TOTAL</b>	<b>6,150,000</b>	<b>7,528,137</b>	

#### TOTAL FUNDS RELEVANT TO RISK AND CHARGES

**6,150,000      7,528,137**

### C) PAYABLES

C,I - FOREIGN PAYABLES FOR OPERATIONAL MISSIONS	tot 2012	tot 2011	see page 65
1) PAYABLES TO THIRD PARTIES FOR FUNDING OPERATIONAL MISSIONS	-	-	
2) FUNDS FOR MISSIONS	-	-	
3) ADVANCES FOR OPERATIONAL MISSIONS	-	-	
4) BORROWINGS FROM BANKS	-	-	
5) BORROWINGS FROM OTHER FINANCING ENTITIES	-	-	
6) PAYABLES TO SUPPLIERS	389,610	350,556	
7) PAYABLES TO MISSION STAFF	-	-	
8) TERMINATION BENEFITS FOR SUPPORT STAFF OF OPERATIONAL MISSIONS (TFR)	29,160	14,906	
9) PAYABLES TO OTHERS	-	-	
<b>TOTAL</b>	<b>418,770</b>	<b>365,461</b>	

C,II - PAYABLES DUE TO CULTURAL ACTIVITIES, OPERATIONAL STRUCTURE AND SUPPLY OF GOODS AND SERVICES FOR OPERATIONAL MISSIONS	tot 2012	tot 2011	see page 66
1) BORROWINGS FROM BANKS	-	514,306	
2) BORROWINGS FROM OTHER FINANCING ENTITIES	-	1,788	
3) PAYABLES TO SUPPLIERS FOR OPERATIONAL MISSIONS	2,524,280	4,176,481	
4) PAYABLES TO OPERATIONAL ORGANISATION STAFF	438,553	454,637	
5) PAYABLES TO WELFARE INSTITUTIONS	197,191	166,173	
6) TERMINATION BENEFITS ORGANISATION STAFF (TFR FUND)	391,400	333,740	
7) TAX PAYABLES	133,698	194,159	
8) PAYABLES TO OTHERS	503,866	542,561	
<b>TOTAL</b>	<b>4,188,988</b>	<b>6,383,843</b>	

#### TOTAL PAYABLES

**4,607,758      6,749,304**

### D) ACCRUED INCOME AND PREPAYMENTS

D - ACCRUED INCOME AND PREPAYMENTS	tot 2012	tot 2011	see page 67
1) ACCRUED LIABILITIES	-	90,893	
2) DEFERRALS	-	-	
<b>TOTAL</b>	<b>-</b>	<b>90,893</b>	

#### TOTALE ACCRUED INCOME AND PREPAYMENTS

**-      90,893**

#### TOTAL LIABILITIES

**18,561,448      18,818,404**

### MEMORANDUM ACCOUNTS

MEMORANDUM ACCOUNTS	tot 2012	tot 2011	see page 67
1) FREELY TRANSFERABLE ASSETS	3,778,624	3,067,338	
2) THIRD PARTY ASSETS	48,461	66,894	
3) BANK GUARANTEES	264,850	239,000	
<b>TOTAL</b>	<b>4,091,935</b>	<b>3,373,232</b>	

#### TOTAL MEMORANDUM ACCOUNTS

**4,091,935      3,373,232**

# INCOME STATEMENT

## PROCEEDS (A)

INSTITUTIONAL ACTIVITY - FUND-RAISING	tot 2012	tot 2011	see page 69
1) DONATIONS AND CONTRIBUTIONS	12,848,939	12,963,116	
2) REVENUES FROM FUND-RAISING			
a - 5 per thousand allocation	10,699,131	8,074,263	
b - other	1,429,819	714,785	
3) PROCEEDS FROM SETTLEMENT OF BEQUESTS OR SALE OF INHERITED OR DONATED ASSETS	1,442,235	1,553,670	
4) PROCEEDS FROM COMMERCIAL ACTIVITIES			
a - sale of goods	2,417,405	2,782,598	
b - for services provided	28,709	45,918	
<b>TOTAL (A)</b>	<b>28,866,239</b>	<b>26,134,350</b>	

## CHARGES (B)

INSTITUTIONAL ACTIVITY - EXPENSES FOR FUND-RAISING (B)	tot 2012	tot 2011	see page 72
5) EXPENSES FOR ORGANISATION OF FUND-RAISING OPERATIONS	581,338	796,735	
6) CHARGES FOR COMMERCIAL ACTIVITIES	1,160,329	1,659,287	
7) CHANGES IN INVENTORIES OF MAT, FOR FUND-RAISING OPERATIONS	-24,140	486,075	
<b>TOTAL (B)</b>	<b>1,717,526</b>	<b>2,942,098</b>	

INSTITUTIONAL ACTIVITY - EXPENSES FOR OPERATIONAL MISSIONS (C)	tot 2012	tot 2011	see page 73
8) FOR MEDICINES AND MEDICATION MATERIAL	3,112,794	4,711,807	
9) RAW MATERIALS FOR PROSTHESES	130,085	246,374	
10) FOOD AND SUPPLIES IN GENERAL	990,696	1,003,736	
11) SERVICES	3,859,259	4,294,564	
12) FOR LEASES	513,467	477,976	
13) PERSONNEL AT OPERATIONAL MISSIONS:			
a - wages to employees	25,220	55,521	
b - compensation for national and international personnel	7,036,902	8,879,968	
c - social security charges	526,430	557,288	
d - insurance premiums personnel	318,545	246,642	
e - termination benefits	53,999	45,094	
f - other costs	-	-	
14) SUNDRY CHARGES OPERATIONAL MISSIONS	-	105,710	
	<b>SUB TOT 16,567,397</b>	<b>SUB TOT 20,624,681</b>	
15) DEPRECIATION AND AMORTIZATION			
a - amortization intangible assets	45,053	45,087	
b - depreciation tangible assets	1,452,958	2,934,419	
c - impairment of non-current assets	-	-	
d - write-down of receivables included in current assets and cash on hand	-	-	
16) CHANGES IN INVENTORIES OF MEDICINES, MEDICATION MATERIALS, MATERIALS FOR PROSTHESES AND SUPPLIES	-	-8,249	
17) PROVISIONS FOR RISKS	598,462	-	
18) OTHER PROVISIONS	-	-	
	<b>SUB TOT 2,096,473</b>	<b>SUB TOT 2,971,256</b>	
<b>TOTAL (C)</b>	<b>18,663,870</b>	<b>23,595,938</b>	

INSTITUTIONAL ACTIVITIES - CHARGES FOR PUBLICATIONS, CULTURAL ACTIVITIES AND MANAGEMENT TERRITORIAL GROUPS(D)	tot 2012	tot 2011	see page 74
19) FOR PURCHASE AND PRODUCTION MATERIALS RELATED TO CULTURAL AND INFORMATION ACTIVITIES	396,250	442,111	
20) SERVICES	2,464,376	1,569,142	
21) FOR LEASES	-	-	
22) FOR PERSONNEL:			
a - wages to employees	373,651	486,971	
b - compensation to non-employed staff	118,650	162,393	
c - social security charges	121,722	170,288	
d - insurance premiums	-	-	
e - termination benefits	29,164	33,698	
f - other costs	-	-	
23) SUNDRY CHARGES MANAGEMENT CULT. ACTIVITIES	-	-	
	<b>SUB TOT 3,503,813</b>	<b>SUB TOT 2,864,603</b>	
24) DEPRECIATION AND AMORTIZATION			
a - amortization intangible assets	-	-	
b - depreciation tangible assets	-	-	
c - other write-downs of receivables included in current assets and cash on hand	-	-	
25) CHANGES IN INVENTORIES OF MATERIALS CULTURAL ACTIVITIES	-	-	
26) PROVISIONS FOR RISKS	-	-	
27) OTHER PROVISIONS	-	-	
	<b>SUB TOT -</b>	<b>SUB TOT -</b>	
<b>TOTAL (D)</b>	<b>3,503,813</b>	<b>2,864,603</b>	

### TOTAL CHARGES (B + C + D)

**23,885,210 29,402,638**

### RESULT OF INSTITUTIONAL ACTIVITY (A - B - C - D)

**4,981,029 -3,268,288**

CHARGES FOR MANAGEMENT & GENERAL SUPPORT ACTIVITIES (E)	tot 2012	tot 2011	see page 74
28) FOR PURCHASE OF ADVERTISING MATERIALS AND STATIONERY	14,425	28,941	
29) SERVICES	485,255	478,648	
30) FOR LEASES	563,212	469,249	
31) FOR PERSONNEL:			
a - wages to employees	481,840	499,352	
b - compensation to non-employed staff	88,219	29,840	
c - social security charges	149,222	144,197	
d - insurance premiums	-	-	
e - termination benefits	34,126	35,704	
f - altri costi	115,137	109,948	
32) SUNDRY CHARGES MANAGEMENT OF ORGANISATION	169,062	136,988	
	SUB TOT 2,100,499	SUB TOT 1,932,867	
33) DEPRECIATION AND AMORTIZATION			
a - amortization intangible assets	40,245	48,389	
b - depreciation tangible assets	35,386	35,472	
c - impairment of non-current assets	-	-	
d - write-down of receivables included in current assets and cash on hand	-	-	
34) CHANGES IN INVENTORIES SUPPORT MATERIALS	-	-	
35) PROVISIONS FOR RISKS	-	-	
36) OTHER PROVISIONS	-	-	
	SUB TOT 75,631	SUB TOT 83,861	
<b>TOTAL (E)</b>	<b>2,176,130</b>	<b>2,016,727</b>	

**OPERATING INCOME (A - B - C - D - E) 2,804,899 -5,285,016**

FINANCIAL INCOME AND CHARGES (F)	tot 2012	tot 2011	see page 75
37) REVENUE FROM INVESTMENTS	-	-	
38) OTHER FINANCIAL INCOME			
a - from non-current receivables	-	-	
b - from non-current securities	-	-	
c - from current securities	-	52	
d - interests received	1,443	1,679	
e - other income from previous years	-	-	
f - gains on foreign currency transactions for transfer funds	35,847	106,480	
g - profit from other foreign currency transactions	-	-	
	SUB TOT 37,289	SUB TOT 108,210	
39) INTEREST AND OTHER FINANCIAL CHARGES			
a - interest paid on medium and long-term loans	-	-	
b - interest paid on short-term loans	-170,305	-174,607	
c - loss on foreign currency transactions for transfer funds	-148,821	-141,899	
d - loss from other foreign currency transactions	-	-	
	SUB TOT -319,127	SUB TOT -316,507	
<b>TOTAL (F)</b>	<b>-281,837</b>	<b>-208,296</b>	

EXTRAORDINARY INCOME AND CHARGES (G)	tot 2012	tot 2011	see page 75
40) PROCEEDS OF WHICH			
a - gain on disposals of inherited asset	-	-	
b - gain on disposals of donated assets	-	-	
c - other	143,590	102,449	
	SUB TOT 143,590	SUB TOT 102,449	
41) CHARGES			
a - interests paid on medium and long-term financings	-190,485	-64,470	
	SUB TOT -190,485	SUB TOT -67,470	
<b>TOTAL (G)</b>	<b>-46,895</b>	<b>37,980</b>	

**DEBIT(A - B - C - D - E ± E ± G) 2,476,167 -5,455,332**

INCOME TAX FOR THE YEAR (H)	tot 2012	tot 2011	see page 75
42) INCOME TAX FOR THE YEAR	30,846	28,586	
<b>TOTAL (H)</b>	<b>30,846</b>	<b>28,586</b>	

**OPERATING RESULT (A - B - C - D - E ± F ± G - H) 2,445,321 -5,483,918**







# **| EXPLANATORY NOTES |**

## INTRODUCTION

Dear Sirs,

These financial statements of "EMERGENCY ONG ONLUS", based in Milan, via Gerolamo Vida n. 11 (hereafter also "Emergency" or "Association") refer to the year ended 31 December 2012 and post a positive result of 2,445,321 euros, based on information in the rest 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 1999/128/002810/3; as such, the Association is by law an ONLUS (non-profit organization).

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/662/2009/MI. This registration is the recognition of activities carried out by Emergency in favour of immigrants, initially at the Outpatient Clinic in Palermo and later at other facilities in Italy: at the Outpatient Clinic in Marghera and at mobile clinics.

Pursuant to its 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 implementation;
- 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.

### Compilation Criteria

There are no laws or legal regulations in Italy on the compilation and contents of 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.

In addition, on 11 February 2009, the Agency for non-profit associations (established by article n° 1 of the Prime Minister's Decree of 26 September 2000, as a regulatory body for non-commercial bodies and non-profit organizations) approved the "guidelines and formats for the compilation of financial statements of non-profit organizations", as a coordinating act issued pursuant to article 3, comma 1, letter a) of the Prime Minister's Decree of 21 March 2001 n° 329.

These documents do not impose any binding obligation on non-profit organizations and, therefore, on this Association. However, they are an important reference for the compilation of financial statements, using the forms which are considered to be more appropriate and suitable to activities carried out.

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 Council of Certified Accountants.

The financial statements for the year ended 31/12/2012, of which this note is an integral part pursuant to article 2423, paragraph 1 of the Civil Code, are consistent with accounting records duly kept and have been compiled in accordance with articles 2423, 2424-bis and 2425-bis of the Civil Code and according to the principles of compilation conforming to Article 2423-bis, paragraph 1, of the Civil Code and the accounting policies set out in Article 2426, of the Civil Code.

Any exceptions to the accounting standards 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 accrual 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.

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

### **Variations to the Reclassification Outline**

In order to make the data of the year ended on 31/12/2011 more easily comparable with those of the financial year closed on 31/12/2012, it was necessary to reclassify some entries for the year ended on 31/12/2011 to make them homogeneous with the values at 31/12/2012; these changes were not significant and obviously do not affect the economic result of 2011.

The main changes from the previous reclassification are the following:

- Balance sheet liabilities: B.I - Restricted capital assets. This item includes the previous category "Provisions for risks and charges". This new name was adopted to better identify the nature of the items it contains.
- Income statement: B - Institutional activity – fund-raising costs. This category contains some of the items related to personnel solely dedicated to fund-raising. These items were previously reported in charges for publications, cultural activities and management territorial groups (group D) and management and general support activities costs (group E).

For more information see the individual paragraphs in these notes.

### **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 I.M.U. (council tax), (the conditions to benefit from this exemption do not apply to this non-profit organization), pursuant to article 91 bis of Legislative Decree 1/2012 converted into Law 27/2012 – exemption to pay local taxes for buildings used by public and private organizations, that are not exclusively or mainly for the exercise of commercial activities, but are intended exclusively for the performance with non-commercial procedures of welfare, healthcare and educational activities. [omission];

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 – ASSETS

#### 1. Accounting Policies

Assets are recorded at their purchase and/or production cost and adjusted by corresponding accumulated amortisation/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.

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 charges, 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 Centre for Cardiac Surgery in Khartoum, at the paediatric centre in Port Sudan 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 relative to the Centre for Cardiac Surgery in Khartoum and to the paediatric centre in Port Sudan is the result of the following considerations:

- agreements entered into with the local authorities (which provide for a multi-year concession of the land where the facilities were built and their direct involvement in supporting the project);
- 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;
- the nature of the facility (hi-tech centre);
- 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 year, is as follows:

Items	Net final accounting value	Net initial accounting value	Variations
A.I.3 Industrial patents and similar intellectual property rights	36,341	53,433	-17,092
A.I.5 Other intangible fixed assets	82,640	141,219	-58,579
<b>TOTALS</b>	<b>118,981</b>	<b>194,652</b>	<b>-75,671</b>

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

Items	Initial historical cost	Initial accumulated amortisation	Net initial accounting value	Change in the historical cost during the financial year	Final historical cost	Depreciation in the year	Accumulated depreciation at the end of the year	Net final accounting value
A.I.3 Industrial patents and similar intellectual property rights	373,327	319,894	53,433	8,702	382,029	25,794	345,688	36,341
A.I.5 Other intangible fixed assets	567,174	425,954	141,219	2,300	569,474	60,879	486,833	82,640
<b>TOTALS</b>	<b>940,501</b>	<b>745,848</b>	<b>194,652</b>	<b>11,002</b>	<b>951,503</b>	<b>86,673</b>	<b>832,521</b>	<b>118,981</b>

Increases in 2012 totalled **11,002 euros**.

Depreciation recorded in 2012 amounted to **86,673 euros**.

Costs incurred for Industrial patents and similar intellectual property rights refer to the purchase of licenses needed for the management software intended for administrative and institutional purposes.

Other intangible assets consist of improvements to leased assets.

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

The change, compared to the previous year, is as follows.

The item in question decreased during the financial year from 5,107,962 euros to 3,994,091 euros, mainly due to the decrease in depreciation over the years for the *Salam* Centre for Cardiac Surgery in Khartoum.

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	Net final accounting value	Net initial accounting value	Variations
A.II.1 Land and buildings	3,494,382	1,867,485	1,626,897
A.II.2 Plants and hospital machinery	158,481	123,438	35,043
A.II.3 Hospital equipment	87,814	1,013,206	-925,392
A.II.4 Other tangible fixed assets	250,988	361,508	-110,520
A.II.5 Under construction and advances	2,425	1,742,326	-1,739,901
<b>TOTALS</b>	<b>3,994,091</b>	<b>5,107,962</b>	<b>-1,113,872</b>

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 item "Land and buildings", equal to 3,494,382 euros (item A.II.1), mainly refers to costs relative to buildings set up as hospital facilities 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 euros 158,481 (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 87,814 euros (item A.II.3), includes medical equipment and equipment of various kinds used in different missions in countries around the world.

The item "Other assets", amounting to 250,988 euros (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 2,425 euros (item A.II.5), mainly contains the costs incurred for the construction of the Paediatric Centre in Port Sudan.

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

Items	Initial historical cost	Initial accumulated amortisation	Net initial accounting value	Changes in historical cost in the financial year	Final historical cost	Depreciation in the year	Accumulated depreciation at the end of the year	Net final accounting value
A.II.1 Land and buildings	12,265,041	10,397,556	1,867,485	1,690,992	13,956,033	64,095	10,461,651	3,494,382
A.II.2 Plants and hospital machinery	9,366,169	9,242,731	123,438	230,647	9,596,816	195,604	9,438,335	158,481
A.II.3 Hospital equipment	6,298,272	5,285,066	1,013,206	85,149	6,383,421	1,010,541	6,295,607	87,814
A.II.4 Other tangible fixed assets	1,869,311	1,507,803	361,508	47,108	1,916,419	157,628	1,665,431	250,988
A.II.5 Under construction and advances	1,742,326	0	1,742,326	-1,714,267	28,059	25,634	25,634	2,425
<b>TOTALS</b>	<b>31,541,118</b>	<b>26,433,156</b>	<b>5,107,962</b>	<b>339,629</b>	<b>31,880,748</b>	<b>1,453,501</b>	<b>27,886,657</b>	<b>3,994,091</b>

The changes in the historical cost of the item "Land and buildings" (item A.II.1), equal to 1,690,992 euros only refer to increases for the construction of the Paediatric Centre in Port Sudan, in Sudan. The increase is primarily due to posting in this item the amount previously posted as under construction and advances, because the job has been completed.

Depreciation for the year, calculated with the criteria defined in paragraph 2, amounts to 64,095 euros.

The changes in the historical cost of the item "Plants and hospital machinery" (item A.II.2), equal to 35,043 euros only concern an increase due mainly to the purchase of machinery for the *Salam* Centre for Cardiac Surgery in Khartoum.

Depreciation for the year, calculated with the criteria defined in paragraph 2, amounts to 195,604 euros.

The increase in the historical cost of the item "Hospital equipment" (item A.II.3), equal to 85,159 euros (item A.II.3), is of an insignificant amount.

Depreciation, calculated with the criteria defined in paragraph 2, amounts to 1,010,541 euros.

The changes in the historical cost of the item "Other assets", equal to 110,520 euros (item A.II.4), refer to a decrease since investments of this type of assets were lower during the year compared to previous years.

Depreciation for the year, calculated with the criteria defined in paragraph 2, amounts to 157,628 euros.

The item "Under construction and advances" (item A.II.5), equal to 2,425 euros, decreased during the year by 1,739,901 euros due to the completion of the construction work on the Paediatric Centre in Port Sudan, that began in July 2010.

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

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

Items	Net final accounting value	Net final accounting value amortisation	Variations
A.III.1 Land and buildings	3,330,121	2,461,903	868,218
A.III.3 Equipment	34,169	37,313	-3,144
A.III.4 Other tangible fixed assets	99,211	102,196	-2,985
<b>TOTALS</b>	<b>3,463,501</b>	<b>2,601,412</b>	<b>862,089</b>

The item in question increased during the financial year from 2,601,412 euros to 3,463,501 euros due to the acquisition of buildings following bequests. 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 accumulated amortisation	Net initial accounting value	Changes in historical cost in the financial year	Final historical cost	Depreciation in the year	Accumulated depreciation at the end of the year	Net final accounting value
A.III.1 Land and buildings	2,461,903	0	2,461,903	868,218	3,330,121	0	0	3,330,121
A.III.3 Equipment	92,771	55,457	37,313	4,498	97,269	7,643	63,100	34,169
A.III.4 Other tangible fixed assets	763,328	661,131	102,196	39,808	803,136	42,794	703,925	99,211
<b>TOTALS</b>	<b>3,318,002</b>	<b>716,589</b>	<b>2,601,412</b>	<b>912,524</b>	<b>4,230,526</b>	<b>50,437</b>	<b>767,025</b>	<b>3,463,501</b>

The item "Land and buildings", amounting to 3.330.121 euros (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.

The changes in the historical cost during the year of the item "Land and buildings" (item A.II.1), equal to 868,218 euros refer to the values of properties received during the financial year, for 1,718,266 euros net of disposals made for 850,048 euros. 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, 2012, the non-capital properties are the ones listed in the following tables:



LAND

Location	Typology	Share of ownership	Sheet	Cadastral map	Land ownership income	Agrarian income	Balance sheet value
Torrenova (Messina)	farmland residential zoning	500/1000	13	165	276.24	92.41	48,625
Carpasio (Imola)	chestnut wood/fruit orchard 2	1000/1000	8	129	6.07	3.64	683
Carpasio (Imola)	irrigated/ploughed agricultural land U	1000/1000	8	157	1.37	1.88	154
Carpasio (Imola)	coppice 1	1000/1000	8	74	0.04	0.01	5
Carpasio (Imola)	agricultural land 2	1000/1000	8	50	3.56	5.69	401
Carpasio (Imola)	building in ruins	1000/1000	8	52	0.00	0.00	0.00
Carpasio (Imola)	irrigated agricultural land	1000/1000	9	33	0.96	1.92	108
Carpasio (Imola)	irrigated/ploughed agricultural land U	1000/1000	8	129	0.31	0.43	35
Carpasio (Imola)	chestnut wood/fruit orchard 4	1000/1000	8	129	1.09	0.66	123
Montaldo di Mondovì (Cuneo)	coppice 2	1/32	22	159	0.99	0.59	3.25
Montaldo di Mondovì (Cuneo)	agricultural land 3	1/64	3	39	0.64	1.14	1.05
Montaldo di Mondovì (Cuneo)	cast fruit tree 4	1/64	4	390	0.53	0.19	0.87
Montaldo di Mondovì (Cuneo)	cast fruit tree 4	1/64	4	460	0.50	0.18	0.82
Montaldo di Mondovì (Cuneo)	cast fruit tree 4	1/64	11	198	0.83	0.30	1.36
Montaldo di Mondovì (Cuneo)	cast fruit tree 4	1/64	22	8	3.74	1.34	6.14
Montaldo di Mondovì (Cuneo)	coppice 2	1/64	22	14	3.03	1.82	4.97
Roburent (Cuneo)	agricultural land 4	11/432	13	153	1.52	5.26	4.06
Roburent (Cuneo)	agricultural land 4	11/432	13	158	0.24	0.84	0.64
Roburent (Cuneo)	coppice 3	11/432	16	14	0.21	0.13	0.56
Roburent (Cuneo)	grass land 5	11/432	16	15	0.62	0.95	1.66
Villorba (TV)	agricultural land/trees	1/4	25		23,88	15,57	671,63
Porto Ceresio (VA)	coppice	1000/1000	9		5,29	2,12	595,13
Bettola (PC)	coppice	1000/1000	10		0,19	0,06	21,38
Bettola (PC)	grass land	1000/1000	10		35,07	25,05	3,945,38
Bettola (PC)	agricultural land	1000/1000	10		34,50	69,00	3,881,25
Bettola (PC)	agricultural land	1000/1000	10		20,81	41,63	2,341,13
Bettola (PC)	coppice	1000/1000	10		1,31	0,40	147,38

Location	Typology	Share of ownership	Sheet	Cadastral map	Land ownership income	Agrarian income	Balance sheet value
Bettola (PC)	agricultural land/ trees	1000/1000	10		22,97	35,89	2,584.13
Bettola (PC)	mixed wood	1000/1000	10		0,02	0.01	2.25
Monterotondo (RM)	vineyard	4/27	31	869	4,47	3,49	74.50
Monterotondo (RM)	vineyard	4/27	10	415	17,93	21,98	298.83
Monterotondo (RM)	cane field	4/27	10	169	1.82	0,77	30.33
Monterotondo (RM)	agricultural land	4/27	10	168	3,51	2,81	58.50
All of the land was valued based on the cadastral surveys							

BUILDINGS

Location	Category	Share of ownership	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
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
Scandicci (FI)	housing unit	250/1000	68	562	14	A/2 - 2	298.25	56,610
Scandicci (FI)	housing unit	250/1000	68	562	30	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	37	A/2 - 2	298.25	52,920
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	44	A/2 - 2	216.91	40,670
Scandicci (FI)	shed	250/1000	68	562	47	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)	workshop	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 dei 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
Trapani (TP)	housing unit	1000/1000	307	472	6	A/3-6	350.74	100,000
Scalea (CS)	housing unit	1000/1000	10	282	6	A/3	138.28	17,338
Scalea (CS)		1000/1000	10	282	65			
Treviso (TV)	housing unit	500/1000	4	410	7	A/3	482.89	60,844
Treviso (TV)	garage	500/1000	4	410	9	C/6	73.75	9,292
Gualtieri (RE)	housing unit	1	34	308	2	A/3	581.01	73,207
Gualtieri (RE)	garage	1	34	308	1	C/2	218.46	27,526
Gualtieri (RE)	shed	1	34	308	3	C/6	56.40	7,106
Scandicci (FI)	housing unit	1/2	16	706	14	A/2	271.14	17,082
Firenze (FI)	housing unit	1/2	85	455	11	A/2	519.04	32,700
Firenze (FI)	garage	1/2	85	455	76	C/2	10.85	684
Firenze (FI)	shed	1/2	85	476		C/6	28.51	1,796
Milano (MI)	housing unit	1	389	198	25	A/3	2,685.58	338,383
Milano (MI)	cellar	1	389	198	722	C/2	39.04	4,919
Bettola (PC)	housing unit	1	10	754		A/3	390.44	49,195
Milano (MI)	housing unit	1	472	30	17	A/3	522.91	65,887

Location	Category	Share of ownership	Sheet	Land parcel	Sub.	Cat./class	Cadastral rent	Balance sheet value
Milano (MI)	cellar	1	472	30	54	C/6	166,82	21,019
Taranto (TA)	housing unit	1/2	280	453	1	A/7	759,19	47,829
Collecchio (PR)	industrial shed	1	31	1065	1	D/7	7.772	489,636
Collecchio (PR)	shed	1	31	1035	6	C/6	28,20	3,553
Collecchio (PR)	shed	1	31	1035	7	C/6	28,20	3,553
Collecchio (PR)	housing unit	1	31	1035	1	A/2	724,33	91,266
Collecchio (PR)	housing unit	1	31	1035	2	A/2	388,63	48,967
Collecchio (PR)	housing unit	1	31	1035	3	A/2	444,15	55,963
Collecchio (PR)	housing unit	1	31	1035	4	A/2	388,63	48,967
Collecchio (PR)	housing unit	1	31	1035	5	A/2	444,15	55,963
Collecchio (PR)	garage	1	31	879	6	C/6	41,52	5,232
Collecchio (PR)	garage	1	31	879	2	C/6	41,52	5,232
Collecchio (PR)	garage	1	31	879	3	C/96	41,52	5,232
Parma (PR)	housing unit	1	001/1	843	24	A/2	448,28	56,483
Parma (PR)	garage	1	001/1	844	1	C/6	42,61	5,369
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	26.13	3,139.20
Brescia (BS)	housing unit	1000/1000	89	223	13	A/2	774.69	81,342
Brescia (BS)	shed	1	89	224	4	C/6	53.20	5,586
Latina (LT)	shed (parking area)	1/7	282	121	12	C/6-1	269.59	4,044
Latina (LT)	housing unit	1000/1000	282	121	7	A/2-4	661.06	69,411
Sanremo (IM)	housing unit	833/1000	33	668	29	A/3	488.05	51,225
Sanremo (IM)	housing unit	833/1000	44	38	3	A/2	661.06	69,377
Sanremo (IM)	housing unit	833/1000	44	38	4	A/2	743.70	78,057
Sanremo (IM)	housing unit	833/1000	44	38	4	A/2	743.70	78,057
Firenze (FI)	housing unit	4/9	125	107	8	A/4	479.01	26,824
Monterotondo (RM)	housing unit	2/27	31	827	1	A/4	262.10	2,446.30
Monterotondo (RM)	warehouse	2/27	31	872	2	C/2	131.85	1,230.60
Monterotondo (RM)	housing unit	2/27	31	872	3	A/4	449.32	4,193.70
Monterotondo (RM)	warehouse	2/27	31	1605	1	C/2	23.96	223.60
Monterotondo (RM)	warehouse	2/27	31	1605	2	C/2	17.97	167.70

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.

The real estate properties in Trapani and Carpasio were valued based on the value specified in the deed of donation.

All the other real estate properties were valued based on the cadastral surveys.

At the end of the financial year, certain inventory procedures were underway or had not yet been performed for purposes of the benefited acceptance of additional properties following bequests; in addition some were transferred during 2012.

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) 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 land and real estate units obtained through inheritance or bequest do not generate taxable capital gains.

The item "Equipment", equal to **97,269 euros** (item A.III.3 - Final historical cost), mainly refers to various kinds of equipment at the Milan and Rome offices.

The changes in the historical cost during the year of the item "Equipment" was negligible (4,498 euros), compared to the previous year.

The item "Other assets", equal to **803,136 euros** (item A.III.4 - Final historical cost), mainly refers to computers, vehicles and other electronic machinery for the Milan and Rome offices.

The changes in the historical cost during the year of the item "Other assets", equal to **39,808 euros**, refers to purchases mainly for computers, vehicles and other electronic machinery. This amount is indicated net of the sale of vehicles and computers (5,179 euros).

## 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 euros**, valued at the acquisition cost.

The Association also holds a share of **500 euros** 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. – WORKING CAPITAL

### B.I – RECEIVABLES

#### 1. Accounting Policies

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 31/12/2012	Balance as of 31/12/2011	Variations
B.I.5 Due from others	4,916,357	5.421.307	-504.950
<b>5,421,307</b>	<b>-504,950</b>	<b>5.421.307</b>	<b>-504.950</b>

The item in question decreased during the financial year from 5,421,307 euros to **4,916,357 euros** for the reasons indicated below.

#### 2. Detail of the items

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

During the 2012 financial year, the Italian Ministry of Labour and Social Policies paid out funds originating from the allocation of proceeds from the 5 per thousand on individual tax returns (IRPEF), donated by taxpayers in 2010 based on 2009 income, including the portion attributable to "remnants" for a total of **10,699,131 euros**. 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 2011 based on their 2010 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 4,916,357 euros, down from the previous financial year, with a net change of 504,950 euros.

The balance mainly consists of:

- contributions receivable for 938,932 euros
- receivables due from social security institutions for 334,893 euros
- receivables due from clients for 250,425 euros
- receivables due from Fondazione Smemoranda for 970,000 euros
- receivables due from Fondazione Prosolidar for 2,280,000 euros
- other receivables for a total of 142,107 euros

The item Contributions receivable refers to various kinds of recognised contributions, yet to be paid. These 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, a payable due to doctors was recorded, as the doctors will be reimbursed the amounts according to a multiple-year plan.

Receivables due from clients decreased compared to the previous year, due to the lower volumes of the Association's business activities and in particular the sale of solidarity wedding favours on its e-commerce site.

The receivables from the Fondazione Smemoranda include the residual amount approved by said organization in support of the "Programme in Italy". This receivable was included in the "Missions Fund" for the corresponding amount as it is a project that started in 2011 and will be developed in future years.

The receivable from the Fondazione Prosolidar (Prosolidar Foundation), decreased by 700,000 euros following payment of a contribution for this amount in 2012, concerns funds that will be received and allocated to future projects based in Uganda. A contra-entry for the entire amount was posted in the "Future missions Fund" (2,980,000 euros).

"Other receivables" include travel expense advances and prepaid credit cards, credit notes to be received, deposits and other receivables due from third parties.

## B.II – INVENTORIES

### 1. Accounting Policies

Raw materials, ancillary materials, finished products and gadgets are recorded at the average weighted purchase 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 31/12/2012 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 **3,146,173 euros**, with a decrease of **574,321 euros** compared to the previous financial year.

Changes in inventories of medicines, medical supplies and prostheses (B.II.1 and B.II.2) amount to **2,403,852 euros**.

Inventories of materials for fund-raising operations (B.II.3) amounted to **671,711 euros**.

Inventories of other materials for mission and available at the facility amount to **70,609 euros**.

In detail, the change in inventories as of 31/12/2012 was as follows:

Type of Inventories	Balance as of 31/12/2012	Balance as of 31/12/2011	Variation
Medicines and medical equipment	2,032,859	2,773,547	-740,688
Materials for prostheses	370,993	299,376	71,617
Material for fund-raising activities at the headquarters	564,962	523,818	41,144
Material for fund-raising activities at the local groups	106,749	123,753	-17,004
Other material for operational missions	70,609	0	70,609
<b>TOTALS</b>	<b>3,146,173</b>	<b>3,720,494</b>	<b>-574,321</b>

The amount for inventories of medicines and medical supplies further decreased compared to the previous year, indicating the greater efficiency in managing resources and the warehouse above all at the *Salam* Centre for Cardiac Surgery. The *Salam* Centre for Cardiac Surgery in Khartoum managed and supplied pharmaceutical material for the hospitals of Port Sudan and Mayo.

Inventories of material for fund-raising operations at the facility mainly concern commercial activity which in 2012 witnessed a drop in sales, determining an increase in the related inventories.

Inventories of material for fundraising with local groups decreased, continuing the downward trend that has been underway for several years now, the

result of greater efficiency in the accounting management of the groups.

## B.III – AVAILABLE FUNDS

### 1. Accounting Policies

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 on foreign currency transactions".

### 2. Detail of the Items

Items	Balance as of 31/12/2012	Balance as of 31/12/2011	Variations
B.III.1 Cash and cash equivalents	181,610	69,076	112,534
B.III.2 Bank and postal deposits	305,938	393,786	-87,848
B.III.2 Other bank and postal deposits	2,389,715	1,241,412	1,148,303
B.III.4 Other short term available funds	0	51,053	-51,053
<b>TOTALS</b>	<b>2,877,263</b>	<b>1,704,273</b>	<b>1,172,989</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 fund-raising 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.

Available funds at the end of the financial year increased by a total of 1,172,989 euros compared to the previous year, amounting to **2,877,263 euros**. This amount mainly includes donations from natural persons received in total for Christmas, proceeds from Christmas market sales and other donations of significant value.

Cash balances also increased by 112,534 euros, to stand at **181,610 euros**.

## C - ACCRUALS AND DEFERRALS

### C – ACCRUED INCOME AND PREPAID EXPENSES

#### 1. Accounting Policies

Accrued income and prepaid expenses 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 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 change, compared to the previous year, is as follows:

Items	Balance as of 31/12/2012	Balance as of 31/12/2011	Variations
C.I.2 Accruals and prepayments	44,014	67,234	-23,220
<b>TOTALS</b>	<b>44,014</b>	<b>67,234</b>	<b>-23,220</b>

The item prepaid expenses equal to **44,014 euros** decreased by 23,220 euros compared to the end of the previous financial year and include prepayments calculated 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 instrumental assets	49,890		12,967	21,510	41,346
b) for non-instrumental assets	2,200,078		1,766,891	850,047	3,116,921
Reserves for operating surplus from previous financial years	7,675,220	-5,483,918	0	0	2,191,301
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
Operating profit (loss) for the year	-5,483,918		2,445,321	-5,483,918	2,445,321
<b>TOTALS</b>	<b>4,450,071</b>	<b>-5,483,918</b>	<b>4,225,179</b>	<b>-4,612,361</b>	<b>7,803,690</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 **1,766,891 euros** during the financial year and decreased (to account for properties sold) by **850,047 euros**.

The only movement in item "Reserves for operating surplus from previous financial years" refers to the recognition of the loss for the year ended on 31/12/2011.

### B – RESTRICTED CAPITAL ASSETS

#### 1. Accounting Policies

The restricted capital assets 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 items, the general criteria of prudence and competence were complied with, and items related to generic risk lacking economic justification have been set up.

Potential liabilities were recorded in these items 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 2012 financial year, the situation is as follows:

Items	Initial balance	Increase	Decrease	Final balance
For future missions	4,070,317	0	120,317	3,950,000
For current missions	3,257,820	0	1,257,820	2,000,000
Other	200,000	0	0	200,000
<b>TOTALS</b>	<b>7,528,137</b>	<b>0</b>	<b>1,378,137</b>	<b>6,150,000</b>

The amounts indicated in "Restricted capital assets" are indicated by destination; therefore it was deemed appropriate, and in line with previous years, to record the fund for future missions separately from the fund for current missions (including both risks and charges in this item), in addition to a residual item "Others", which in 2012 and like previous years, included only an amount connected with a risk relative to a lawsuit.

The final balance of the item "For future missions" (B.I.2), amounting to **3,950,000 euros**, reflects the economic value of existing future charges as of 31/12/2012 as these relate to future missions, as detailed below:

- **970,000 euros** refer to the residual contribution approved by the Fondazione Smemoranda for development of the "Programma Italia" programme in 2010, recorded under receivables; the fund did not undergo any changes during the year;
- **2,980,000 euros** refer to the contribution approved by the Fondazione Prosolidar and allocated to development of a centre in Uganda; the entire amount was allocated in 2011 and was not used as the project has not yet begun.

The final balance of the item "For future missions" (B.I.3), amounting to **2,000,000 euros**, reflects the economic value of existing risks and future charges as of 31/12/2012 as these relate to future missions, as detailed below:

- **2,000,000 euros** refer 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; compared to the previous year, no conditions occurred that could change the risk connected with this activity.

The final balance of the "Other" risks and charges (B.I.4), amounting to **200,000 euros**, 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.

A change in the fund for future missions at 31 December 2012 was recorded for **120,317 euros** due to a lack of the conditions required to build a paediatric centre in Goma, in the Democratic Republic of the Congo, which these funds had been earmarked for.

The change in the funds for current missions is due to a decrease of **57,820 euros** for the completion of the renovation work at the surgical centre in Sierra Leone and a decrease of 1,200,000 euros for the lower risk related to payment of the contribution by the Sudanese government. Contributions of around 2,000,000 euros was received during 2012 for the Centre for Cardiac Surgery in Khartoum, thus the risk of the Association decreased. Against this decrease, lower costs were posted for the Khartoum project.

## C – PAYABLES

### 1. Accounting Policies

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

#### C.I – Foreign Payables for Operational Missions

Items	Balance as of 31/12/2012	Balance as of 31/12/2011	Variation
C.I.6 Trade payables	389,610	350,556	39,054
C.I.8 Post-employment benefit, personnel assisting operational missions	29,160	14,906	14,254
<b>TOTALS</b>	<b>418,770</b>	<b>365,461</b>	<b>53,309</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. This table only shows payables incurred abroad, including the termination benefits for Italian employees on mission.

Please note that the exposure has increased compared to the previous year, amounting to **389,610 euros**, with an increase of 39,054 euros. The reason for this is mainly attributable to a residual payable for the supply of medicines in Afghanistan.

## C.II – Payables from Cultural Activity, Operational Facility and Procurement of Goods and Services for Operational Missions in Italy

Items	Balance as of 31/12/2012	Balance as of 31/12/2011	Variation
C.II.1 Payables due to banks	0	514,306	-514,306
C.II.2 Payables due to other financial backers	0	1,788	-1,788
C.II.3 Trade payables	2,524,280	4,176,481	-1,652,201
C.II.4 Payables due to operational facility's staff	438,553	454,637	-16,084
C.II.5 Payables due to social security and welfare institutions	197,191	166,173	31,018
C.II.6 Termination benefits for operational staff in Italy (TFR Fund)	391,400	333,740	57,660
C.II.7 Tax payables	133,698	194,159	-60,461
C.II.8 Other payables	503,866	542,561	-38,695
<b>TOTALS</b>	<b>4,188,988</b>	<b>6,383,843</b>	<b>-2,194,855</b>

The balance at 31/12/2012 amounted to **4,188,988 euros**, decreasing by 2,194,855 euros over the previous year.

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) and payables due to headquarters' staff and associates. Payables due to banks were almost zero due to the fact that the Association was able to cover its financial requirements with internal funds.

The decrease in the item "Other payables" (C.II.8) as of 31/12/2012 is due to the amount that Emergency had 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 C.II.6, "Termination benefits for operational facility's staff", and the item listed in section C.II.8, which refers to the repayment of INPS portions to expatriate personnel. These two items are part of a long-term programme.

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	Revaluation	Additional fund	Substitute tax	Advances/balances for the year	Indemnity leaving fund	Movements
Personnel TFR									
Cultural	95,012	22,917	1,443	2,655	4,138	292	9,283	92,376	-13,051
Headquarters	118,279	34,300	2,251	3,617	3,791	398	12,415	132,313	-5,029
Operational activity	52,887	22,738	1,501	1,325	2,322	146	8,393	54,601	-9,988
fund-raising	21,866	12,701	848	1,563		172	4,796	57,38	26,926
territory	33,268	8,267	485	1,076	1,612	118	7,132	34,405	1,141
Missions	14,906	23,119	1,445	484		53	7,850	29,160	
Palermo	12,428	8,244	570	410		45	0	20,467	
<b>TOTALS</b>	<b>348,645</b>	<b>132,286</b>	<b>8,058</b>	<b>11,130</b>	<b>11,863</b>	<b>1,224</b>	<b>49,869</b>	<b>420,560</b>	<b>0</b>

## D – ACCRUALS AND DEFERRALS

### 1. Accounting Policies

Accrued income and prepaid expenses 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 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 change, compared to the previous year, is as follows:

Items	Balance as of 31/12/2012	Balance as of 31/12/2011	Variations
D.I.1 Accruals and deferrals	0	90,893	-90,893
<b>TOTALS</b>	<b>0</b>	<b>90,893</b>	<b>-90,893</b>

The balance at 31/12/2012 is equal to zero since items were not posted whose competence is anticipated or deferred compared to the actual date of the payment and/or of the document.

## MEMORANDUM ACCOUNTS

### 1. Accounting Policies

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

Third-party assets held at the association's premises were valued at the value inferred from existing documentation the risks related to issued securities, wether personal security or security on assets, 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 31/12/2012	Balance as of 31/12/2011	Variations
Freely transferable assets	3,778,624	3,067,338	711,286
Third party assets	48,461	66,894	-18,433
Bank guarantees	264,850	239,000	25,850
<b>TOTALS</b>	<b>4,091,935</b>	<b>3,373,232</b>	<b>718,703</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.

The increases in these assets mainly concern plants, equipment, furniture and furnishing as well as vehicles for the *Salam* Centre for Cardiac Surgery in Khartoum, in Sudan, as well as various kinds of equipment for the centre at Anabah, in Afghanistan.

As mentioned, assets that can be freely donated intended for the *Salam* Centre for Cardiac Surgery in Khartoum are depreciated according to the criteria indicated in paragraph 2 of chapter A - Fixed assets, Information on the balance sheet items / Assets.

Lease and rental costs of the Association include the value of rentals still due relative to tangible assets (printers/photocopiers) purchased under an operating lease for 46,458 euros.

Risks include a bank guarantee issued by Banca Popolare di Sondrio for the amount of 230,000 euros 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, and for the amount of 9,000 euros for the rent of premises to use as an info point in Turin.

## → INFORMATION ON THE ITEMS OF THE INCOME STATEMENT

### GENERAL INFORMATION

The structure and content of the financial statements for the year ended 31/12/2012 are as follows:

#### INSTITUTIONAL ACTIVITY

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

**B – Fund-raising costs:** it groups together direct costs incurred for fund-raising 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;

#### MANAGEMENT AND GENERAL SUPPORT ACTIVITIES

**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:** these items mainly concern capital gains and losses from the disposal of assets, as well as 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 31/12/2012	Balance as of 31/12/2011	Variations
Institutional activity – fund-raising	28,866,239	26,134,350	2,731,889
Institutional activity – fund-raising costs	1,717,526	2,942,098	-1,224,572
Institutional activity – costs for operational missions	18,663,870	23,595,938	-4,932,068
Institutional activity – costs for publications, cultural activities and management of local groups	3,503,813	2,864,603	639,210
Management and general support activities costs	2,176,130	2,016,727	159,403
Financial income and expenses	-281,837	-208,296	-73,541
Extraordinary income and expenses	-46,895	37,980	-84,875
Income taxes	30,846	28,586	2,260
<b>Result for the period</b>	<b>2,445,321</b>	<b>-5,483,918</b>	<b>7,929,239</b>

## A – INSTITUTIONAL ACTIVITY – FUND-RAISING

Items	Balance as of 31/12/2012	Balance as of 31/12/2011	Variations
A.1 Donations and contributions	12,848,939	12,963,116	-114,177
A.2 Income from fund-raising activities – From 5/1000 on individual tax returns	10,699,131	8,074,263	2,624,868
A.2 Proceeds from fund-raising activities – Other	1,429,819	714,785	715,034
A.3 Income from settlement of bequests or disposal of assets from bequests or donations	1,442,235	1,553,670	-111,435
A.4 Income from commercial activity – for the sale of goods	2,417,405	2,782,598	-365,193
A.4 Proceeds from the commercial activity – for the rendering of services	28,709	45,918	-17,209
<b>TOTALS</b>	<b>28,866,239</b>	<b>26,134,350</b>	<b>2,731,889</b>

In 2012, the total amount from fund-raising was equal to **28,866,239 euros**, up by 2,732,889 euros compared to the previous year. The above figures include donations and contributions, proceeds from the settlement of bequests or the sale of movables and real estate received by the Association as inheritance or donations, as well as proceeds from commercial activities.

In particular, the amount of donations and contributions collected during 2012 and resulting from the sum of the following items:

- A.1 Donations and contributions;
- A.2 Income from fund-raising activities – From 5/1000 on individual tax returns;
- A.2 Proceeds from fund-raising activities – Other;

is equal to **24,977,889 euros**, with an increase of 3,225,725 euros 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	Balance as of 31/12/2012		Balance as of 31/12/2011	
	Free	Restricted	Free	Restricted
Private citizens	4,065,236	1,650,787	4,828,777	2,337,587
From 5/1000 on individual tax returns	10,699,131	0	8,074,263	0
Legal entities	585,208	843,526	630,557	914,820
Local authorities	20,082	71,630	51,788	71,690
Other authorities	80,756	185,794	121,517	453,857
Foundations	130,559	116,511	60,000	37,369
Abroad	272,743	302,484	269,261	517,846
<i>Fund-raising initiatives</i>	137,726	1,317,558	180,403	555,970
Memberships	206,012	83,972	350,401	82,485
Christmas donations	0	96,757	0	166,265
Emergency Foundation contribution	25,000	0	30,000	0
International Institutional Donors	0	437,208		
Contributions from the allocation of goods	0	0	3,651	695
Contributions from the provision of services	0	0	0	0
Membership fees	15,450		14,850	
Kurdistan financing	0	111,248		61,475
Sudan - Khartoum financing	0	1,956,853		1,936,636
Sudan – Port Sudan financing	0	70,074		
Goderich financing	0	355,630		
Afghanistan financing	0	1,139,951		
<b>TOTALS</b>	<b>16,237,903</b>	<b>8,739,985</b>	<b>14,615,468</b>	<b>7,136,695</b>
<b>TOTALS 2012 (Free + Restricted)</b>	<b>24,977,889</b>			

The proceeds from the sale of movables and real estate received by the Association through inheritance or donations, as set out in item A.3 - Proceeds from settlement or sale of inherited or donated assets, amounted to **1,442,235 euros**, with a decrease of 111,435 compared to the previous year. The decrease is mainly due to delays in the settlement of some inheritances during the reference year, for causes entirely referred to probate procedures in progress. Settlement is expected in the first months of 2013.

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

Source of Donation	31/12/2012		31/12/2011	
	Free	Vincolo	Libere	Vincolo
Income from the sale of assets from bequests or donations	1,291,561		1.513.461	
Capital gains from the sale of donated/inherited property	150,675		40.210	
<b>TOTALS</b>	<b>1,442,235</b>		<b>1.553.670</b>	<b>145.000</b>
<b>TOTALS 2012 (Free + Restricted)</b>	<b>1,442,235</b>			

The income from commercial activities, included in items A.4a Income from commercial activity - for the sale of goods and A.4b Proceeds from commercial activity – for the rendering of services amounted to **2,446,114 euros**, with a decrease of 382,403 euros compared to the previous year. It should be noted that Emergency registered for VAT in July 2009 to qualify as an (incidental) commercial activity for 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 local street markets, as well as income from sponsorships. This item is highlighted under the item fund-raising from institutional activity.

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

Source	31/12/2012		31/12/2011	
	Free	Restricted	Free	Restricted
Revenues from solidarity wedding favours	0	657,915		503,032
Revenues from gadgets	609,331	50,627	979,237	148,267
Revenues from Christmas gadgets	0	104,427		129,693
Revenues from local street markets	0	714,792		669,983
Revenues from local street market gifts	0	276,264		352,387
Sponsorships	1,983	0	30,294	4,037
Copyrights	48	0	4,274	1,304
Teaching activities	498	0	1,200	0
Events/entertainment	26,181	0	4,809	0
Proceeds from sales	4,050	0		
<b>TOTALS</b>	<b>642,091</b>	<b>1,804,025</b>	<b>1,019,814</b>	<b>1,808,702</b>
<b>TOTALS 2012 (Free + Restricted)</b>	<b>2,446,114</b>			

The above data show that, again in 2012, the Association largely obtained its financing sources from its own initiatives and, to a lesser extent, from supranational entities (contributions from the governments of Sudan, Afghanistan, Sierra Leone, from the agency for demining in Kurdistan and other United Nations or European Community funds).

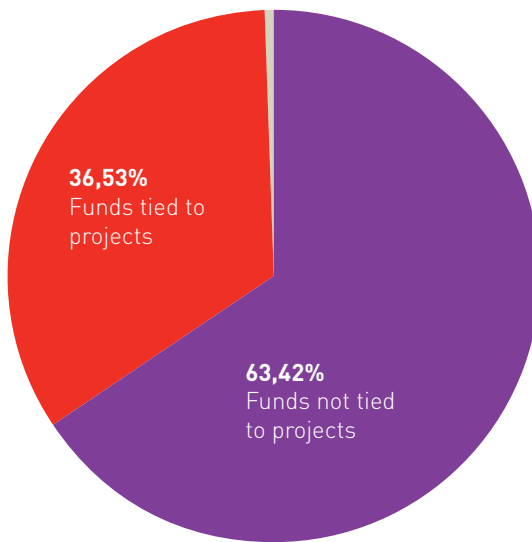
The percentage of donations and contributions from independent sources (other than government authorities) is **87.41%**.

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

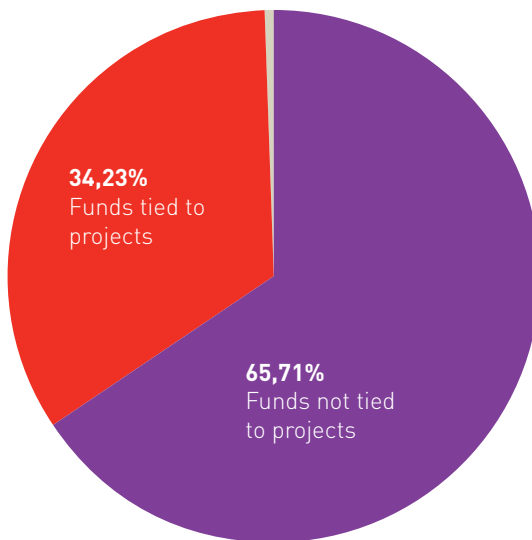
Items	31/12/2012	%	31/12/2011	%
Membership fees	15,450	0.05	14,850	0.06
Funds tied to projects	10,544,009	36,53	8,945,397	34.23
Funds not tied to projects	18,306,779	63,42	17,174,102	65.71
<b>TOTALS</b>	<b>28,866,239</b>	<b>100.00</b>	<b>26,134,350</b>	<b>100.00</b>

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

**2012 /**                      **0,05% - Membership fees**



**2011 /**                      **0,06% - Membership fees**



Below is a list of the allocations specified by donors.

<b>Projects</b>	<b>31/12/2012</b>	<b>31/12/2011</b>
Iraq	20,023	387,109
Iraq – Contribution from local authorities	111,248	61,475
Afghanistan	1,476,510	653,133
Afghanistan financing	1,139,951	
Cambodia	8,226	72,445
Sierra Leone - Goderich	2,361,153	653,532
Goderich financing	355,630	
Sudan - <i>Salam</i> centre	2,032,623	1,190,572
Sudan - Mayo paediatric centre	242,008	159,588
Sudan - Nyala paediatric centre	34,781	267,796
Sudan - Contribution from the Sudanese government	1,956,853	1,936,636
Sudan - Paediatric Centre in Port Sudan	150,840	33,168
Sudan Port Sudan - Sudanese government contribution	70,074	
Central African Republic	344,029	940,711
Immigrants project - Outpatient Clinics	240,059	1,860,064
Japan	0	335
Libya	0	528,834
Uganda	0	200,000
<b>TOTALS</b>	<b>10,544,009</b>	<b>8,945,395</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. Revenues from membership fees refer to contributions paid by Association members, at 31/12/2012 there were **104 members**.

## **B – INSTITUTIONAL ACTIVITY – FUND-RAISING COSTS**

<b>Items</b>	<b>Balance as of 31/12/2012</b>	<b>Balance as of 31/12/2011</b>	<b>Variations</b>
B.5 Costs for the organization of fund-raising activities	581,338	796,735	-215,397
B.6 Costs for commercial activity	1,160,329	1,659,287	-498,958
B.7 Variations in inventories of materials for fund-raising operations	-24,140	486,075	-510,215
<b>TOTALS</b>	<b>1,717,526</b>	<b>2,942,098</b>	<b>-1,224,570</b>

Costs to organise fund-raising decreased in the financial year by 215,397 euros, to amount to **581,338 euros**.

Costs incurred in the management of the commercial activity decreased in the year by 498,958 euros and stood at **1,160,329 euros**. These costs consist primarily of the purchase or production of gadgets and purchases for the Christmas shops. These costs account for **47.44%**, of corresponding income, which is lower than the previous year's figure.



Fund-raising costs and charges for commercial activities decreased overall by 1,224,570 euros compared to the previous year mainly due to the decrease in inventories of materials and decrease of costs for commercial activities.

As stated in the introduction, to provide a clearer and simpler reading of the financial statements, this category includes some items related to personnel dedicated exclusively for fund-raising. These items were previously reported in "charges for publications, cultural activities and management territorial groups" (group D) and "management and general support activities costs" (group E).

In order to make the data of the year ended on 31/12/2011 more easily comparable with those of the financial year closed on 31/12/2012, it was necessary to reclassify some entries for the year ended on 31/12/2011 to make them homogeneous with the values at 31/12/2012; these changes were not significant and obviously do not affect the economic result of 2011.

## C – INSTITUTIONAL ACTIVITY - COSTS FOR OPERATIONAL MISSIONS

Items	Balance as of 31/12/2012	Balance as of 31/12/2011	Variations
C.8 For medicines and medical equipment	3,112,794	4,711,807	-1,599,013
C.9 For raw material for prostheses	130,085	246,374	-116,289
C.10 For food and general provisions	990,696	1,003,736	-13,040
C.11 For services	3,859,259	4,294,564	-435,305
C.12 For the use of third-party assets	513,467	477,976	35,491
C.13 For personnel engaged in operational missions	7,961,097	9,784,513	-1,823,416
C.14 Other costs for operational missions	0	105,710	-105,710
C.15 Amortisation, depreciation and write-downs	1,498,011	2,979,506	-1,481,495
C.16 Variations in inventories	598,462	-8,249	606,711
<b>TOTALS</b>	<b>18,663,870</b>	<b>23,595,938</b>	<b>-4,932,068</b>

In 2012, the organization 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.

Costs for operational missions recorded in the income statement amounted to 18,663,870 euros, with a decrease of 4,932,068 euros compared to the previous year. This decrease reflects the lower cost for the Association following a change in the fund for current missions for the contribution received from the Sudanese government, for 1,200,000 euros.

As for the international staff, on average, approximately 120 units were employed in operational mission each month.

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

Items	Balance as of 31/12/2012	Balance as of 31/12/2011	Variations
D.19 For the purchase and production of material pertaining to informational and cultural activities	396.250	442.111	-45.861
D.20 For services	2,464,376	1,509,425	954,951
D.22 For personnel	643,186	853,350	-210,164
D.23 Other costs for the management of cultural activity	0	59,717	-59,717
<b>TOTALS</b>	<b>3,503,813</b>	<b>2,864,603</b>	<b>639,210</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 2011 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.

The item D.20 also includes costs to support the information activities; these include those performed by the Cooperativa Dieci Dicembre, to which Emergency contributed as investor partner. In 2012, the costs attributed to this specific activity totalled 1,697,000 euros, due to the winding up of the Cooperativa Dieci Dicembre, following a decision to stop publication of the "E-il mensile" magazine.

This item also includes the charges associated with the management of local groups and television advertising. Advertising space was donated for a value of 432,940 euros in 2012.

Volunteers in Italy, organised into 172 local groups, amount to 3,500, 2,700 of them are in possession of identification badges and are actively involved in the promotion of a culture of peace and fund-raising to support the association.

In 2012, the Association had 94 salaried staff, of which 60 employees and 32 project workers, in addition to 2 freelance workers.

At the Milan offices, there were 58 salaried staff members, of which 43 employees, 13 project workers and 2 freelancers and at the Rome offices there were 8 staff members, of which 6 employees and 2 project workers. In addition, there are 7 employees at the Outpatient Clinic in Palermo, 7 project workers at the Outpatient Clinic in Marghera, 10 project workers at the Mobile clinics, and 4 employees on humanitarian missions abroad. In addition to said personnel, 120 international staff members (doctors, nurses, administrators and logisticians) were employed at the hospitals abroad.

The Milan offices are assisted on an ongoing basis by around 75 volunteers and 8 volunteers doing civil service, while the Rome office has around 40 volunteers; 70 doctors and nurses work as volunteers at the Palermo Outpatient Clinic and 70 at the Marghera Outpatient Clinic and 2 to 4 volunteer doctors and nurses are always present on the mobile facilities when they are in operation.

Compared to the previous year, an increase of 521,356 euros was recorded, with costs amounting to **3,503,813 euros**.

## E – MANAGEMENT COSTS AND GENERAL SUPPORT ACTIVITIES

Items	Balance as of 31/12/2012	Balance as of 31/12/2011	Variations
E.28 For the purchase of advertising material and stationery	14,425	28,941	-14,516
E.29 For services	485,255	478,648	6,607
E.30 For the use of third-party assets	563,212	469,249	93,963
E.31 For personnel	868,546	842,547	25,999
E.32 Other costs for operational facility management	169,062	136,988	32,074
E.33 Amortisation, depreciation and write-downs	75,631	83,861	-8,230
<b>TOTALS</b>	<b>2,176,130</b>	<b>2,040,234</b>	<b>135,896</b>

The cost for the operational facility was about 8.02% (in the 2011 financial year it was 8.56%) of the funds raised (net of the relevant charges). The cost decreases in 2012, compared to the previous year, was mainly due to an increase in proceeds from fund-raising and a significant decrease in charges for fund-raising.

The operational facility continues to be generally flexible, and it is based on working with employees, a limited number of project workers related to specific operating needs, to staff doing civil service or placements as allowed by law, as well as a considerable number of volunteers. The items that weigh on this category are represented by personnel costs, rental costs for the office in Milan, the offices in Rome and relative security deposits, 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 fund-raising 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.

Fees to statutory auditors amounting to 12,481 euros for auditing work, have been estimated for 2012.

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

## F – FINANCIAL INCOME AND EXPENSES

Items	Balance as of 31/12/2012	Balance as of 31/12/2011	Variations
F.38 Other financial income - from securities recorded in current assets	0	52	-52
F.38 Other financial income – interest receivable	1,443	1,679	-236
F.38 Other financial income - gains from foreign currency transactions for transfer of funds	35,847	106,480	-70,633
F.39 Interest and other financial expenses - interest payable on short-term loans	170,305	174,607	-4,302
F.39 Interests and other financial expenses – losses from other foreign currency transactions for transfer of funds	148,821	141,899	-6,922
<b>TOTALS</b>	<b>-281,837</b>	<b>-208,296</b>	<b>-73,541</b>

The interest receivable from bank accounts and from fixed income securities, net of the withholding tax, on bank deposits, amounted to **1,443 euros**. Exchange differences connected with different currencies the Association works with generated a negative balance of **112,974 euros**; in fact, the gains from exchange rates amounted to **35,847 euros** against losses from exchange rates of **148,821 euros**.

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

The Association has obtained, from a financial institution, an advance in the current account on funds from the 5 on individual tax returns donated in the 2010 financial year (relating to 2009 income). The delay of the government in paying these funds gave rise to the high amount in the item "Interest payable on short-term loans". To deal with ensuing cash requirements, two credit lines with Banks were opened in the last few months of 2011. the total cost of the loans (advance and credit lines) is **169,806 euros**.

## G – EXTRAORDINARY INCOME AND EXPENSES

Items	Balance as of 31/12/2012	Balance as of 31/12/2011	Variations
G.40 Income - other	143,590	102,449	41,141
G.41 Expenses	190,485	64,470	126,015
<b>TOTALS</b>	<b>46,895</b>	<b>37,980</b>	<b>8,915</b>

No significant changes were recorded compared to the previous year.

The other amounts included in the contingent assets mainly include write-offs on supplies of medical equipment approved by suppliers in 2012 but referred to previous years, and, to a much lesser extent, to the realignment of cash balances at operational missions.

Expenses only refer to contingent liabilities for the same amount, related to previous years.

The (positive) difference between extraordinary income and expenses amounts to **46,895 euros**.

## Income tax – tax reliefs

As commercial activities have been carried out since 2009, in a fully incidental fashion, the taxable amount for Emergency is determined by the taxable amount related to the performed institutional activity.

The I.R.A.P. tax (Italian regional tax on production activities) for the year 2012 amounted to 12,860 euros, and is calculated by considering as the taxable amount the revenue 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 2012 is equal to 17,986 euros. 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.

## Additional information on the cost of labour

Items	2012	2011	Variations
Salaries to employees	1,334,517	1,481,251	-146,734
Remunerations to non-employees	232,464	247,754	-15,290
Compensation Italy projects and expatriate personnel	3,300,370	4,858,659	-1,558,288
Compensation local staff	3,444,753	3,636,032	-191,278
Social security and welfare contributions	852,688	895,280	-42,592
Insurance premiums	318,545	246,642	71,903
Employees' termination benefits	131,553	122,700	8,854
Other personnel costs	115,137	109,948	5,189
<b>TOTALS</b>	<b>9,730,028</b>	<b>11,598,264</b>	<b>-1,868,236</b>

Overall the cost of labour incurred in 2012 decreased by 1,868,236 euros compared to the previous year: the decrease was mainly due to the reduction in the number of expatriate personnel used in missions during the year, lower cost for the Association for the abatement of the fund for current missions, as indicated in the specific paragraph in these notes, transfer of the Battambang hospital and consequent take over of local personnel costs by Handa Foundation and use of redundancy measures for part of the Italian employees from February to June 2013.

Some employees have chosen to pay into additional welfare schemes, so the portion of post-employment benefits indicated in items C.I.8 and C.II.6 of the balance sheet is recorded net of these payments.

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

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 on individual tax returns for the 2010 financial year - tax returns filed in 2011.

From the list published on 09/05/2013, the Association will receive funds of 11,023,415.46 euros of which 10,344,768.05 euros expressly indicated by taxpayers, and 678,647.41 euros from the distribution of remaining funds. Based on this allocation, a partial advance on the amount (10 million) has been 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, in the continued absence of a legal provision establishing the amount.

The legal proceedings are continuing which were brought against newspapers or individual reporters in order to protect the name and reputation of the Association against episodes of libel.

The Association was also called into certain new successions of significant amounts for which inventory formation 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, some of which were not settled during 2012 due to delays in probate proceedings.

In March 2013 the main warehouse was transferred from Milan to Gazzola (PC), to implement the plan to reduce costs started in 2012 and to allow more space for the activity which has grown in recent years.

### **The Chairman of the Board of Directors**

Cecilia Strada



## BOARD OF AUDITORS / AUDITORS' REPORT ON THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2012

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 18,561,448</b>
Total LIABILITIES	<b>Euro 10,757,758</b>
Net equity	<b>Euro 7,803,690</b>
Total liabilities + Net equity	<b>Euro 18,561,448</b>

### Income statement

Value of production	<b>Euro 28,866,239</b>
Costs of production	<b>Euro - 26,061,340</b>
Difference between value and costs of production	<b>Euro 2,804,899</b>
Extraordinary management	<b>Euro -328,732</b>
Result before taxes	<b>Euro 2,476,167</b>
Income taxes	<b>Euro -30,846</b>

### Operating result

**Euro 2,445,321**

Given that your Association, pursuant to Article 2477, paragraph 4, 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 2012.

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, 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 able, through careful control of costs, to achieve an income of 2,445,321, while ensuring the continuity of its operations. The Board of Auditors has acknowledged that the Association has continued its work while maintaining its usual high level of performance.

We acknowledge that the Association, again for the 2012 financial year, received almost all its resources from private sources, and the Management Board has continued its efforts aimed at improving the analysis of the sources of the contributions received.

*In particular:*

### WITH REFERENCE TO THE STATUTORY AUDITING OF ACCOUNTS

The Board of Auditors has carried out the statutory audit of the Association's financial statements as at 31 December 2012. The responsibility for preparing the financial statements falls on the management body, while the Board of Auditors is responsible for the professional opinion based on a statutory audit of the accounts.

The audit was conducted in accordance with the established principles of statutory auditing of accounts. In compliance with those principles, the audit was planned and carried out in order to obtain all the information needed to determine whether the financial statements are free of material misstatement and are, as a whole, reliable.

An audit includes the examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion.

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 contrasting 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 book keeping 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 item was carried out on a prudent and going concern basis, also taking into account the economic function of the assets and liabilities in question.

Revenues and expenses were charged to the income statement on an accrual basis.

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

The values of intangible assets are shown net of amortisation for capital assets having a limited duration.

No additional adjustments were made other than those established in 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 established amortisation schedule.

The net equity is derived from the allocation of operating surpluses of previous years. The net equity items are individually detailed as required by Article 2427 no. 7-bis of the Italian Civil Code.

The Management Board has updated the amounts recognised under the Mission Provisions, calculated on a prudent basis for possible future liabilities for activities already underway or to be started and the total residual provision is €5,150,000, which is consistent with the commitments undertaken.

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

Ultimately, in our opinion, the financial statements correspond to the entries in the accounting books and records and, as a whole, they correctly represent the Association's financial and equity position and its operating performance for the financial year ending on 31 December 2012. We therefore issue a favourable opinion for the approval of the financial statements as prepared by the Management Board, including the allocation of the surplus.

## 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 Management Board which took place in compliance with the Charter's rules and the laws governing its functioning and for which we can reasonably warrant that the actions resolved were compliant with the law and with the Association's Charter, and were not imprudent, careless, reckless, in potential conflict of interest or could not in any way compromise the integrity of the Association's equity.

During our periodic verifications, the Directors gave us all information on the general operating performance and the outlook of operations, as well as the most significant transactions, due to their size or nature, 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 Association's assets.

We have examined and monitored the adequacy of the Association's organisational structure, including through the gathering of information from department managers, and in this regard we have no details to report.

We have evaluated and supervised the adequacy of the administrative and accounting procedures and their reliability in correctly representing the operational events, by obtaining information from the department managers and through the examination of the Association's 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 in carrying out our duties, and we have no observations to report.

The financial statements presented to us were prepared in accordance with the formats provided by Articles 2424 and 2425 of the Italian Civil Code, and the instructions provided in Article 2427. The financial statements are also consistent with the rules laid down in the Articles 2423 and 2423-bis, and also take into account the provisions of Articles 2424-bis and 2425 referring to the treatment 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 valued prudently and on the assumption of the Association as a going concern;
- the criteria used for the valuing the items in the financial statements comply with the provisions of Article 2426 of the Italian Civil Code and are also consistent with those used for the previous year;
- the costs were included in the financial statements on an accrual basis;
- 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 Management Board, were prepared in accordance with Articles 2423 and following of the Italian Civil Code and, in particular, Article 2427. The notes contain additional information considered necessary for completeness of disclosure, including of a financial nature.

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

During the course of the monitoring, as described above, no additional material facts came to light that require mention in this report.

To our knowledge, the Directors, in preparing the financial statements, complied with the law pursuant to Article 2423, paragraph 4, of the Italian Civil Code.

We have verified the correspondence between the financial statements and the facts and information we have become aware in 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 faith in us.*

Milan, 6 June 2013

**Flavia Corradi**  
**Laura Pigoli**  
**Mario Moiso**



via Gerolamo Vida 11 — 20127 **MILANO** - Italy  
T +39 02 863161 — F +39 02 86316336

via dell'Arco del Monte 99/A — 00186 **ROMA** - Italy  
T +39 06 688151 — F +39 06 68815230

[info@emergency.it](mailto:info@emergency.it) - [www.emergency.it](http://www.emergency.it)

---

**Donations in favour of EMERGENCY can be made via:**

- **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
- **Credit card**, online (on Secure Server) at [www.emergency.it](http://www.emergency.it) (Euros)
- **PayPal**, online on [www.emergency.it](http://www.emergency.it) (Euros or US\$)
- **Regular donation** on the website [www.emergency.it](http://www.emergency.it) (in the “Help us” section under “Individual”)