

FINANCIAL STATEMENT

31 DECEMBER 2020



EMERGENCY
MEDICINE, HUMAN RIGHTS AND EQUALITY

EMERGENCY ONG Onlus

IS AN INDEPENDENT ORGANISATION FOUNDED IN ITALY IN 1994 TO OFFER MEDICAL AND SURGICAL TREATMENT TO VICTIMS OF WAR, LANDMINES AND POVERTY, AT THE SAME TIME AS PROMOTING A CULTURE OF PEACE, SOLIDARITY AND RESPECT FOR HUMAN RIGHTS.

SINCE THEN WE HAVE WORKED IN 19 COUNTRIES AROUND THE WORLD, PROVIDING FREE, HIGH-QUALITY TREATMENT TO WHOEVER NEEDS IT, ACCORDING TO OUR PRINCIPLES OF **EQUALITY, QUALITY AND SOCIAL RESPONSIBILITY**.

EMERGENCY'S HUMANITARIAN EFFORTS ARE MADE POSSIBLE BY THE CONTRIBUTION OF THOUSANDS OF VOLUNTEERS AND SUPPORTERS.



PROJECT STAFF

167 PEOPLE

STAFF AT PROJECTS AROUND THE WORLD WITH INTERNATIONAL WORKING CONTRACTS

60
ITALY

- 10 COORDINATION
- 8 MARGHERA CLINIC
- 6 POLISTENA CLINIC
- 3 CASTEL VOLTURNO CLINIC
- 9 NAPLES CLINIC
- 6 RAGUSA MOBILE CLINIC ('ART. 1' MINIVAN)
- 11 MILANO MOBILE CLINIC ('ART. 3' POLYTRUCK)
- 1 BRESCIA SOCIO-MEDICAL INFORMATION POINT
- LATINA MOBILE CLINIC ('QUELLO' POLYBUS)
- 4 EARTHQUAKE ZONE MOBILE CLINIC ('ART. 25' MINIVAN)
- 2 SASSARI CLINIC

27
AFGHANISTAN

- 13 KABUL SURGICAL CENTRE FOR WAR VICTIMS
- 4 LASHKAR-GAH SURGICAL CENTRE FOR WAR VICTIMS
- 7 ANABAH SURGICAL AND PAEDIATRIC CENTRE
- 3 ANABAH MATERNITY CENTRE

2
IRAQ

- 2 ASHTI HEALTHCARE CENTRES FOR WAR REFUGEES (until 21 February 2020)

3
YEMEN

- 3 HAJJAH SURGICAL CENTRE FOR WAR VICTIMS

20
SIERRA LEONE

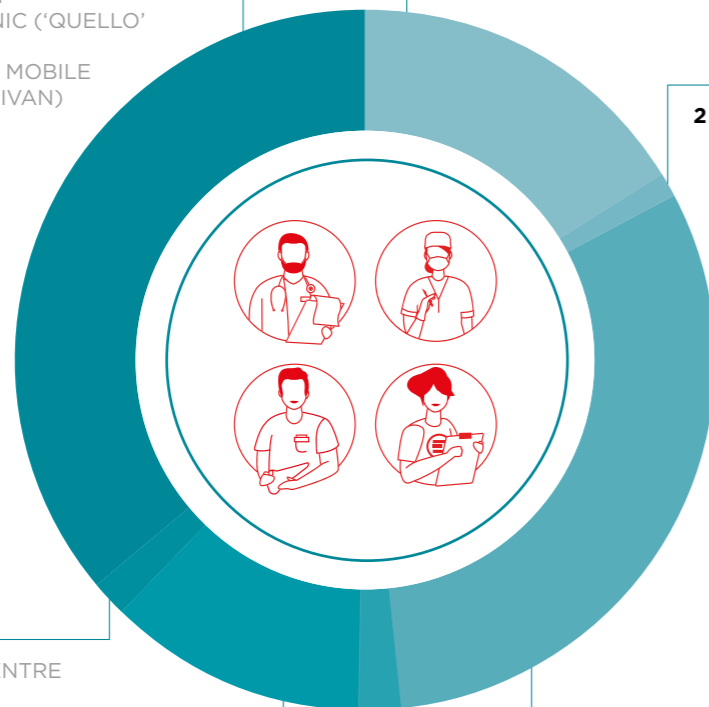
- 20 GODERICH SURGICAL CENTRE

3
UGANDA

- 3 ENTEBBE CHILDREN'S SURGICAL HOSPITAL

52
SUDAN

- 40 KHARTOUM SALAM CENTRE FOR CARDIAC SURGERY
- 3 MAYO PAEDIATRIC CENTRE
- 4 PORT SUDAN PAEDIATRIC CENTRE
- 5 NYALA PAEDIATRIC CENTRE



PROJECT STAFF

2,986 PEOPLE

STAFF AT PROJECTS AROUND THE WORLD WITH LOCAL WORKING CONTRACTS

12
YEMEN

- 3 HAJJAH SURGICAL CENTRE FOR WAR VICTIMS

107
UGANDA

- 107 ENTEBBE PAEDIATRIC SURGERY CENTRE

369
SIERRA LEONE

- 346 GODERICH SURGICAL CENTRE
- 23 WATERLOO FIRST-AID POST AND HEALTHCARE CENTRE (until 30 June 2020)

801
SUDAN

- 507 KHARTOUM SALAM CENTRE FOR CARDIAC SURGERY
- 49 MAYO PAEDIATRIC CENTRE
- 136 PORT SUDAN PAEDIATRIC CENTRE
- 104 NYALA PAEDIATRIC CENTRE
- 5 REGIONAL PROGRAMME

1,563
AFGHANISTAN

- 132 ANABAH FIRST-AID POSTS AND HEALTHCARE CENTRES
- 392 ANABAH SURGICAL AND PAEDIATRIC CENTRE
- 116 ANABAH MATERNITY CENTRE
- 138 KABUL FIRST-AID POSTS AND HEALTHCARE CENTRES
- 393 KABUL SURGICAL CENTRE FOR WAR VICTIMS
- 14 KABUL HEALTHCARE CENTRES IN PRISONS
- 69 LASHKAR-GAH FIRST-AID POSTS AND HEALTHCARE CENTRES
- 309 LASHKAR-GAH SURGICAL CENTRE FOR WAR VICTIMS

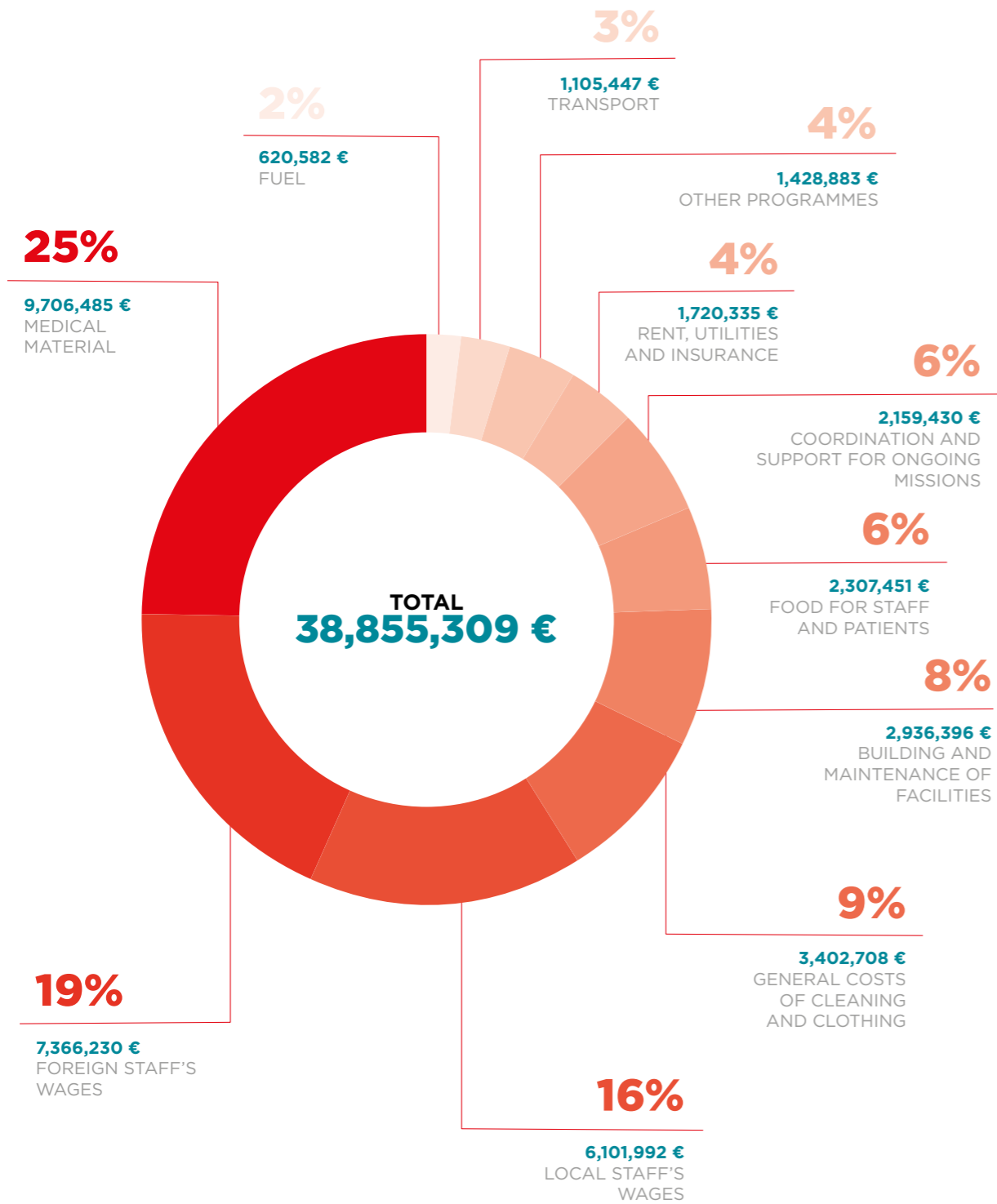
134
IRAQ

- 77 SULAYMANIYAH REHABILITATION AND SOCIAL REINTEGRATION CENTRE
- 57 ASHTI HEALTHCARE CENTRE FOR WAR REFUGEES (until 15 March 2020)



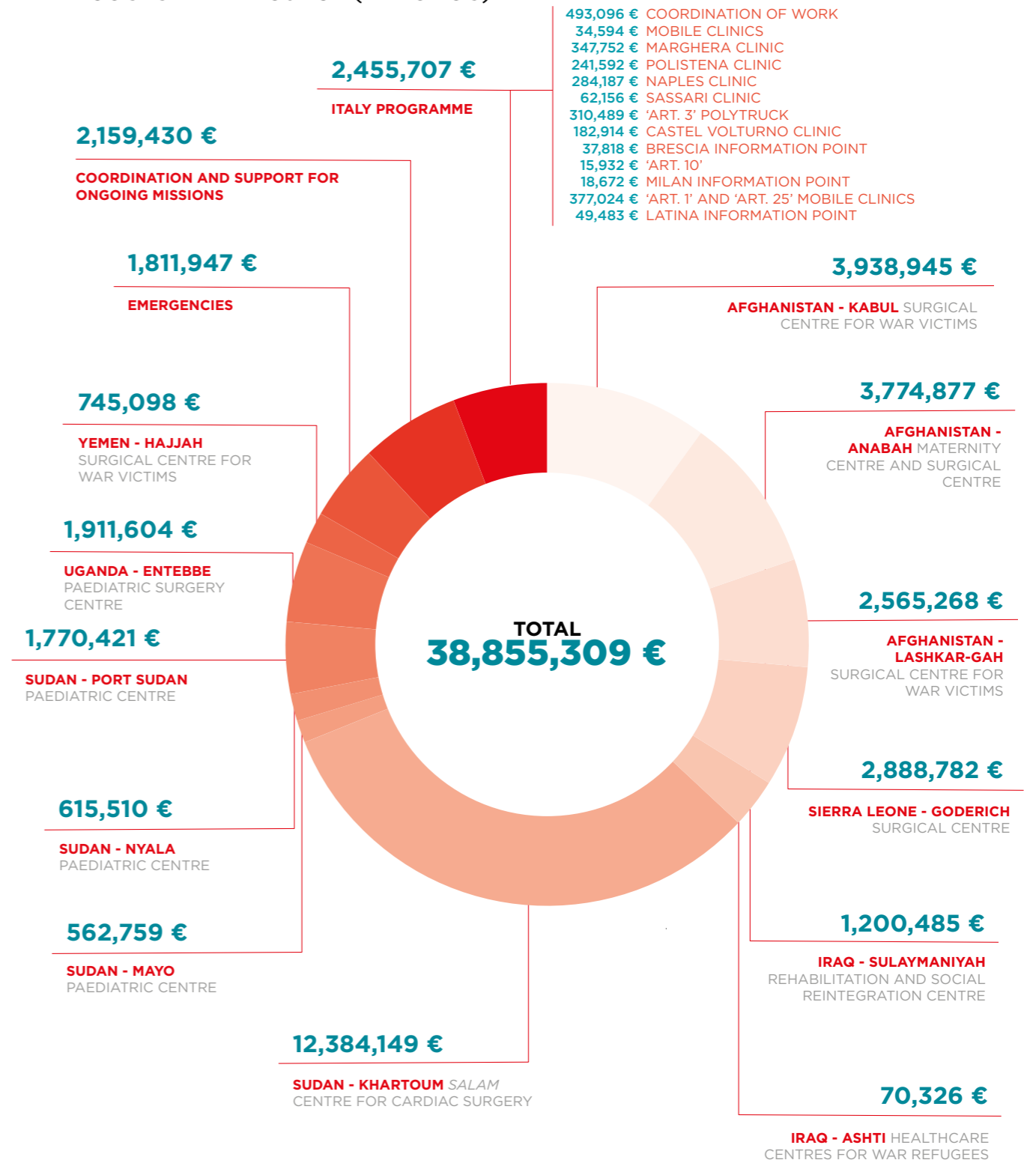
COSTS

BREAKDOWN OF COSTS FOR ONGOING MISSIONS (%)



COSTS

COSTS PER PROJECT (IN EUROS)



BUDGET 2021

INCOME/COSTS	BUDGET
Income	
Fundraising from offices and local groups	39,509
Government funding	12,598
Funding from institutions	12,440
Donations of goods, services and other revenue	506
Total income	65,053
Project costs	
Italy Programme	2,573
Afghanistan	12,159
Iraq	783
Sierra Leone	3,666
Sudan	16,536
Uganda	4,885
Yemen	3,805
Emergencies	2,151
Project support costs	46,558
Stockroom	508
Coordination of ongoing missions	2,524
Total project support costs	3,032
Fundraising and communication costs	
Fundraising	6,178
International	343
Communication	2,539
Local	682
Events	378
Project development at Venice office	64
Total	10,184
General support costs	
President's office	392
HR	319
Legal	188
IT	836
Structure and general services	803
Administration and purchases	868
Security	218
Switchboard	112
Total general support costs	3,736
Other amortisation costs	1,426
Total project and general support	64,936
Difference income/costs	117

ASSETS

A - FIXED ASSETS

A	I		INTANGIBLE FIXED ASSETS	2020	2019	CHANGE	PAGE
A	I	1	start-up and expansion costs	-0	-0		21
A	I	2	research, development and publicity costs	40,017	47,285		
A	I	3	industrial patents and intellectual property rights	12,848	26,906		
A	I	4	concessions, licences, trademarks and patents	67,867	33,080		
A	I	5	other	4,264,694	4,460,837		
A	I	6	assets under development and advances	-	-		
TOTAL (A - I)				4,385,426	4,568,107	-182,681	

A	II		TANGIBLE FIXED ASSETS USED ON MISSIONS	2020	2019	CHANGE	PAGE
A	II	1	land and buildings	17,167,647	17,158,101		23
A	II	2	hospital plant and equipment	1,863,098	1,706,022		
A	II	3	hospital equipment	10,759,599	10,090,725		
A	II	4	other assets	12,353,362	12,101,098		
A	II	5	assets under development and advances	17,872,941	16,894,204		
A	II	6	- amortisation funds	-40,160,468	-38,780,738		
TOTAL (A - II)				19,856,180	19,169,411	686,769	

A	III		TANGIBLE FIXED ASSETS USED FOR GENERAL SUPPORT	2020	2019	CHANGE	PAGE
A	III	1	land and buildings	1,193,548	1,310,183		25
A	III	2	plant and equipment	31,008	25,445		
A	III	3	equipment	106,950	106,133		
A	III	4	other assets	1,600,122	1,558,461		
A	III	5	assets under development and advances	2,428	12,844		
A	III	6	- amortisation funds	-1,250,943	-1,070,582		
TOTAL (A - III)				1,683,113	1,942,483	-259,370	

A	IV		FINANCIAL ASSETS	2020	2019	CHANGE	PAGE
A	IV	1	shares	19,647	20,147		29
A	IV	2	other securities	825,415	-		
A	IV	3	payables	-	2,500,000		
TOTAL (A - IV)				845,062	2,520,147	-1,675,085	

TOTAL FIXED ASSETS (A)	26,769,781	28,200,149	-1,430,368
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B - CURRENT ASSETS

B	I		PAYABLES	2020	2019	CHANGE	PAGE
B	I	1	from supra-national bodies	-	-		30
B	I	2	from public bodies	-	-		
B	I	3	accounts for missions	-	-		
B	I	4	for '5x1000' funds	-	-		
B	I	5	from treasury	119,339	70,746		
B	I	6	from others	6,874,128	2,932,092		
B	I	6	from others, due in over 12 months	-	390,000		
TOTAL (B - I)				6,993,467	3,392,837	3,600,630	

B	II		REMAINDERS	2020	2019	CHANGE	PAGE
B	II	1	medicine and medical material	-	2,011,511		32
B	II	2	material for prostheses	-	321,200		
B	II	3	other material for missions	-	63,471		
B	II	4	material for fundraising	57,436	402,700		
B	II	5	other material	-	-		
B	II	6	ongoing missions	-	-		
TOTAL (B - II)				57,436	2,798,883	-2,741,447	

B	III		FINANCIAL RESOURCES	2020	2019	CHANGE	PAGE
B	III	1	money and value received	361,292	361,337		33
B	III	2	bank and postal deposits	-	-		
B	III	2	a - bank and postal deposits earmarked for missions	13,089,556	14,303,818		
B	III	2	b - on-site bank and postal deposits earmarked for projects	1,500,194	2,544,875		
B	III	2	c - other bank and postal deposits	19,941,574	8,125,151		
TOTAL (B - III)				34,892,616	25,335,182	9,557,434	

TOTAL CURRENT ASSETS (B)	41,943,519	31,526,902	10,416,617
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C - ACCRUED AND DEFERRED INCOME

C	I		ACCRUED AND DEFERRED INCOME	2020	2019	CHANGE	PAGE
C	I	1	Accrued income	125	-		34
C	I	2	Deferred income	404,441	324,408		

TOTAL (C - I)	404,566	324,408	80,158
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TOTAL ASSETS	69,117,865	60,051,459	9,066,407
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LIABILITIES

A - NET WORTH

A			2020	2019	CHANGE	PAGE
A	I		8,801	8,801		34
A	II		-	-		
A	II	a - for capital assets	31,718	31,718		
A	II	b - for non-capital assets	1,000,508	1,117,143		
A	II	c - other	825,415	-		
A	III	Reserves from management advances for previous years	24,210,740	24,050,390		
A	IV	Reserves from tied management advances for previous years	-	-		
A	V	Other reserves	-	-		
A	VI	Surplus/deficit for previous years	-	-		
A	VII	Surplus/deficit for the year	215,863	160,350		

TOTAL (A)	26,293,044	25,368,402	924,643
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B - TIED ASSETS - FUNDS FOR RISKS AND EXPENSES

B	I		2020	2019	CHANGE	PAGE
B	I	1	for renewing equipment	-	-	35
B	I	2	for future missions	390,000	780,000	
B	I	3	for ongoing missions	2,800,000	1,500,000	
B	I	4	for taxes	-	-	
B	I	5	for pensions and similar	392,579	383,100	
B	I	6	other	489,159	456,698	

TOTAL (B)	4,071,738	3,119,798	951,940
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C - DEBTS

C	I		FOREIGN DEBTS FOR MISSIONS	2020	2019	CHANGE	PAGE
C	I	1	debts for financing missions	-	274,514		36
C	I	2	2 debts for financing missions due in over 12 months	-	935,771		
C	I	3	advance contributions for missions	-	-		
C	I	4	debts to banks	-	-		
C	I	5	debts to other funders	-	-		
C	I	6	debts to local suppliers	543,679	299,616		
C	I	7	debts to mission staff and mission support staff	570,995	549,433		
C	I	8	severance pay for mission support staff (severance package fund)	863,660	712,797		
C	I	9	debts to others	-	-		
TOTAL (C - I)				1,978,334	2,772,132	-793,797	

C	II		DEBTS FOR CULTURAL ACTIVITIES, ORGANISATION AND SUPPLY OF GOODS AND SERVICES FOR MISSIONS	2020	2019	CHANGE	PAGE
C	II	1	debts to banks	-	282,848		37
C	II	1a	debts to banks due in over 12 months	-	2,969,902		
C	II	2	debts to other funders	-	-		
C	II	3	debts to suppliers for missions	2,449,953	3,611,116		
C	II	4	debts to organisational staff	262,667	186,022		
C	II	5	debts to pension associations	559,945	344,738		
C	II	6	severance pay for organisational staff (severance package fund)	865,572	766,226		
C	II	7	tax payables	249,116	291,368		
C	II	8	debts to others	3,350,467	3,297,828		
TOTAL (C - II)				7,737,721	11,750,046	-4,012,326	

TOTAL (C)	9,716,055	14,522,178	-4,806,123
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D - ACCRUED AND DEFERRED INCOME

D	I		ACCRUED AND DEFERRED INCOME	2020	2019	CHANGE	PAGE
D	I	1	Accrued income	2,920	11,165		38
D	I	2	Deferred income	29,034,108	17,029,917		
TOTAL (D - I)				29,037,028	17,041,082	11,995,946	

TOTAL (D)	29,037,028	17,041,082	11,995,946
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TOTAL LIABILITIES	69,117,865	60,051,459	9,066,406
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MEMORANDUM ACCOUNTS

			2020	2019	CHANGE
		Freely transferrable assets	-	-	
		Third-party assets	-	-	
		Sureties	416,620	498,323	

TOTAL MEMORANDUM ACCOUNTS	416,620	498,323	-81,703
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INCOME STATEMENT

REVENUE

A - FUNDRAISING				2020	2019	PAGE
A 1		donations and contributions		33,364,721	24,989,515	39
A 2		revenue from fundraising		-	-	
A 2	A	a - from "5x1000"		11,185,757	12,728,343	
A 2	B	b - other		88,796	338,743	
A 3		revenue from liquidation of successions or sale of assets from inheritance or donation		3,030,194	3,766,754	
A 4		revenue from commercial activity		-	-	
A 4	A	a - for sale of assets		605,586	1,828,777	
A 4	B	b - for provision of services		33,677	34,918	
A 4	C	c - other revenue		332,664	151,853	

TOTAL REVENUE (A) 48,641,395 43,838,903

FUNDRAISING EXPENSES

B - FUNDRAISING EXPENSES				2020	2019	PAGE
B 5		expenses from organising fundraising		3,222,532	2,803,419	44
B 6		expenses from commercial activity		456,074	930,204	
B 7		change in inventories of material for fundraising		429,704	60,094	

TOTAL (B) 4,108,309 3,793,717

C - EXPENSES FOR MISSIONS				2020	2019	PAGE
C 8		for medicine and medical material		7,569,717	6,080,438	45
C 9		for raw material for prostheses		222,976	304,020	
C 10		for general supplies		2,573,275	1,597,824	
C 11		for other material		2,781,478	2,374,500	
C 12		for services		3,795,318	3,915,752	
C 13		for using third-party assets		896,146	807,449	
C 14		for staff on missions:		-	-	
C 14	A	a - payment of employees		2,761,140	2,826,275	
C 14	B	b - compensation for local and foreign staff		10,136,588	10,063,187	
C 14	C	c - social security expenses		1,009,199	1,247,110	
C 14	D	d - staff insurance premiums		218,710	275,133	
C 14	E	e - severance pay		394,861	192,552	
C 14	F	f - other expenses		437,655	335,165	
C 15		expenses from various missions		645,191	81,428	
C 15	B	extraordinary expenses and revenue for missions		36,489	103,846	

TOTAL 33,478,743 30,204,678

C 16		amortisations and depreciations		-	-	
C 16	A	a - amortisations of intangible assets		203,631	424,068	
C 16	B	b - amortisations of tangible assets		1,381,441	925,316	
C 16	C	c - other depreciations of assets		-	-	
C 16	D	d - depreciations of credit included in current assets and cash equivalents		-	-	
C 17		change in remainders for medicine, medical material, material for prostheses and supplies		2,396,183	1,674,844	
C 18		risk provisions		-	-	
C 19		other provisions		1,395,311	256,120	

TOTAL 5,376,566 3,280,348

TOTAL (C) 38,855,309 33,485,026

D - EXPENSES FOR PUBLISHING, CULTURAL ACTIVITIES AND RUNNING LOCAL GROUPS				2020	2019	PAGE
D 20		for buying and producing material for cultural and educational activities		212,324	356,491	47
D 21		for services		490,490	860,184	
D 22		for using third-party assets		100,330	397,781	
D 23		for staff		3,121	-	
D 23	A	a - payment of employees		803,219	859,748	
D 23	B	b - compensation for local and foreign staff		-	-	
D 23	C	c - social security expenses		234,937	247,156	
D 23	D	d - insurance premiums		2,973	3,942	
D 23	E	e - severance pay		121,550	63,620	
D 23	F	f - other expenses		36,962	42,797	
D 24		various expenses for running cultural activities		9,504	36,726	
D 24B		extraordinary expenses and revenue for cultural activities		38,858	10,198	

TOTAL 2,054,270 2,878,642

D 25		amortisations and depreciations		-	-	
D 25	A	a - amortisations of intangible assets		24,176	29,851	
D 25	B	b - amortisations of tangible assets		15,208	14,589	
D 25	C	c - other depreciations of credit included in current assets and cash equivalents		-	-	
D 26		change in remainders for material for cultural activities		155	99,880	
D 27		risk provisions		-	-	
D 28		other provisions		-	-	

TOTAL 39,540 144,320

TOTAL (D) 2,093,810 3,022,962

TOTAL EXPENSES (B + C + D) 45,057,428 40,301,705

RESULT FOR INSTITUTIONAL ACTIVITY (A - B - C - D) 3,583,967 3,537,198

INCOME STATEMENT

E - EXPENSES FROM MANAGEMENT AND GENERAL SUPPORT ACTIVITIES				2020	2019	PAGE
E 29		for buying material for publishing and support		66,245	55,162	48
E 30		for services		877,176	845,610	
E 31		for using third-party assets		272,716	274,491	
E 32		for staff		-	-	
E 32	A	a - payment of employees		1,239,636	1,229,916	
E 32	B	b - compensation for collaborators		-	-	
E 32	C	c - social security expenses		379,024	353,868	
E 32	D	d - insurance premiums		9,536	5,887	
E 32	E	e - severance pay		186,668	89,514	
E 32	F	f - other expenses		34,677	82,780	
E 33		various organisational expenses		33,856	75,084	
E 33B		extraordinary expenses and revenue for support		-95,687	20,043	

TOTAL 3,003,846 3,032,356

TOTAL (E) 3,324,887 3,362,272

OPERATING RESULT (A - B - C - D - E) 259,080 174,926

F - FINANCIAL REVENUE AND EXPENSES				2020	2019	PAGE
F 38		revenue from shares		-	-	49
F 39		other financial revenue		-	-	
F 39	A	a - from credit listed under assets		-	-	
F 39	B	b - from securities listed under assets		-	-	
F 39	C	c - from securities listed under current assets		-	-	
F 39	D	d - interest income		23,392	7,974	
F 39	E	e - revenue other than above		-	-	
F 39	F	f - profits from foreign currency transactions for transfers of funds		259,856	75,075	
F 39	G	g - profits from various foreign currency transactions		-	-	

TOTAL 283,249 83,049

TOTAL (F) -27,315 33,788

RESULT BEFORE TAX (A - B - C - D - E ± F ± G) 231,764 208,713

H - TAXES ON INCOME FOR THE YEAR				2020	2019
H 43		taxes on income for the year		15,901	48,365

TOTAL (H) 15,901 48,365

RESULT FOR THE YEAR (A - B - C - D - E ± F ± G - H) 215,863 160,349



Dear auditors,

This financial statement is for the year ending 31 December 2020 of the organisation EMERGENCY ONG Onlus, based at Via Santa Croce, 19, Milan (hereafter 'EMERGENCY' or the 'Organisation'), which closed with a positive balance of 215,863 euros, as evidenced herein.

THE ORGANISATION'S WORK

EMERGENCY is a non-governmental organisation pursuant to Law no. 125/2014. It is on the public register of civil society organisations (Organizzazioni della Società Civile, OSC) and other non-profit bodies kept by the Italian Agency for Development Cooperation (AICS), as well as the register of non-profit organisations of social utility kept by the Italian Revenue Agency's regional department for Lombardy.

EMERGENCY is recognised as an association on the register of legal persons kept by the Prefecture of Milan, under number 594, p. 973, vol. III.

The organisation is also on the 'Register of associations and bodies working in support of immigrants', under number A/662/2009/MI. This is an acknowledgement of the work it has done for migrants, first at its Outpatient Clinic in Palermo and later at other facilities in Italy, namely its Outpatient Clinics in Marghera, Polistena, Castel Volturno, Naples and Sassari, its information point in Brescia and its various mobile clinics.

As stated in its own Statute, the Organisation's purposes are:

- to promote a culture of peace and solidarity, including through the work of local volunteers;
- to affirm human rights, including through initiatives aimed at their practical fulfilment;
- intervene in war zones with humanitarian projects in support of victims – especially civilian victims – of armed conflicts, of wounded people and of anyone suffering the repercussions of conflict or poverty, such as hunger, malnourishment, illness, lack of medical treatment or education;
- bring aid to victims of natural disasters.

CRITERIA FOR WRITING THE FINANCIAL STATEMENT

There is no legislation in Italy governing the writing and content of the financial statements of non-profit bodies, with the exception of Legislative Decree no. 117 of 3 July 2017 (the so-called 'Third-sector code'), which in article 13 sets out new models for statements for third-sector bodies. Currently, this decree has been approved by the relevant authorities, as discussed in greater detail below, but will only apply to financial statements from the year 2021 onwards. To compensate for the practical absence of a legislative framework for this kind of accounting, the commission for non-profit associations set up by Consiglio Nazionale Dottori Commercialisti ed Esperti Contabili (CNDCEC) has issued two documents with further instructions and suggestions on guidelines and principles of accounting for the financial statements of non-profit associations in general, and provided a representative model for summarising the financial results of such associations.

Furthermore, on 11 February 2009, the then Agenzia per le Onlus (set up under article 1 of the Prime Ministerial Decree of 26 September 2000 as a watchdog for non-commercial bodies and non-profit organisations of social utility) approved the 'Guidelines and models for writing financial statements for non-profit bodies' issued with article 3, paragraph 1, letter a of Prime Ministerial Decree no. 329 of 21 March 2001.

The documents referred to place no clear obligations on non-profit bodies and therefore none on this Organisation. However, they do constitute an important framework for writing financial statements, which may be done using the models thought most appropriate to the work the non-profit body in question does.

In the Decree of 5 March 2020, pursuant to article 13, paragraph 3 of Legislative Decree no. 117 of 3 July 2017, models were adopted for balance sheets, management reports, mission reports (referred to in article 13, paragraph 1) and cash flow statements (referred to in article 13, paragraph 2), for the purposes of writing financial statements for non-profit bodies. The instructions provided in the decree apply from the date of writing of the first new financial statement after the decree's publication, so beginning with the financial statement for 2021.

For EMERGENCY's purposes, the models for financial statements, as issued by Agenzia per le Onlus and CNDCEC, although they constitute an important framework, are not thought sufficient to depict the varied work of the Organisation.

It was therefore decided to follow the rules in the Civil Code on limited companies, Italian national accounting principles and the instructions provided by commissions set up for the purpose, adapting them to the Organisation's specific purposes, but without adopting any of the suggested models, at the same time taking suitable measures to account for the financial, organisational and management features of the Organisation.

CNDCEC's recommendations on accounting concerning bequests and other donations were also followed.

The financial statement for the year ending 31 December 2020, of which these explanatory notes form an integral part according to article 2423, paragraph 1 of the Civil Code, is the result of accounting regularly carried out and put in writing in accordance with articles 2423, 2423-ter, 2424-bis and 2425-bis of the Civil Code, in line with the accounting principles set out in article 2425-bis, paragraph 1 of the Civil Code.

In writing the financial statement, the principle of accrual was followed; therefore, the outcomes of operations and other events were accounted for in and allocated to the year in which they took place, rather than that in which the related financial movements (receipts and payments) took place. The accruals principle is deviated from only where comprehensive, certain and precise information is not available for reporting.

The valuation criteria adopted conform to the provisions in article 2426 of the Civil Code and are comparable with those adopted in previous years.

The reclassification system used for the year takes into account the Organisation's purpose (as a non-profit body), the work it does, and the lack of proposals for such a system in legislation. The items listed in the balance sheet and income statement are commented on in these explanatory notes, which also state, where significant, any changes in their value over time. The notes also:

- appraise each item according to the principle of prudence and on the assumption of the Organisation's being a going concern, taking into account the economic function of the asset or liability discussed;
- include only profit made during the year;
- determine income and costs on an accruals basis and independently of the time of their financial impact;
- treat the various components of each item in the financial statement separately for the purposes of their appraisal.

The financial statement is in euros and is comparable with the previous year's.

It should be noted that cost centre accounting has been applied since the year ending 31 December 2014, meaning that analytical as well as general accounting was done. This instrument allows costs to be monitored and thereby contained, making management more effective. It also allows one to calculate the impact of costs and income on individual components of the Organisation with satisfactory precision.

TAX BENEFITS

As a non-governmental organisation pursuant to Law no. 125/2014, on the public register of civil society organisations (Organizzazioni della Società Civile, OSC) and other non-profit bodies kept by the Italian Agency for Development Cooperation (AICS), EMERGENCY is in law a non-profit organisation of social utility ('Onlus'). As an Onlus, it takes advantage of benefits specific to its sector, specifically:

- Article 150 of the Consolidated Income Tax Act: exemption from tax on income from core work done with the sole aim of social aid.
- Article 10 of Presidential Decree no. 633/1972: exemption from VAT on assets acquired free of charge, on ambulance transport, on services of admission and treatment, on children's education and on teaching of any kind, and on socio-medical services.
- Article 8, letter b-bis of Presidential Decree no. 633/1972: exemption from VAT on transfer of assets outside the European Union by transport or shipment, within 180 days of delivery, to the transferee or someone acting on their behalf, done in the manner set out in the Decree of the Ministry of Economy and Finance, for the benefit of public administration or development aid

organisations on the register described in article 26, paragraph 3 of Law no. 125 of 11 August 2014, for humanitarian purposes, including purposes of carrying out development aid projects.

- Article 82, paragraph 5 of Legislative Decree no. 117/2017: exemption from stamp duty (on bank statements, receipts, etc.).
- Article 82, paragraph 5 of Legislative Decree no. 117/2017: exemption from tax on bequests and donations.
- Exemption from regional production tax: tax base scheme for non-profit bodies in the regions of Lombardy (art. 1, paragraph 7 of Regional Law no. 27 of 18 December 2001, confirmed in article 7, paragraphs 1 and 2 of Regional Law no. 10 of 14 July 2003), Apulia (article 48, paragraphs 1 and 2 of Regional Law no. 7 of 21 May 2002), Sardinia (article 17, paragraph 5 of Regional Law no. 3 of 29 April 2003) and Sicily (article 7, paragraph 5 of Regional Law no. 2 of 26 March 2002).
- Article 6 of Prime Ministerial Decree no. 601/1973: halving of corporate income tax.

For supporters, both natural persons and companies, the following tax benefits apply:

- Article 83, paragraph 2 of Legislative Decree no. 117/2017: deductibility within the limit of 10% of declared net income for donations in cash or kind made by natural persons and entities subject to corporate income tax.
- Article 83, paragraph 1 of Legislative Decree no. 117/2017: deductibility of 30% for donations in cash, of no more than 30,000 euros, by natural persons to Onlus.

As an Onlus, the Organisation receives funds through 5 per mille ('five per thousand'), the donation segment of personal income tax.

INFORMATION ON ITEMS IN THE BALANCE SHEET: ASSETS

A) TANGIBLE AND INTANGIBLE ASSETS

1. VALUATION CRITERIA

Assets are listed at purchase and/or production cost and adjusted to the related provisions for depreciation or amortisation.

The production costs of any assets built by the Organisation, and the increase in value of depreciable assets, comprise all costs directly ascribable to those assets. Their value is calculated by adding up cost of material, direct labour and the portion of production costs directly ascribable to the assets.

Assets received as donations are listed at cadastral value, as suggested in Italian national accounting principle no. 2, for non-profit bodies, currently under review. In the case of lasting loss of value, independent of depreciation already accounted for, the asset will be written down accordingly. If in later years the grounds for writing down cease to exist, the original value will be restored and adjusted solely for depreciation.

It should be noted that no revaluation was carried out, voluntarily or by law.

Tangible assets are split into two categories, namely:

- A.II: tangible assets used on ongoing missions.
- A.III: tangible assets used for general support. The criteria used to write the financial statement for the year ending 31 December 2020 are the same as those used for the previous year's, particularly with regard to valuation and consistency of principles.

2. DEPRECIATION/AMORTISATION CRITERIA

Amounts for depreciation and amortisation are recorded in the income statement and calculated according to assets' use, destination and useful life, based on the principle of residual possibility of use.

- Assets used on foreign missions in general are depreciated or amortised in full in the year they are purchased.
- Assets used on missions in Italy, at the Centre for Cardiac Surgery in Khartoum, at the Paediatric Centre in Port Sudan (supported by the Organisation until 2016) and at the Organisation's offices (including its head office on Via Santa Croce, Milan) are depreciated or amortised at the rates given in the table below.
- Costs incurred for the construction of the hospital in Uganda, and related assets, were not depreciated, as work on the hospital began in April 2021, having been delayed by the Covid-19 pandemic.

TYPE	% DEPRECIATED/AMORTISED
Software	33.33%
Concessions and licences	20%
Improvements to third-party assets	25%
Improvements to third-party assets at head office	3%
Construction	10%
Plant	20%
Equipment	20%
Surgical equipment	12%
Electrical appliances	20%
Office furniture, fittings and equipment	12%
Computers and printers	20%
Small vehicles	25%
Large vehicles and means of transport	20%

It should be noted that assets owned by the Organisation (received through donations or bequests) are not depreciated. The decision to fully depreciate assets used on missions in the year of their purchase was informed by the nature of the assets in question; as they are freely transferable to the local authorities at mission's end or are located in 'high-risk' countries, they cannot be transferred to Italy at mission's end and are therefore considered assets 'to be lost'. Furthermore, given sensible consideration of the level of risk in the country, it is difficult to affirm one's right to property that is in the safekeeping of local authorities. Finally, based on contracts stipulated with international aid agencies and local authorities, assets that are still working at mission's end are, as mentioned above, to be considered freely transferable to the local authorities.

The decision to depreciate assets used at the Centre for Cardiac Surgery in Khartoum and the Paediatric Centre in Port Sudan over several years, meanwhile, was informed by the following considerations:

- a. Agreements made with local authorities, which provide for concessions of several years for the land on which the facilities were built, and for those authorities' direct support with the project.
- b. The level of risk in the country, given that Sudan, according to the UN's Human Development Index among others, is in a good state, relative to the other countries in which EMERGENCY runs hospitals.
- c. The plant's reliance on advanced technology.
- d. The specific humanitarian programme at stake (Sudan and neighbouring countries are involved in a regional programme that will involve building a network of satellite healthcare centres and will not be complete for a few years).

Once the hospital has been built and starts running - that is, in the financial year 2021 - the same considerations with regard to depreciation of construction costs will apply as at the Centre of Excellence in Paediatric Surgery in Uganda.

B) FINANCIAL ASSETS

Long-term receivables are listed at nominal value, which is deemed representative of their presumed realisable value. Other securities are listed at purchase cost, which may be reduced by losses, or increased by revaluations, that are considered lasting.

C) RECEIVABLES

Pursuant to article 2426, paragraph 1, number 8 of the Civil Code, receivables are listed using the amortised cost method, with the exception of those on which the effects of applying that method are irrelevant (being set to expire within 12 months), as per article 2423, paragraph 4 of the Civil Code.

Receivables to which amortised cost is not applied are listed at presumed realisable value. Regardless of whether amortised cost is applied, receivables are listed in the financial statement net of a provision for write-downs to cover those judged to be unrecoverable, as well as for the general risk posed by remaining receivables. This provision is an estimate based on past experience, the length of time the receivables have been due, the general financial situation of the Organisation and of its component involved in the project, and the level of risk in the country, as well as events after year end that have an effect at the reporting date.

D) INVENTORY

Inventory, consisting of assets used to manage missions and connected work, is valued at weighted average cost.

E) LIQUIDITY

Liquidity is valued at nominal value, which is deemed representative of its realisable value.

F) PAYABLES

Pursuant to article 2426, paragraph 1, number 8 of the Civil Code, payables are listed using the amortised cost method, with the exception of those on which the effects of applying that method are irrelevant (being set to expire within 12 months), as per article 2423, paragraph 4 of the Civil Code. By the same token, payables are not discounted where the interest rate inferred from contractual conditions is not significantly different from the market interest rate.

Payables to which amortised cost is not applied are listed at presumed realisable value. Amounts due before and after year end are broken down according to their contractual and legal expiry

date, taking into account any events that may lead to an adjustment of their original expiry date.

G) OTHER PAYABLES

Other payables are any that do not fall within the previous item.

H) PROVISIONS FOR RISKS AND COSTS

Provisions for risks and costs, should they exist, are equivalent to the estimated value of the costs of covering liabilities of certain kinds, certain or probable, the values or timings of which are uncertain at the reporting date.

I) SEVERANCE PAY

This is the effective debt to employees accrued by year end, pursuant to law and work contracts in force, net of any advance payments.

J) ACCRUALS AND DEFERRALS

These are calculated on an accruals basis and with respect for the general principle of correlation between income and costs.

K) INCOME

Income is listed according to the principle of prudence and on an accruals basis, and is essentially income from fundraising, donations and contributions from individuals, foundations and companies, financial income and income from assets.

Income is recorded in the income statement when its value is determined or determinable, and in the case of land and buildings, at the moment of their sale.

With regard to funds gathered through donations in cash from private individuals' postal and bank current accounts, generally speaking the principle of cash accounting was followed.

L) COSTS

Costs are essentially costs for services and for the running of missions and support offices, including VAT, as well as staff salaries and related costs. These are listed on an accruals basis and on the principle of correlation between costs and income.

M) TAXES

Taxes on income in the period are determined in accordance with the legislation applicable to Onlus, and listed in the item 'Tax payables'.

3. ITEMS IN DETAIL

A.1 - INTANGIBLE ASSETS

Change since the previous year is as follows:

Within the item 'Other intangible assets', the most significant figure is for improvements to third-party assets, due to the renovation project at the Organisation's head office in Milan, with a residual value to be amortised of 4,236,517 euros.

Movements in the course of the year are listed in the table below:

Change in intangible assets			
ITEM	NET BOOK VALUE 2020	NET BOOK VALUE 2019	CHANGE
A.1.1 Start-up and expansion costs	-0	0	0
A.1.2 Research, development and advertising costs	40,017	47,285	-7,268
A.1.3 Industrial and intellectual property rights	12,848	26,906	-14,058
A.1.4 Concessions, licences, trademarks and patents	67,867	33,080	34,787
A.1.5 Other intangible assets	4,264,694	4,460,836	-196,142
TOTAL	4,385,426	4,568,107	-182,681

The overall change in 2020 was 217,147 euros. Amortisation over the year amounted to 399,828 euros and is recorded in the income statement, where it is divided by area of activity. It should be noted that amortisation amounting to 6,135 euros is recorded in items B5 and B6 of the income statement.

Movements in intangible assets used for general support									
ITEM	INITIAL HISTORIC COST	INITIAL AMORT. FUND	INITIAL NET BOOK VALUE	CHANGE IN HISTORIC COST OVER THE YEAR	FINAL HISTORIC COST	ADJUST. TO FUND	AMORT.OVER THE YEAR	AMORT. FUND AT YEAR END	FINAL NET BOOK VALUE
A.I.1 Start-up and expansion costs	4,658	4,658			4,658		-	4,658	-0
A.I.2 Research, development and advertising costs	107,874	60,589	47,285	5,480	113,353	-	12,747	73,336	40,017
A.I.3 Industrial and intellectual property rights	114,346	87,440	26,906	2,252	116,598	-	16,310	103,750	12,848
A.I.4 Concessions, licences, trademarks and patents	200,146	167,066	33,080	87,478	287,624	-	52,690	219,757	67,867
A.I.5 Other intangible assets	6,084,441	1,623,604	4,460,836	121,938	6,206,379	-	318,080	1,941,684	4,264,694
TOTAL	6,511,464	1,943,357	4,568,107	217,147	6,728,612	-	399,828	2,343,186	4,385,426

At the end of 2020, start-up and expansion costs (item A.I.1) were fully amortised, so their residual value is zero. This item includes implementation of the management software Team System, now used by the Organisation.

Research, development and advertising costs (item A.I.2) comprise mainly those for planning the new Maternity Centre in Anabah, which began running at the end of 2016. The increase is due mainly to certain plans done to complete the hospital in Uganda.

Costs for industrial and intellectual property rights (item A.I.3) are due mainly to the purchase of licences for the telephone system, for administrative, management and staff management software, and for Windows and Office software, including for the hospital in Khartoum.

'Concessions, licences, trademarks and patents' (item A.I.4) includes the costs for producing medical records for the Italy Programme, for creating an application to manage donations and for implementing mission management software to process monthly cash flows. The item also includes the costs for developing a 360-degree video application connected to the Organisation's work in Afghanistan, for creating the website 'Dove l'erba trema' and for creating a website on which to publish the Organisation's Sustainability Report and related videos. Increases in 2020 were due mainly to the implementation of the mission management software, which cost 78,742 euros, and adaptation of the donation management software, which cost 6,844 euros.

'Other intangible assets' (item A.I.5) includes improvements to land and buildings leased or conceded to the Organisation. These mostly comprise the costs for renovating the Organisation's head office in Milan (Casa Emergency), amounting to 4,804,956 euros; special maintenance at its Venice office, amounting to 33,096 euros; and special work on facilities in use on its projects, for example work on the hospital in Anabah and construction of a new operating theatre in Lashkar-Gah. The increase in these costs since 2020 is due mainly to renovation of the pharmacy at the hospital in Kabul, amounting to 71,346 euros. This increase breaks down as follows:

IMPROVEMENTS TO THIRD-PARTY ASSETS	INCREASE IN 2020
KABUL HOSPITAL	71,346
KHARTOUM HOSPITAL	3,488
LASHKAR-GAH HOSPITAL	8,995
NYALA HOUSES	2,888
HEAD OFFICE	18,188
SULAYMANIYAH REHABILITATION CENTRE	17,032
TOTAL	121,938

The costs for renovating the head office (Casa Emergency) will be depreciated over a period of 30 years, the estimated useful life of the renovation work.

With regard to article 2427, paragraph 1, number 8 of the Civil Code, it should be noted that no financial costs were ascribed to any figures listed under assets.

A.II - TANGIBLE ASSETS USED ON ONGOING MISSIONS

Change since the previous year is as follows:

Change in tangible assets used on ongoing missions			
ITEM	NET BOOK VALUE 2020	NET BOOK VALUE 2019	CHANGE
A.II.1 Land and buildings	33,649	398,182	-364,533
A.II.2 Hospital plant and machinery	70,546	123,106	-52,561
A.II.3 Hospital equipment	911,177	721,681	189,496
A.II.4 Other assets used on ongoing missions	967,868	1,032,238	-64,370
A.II.5 Assets under development and advance payments	17,872,941	16,894,204	978,737
TOTAL	19,856,180	19,169,412	686,768

This item increased over the year due to new investments and specifically to:

- final construction work on the Paediatric Centre in Uganda, totalling 978,736 euros, which will be depreciated beginning in the year 2022, due to the hospital's opening being delayed by the Covid-19 pandemic. The sum of the construction costs included in assets to be depreciated is 17,872,941 euros, out of a total project cost of 23,377,824 euros;
- purchases of lasting assets for the running of missions, specifically surgical and medical equipment, furniture, fittings, computers and various other equipment.

The figures listed include decreases due to depreciation, now complete, for the Centre for Cardiac Surgery in Khartoum and the Paediatric Centre in Port Sudan.

It should be noted that as of 2020, assets for Sudan have also been depreciated in full, as the process of depreciating construction costs for buildings there has come to an end. This decision was also informed by the political and economic state of the country.

It should also be noted that capital expenditure is planned systematically over the course of the year in the annual budget, and the related financial commitments are undertaken in line with the need to cover the investments made.

In the interests of clarity, the items containing costs for moulding prostheses and for office equipment have been classified.

Variazione immobilizzazioni materiali in missioni operative											
ITEM	INITIAL HISTORIC COST	INITIAL DEPREC. FUND	INITIAL NET BOOK VALUE	INCREASE	DECREASE	CHANGE IN HISTORIC COST OVER THE YEAR	FINAL HISTORIC COST	USE OF FUNDS FOR ASSET REVERSAL	AMORT. OVER THE YEAR	AMORT. FUND AT YEAR END	FINAL NET BOOK VALUE
A.II.1 Land and buildings	17,158,101	16,759,919	398,182	9,547		9,547	17,167,647	1,414	375,494	17,133,999	33,649
A.II.2 Hospital plant and machinery	1,706,022	1,582,915	123,106	157,077	-	157,077	1,863,098	-	209,638	1,792,553	70,546
A.II.3 Hospital equipment	10,090,725	9,369,043	721,681	668,874		668,874	10,759,599	881	478,497	9,848,422	911,177
A.II.4 Other assets used on ongoing missions	12,101,098	11,068,860	1,032,238	254,073	-	254,073	12,353,362	480	316,154	11,385,495	967,868
A.II.5 Assets under development and advance payments	16,894,204	-	16,894,204	978,737	-	978,737	17,872,941		-		17,872,941
TOTAL	57,950,149	38,780,738	19,169,411	2,068,307	-	2,068,307	60,016,648	2,775	1,379,784	40,160,468	19,856,180

Item A.II.1, 'Land and buildings', comprises mainly cost for buildings used as hospital facilities and as accommodation for foreign staff on the Organisation's various missions around the world. This figure is mostly due to the Salam Centre for Cardiac Surgery in Khartoum, completion of the Maternity Centre in Anabah and work on the centre in Lashkar-Gah in Afghanistan. Depreciation over the year follows the criteria outlined in paragraph 2 and is accounted for in item C16b of the income statement, 'Depreciation and write-downs'.

Item A.II.2, 'Hospital plant and machinery', comprises mainly supplies, general equipment and upkeep of electrical, plumbing and mechanical installations at hospital facilities and accommodation for foreign staff on the Organisation's missions in various countries.

Depreciation over the year follows the criteria outlined in paragraph 2.

Item A.II.3, 'Hospital equipment', includes medical equipment and various other kinds of equipment used on the Organisation's various missions in various countries. The increase in the historic cost of this item breaks down as follows:

COST CENTRE	AMOUNT
ANABAH HOSPITAL	6,823
EMERGENCIES	69,296
ENTEBBE HOSPITAL	234,979
GODERICH HOSPITAL	7,500
KABUL HOSPITAL	19,000
KHARTOUM HOSPITAL	331,276
TOTAL	668,874

Depreciation follows the criteria outlined in paragraph 2.

Item A.II.4, 'Other assets', includes, among other things, telecommunications devices, vehicles, electrical and mobile appliances and various fittings used on the Organisation's various missions in various countries.

Specifically, these comprise:

- hospital and non-hospital furniture and fittings for the Maternity Centre in Anabah;
- assets for setting up cooperatives in Kurdistan;
- assets for fleets of vehicles for various projects;
- assets for the 'Health Box - Art. 10' mobile clinic for the Italy Programme.

Change in the historic cost of the item 'Other assets' over the year breaks down as follows:

COST CENTRE	AMOUNT
MOBILE PHONES	550
EMERGENCIES	550
VEHICLES	152,863
ENTEBBE HOSPITAL	38,758
MAYO HOSPITAL	29,600
NYALA HOSPITAL	55,804
PORT SUDAN HOSPITAL	28,700
COMPUTERS	14,644
INSTITUTIONAL FUNDS 2016	857
ANABAH HOSPITAL	2,309
EMERGENCIES	1,772
PROJECT SUPPORT FROM HEAD OFFICE	5,670
KABUL FAP	836
KHARTOUM HOSPITAL	891
LASHKAR-GAH HOSPITAL	2,309
ELECTRICAL APPLIANCES	84,380
GODERICH HOSPITAL	8,190
KABUL HOSPITAL	8,190
LASHKAR-GAH HOSPITAL	68,000
FURNITURE AND FITTINGS	1,638
ENTEBBE HOSPITAL	0
KABUL HOSPITAL	1,638
TOTAL	254,073

Depreciation follows the criteria outlined in paragraph 2.

Item A.II.5, 'Assets under development', comprises construction costs for the new Centre of Excellence in Paediatric Surgery in Uganda. In 2020 this item increased by 978,737 euros, totalling 17,872,941 euros. These amounts will be depreciated once the hospital begins running in April 2021.

A.III - TANGIBLE ASSETS USED FOR GENERAL SUPPORT

Change since the previous year is as follows:

Change in tangible assets used for general support			
ITEM	NET BOOK VALUE 2020	NET BOOK VALUE 2019	CHANGE
A.III.1 Land and buildings	1,181,332	1,300,952	-119,620
A.III.2 Plant and machinery	14,498	14,428	70
A.III.3 General support equipment	3,282	3,277	4
A.III.4 Other assets for general support	481,572	610,979	-129,407
A.III.5 Assets under development and advance payments	2,428	12,844	-10,416
TOTAL	1,683,114	1,942,483	-259,369

This item comprises mainly assets bought to complete the renovation of the Organisation's head office on Via Santa Croce, Milan, primarily furniture, fittings and technological equipment.

Once the renovation was complete, the costs for renovation went into depreciation. They are placed in the item 'Improvements to third-party assets', within intangible assets.

Movements in the course of the year are listed in the table below:

Change in tangible assets used for general support											
ITEM	INITIAL HISTORIC COST	INITIAL DEPREC. FUND	INITIAL NET BOOK VALUE	INCREASE	DECREASE	CHANGE IN HISTORIC COST OVER THE YEAR	FINAL HISTORIC COST	ADJUST. TO FUND	DEPREC. OVER THE YEAR	DEPREC. FUND AT YEAR END	FINAL NET BOOK VALUE
A.III.1 Land and buildings	1,310,183	9,232	1,300,952	442,275	-558,911	-116,636	1,193,548	-	2,984	12,216	1,181,332
A.III.2 Plant and machinery	25,445	11,017	14,428	5,563	-	5,563	31,008	-	5,493	16,509	14,498
A.III.3 General support equipment	106,133	102,856	3,277	817	-	-	106,950	-	812	103,668	3,282
A.III.4 Other assets for general support	1,558,461	947,478	610,979	40,749	-	40,111	1,600,122	53	171,020	1,118,550	481,572
A.III.5 Assets under development and advance payments	12,844	-	12,844	-	-10,416	-10,416	2,428	-	-	-	2,428
TOTAL	3,013,066	1,070,582	1,942,483	489,405	-569,327	-81,378	2,934,056	53	180,308	1,250,943	1,683,114

Item A.III.1, 'Land and buildings', comprises mainly non-instrumental buildings, received as donations or bequests from third parties. Their listed value is taken from cadastral estimates or deduced from the deeds of donation.

The decrease is due to transfers of land and buildings in 2020; the increase is due to new acquisitions in the year. These movements are offset by an increase and decrease in 'Reserve for donations of non-instrumental assets' under net worth in this financial statement, amounting to 1,000,508 euros.

Land and buildings not destined for instrumental use by the Organisation are not depreciated, as they are not destined for sale. They generate income through the cadastral rent on the portion of them owned by the Organisation.

The depreciation done on this item amounts to 2,984 euros and is due to light construction costs (with a historic cost of 29,840 euros), which are included in the item. These figures are due mainly to setting up auxiliary support structures and to containers for delivering material to foreign missions

With respect to number 3-bis, article 2427 of the Civil Code, it should be stated that, aside from the aforementioned systematic reductions in value due to depreciation, which are deemed appropriate in view of the anticipated useful life of the assets and the Organisation's positive financial results in future, there is nothing further to report.

Non-instrumental land and buildings as at 31 December 2020 are listed in the tables below:

LAND

SUCCESSION	LOCATION	TYPE	PROPERTY RIGHTS	SHARE OWNED	SHEET	PARCEL	AGRICULTURAL INCOME	CADASTRAL INCOME	VALUE 2020
Banaudi (donation)	Carpasio (IM)	chestnut/ orchard 2	Fully owned	1	8	129	3.64	6.07	683
Banaudi (donation)	Carpasio (IM)	irrigated w/ trees	Fully owned	1	8	137	1.88	1.37	154
Banaudi (donation)	Carpasio (IM)	coppice 1	Fully owned	1	8	74	0.01	0.04	5
Banaudi (donation)	Carpasio (IM)	arable 2	Fully owned	1	8	50	5.69	3.56	401
Banaudi (donation)	Carpasio (IM)	ruined building	Fully owned	1	8	52	0	0	0
Banaudi (donation)	Carpasio (IM)	irrigated	Fully owned	1	9	33	1.92	0.96	108
Banaudi (donation)	Carpasio (IM)	irrigated w/ trees U	Fully owned	1	8	768	0.43	0.31	35

SUCCESSION	LOCATION	TYPE	PROPERTY RIGHTS	SHARE OWNED	SHEET	PARCEL	AGRICULTURAL INCOME	CADASTRAL INCOME	VALUE 2020
Banaudi (donation)	Carpasio (IM)	chestnut/ orchard 4	Fully owned	1	8	88	0.66	1.09	123
Barberis	Montaldo di Mondovi (CN)	coppice 2	Fully owned	0.031	22	159	0.59	0.99	3
Barberis	Montaldo di Mondovi (CN)	arable 3	Fully owned	0.015	3	39	1.14	0.64	1
Barberis	Montaldo di Mondovi (CN)	chestnut/ orchard 4	Fully owned	0.015	4	390	0.19	0.53	1
Barberis	Montaldo di Mondovi (CN)	chestnut/ orchard 4	Fully owned	0.015	4	460	0.18	0.5	1
Barberis	Montaldo di Mondovi (CN)	chestnut/ orchard 4	Fully owned	0.015	11	198	0.3	0.83	1
Barberis	Montaldo di Mondovi (CN)	chestnut/ orchard 4	Fully owned	0.015	22	8	1.34	3.74	6
Barberis	Montaldo di Mondovi (CN)	coppice 2	Fully owned	0.015	22	14	1.82	3.03	5
Barberis	Roburent (CN)	arable 4	Fully owned	0.025	13	153	5.26	1.52	4
Barberis	Roburent (CN)	arable 4	Fully owned	0.025	13	158	0.84	0.24	1
Barberis	Roburent (CN)	coppice 3	Fully owned	0.025	16	14	0.13	0.21	1
Barberis	Roburent (CN)	meadow 5	Fully owned	0.025	16	15	0.95	0.62	2
Calleri	Pomezia (RM)	appurtenant land	Fully owned	0.024	57	909	0.04	0.14	0
Cuzzer	Vignone (VB)	land	Fully owned	0.052	8	219	0.68	0.23	1
Cuzzer	Vignone (VB)	land	Fully owned	0.052	8	221	0.94	0.32	2
Donati A.	Bergamo (BG)	coppice	Fully owned	0.5	6	172	3.76	37.62	2,116
Donati A.	Bergamo (BG)	prato	Fully owned	0.5	20	47	114.88	99.84	5,616
Donati A.	Ponteranica (BG)	coppice	Fully owned	0.5	9	1078	5.25	43.77	2,462
Donati A.	Ponteranica (BG)	coppice	Fully owned	0.5	9	1095	0.31	3.06	172
Donati A.	Ponteranica (BG)	coppice	Fully owned	0.5	9	2374	0.01	0.04	2
Donati A.	Ponteranica (BG)	pasture w/ trees	Fully owned	0.5	9	2498	0.04	0.1	6
Donati A.	Ponteranica (BG)	coppice	Fully owned	0.5	9	2560	0.01	0.06	3
Donati A.	Ponteranica (BG)	coppice	Fully owned	0.5	9	3833	0.04	0.43	24
Donati A.	Ponteranica (BG)	coppice	Fully owned	0.5	9	3943	0.65	6.55	368
Donati A.	Ponteranica (BG)	coppice	Fully owned	0.5	9	7116	1.99	16.6	934
Donati A.	Ponteranica (BG)	coppice	Fully owned	0.101	9	2348	0.45	4.54	52
Donati A.	Ponteranica (BG)	coppice	Fully owned	0.101	9	2354	1.16	11.57	131
Donati A.	Ponteranica (BG)	coppice	Fully owned	0.101	9	2355	0.14	1.38	16

SUCCESSION	LOCATION	TYPE	PROPERTY RIGHTS	SHARE OWNED	SHEET	PARCEL	AGRICULTURAL INCOME	CADASTRAL INCOME	VALUE 2020
Donati A.	Ponteranica (BG)	coppice	Fully owned	0.101	9	2370	0.61	6.14	70
Meli	Torrenova (ME)	farmland	Fully owned	0.5	13	1402	3.56	10.65	599
Meli	Torrenova (ME)	farmland	Fully owned	0.5	13	1615	6.82	20.38	1,146
Rinaldi	Venarotta	arable	Fully owned	0.5	19	25	2.85	1.78	100
Rinaldi	Venarotta	arable w/ trees	Fully owned	0.5	19	106	1.39	1.24	70
Vinco	Berbennio di Valtellina (SO)	vineyard	Fully owned	1	20		0.25	0.43	48
Mondini	Borgo Tossignano (BO)			1			0		0
Mondini	Borgo Tossignano (BO)			0.333			62.95	217.17	8,144
Mondini	Borgo Tossignano (BO)			0.333			24.37	84.06	3,152
Di Stefano				1			2.12	5.29	595
TOTAL									27,365

BUILDINGS

SUCCESSION	LOCATION	TYPE	PROPERTY RIGHTS	SHARE OWNED	VALUE 2020
Banaudi	Carpasio (IM)	dwelling	Fully owned	1	15,813
Banaudi	Carpasio (IM)	cellar	Fully owned	1	3,292
Bussi	Calolziocorte (LC)	dwelling	Fully owned	0.5	15,183
Bussi	Calolziocorte (LC)	cellar	Fully owned	0.5	1,104
Caldei	Sestino (AR)	dwelling	Fully owned	1	64,878
Caldei	Sestino (AR)	dwelling	Fully owned	1	0
Caldei	Sestino (AR)	garage	Fully owned	1	0
Calleri	Ardea (RM)	dwelling	Fully owned	1	109,161
Cambedda	Dorgali (NU)	dwelling	Fully owned	0.25	17,570
Candela	Catanzaro (CZ)	dwelling	Fully owned	1	53,686
Celant	Trapani (TP)	dwelling	Fully owned	1	84,943
Cuzzer	Verbania (VB)	dwelling	Fully owned	0.52	3,638
Cuzzer	Vignone (VB)	dwelling	Fully owned	0.52	2,741
Cuzzer	Vignone (VB)	cellar	Fully owned	0.52	355
Fei	Roma	dwelling	Fully owned	1	0
Ferraro G.	Mulazzano (LO)	dwelling	Fully owned	0.5	19,522
Ferraro G.	Mulazzano (LO)	store room	Fully owned	0.5	5,144
Ferraro G.	Mulazzano (LO)	dwelling	Fully owned	0.5	26,843
Frassinella	Trento (TN)	dwelling	Fully owned	0.083	22,027
Frassinella	Trento (TN)	garage	Fully owned	0.083	2,317
Frassinella	Trento (TN)	dwelling	Fully owned	0.25	12,445
Frassinella	Grottaferrata (RM)	dwelling	Fully owned	0.083	39,739
Frassinella	Grottaferrata (RM)	garage	Fully owned	0.083	5,906
Gagliardi	Forlì (FC)	dwelling	Bare ownership	1	45,364
Gagliardi	Forlì (FC)	garage	Bare ownership	1	5,922
Gambino	Aicurzio (MB)	garage	Fully owned	0.3	1,007
Gambino	Aicurzio (MB)	garage	Fully owned	0.3	1,007
Gambino	Aicurzio (MB)	garage	Fully owned	0.3	1,007
Gambino	San Remo (IM)	dwelling	Fully owned	0.3	21,474
Gambino	Bolgare (BG)	store room	Fully owned	0.3	1,223
Gambino	Bolgare (BG)	store room	Fully owned	0.3	1,300
Gambino	Bolgare (BG)	dwelling	Fully owned	0.3	19,034

SUCCESSION	LOCATION	TYPE	PROPERTY RIGHTS	SHARE OWNED	VALUE 2020
Gambino	San Remo (IM)	store room	Fully owned	0.3	434
Lettieri	Assisi (PG)	dwelling	Fully owned	0.5	63,772
Lettieri	Assisi (PG)	garage	Fully owned	0.5	5,505
Orrù	Cagliari (CA)	dwelling	Fully owned	0.2	25,379
Palmisano	Castellaneta (TA)	dwelling	Fully owned	0.2	0
Parravidini	Menconico (PV)	dwelling	Fully owned	1	39,118
Pupilli	Gallarate (VA)	dwelling	Fully owned	1	62,958
Pupilli	Gallarate (VA)	garage	Fully owned	1	7,321
Pupilli	Gallarate (VA)	garage	Fully owned	1	6,833
Reni	Pordenone (PN)	dwelling	Fully owned	0.017	2,309
Rinaldi	Roma (RM)	dwelling	Fully owned	1	120,388
Rinaldi	Venarotta (AP)	dwelling	Fully owned	0.5	12,494
Sacchetti	Como (CO)	dwelling	Fully owned	0.25	43,355
Santi	Collecchio (PR)	dwelling	Fully owned	1	48,967
Santi	Collecchio (PR)	garage	Fully owned	1	5,232
Ursini	Trieste (TS)	dwelling	Fully owned	1	45,552
Vinco	Barbenno di Valtellina (SO)	garage	Fully owned	1	12,495
Vinco	Barbenno di Valtellina (SO)	dwelling	Fully owned	1	30,585
TOTAL					1,136,342

It should be noted that land and buildings subject to litigation or accepted with the benefit of inventory.

None of the land and buildings in question are instrumental to the Organisation's work and so their fiscal status is as follows:

- Both land and buildings generate income that is taxed in the ordinary way.
- Some of the land and buildings were received as donations; therefore, in the event of transfer, they may potentially generate taxable capital gains because they can be classified as various income under article 67 of the Consolidated Income Tax Act.
- Land and buildings acquired through bequests do not generate taxable capital gains.

Item A.III.2, 'Plant and machinery' (final net book value), comprises mechanical, electrical and other installations. This item increased slightly over the year, mainly as a result of work done on the head office on Via Santa Croce, Milan, and on the Venice office.

Item A.III.3, 'Equipment' (final net book value), comprises mainly various kinds of equipment in use at the Milan, Rome and Venice offices and the warehouses at Novate Milanese and Rome.

Item A.III.4, 'Other assets' (final net book value), comprises mainly computers, telecommunications devices, vehicles, electrical and mobile appliances and fittings for the offices in Milan, Rome and Venice and the warehouses. Increases in the year are due mainly to the purchase of new computers and IT equipment, as well as new tax calculators for the Christmas markets following the introduction of mandatory electronic receipts.

Item A.III.5, 'Assets under development and advance payments' (final net book value), comprises costs for special maintenance work on the Venice office. These costs will be recouped in coming years, as agreed with the municipal council of Venice, in lieu of rent. The decrease is due to recuperation of the costs in 2020.

A.IV - FINANCIAL ASSETS

'Other securities' in financial assets comprises mutual funds of 825,415 euros, inherited from a donor, which it was deemed appropriate not to use immediately, as market conditions were unfavourable. These assets were used instead in March 2021.

Change since the previous year is due to the release of a deposit of 2,500,000 euros, as a

guarantee for two loans, one of 4,500,000 euros for renovating the head office on Via Santa Croce, Milan, and the other of 1,000,000 euros to fund the construction of the hospital in Uganda; both loans were repaid in advance, without additional costs, in December 2020, following receipt of the 5 per mille funds for 2019, which provided liquidity.

The Organisation has a stake in Banca Popolare Etica Soc. Coop. a r.l. (Piazzetta Beato Giordano Forzatè, Padua), at which it has also opened a current account. The stake amounts to 19,647 euros, a figure that underwent no change since the previous year, and this valuation seems to be in line with the figure in the investee company's net worth.

Change of 500 euros since the previous year is due to a stake the Organisation held as a financing member in Cooperativa Dieci Dicembre Soc. Coop. a r.l., which went into liquidation. The Organisation was the beneficiary of 199,429 euros in leftovers from liquidation, which is accounted for in the item 'Other income'. It should be noted that there are no relationships of control or association between the Organisation and third-party companies.

B - CURRENT ASSETS

B.I - RECEIVABLES

1. VALUATION CRITERIA

Pursuant to article 2426, paragraph 1, number 8 of the Civil Code, receivables are listed using the amortised cost method, with the exception of those on which the effects of applying that method are irrelevant (being set to expire within 12 months), as per article 2423, paragraph 4 of the Civil Code.

Receivables to which amortised cost is not applied are listed at presumed realisable value. Regardless of whether amortised cost is applied, receivables are listed in the financial statement net of a provision for write-downs to cover those judged to be unrecoverable, as well as for the general risk posed by remaining receivables. This provision is an estimate based on past experience, the length of time the receivables have been due, the general financial situation of the Organisation and of its component involved in the project, and the level of risk in the country, as well as events after year end that have an effect at the reporting date.

Change in short-term receivables is due mainly to a decrease in receivables from others. All receivables are in the year.

Below is the change since the previous year in the categories within the item that showed movement.

Change in receivables				
	ITEM	2020	2019	CHANGE
B.I.5 Tax receivables		119,339	70,746	48,593
B.I.6 Receivables from others		6,874,128	3,322,092	3,552,036
TOTAL		6,993,467	3,392,837	3,600,630

ITEMS IN DETAIL

B.I.4) - RECEIVABLES FOR 5 PER MILLE FUNDS

As set out by CNDCEC in Recommendation no. 2, 'Valuation and recording of donations in the financial statements of non-profit organisations', accounting for 5 per mille funds is 'included in the income for the year in which they are received or in which the right to receive them is granted in law, provided that a credible monetary value can be assigned to them.' In the specific case of 5 per mille funds, right of collection is granted when the definitive list stating their distribution is published. Non-profit bodies can therefore either:

- 1) count these contributions as income in the year in which they are collected; or
- 2) count them as income in the year in which the aforesaid list is published and therefore include a receivable for them in the financial statement, to be cancelled out on payment.

The Organisation decided to use the first of these methods, meaning there were no such

receivables in the financial statement at year end.

In June 2020 the Ministry of Work and Social Policies paid the Organisation its funds from the 5 per mille segment of personal income tax, paid by taxpayers in 2018 on the basis of income in 2017. This included the share attributable to 'remainders', totalling 11,185,756 euros. The full amount was collected before the writing of this financial statement.

To help third-sector bodies cope with the financial difficulties they faced in 2020 as a result of the pandemic, the government also paid them their 5 per mille funds from personal income tax paid in 2019 on the basis of income in 2018. The Organisation's share, of 11,333,886 euros, was collected in September 2020.

The destination of this second lot of 5 per mille funds was defined and approved by the Board of Directors on the occasion of the budget for 2021: they will be used to cover costs in this year.

In this financial statement, therefore, income from the second lot of 5 per mille is discounted for the same amount.

At the date of writing, the list stating the distribution of funds paid by taxpayers in 2020 based on income in 2019 has not yet been published.

B.I.5) - TAX RECEIVABLES

This comprises mainly receivables for advances on regional production tax and corporate income tax, for withholding tax on severance pay and for VAT, and withholding taxes to be paid in the month of January.

B.I.6) - RECEIVABLES FROM OTHERS

'Receivables from others' is comprised mainly of receivables for contributions to be paid by funding bodies.

These contributions belong to the year in question but were yet to be collected as at 31 December 2020.

The item 'Receivables from others' breaks down as follows:

ITEM	2020	2019	CHANGE
contributions yet to be received from funding bodies	3,214,131	2,052,689	1,161,442
receivables from Fondazione Prosolidar	390,000	780,000	-390,000
receivables for security deposits	52,962	41,553	11,409
receivables for prepayments/credit notes from suppliers	82,374	20,222	62,153
receivables from employees	98,845	67,874	30,971
receivables from customers for commercial activity	309,968	295,385	14,583
other receivables	2,725,847	64,369	2,661,478
TOTAL	6,874,128	3,322,092	3,552,037

These receivables are all due within 12 months.

'Contributions yet to be received' comprises recognised but as yet unpaid contributions of various kinds, from institutions and other bodies, mostly already assigned to the opening months of the following year. These include payments by volunteer groups for ongoing initiatives, and other donations yet to be actually paid. This item increased since the previous year due to institutional donors taking different lengths of time to pay.

'Receivables from Fondazione Prosolidar' comprises funds earmarked for the project of building the paediatric hospital in Uganda. These are offset for the same amount in 'Funds for future missions'. Change since the previous year is due to the amount paid by Prosolidar in 2020 in support of this project, on the basis of the progress of the work. The figure provided is the amount yet to be paid by Prosolidar, which was collected in January 2021.

Also included are prepayments to suppliers and receivables for rental deposits, which increased mainly as a result of deposits paid for the new office in Rome and new information point in Genoa.

'Receivables from others' also includes receivables for the earmarked deposit set up after loans were granted for renovation of the head office in Milan and for the construction of the hospital in Uganda. This deposit was released in January 2021 after the early discharge of these loans.

The rest of the receivables relate mostly to Christmas gadgets and party bags, sold on the e-commerce website and at sales points set up by the Organisation, and advances paid to employees.

These receivables are listed at nominal value. It is not thought necessary to adjust them to take into account their presumed realisable value and nor is it thought necessary, therefore, to set up a provision for write-downs to correct their value.

'Other receivables' consists mainly of the balance on prepaid credit cards for specific projects.

B.II - INVENTORY

1. VALUATION CRITERIA

Raw and auxiliary material, finished products and gadgets are listed at weighted average cost. Inventory of medicine and medical material is valued at last purchase price.

2. ITEMS IN DETAIL

Inventory comprises material available on ongoing missions (medicine, medical material, prostheses and supplies) and at the head office as at 31 December 2020. Inventory consisting of stock of gadgets used by local groups as promotional products was disposed of over the year due to the introduction of mandatory electronic receipts, which made it impossible for volunteer stalls to meet regulations of sale. Inventory of medicine and medical material is valued at last purchase cost. It should be noted that the figure for inventory at year-end costs does not differ significantly from the figure used for purposes of valuation at year end.

Below are the movements in inventory as at 31 December 2020:

Change in inventory			
ITEM	2020	2019	CHANGE
B.II.1 Medicine and medical material for ongoing missions	-	2,011,511	-2,011,511
B.II.2 Material for prostheses for ongoing missions	-	321,200	-321,200
B.II.3 Other material for missions	-	63,471	-63,471
B.II.4 Other material for fundraising operations and other inventory	114,871	544,730	-429,859
B.II.5 Other support material	-	-	-
TOTAL	114,871	2,940,912	-2,826,041
Write-down provision for stock	-57,436	-142,031	84,595
TOTAL	57,436	2,798,883	-2,741,446

It should be noted that the change since the previous year in the figure for inventory of medicine and medical material is due to the item being recorded in a different way, in order to assign the cost to the year of purchase of the material, which is destined not for sale but for consumption on projects.

The inventory therefore lists the value at year end of material used for fundraising by the Organisation's offices, which consists mainly of goods and services yet to be provided. It should be noted that the Organisation continued its work, begun the previous year, of disposing of gadgets it had intended to sell through e-commerce and at its Christmas shops. Reduction of inventory of stock is also due to gadgets no longer being sold by local groups and to the disposal of gadgets they held.

The write-down provision for stock was adjusted to a figure of 57,436 euros, to take into account the potential difficulty of using certain very outdated products, resulting in the extraordinary income that accounts for the remainder. In the financial statement the value of inventory is listed net of the provision for write-downs.

B.III - FINANCIAL ASSETS

1. VALUATION CRITERIA

This item comprises financial assets and ready cash at year end.

Receivables, originally in foreign currencies and initially listed on the basis of exchange rates at the date on which they arose, are adjusted to exchange rates at year end. Profit and loss from conversion of receivables are listed in items F39, 'Profit from various currency operations', and F40, 'Loss from various currency operations', of the income statement, and in the item 'Various costs for ongoing missions'. Profit and loss from conversion of accounts into foreign currencies used on missions are accounted for within the individual projects. Over the course of 2020, there were strong fluctuations in the exchange rate between the euro and the US dollar and between the euro and the Sudanese pound.

2. ITEMS IN DETAIL

Change in financial assets			
ITEM	2020	2019	CHANGE
B.III.1 Cash in hand	361,292	361,337	-45
B.III.2.a Other bank and postal deposits earmarked for projects	13,089,556	14,303,818	-1,214,262
B.III.2.b Bank and postal deposits on-site on missions	1,500,194	2,544,875	-1,044,681
B.III.2.c Other bank and postal deposits	19,941,574	8,125,151	11,816,423
B.III.4 Other short-term assets			
TOTAL	34,892,616	25,335,182	9,557,435

Besides cash in hand, this group comprises items linked to bank and postal current accounts, listing separately those with specific purposes, namely to fund specific projects, the funds from which are already earmarked for the costs of those projects. These particular accounts saw an increase in the year, due above all to the collection of two lots of 5 per mille funds in September 2020, totalling 11,333,886 euros.

This amount breaks down primarily into:

- funds in accounts used to fund specific projects, for 13,089,556 euros, which can therefore only be used for costs linked to those projects. Of particular significance to this item are funds from the WHO for renovation and start-up at the hospital in Yemen, work which was delayed by the pandemic; there are 3,416,972 euros earmarked for this project as a result;
- deposits on-site on missions, for 1,500,194 euros;
- the remainder, which are funds not earmarked for any specific project. This figure is particularly significant because of when this income was received, largely in the last month of the year, due especially to Christmas donations from natural persons and income from sales at Christmas markets, on top of the aforementioned two lots of 5 per mille funds.

Sureties as at 31 December 2020 amounted to 342,012 euros. These comprised mainly guarantees requested by funders of projects as surety for loans. The decrease is due largely to the discharge of the loan taken out for the project in Bangui.

C - ACCRUALS AND DEFERRALS

C.1.2 - ACCRUED INCOME AND PREPAYMENTS

1. VALUATION CRITERIA

Accrued income and prepayments are determined on an accruals basis.

For accruals and deferrals lasting more than one year, the conditions that determined their original listing are assessed and suitable changes are applied if necessary.

Accruals and deferrals measure costs and income whose accrual is early or delayed with respect to their actual payment or recording; they do not take into account the date of payment or date of collection of costs and income that belong to multiple years and can be allocated over time.

2. ITEMS IN DETAIL

Change since the previous year is as follows:

Change in accrued income and prepayments			
ITEM	2020	2019	CHANGE
C.1.1 Accrued income	125	0	125
C.1.2 Prepayments	404,441	324,408	80,033
TOTAL	404,566	324,408	80,158

The item 'Accrued income' is generally in line with previous year end.

This item is comprised essentially of insurance premiums paid in advance at the end of 2020, maintenance fees similarly paid in advance, rent and telephone bills.

INFORMATION ON ITEMS IN THE BALANCE SHEET: LIABILITIES

A - NET WORTH

The table below gives the movements that caused changes in the items in net worth (A under liabilities):

Net worth					
ITEM	INITIAL BALANCE	ALLOCATION OF SURPLUS FOR THE YEAR	INCREASE	DECREASE	FINAL BALANCE
A.I Endowment fund	8,801	-	-	-	8,801
A.II Reserves for donations:					
a) of instrumental assets	31,718	-	-	-	31,718
b) of non-instrumental assets	1,117,143	-	442,276	558,911	1,000,508
c) other			825,415		825,415
A.III Reserves for operating surplus from previous years	24,050,390	160,350		-	24,210,740
A.IV Reserves for earmarked operating surplus from previous years	-	-	-	-	-
A.V Other reserves	-	-	-	-	-
A.VI Surplus/(deficit) from operations in previous years	-	-	-	-	-
A.VII Surplus/(deficit) from operations in the year	160,350		215,863	160,350	215,863
TOTAL	25,368,402	160,350	1,483,554	719,261	26,293,044

The reserve for donations of instrumental assets is offset by donated assets and showed no movement over the year.

The reserve for donations of non-instrumental assets is offset by donated or bequeathed assets regarded as non-instrumental.

Decreases in this item relate to land and buildings; similarly, increases are due to land and buildings acquired.

'Other reserves' are securities from bequests, which are offset in security deposits.

Operating surplus from previous years moved only to the year-end result for 2019.

B - TIED ASSETS

1. VALUATION CRITERIA

Tied assets are destined to cover losses or debts, certain or probable, the values or timings of which are uncertain at year end.

Where necessary, risks and losses in the year are taken into account, even if they have come to light after the year end but before the writing of the financial statement.

Valuation of the items is done with respect for the general principle of prudence and on an accruals basis, and no items were created for general risks lacking a financial justification.

Contingent liabilities are listed in the financial statement and included in the items only if they are deemed probable and if the pertaining figures can be reasonably estimated.

2. ITEMS IN DETAIL

At the end of 2020 the situation was as follows:

TIED assets				
ITEM	INITIAL BALANCE	INCREASE	DECREASE	FINAL BALANCE
B.1.2 Fund for future missions	780,000	-	390,000	390,000
B.1.3 Fund for ongoing missions	1,500,000	1,300,000		2,800,000
B.1.5 Fund for pensions and similar	383,100	9,479	-	392,579
B.1.6 Other	456,698	85,832	53,370	489,159
TOTAL	3,119,798	1,395,311	443,370	4,071,738

The amounts listed in the item 'Tied assets' are distinguished by destination. It is therefore deemed suitable, partly in the interests of consistency with previous years, to separate the funds for future missions and for ongoing missions. The item includes funds for both risks and costs, under 'Other'.

The final balance for item B.1.2, 'Fund for future missions', totalling 390,000 euros, comprises the remainder of the contribution from Fondazione Prosolidar, earmarked for the paediatric hospital in Uganda. This amount was collected in January 2021.

The fund was included in the financial statement for 2011, for a figure of 3,180,000 euros, offset by receivables from Prosolidar. It was used over time for the portion of the project costs provided by Prosolidar and accounted for as such.

The decrease in the fund since the previous year, amounting to 390,000 euros, is due to the portion of these project costs provided and accounted for in 2020.

Item B.1.3, 'Fund for ongoing missions', totalling 2,800,000 euros, is for future risks and costs as at 31 December 2020, namely the potential failure of the Sudanese government to pay its contribution to the Centre for Cardiac Surgery in Khartoum, in view of inflation pushing up costs. The exchange rate worsened further in the opening months of 2021, going from 65 Sudanese pounds to the euro in December 2020, to 455 in March 2021. This caused an increase above all in on-site staff costs, estimated to amount to 1,300,000 in 2021 alone.

Item B.1.5, 'Fund for pensions and similar', is the figure set aside for internal labour policies, including payments to staff hired in the past and still working for the Organisation, in anticipation of the end of their working relationship.

This item increased by 9,479 in the year.

The final balance for item B.1.6, 'Other', increased since the previous year by 95,311 euros. This figure is made up mainly of:

- a) 69,156 euros, to cover legal fees for ongoing legal disputes. This fund totalled 106,500 euros at the beginning of the year, 37,344 euros of which was used;
- b) 69,433 euros, as a provision for urban waste tax that may be due for the Organisation's buildings in Rome (office, warehouse and information point);
- c) 64,638 euros to cover arrears in electricity bills at the hospital in Goderich from the year 2018, the total for which has yet to be calculated with certainty, and of which 16,025 euros was paid in the year 2020. A provision of 85,832 euros, based on estimates, was also set up to cover payment of withholding taxes for the years 2018 to 2020, for the mission in Afghanistan.
- d) 213,450 euros to cover the potential failure of a funding body to pay its contribution to the project in Afghanistan.

C - PAYABLES

1. VALUATION CRITERIA

Payables are given at nominal value, adjusted in the case of return of goods or amendments to invoices.

Payables, originally in foreign currencies and initially listed on the basis of exchange rates at the date on which they arose, are adjusted to exchange rates at year end.

Payables are listed at nominal value, which is deemed representative of their discharge value. 'Payables to suppliers' includes, aside from payables for regularly received invoices, the figure for invoices yet to be received for services provided and orders delivered by 31 December 2020. 'Tax payables' includes payables for withholding taxes on employed and self-employed income, as well as for regional production tax, corporate income tax and VAT for the year, and for any local taxes yet to be paid.

Payables for regional production tax and corporate income tax are listed gross of advance payments.

The payables are broken down by area of work, meaning that those contracted on missions abroad and those linked to support work are separate.

2. ITEMS IN DETAIL

C.I - FOREIGN PAYABLES FOR ONGOING MISSIONS

Change in foreign payables for ongoing missions			
ITEM	2020	2019	CHANGE
C.I.1 and 2 Payables to banks	-	1,210,285	1,210,285
C.I.6 Payables to suppliers	543,679	299,616	-244,063
C.I.7 Payables to mission staff	570,995	549,433	-21,562
C.I.8 Severance pay for support staff on ongoing missions	863,660	712,797	-150,863
TOTAL	1,978,334	2,772,132	793,797

This item covers on-site purchases for ongoing missions, that is, in the same country as the mission.

Change since the previous year is due to advance payment of funding for completing the design and construction of the paediatric hospital in Uganda, for 2,500,000 euros, and the related earmarking of a deposit for surety.

The item 'Severance pay for support staff on ongoing missions' contains amounts due to Italian staff on missions abroad and in their own country.

C.II - PAYABLES FROM CULTURAL WORK, OFFICES AND SUPPLY OF GOODS AND SERVICES FOR ONGOING MISSIONS CONTRACTED IN ITALY

ITEM	2020	2019	CHANGE
C.II.1 and 2 Payables to banks	-	3,252,750	-3,252,750
C.II.3 Payables to suppliers for ongoing missions	2,449,953	3,611,116	-1,161,163
C.II.4 Payables to office staff	262,667	186,022	76,645
C.II.5 Payables to insurance companies	559,945	344,738	215,207
C.II.6 Severance pay for office staff	865,572	766,226	99,346
C.II.7 Tax payables	249,116	291,368	-42,252
C.II.8 Payables to others	3,350,467	3,297,828	52,639
TOTAL	7,737,721	11,750,046	-4,012,327

All payables are due within the year, with the exception of those in the item 'Severance pay for office staff' and the portion of the payable for taking out the loan, which are due after the year.

The most significant payables are to banks, to suppliers for goods and services for offices and ongoing missions contracted in Italy, to office staff and collaborators and to Italian staff on missions in their own country and abroad, besides payables to others.

Change since the previous year is due to advance repayment of loans for renovating the head office in Milan and building the hospital in Uganda.

The fund for severance pay is the total of the individual indemnities due to employees up to and at year end, net of advances paid, and equates to the figure that would be due to employees in the event of their working relationship with the Organisation ending on that date. Change is due principally to payment of the said indemnities to outgoing employees.

Below in detail is the information on movements in the fund for severance pay for employees, both on ongoing missions abroad and at the Organisation's offices.

The final total, net of advances paid, is fully adequate with respect to contractual obligations and current Italian legislation.

The table below provides the detail of the changes in the fund for severance pay in 2020, for the total of items C.I and C.II.

Severance pay fund								
ITEM	PREVIOUS FUND	ACCRUED IN THE YEAR	SURETY FUND FOR LAW 297/82	REVALUAT.	ADDITIONAL FUNDS	WITHHOLD. TAX	LIQUIDATED IN THE YEAR	SEVERANCE PAY FUND
staff severance pay								
operations	434,483	110,695	-7,277	6,346	-11,178	-1,079	-47,908	484,083
cultural activity/communication	181,997	43,028	-2,681	2,669	-4,570	-454	-7,650	212,339
missions	187,075	50,276	-1,599	2,546	-	-433	-38,122	199,743
Italy Programme	220,256	65,400	-3,922	3,237	-438	-550	-15,420	268,563
fundraising	83,773	25,363	-1,640	1,236	-355	-210	-1,457	106,710
operative support for missions	319,606	90,624	-5,764	4,746	-7,886	-807	-5,148	395,371
local activity	51,833	16,845	-1,080	723	-2,078	-123	-3,680	62,440
TOTAL	1,479,023	402,231	-23,963	21,503	-26,504	-3,656	-119,386	1,729,249

The item 'Tax payables' includes withholding taxes due on the salaries of employees and collaborators, VAT and other taxes due for the year.

Among the various payables, the most significant item is advances paid by funders of various projects, collected in advance with respect to the year of accrual of their funds.

These amounts will be recorded in the income statement in the year to which the costs pertain.

D - ACCRUALS AND DEFERRALS

1. VALUATION CRITERIA

Accruals and deferrals are determined on an accruals basis.

For accruals and deferrals lasting more than one year, the conditions that determined their original listing are assessed and suitable changes are applied if necessary. Accruals and deferrals measure costs and income whose accrual is early or delayed with respect to their actual payment or recording; they do not take into account the date of payment or date of collection of costs and income that belong to multiple years and can be allocated over time.

2. ITEMS IN DETAIL

Change since the previous year is as follows:

Accrued charges and deferred income			
ITEM	2020	2019	CHANGE
D.I.1 Accrued charges	2,920	11,165	-8,245
D.I.2 Deferred income	29,034,108	17,029,917	12,004,191
TOTAL	29,037,028	17,041,082	11,995,946

The balance for the item 'Accrued charges' as at 31 December 2020 comprises mainly bank commissions pertaining to the year 2020 but charged to 2021.

The balance for the item 'Deferred income' comprises:

- Funds collected in 2017, 2018, 2019 and 2020, totalling 15,777,995 euros, from donations to the construction project for the paediatric hospital in Uganda, the costs for which were placed in assets under development. These amounts will be recorded in the income statement in relation to depreciation;
- 5 per mille funds for 2019, which will be used to cover project costs in 2021, as approved in the relevant financial planning documents, 11,333,886 euros;
- Donations to the 'Nobody Left Behind' project, for 949,644 euros, collected in 2020 but used to fund activity in 2021.
- Donations to other specific projects in 2021, accounting for the remainder.

INFORMATION ON ITEMS IN THE INCOME STATEMENT

The structure and content of the financial statement for the year ending 31 December 2020 are as follows:

FUNDRAISING WORK

- A - Fundraising: groups the items covering donations and contributions received by the Organisation, fundraising, transfer of goods from bequests and donations, and income from commercial activity (on a residual basis).
- B - Fundraising costs: groups direct costs for fundraising and running commercial activity (on a residual basis).

MANAGEMENT OF MISSIONS

- C - Costs for ongoing missions: groups direct running costs for ongoing missions, such as for medicine, material and services at hospitals, for employees and for depreciation of tangible assets used on these missions.
- D - Costs for publications, cultural work and local groups: contains core work by the Organisation, primarily the costs for its various publications, organising cultural events, educational courses, managing local groups around Italy and staff carrying out this work.

OFFICES AND GENERAL SUPPORT

- E - Office and general support costs: comprises costs for office work and support for the Organisation's core work. Costs are mainly those for the offices in Milan and Rome, rent and staff

costs, as well as depreciation of tangible assets used for general support.

- F - Financial income and costs: largely the sum of profit and loss from currency conversion, as well as interest income and expense.
- G - Extraordinary income and costs: comprises capital gains and loss from transfer of assets, as well as extraordinary income and costs.
- H - Income tax: comprises tax for the year.

Below is a summary of the financial data:

Change in items in the income statement			
ITEM	NET BOOK VALUE 2020	NET BOOK VALUE 2019	CHANGE
A - Fundraising	48,641,395	43,838,903	4,802,492
B - Fundraising costs	4,108,309	3,793,717	315,351
C - Costs for ongoing missions	38,855,309	33,485,026	5,698,483
D - Costs for publications, cultural activity and managing local groups	2,093,810	3,022,962	-929,127
E - Management and general support costs	3,324,887	3,362,272	-2,917
F - Financial income and costs	-27,315	33,788	302,350
G - Extraordinary income and costs	0	0	0
H - Income tax	15,901	48,364	-48,364
TOTAL	215,863	160,349	71,415

A - FUNDRAISING

Below is the detail on each item of income:

Detail of fundraising			
ITEM	NET BOOK VALUE 2020	NET BOOK VALUE 2019	CHANGE
A1 Donations and contributions	33,364,721	24,989,515	8,375,206
A2a Income from fundraising - 5 per mille	11,185,757	12,728,343	-1,542,586
A2b Income from fundraising by local groups	88,796	338,743	-249,947
TOTAL DONATIONS AND CONTRIBUTIONS	44,639,274	38,056,601	6,582,673
A3 Income from assets received in donations or bequests	3,030,194	3,766,754	-736,560
Total donations from bequests	3,030,194	3,766,754	-736,560
A4a Income from commercial activity - sale of goods	605,586	1,828,777	-1,223,191
A4b Income from commercial activity - provision of services	33,677	34,918	-1,241
Total commercial income	639,263	1,863,695	-1,224,432
A4c Other income	332,664	151,853	180,811
TOTAL	48,641,395	43,838,903	4,802,492
Donations earmarked for Uganda and other projects	689,489	10,038,437	-9,348,948
TOTAL FUNDRAISING	49,330,884	53,877,340	-4,546,456

In 2020 the overall figure for income from fundraising in the income statement was 48,641,395 euros, showing an increase since the previous year, due mainly to increased donations from natural persons and contributions to specific projects.

It should be noted, however, that the total figure in the income statement for funds raised is net of donations to the construction and start-up of the hospital in Uganda, amounting to 689,489, as these costs were placed in assets under development. This income will be included in the income statement to cover depreciation of the construction costs for the hospital once it begins running.

Deferred income also includes other earmarked donations, to cover costs, amounting to 2,430,133, that will materialise in 2021.

These donations include 1,461,451 euros in donations from natural persons and 279,193 euros in donations from other bodies.

Including these donations, which were collected in 2020, the total for funds raised in 2020 was 51,071,528 euros.

Change is due mainly to an increase in donations from private individuals and foundations and funding from the Sudanese government.

The total for funds raised from donations by private individuals, net of *5 per mille* funds, is 15,252,725 euros, an increase of 6% on the figure for 2019, of 14,347,517 euros. This increase relates to both one-off and regular donations. The number of regular donors - those who choose to support the Organisation continuously and thanks to whom sustainable long-term projects can be planned - increased in 2020. The number of donors in general also saw an increase, of roughly 21,500, a 27% increase since 2019. This increase is due to work aimed at attracting and maintaining new donors, and to a rise in one-off donors, who increased by 25% since 2019. As for corporate fundraising in 2020, besides donations from various small and medium companies thanks to the special 'EMERGENCY Friend' programmes, the Christmas initiative 'Un panettone fatto per bene' went ahead once more.

The above amounts include donations and contributions, income from liquidation of goods, land and buildings inherited by or donated to the Organisation, and income from sale of goods and provision of services.

Specifically, the amount for donations and contributions received in 2020 breaks down into the following items:

- A1: donations and contributions.
- A2a: income from fundraising through *5 per mille* tax donations.
- A2b: income from fundraising, mainly by local groups.

Below is the detail on the sources of funds raised and whether or not they are earmarked.

Change in donations and contributions by type of donor							
TYPE OF DONOR	31/12/2020		TOTAL	31/12/2019		TOTAL	CHANGE
	FREE	EARMARKED		FREE	EARMARKED		
Natural persons	11,695,403	1,834,624	13,530,027	7,773,419	2,684,530	10,457,949	3,072,078
Income from <i>5 per mille</i>	11,185,757		11,185,757	12,728,343		12,728,343	-1,542,586
Legal persons	669,560	330,247	999,807	481,741	527,291	1,009,032	-9,225
Local organisations	250,747	3,100	253,847	7,408	2,901	10,310	243,537
Other organisations	670,725	57,614	728,339	88,212	168,660	256,872	471,467
Foundations	988,770	459,997	1,448,767	58,680	6,969	65,649	1,383,117
Foreign bodies	364,478	590,445	954,922	-	286,325	286,325	668,598
Fundraising initiatives	77,991	25,976	103,968	79,713	311,598	391,311	-287,343
Institutions International bodies	-	7,590,492	7,590,492	-	6,858,521	6,858,521	731,971
Donation of assets	449,602	274,088	723,690	105,414	203,301	308,716	414,974
Donation of services	46,316		46,316			-	46,316
Membership fees	16,200		16,200	16,651		16,651	-451
Funding for Kurdistan - protheses			-		-	-	-
Funding for Sudan - Khartoum		4,922,678	4,922,678		2,145,036	2,145,036	2,777,643
Funding for Sudan - Port Sudan		89,405	89,405		81,129	81,129	8,276
Funding for to Goderich		133,448	133,448		221,724	221,724	-88,275
Funding for Afghanistan		1,342,540	1,342,540		2,149,293	2,149,293	-806,753
Funding for Libya			-			-	-
Funding for Uganda		528,247	528,247		998,712	998,712	-470,465
Income in arrears		43,879	43,879	4,550	145,842	150,392	-106,513
Costs in arrears		-3,055	-3,055		-79,362	-79,362	76,308
TOTAL	26,415,548	18,223,726	44,639,274	21,344,132	16,712,469	38,056,601	6,582,673
TOTAL (FREE + EARMARKED)		44,639,274			38,056,601		6,582,673

The data above show that the Organisation largely found the financial means to manage its activity in 2020 on its own initiative.

Funds from international and supranational bodies (contributions from the Sudanese, Afghan, Sierra Leonean and Ugandan governments and funding from the United Nations, European Union and other international bodies) increased slightly since the previous year.

This increase should be viewed taking into account the partial funding of the hospital in Uganda by that country's government.

The percentage of earmarked donations and contributions from independent sources (that is, other than governmental authorities) is 84.28.

'Membership fees' equates to income from the Organisation's base as at 31 December 2020. The number of members on the book as at the same date was 107.

Item A3, 'Income from assets received in donations or bequests', comprises contributions in kind, bequests, donations and transfers of inherited land and buildings.

Below is the detail on the sources of funds raised and whether or not they are earmarked.

Change in donations, contributions and bequests							
DONATION SOURCE	31/12/2020		TOTAL	31/12/2019		TOTAL	CHANGE
	FREE	EARMARKED		FREE	EARMARKED		
Income from transfer of inherited land and buildings	2,541,242		2,541,242	914,390		914,390	1,626,852
Contributions, bequests and donations in kind	488,952		488,952	1,548,594	1,303,770	2,852,364	-2,363,412
Capital gains from transfer of inherited/donated land and buildings	-	-	-	-	-	0	0
Capital loss from transfer of inherited/donated land and buildings	-	-	-	-	-	0	0
TOTAL	3,030,194	-	3,030,194	2,462,984	1,303,770	3,766,754	-736,560
TOTAL (FREE + EARMARKED)		3,030,194		3,766,754			

Income from sale of goods and provision of services – for the Organisation’s stated purposes – is listed in items A4a, ‘Income from commercial activity – sale of goods’, and A4b, ‘Income from commercial activity – provision of services’, which have seen a decrease due essentially to the lower number of Christmas markets causing a drop in income. It should be borne in mind that EMERGENCY provides goods and services (and related and auxiliary work) to support its stated purposes. This includes selling gadgets, party bags and other promotional products, both on the internet and at markets set up by the Organisation, as well as working with third parties. This item is placed in fundraising from work by the Organisation. This work is pertinent to VAT and other direct taxes and therefore managed as such, according to the relevant fiscal and legal regulations.

Information and promotion points were set up at Christmas in 2020 in the three Italian cities of Genoa, Rome and Turin. This was a reduction on the previous year’s 15 Christmas shops, for which the continuation of the Covid-19 pandemic was to blame. The points gathered 85,890 euros (74,991 euros in sales and the remainder in donations).

The detail on the sources of funds raised and whether or not they are earmarked are as follows:

Change in commercial income							
SOURCE	12/31/2020		TOTAL	12/31/2019		TOTAL	CHANGE
	FREE	EARMARKED		FREE	EARMARKED		
Income from party bags	59,850	144,449	204,299	-	218,942	218,942	-14,643
Income from gadgets	119,496		119,496	178,748	-	178,748	-59,252
Income from Christmas gadgets	91,010		91,010		58,322	58,322	32,687
Income from Christmas stands	74,991	27	75,018		943,867	943,867	-868,849
Income from gifts in shops			-		212,223	212,223	-212,223
Other collaborations			-		-	-	-
Royalties			-		-	-	-
Copyright	19,841		19,841	16,170		16,170	3,671
Lectures	240		240	-		-	240
Shows	13,596		13,596	18,748		18,748	-5,152
Contribution through commercial activity			-	-		-	-
Income from various initiatives	115,763		115,763	216,659		216,659	-100,896
Contribution through transfer of assets			-			-	-
Other commercial income			-	-	15	15	-15
TOTAL	494,787	144,476	639,263	430,325	1,433,370	1,863,695	-1,224,432
TOTAL (FREE + EARMARKED)		639,263			1,863,695		

Analysis based on the destination of funds raised (donations, other income and funds) provided the following result:

Breakdown of free/earmarked income				
ITEM	31/12/2020	%	31/12/2019	%
Membership fees	16,200	0,03%	16,651	0,04%
Funds earmarked for projects	18,368,202	37,76%	19,449,608	44,37%
Funds not earmarked for projects	30,256,993	62,20%	24,372,644	55,60%
TOTAL	48,641,395	100,00%	43,838,903	100,00%

Free funds also include figures for other income. The table below gives the destinations of funds earmarked for projects carried out by the Organisation, included in the previous table:

Earmarked donations by project							
PROJECT	GOVT. FUNDS AND CONTR. AT 31/12/2020	OTHER DONATIONS AT 31/12/2020	TOTAL	GOVT. FUNDS AND CONTR. AT 31/12/2019	OTHER DONATIONS AT 31/12/2019	TOTAL	CHANGE
Afghanistan – Surgical Centre and FAPs in Kabul	3,653,731	279,797	3,933,528	1,636,595	180,388	1,816,982	2,116,546
Afghanistan – Paediatric Surgery Centre, Maternity Centre and FAPs in Anabah		139,078	139,078		228,800	228,800	-89,722
Afghanistan – Anabah Centre	1,342,540	18,193	1,360,733	2,149,293	8,612	2,157,904	-797,171
Afghanistan – Surgical Centre in Lashkar-Gah and FAPs	1,739,327	82,640	1,821,967	2,333,585	62,598	2,396,183	-574,216
Afghanistan and Kurdistan – campaign for war victims		259,553	259,553		2,084,467	2,084,467	-1,824,914
Global citizenship education	167,382	-	167,382	147,578		147,578	19,804
Iraq – Sulaymaniyah rehabilitation centre	505,611	45,484	551,095	100,608	76,291	176,899	374,196
Iraq – refugee camps	103,077	12,328	115,405	1,451,220		1,451,220	-1,335,815
Sierra Leone – Goderich centres	286,402	357,336	643,738	245,984	599,110	845,095	-201,357
Sierra Leone – Waterloo FAP			-			0	0
Sudan – Salam Centre	4,840,492	1,069,033	5,909,525	2,243,476	612,672	2,856,147	3,053,378
Sudan – Mayo	96,150	146,074	242,224	141,189	154,671	295,860	-53,636
Sudan – Nyala	526,484		526,484	216,169	50,085	266,253	260,231
Sudan – Port Sudan	385,439	28,080	413,519	392,884	35,455	428,339	-14,820
Central African Republic – Bangui		50	50	287,644	69,864	357,509	-357,459
Italy – migrant project and polyclinics		916,848	916,848	-	2,049,539	2,049,539	-1,132,691
Italy – Italy Programme (EIF contributions)			-			0	0
Italy – landings project		350	350		3,000	3,000,00	-2,650
Uganda – Entebbe hospital	528,247	393,748	921,995	998,712	779,642	1,778,354	-856,359
Yemen project	431,929	12,798	444,727	109,477		109,477	335,250
TOTAL	14,606,811	3,761,391	18,368,202	12,454,414	6,995,193	19,449,607	-1,081,405

There was a decrease since the previous year due to less funding from institutions, albeit counterbalanced in part by contributions from the governments of countries in which the Organisation operates.

With respect to the item 'Other donations', it should be noted that where funds raised exceed the amount needed for a project, they are used to cover the costs of other humanitarian projects run by the Organisation.

B – FUNDRAISING COSTS

Fundraising means all activity and initiatives carried out by the Organisation to fund its work of general social utility, in order to collect donations and contributions, in non-commercial (B5) and commercial (B6) form.

ITEM	2020	2019	CHANGE
B.5 Costs for organising fundraising			
Purchase of assets	54,782	75,863	-21,081
Fees for services	2,361,688	1,952,913	408,775
Use of third-party assets	45,386	60,509	-15,123
Staff	640,321	589,055	51,266
Various	110,890	111,800	-910
Depreciation/amortisation	9,464	13,279	-3,815
TOTAL	3,222,532	2,803,419	419,113

The direct costs borne by the Organisation for its fundraising activity increased since the previous year, mainly due to investment in a project for direct dialogue with donors.

ITEM	2020	2019	CHANGE
B.6 Costs for commercial activity			
Purchase of assets	163,313	590,217	-426,904
Fees for services	172,821	179,569	-6,748
Use of third-party assets	7,099	43,907	-36,808
Staff	105,190	104,042	1,148
Various	2,693	8,722	-6,029
Depreciation/amortisation	4,958	3,747	1,211
TOTAL	456,074	930,204	-474,130

Direct costs for managing the sale of goods and provision of services are in line with those from the previous year. These costs comprise mostly purchasing and production of gadgets and other products for the shops EMERGENCY sets up at Christmas. The impact of these costs on the relevant income is 71.34%, an increase on the figure for the previous year. Change since the previous year is due to the Organisation carrying out less Christmas activity in view of the pandemic.

C – COSTS FOR ONGOING MISSIONS

Below are the costs borne by the Organisation for managing its humanitarian missions in Italy and abroad.

Changes due to reclassification are due to costs for international stock, which have been reclassified to this part of the financial statement, taking into account everything relating to deliveries for missions and the costs of exchange differences, which are brought together in item F39 of the income statement.

Change in costs for ongoing missions				
ITEM	NET BOOK VALUE 2020	NET BOOK VALUE 2019	CHANGE	RECLASSIFIED VALUE 2019
C.8 Costs for medicine and medical material	7,569,717	6,080,438	1,489,279	6,080,438
C.9 Costs for raw material for prostheses	222,976	304,020	-81,043	304,020
C.10 General food costs	2,573,275	1,597,824	975,451	1,597,824
C.11 Costs for other material	2,781,478	2,374,500	406,978	2,374,352
C.12 Costs for services	3,795,318	3,915,752	-120,433	3,914,682
C.13 Costs per use of third-party assets	896,146	807,449	88,697	807,449
C.14 Staff costs	14,958,153	14,939,422	18,731	14,832,020
C.15 Costs for various ongoing missions	681,679	81,428	600,251	288,083
C.16 Depreciation and write-downs	1,585,072	1,349,384	235,688	1,348,042
C.17 Change in inventory	2,396,183	1,674,844	721,339	1,674,844
Total before provisions and write-downs	37,459,998	33,125,062	4,334,937	33,221,755
C.19 Provision/use of funds for risks	1,395,311	256,120	1,139,191	256,120
TOTAL	38,855,309	33,381,180	5,474,128	33,477,873

In 2020 the Organisation worked in Afghanistan, Sierra Leone, Iraq, Sudan, the Central African Republic, Uganda, Yemen and Italy. Its aims and the way it goes about its missions are summarised in its management report. The total costs for ongoing missions, net of funds allocated or used for risks, increased since the previous year.

This change was due in part to a different form of accounting being used for the final inventory of medicine and consumables, as stated above, and in part to an increase in depreciation costs for renovation work on buildings in use on missions.

Below are the items within the larger item C11, in detail.

ITEM DESCRIPTION	NET BOOK VALUE 2020	NET BOOK VALUE 2019	CHANGE
various purchases	388,908	399,543	-10,635
purchases of consumables	201,045	139,260	61,785
purchases for maintenance/repairs of instrumental assets	296,328	200,902	95,426
purchases for maintenance/repairs of plant	427,085	325,199	101,886
purchases for maintenance/repairs of IT equipment	47,493	14,969	32,524
purchases for maintenance/repairs of furniture and fittings	118,415	108,176	10,238
fuel	712,758	829,605	-116,847
cleaning material	589,446	356,846	232,600
TOTAL C11 OTHER MATERIAL	2,781,478	2,374,500	406,978

Below are the items within the larger item C12, in detail.

ITEM DESCRIPTION	NET BOOK VALUE 2020	NET BOOK VALUE 2019	CHANGE
other professional services	30,625	17,420	13,205
insurance	134,464	154,445	-19,981
tickets and transport	683,265	952,995	-269,730
running IT systems	88,487	95,084	-6,597
transport of material	913,598	1,063,418	-149,820
maintenance and repairs	302,064	267,028	35,036
professional services for running projects	578,217	441,591	136,626
various services	350,563	244,667	105,897
bed and board	124,056	88,748	35,308
utilities	589,980	590,357	-376
TOTAL C12 COSTS FOR SERVICES	3,795,318	3,915,752	-120,433

It should be noted that costs for services include fees paid to collaborators working with a VAT registration number (professional and cleaning services). These were included in this item and not staff costs in order to follow more closely Italian national accounting principles.

It should be noted that within item C15, 'Various costs for ongoing missions', are included exchange differences amounting to 625,339 euros. This figure is the result of differences between local currencies and the euro and US dollar, as well as differences from converting foreign currency accounts into euros at year end.

It should be noted that an average of 224 foreign staff were employed on missions every month.

As for the item 'Depreciations', it should be noted that costs for fully depreciable lasting assets are included, at full value, in the relevant cost items. The figures in 'Provisions', meanwhile, are due to an adjustment of the provisions for the Sudanese government's potential failure to pay its additional contribution to running costs at the Salam Centre, as the worsening of the exchange rate for the Sudanese pound is estimated to have pushed those costs up by 1,300,000 euros.

This figure was calculated on the basis of the forecast as at 31 December 2021, which takes into account the increased cost of fuel and salaries for staff working at the facility. The existing provision was also adjusted to cover certain taxes from the years 2018 and 2019 on purchases for the mission in Afghanistan; this amount was estimated at 85,832 euros. The difference, amounting to 9,479 euros, is due to a provision for withholding tax on severance pay, that is, amounts due to collaborators pursuant to internal labour policies, which were due in 2020.

A breakdown of the costs between different ongoing missions in Italy and abroad is given in the relevant tables in the management report.

D - COSTS FOR PUBLICATIONS, CULTURAL ACTIVITY AND MANAGING LOCAL GROUPS

Below are the management costs for cultural work, communication and local groups.

Change in costs for publications, cultural activity and managing local groups			
ITEM	NET BOOK VALUE 2020	NET BOOK VALUE 2019	CHANGE
D.20 Costs for purchase and production of material for cultural activity and information	212.324	356.491	-144.167
D.21 Costs for services	490.490	860.184	-369.694
D.22 Costs per use of third-party assets	100.330	397.781	-297.451
D.23 Staff costs	1.202.763	1.217.263	-14.500
D.24 Various costs for managing cultural activity	48.363	46.924	1.439
D.25 Depreciation and write-downs	39.385	44.440	-5.055
D.26 Change in inventory	155	99.880	-99.725
TOTAL	2.093.810	3.022.963	-929.152

Once again, to make the groups of items in the financial statements more legible, certain items have been reclassified in different groups. The detail of this reclassification is provided in the comparative table.

Below is a breakdown of the item 'Purchases of assets':

ITEM DESCRIPTION	NET BOOK VALUE 2020	NET BOOK VALUE 2019	CHANGE
various purchases	2.861	9.422	-6.560
purchases for maintenance/repairs of plant	791	185	605
purchases for maintenance/repairs of IT equipment	84	1.755	-1.671
purchases for maintenance/repairs of furniture and fittings	133	1.405	-1.272
purchases of promotional products and publications	207.163	337.767	-130.604
fuel	607	3.221	-2.614
consumables	686	2.735	-2.050
TOTAL D20 PURCHASES	212.324	356.491	-144.166

Item D20, 'Costs for purchase and production of material for cultural activity and information', includes costs for carrying out cultural activity, which is mainly organising events and meetings and publishing the Organisation's quarterly journal. 'Costs for food and drink' comprises mostly goods donated for the Organisation's Christmas markets, which are offset in income from donations in kind.

Below is the item 'Costs for services':

ITEM DESCRIPTION	NET BOOK VALUE 2020	NET BOOK VALUE 2019	CHANGE
other professional services	9,264	9,271	-7
insurance	1,471	1,467	4
communication	198,469	238,703	-40,234
running IT systems	3,660	6,241	-2,582
transport	25,928	66,377	-40,449
maintenance and repairs	124	5,917	-5,793
professional services	88,908	310,838	-221,930
various services	10,248	21,792	-11,544
delivery costs	94,690	142,487	-47,797
bed and board	48,027	43,568	4,459
utilities	9,702	13,523	-3,821
TOTAL D21 COSTS FOR SERVICES	490,490	860,184	-369,693

Item D21, 'Costs for services', includes, among other things, support costs for IT work and for EMERGENCY's annual National Meeting. The item also covers costs of managing local groups, radio and TV advertising, and collaboration by individuals working with a VAT registration number (professional services).

Staff costs mainly comprise those for the staff who coordinate and manage the said work. In December 2020, the Organisation had 1,717 active volunteers (1,167 of them women, 550 of them men) in 126 local groups.

E - OFFICE AND GENERAL SUPPORT COSTS

Change in general support costs					
ITEM	NET BOOK VALUE 2020	NET BOOK VALUE 2019	CHANGE	RECLASSIFIED VALUE 2019	CHANGE AFTER RECLASSIFICATION
E.29 Costs for promotional material and stationery	66,245	55,162	11,083	55,310	-148
E.30 Costs for services	877,176	845,610	31,566	846,680	-1,070
E.31 Costs per use of third-party assets	272,716	274,491	-1,775	274,491	
E.32 Staff costs	1,849,541	1,761,966	87,575	1,869,368	-107,402
E.33 Various costs/income for/from offices	-61,831	95,127	-156,958	95,149	-22
E.34 Depreciation and write-downs	321,041	327,060	-6,019	328,402	-1,342
E.35 Change in support material inventory		2,856	-2,856	2,856	
E.37 Other provisions	-	0	0		
TOTAL	3,324,888	3,362,272	-37,384	3,472,256	-109,983

Office costs were calculated at 7.35% of funds raised (including those for the project in Uganda, listed in the item 'Deferred income from donations'), net of related costs.

This figure increased since the previous year (in which it was 6.93%), due largely to the lower amount of funds raised in 2020, itself due in part to construction of the Centre for Paediatric Surgery in Entebbe.

As in previous years, the office structure was flexible overall, relying mainly on employees, in large proportion on volunteers, and to a lesser extent on continuously contracted or freelance workers for specific demands, on interns and on people carrying out civilian service, within the bounds of law.

Once again, to make the groups of items in the financial statements more legible, certain items have been reclassified in different groups. The detail of this reclassification is provided in the

comparative table above; it is highlighted that costs for international stock have been placed in area C of the financial statement, in costs for missions.

Costs for services includes:

- Telephone and network costs, partly for international communication with ongoing missions and partly for communication within Italy, for fundraising and support work.
- Costs for utilities, namely electricity, gas and water, as well as ordinary maintenance and cleaning of rented buildings.
- Costs for managing employees' salaries and for legal and tax advice, related to the Organisation's ordinary running.
- Collection costs and bank commissions from bank operations.
- Insurance costs for cars and for the building on Via Santa Croce, Milan, and transport costs for mission staff.

The table below details this category of costs:

ITEM DESCRIPTION	NET BOOK VALUE 2020	NET BOOK VALUE 2019	CHARGES
other costs	7,261	5,585	1,676
insurance	88,096	59,437	28,659
bank commissions	8,889	9,537	-649
supervision and auditing fees	53,201	33,940	19,261
transport costs	22,403	57,240	-34,838
software management and connection	42,726	59,585	-16,859
maintenance and repairs	96,211	77,637	18,573
professional services	258,161	253,334	4,827
cleaning and security	117,095	84,892	32,203
delivery costs	3,983	3,016	967
postal costs	37,941	34,933	3,008
bed and board	2,196	9,316	-7,120
utilities	139,014	157,157	-18,143
TOTAL E30 COSTS FOR SERVICES	877,176	845,610	31,566

'Costs for use of third-party assets' comprises rent for the offices in Rome and Venice the warehouses in Rome and Novate Milanese.

F - FINANCIAL INCOME AND COSTS

Change in financial income and costs					
ITEM	NET BOOK VALUE 2020	NET BOOK VALUE 2019	CHARGE	RECLASSIFIED VALUE 2019	CHANGE AFTER RECLASSIFICATION
F.39d Other financial income - interest income	23,392	7,974	15,418	7,974	-
F.39f Other financial income - profit from currency operations from transferring funds	259,856	75,075	184,781	177,905	-102,830
F.40a Interest and other financial income - interest expense from medium-/long-term funding	-36,130	-48,965	12,835	-48,965	-
F.40b Interest and other financial income - interest expense from short-term funding	-167	-297	130	-297	-
F.40c Interest and other financial income - loss from currency operations from transferring funds	-274,266	-	-274,266	-	-
TOTAL	-27,315	33,788	-61,102	136,617	-102,830

Interest income from bank accounts and fixed-income securities are listed net of withholding taxes on bank deposits and derive mainly from the use of savings bonds to cover a surety for loans taken out from Intesa Sanpaolo.

Interest expense is from instalments on loans pertaining to 2020, in the months leading up their discharge.

Exchange differences in the various currencies in which the Organisation operates are listed in item C15, 'Costs for various ongoing missions'. Item F39 of this section comprises, aside from exchange differences from amounts transferred from Italy to missions and amounts accredited to missions, exchange differences from management of bank accounts in foreign currencies.

All income and costs from financial operations are the result of ordinary running of the Organisation and not of financial speculation or investment.

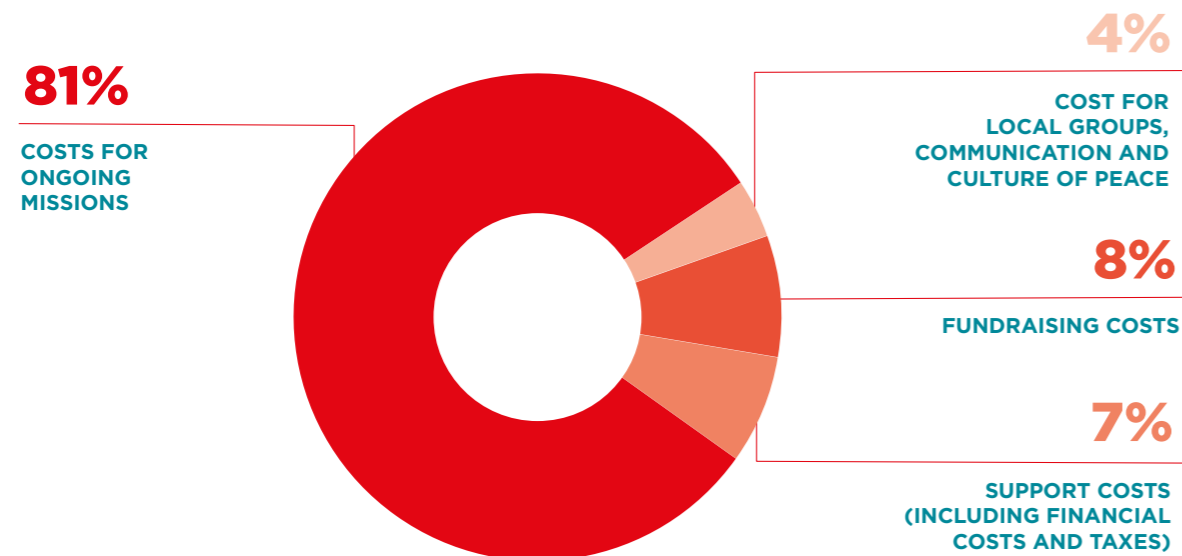
It should be noted that the European Central Bank's average monthly exchange rates (InforEuro) were used to convert from foreign currencies into euros when managing funds used on-site on missions.

Exchange differences in amounts in on-site bank accounts and cash in hand were accounted for on a quarterly basis, again using InforEuro exchange rates.

At year end balances in banks and cash in foreign currencies are converted using the InforEuro exchange rate for December.

Other amounts of extraordinary income and costs are included in the areas of the financial statement to which they pertain, as recommended in models for third-sector financial statements.

USE OF FUNDS RECEIVED IN 2020



INCOME TAX: BENEFITS

Regional production tax is calculated using the Organisation's net production as a tax base. Specifically, this means it is calculated from the salaries and fees paid to collaborators, as well as fees for self-employed, casual work done in Italy. Regional production tax for the year was 15,901 euros, net of exemption from the same tax for the year 2019 and for the first advance in 2020, as a result of provisions introduced in article 24 of Legislative Decree no. 34/2020. Benefits with regard to regional production tax are dictated largely by the regions, which have the power to grant exemption; these benefits have been outlined above, in the relevant paragraph in the introduction to these explanatory notes.

Corporate income tax – calculated on the basis of the Organisation's income from land and commercial activity, net of tax receivables due for energy-saving work on buildings – was not recorded for the year 2020, as tax loss was expected for that commercial activity.

MORE INFORMATION ON STAFF COSTS

The table below shows overall staff costs for the year 2020.

Some employees chose to pay for additional insurance schemes; the total for severance pay in items C.I.8 and C.II.6 of the balance sheet is listed net of the related amounts.

Change in staff costs			
ITEM	INITIAL BOOK VALUE 2020	INITIAL BOOK VALUE 2019	CHANGE
Salaries of employees	5,656,820	5,377,651	279,169
Fees for collaborators	50,000	60,000	-10,000
Salaries of mission and project staff in Italy and abroad	3,724,780	4,389,276	-664,496
Salaries of local staff	6,411,809	5,673,911	737,898
Staff insurance costs	1,765,864	1,984,205	-218,342
Staff insurance premiums	181,562	287,917	-106,355
Severance pay	399,755	378,006	21,749
Other costs	583,146	484,506	98,640
TOTAL	18,773,735	18,635,472	138,263

Overall, 348 people worked for EMERGENCY at all of its offices and on all of its projects in Italy and abroad, broken down as follows:

STAFF	2020	2019
employees	195	192
collaborators	125	128
professional collaborators	20	20
paid interns (5 on work experience)	8	11
	348	352
Milan office		
employees	125	122
collaborators	1	2
professional collaborators	3	5
trainees	3	5
work experience trainees	4	4
Rome office		
employees	10	12
unpaid interns	0	2
Venice office		
employees	1	1
Italy Programme		
coordination		
employees	9	7
collaborators	1	1
professional collaborators	1	1
Marghera clinic		
employees	7	7
collaborators	1	0
professional collaborators	2	1
Polistena clinic		
employees	5	6
collaborators	3	3
Castel Volturno clinic		
employees	2	3
collaborators	1	5
Naples clinic		
employees	4	4
collaborators	3	2
professional collaborators	2	1

STAFF	2020	2019
Sassari information point		
employees	1	1
collaborators	1	1
work experience trainees	1	0
Latina project ('Quello 911' poly-bus)		
employees	0	2
collaborators	0	2
Milan mobile unit		
employees	5	7
collaborators	1	2
Brescia socio-medical information point		
employees	1	1
collaborators	0	1
Covid-19 response project		
employees	6	0
collaborators	21	0
professional collaborators	1	0
Earthquake Project		
collaborators	3	3
professional collaborators	2	2
'Art. 25' poly-minivan		
employees	2	0
collaborators	2	4
professional collaborators	1	2
Open Arms		
employees	0	3
collaborators	1	1
professional collaborators	0	2
Foreign missions		
employees	17	17
collaborators	86	101
professional collaborators	8	6

CASH FLOW STATEMENT			
(INDIRECT METHOD)	2020	2019	CHANGE
A) CASH FLOW FROM OPERATIONS			
cash flow from operations in the year			
profit/(loss) in the year	215,863	160,349	55,515
Income tax	15,901	48,365	(32,464)
1. PROFIT/(LOSS) BEFORE TAX	231,764	208,713	23,051
Adjustments to non-monetary items not offset by net working capital			
Allocation for severance pay	250,209	239,854	10,355
Amortisation	1,959,919	1,737,910	222,009
Other provisions	1,341,940	247,568	1,094,372
<i>total adjustments to non-monetary items</i>	<i>3,552,068</i>	<i>2,225,331</i>	<i>1,326,737</i>
2. CASH FLOW BEFORE CHANGE IN NET WORKING CAPITAL	3,783,833	2,434,045	1,349,788
<i>change in net working capital</i>			
(increase)/decrease in inventory	2,741,447	1,837,675	903,772
(increase)/decrease in receivables	(3,680,787)	(94,407)	(3,586,380)
(increase)/decrease tax receivables			
(increase)/decrease receivables from others			
increase/(decrease) payables to suppliers	(895,538)	90,820	(986,358)
increase/(decrease) payables	215,208	19,837	195,371
increase/(decrease) tax payables	(42,252)	35,142	(77,394)
increase/(decrease) other payables	129,284	1,947,610	(1,818,326)
(increase)/decrease accrued income and prepayments			
increase/(decrease) accrued charges and deferred income	11,995,946	7,792,144	4,203,802
3. TOTAL CHANGE IN NET WORKING CAPITAL	10,463,308	11,628,820	(1,165,513)
Other adjustments			
Income tax	(15,901)	(48,365)	32,464
Severance pay			0
Use of provisions for risks	53,371	8,552	44,819
4. TOTAL OTHER ADJUSTMENTS	37,470	(39,813)	77,283
CASH FLOW FROM OPERATIONS A)	14,284,610	14,023,052	261,558
B. CASH FLOW FROM INVESTMENT			
Intangible assets			
(Investments)	(217,147)	(403,001)	185,854
divestments			
tangible assets for missions			
(Investments)	(2,066,498)	(7,416,997)	5,350,499
divestments			
tangible assets for support			
(Investments)	79,009	(360,851)	439,860
divestments			
financial activity			
(Investments)			
divestments	1,675,085	999,501,00	675,584
Use of funds	(53,370)	(225,738)	172,368
CASH FLOW FROM INVESTMENT B)	(582,922)	(7,407,086)	6,824,164
C. CASH FLOW FROM FUNDING			
Outside funds			
Increase in payables to banks		1,210,285	(1,210,285)
Decrease in payables to banks for support	(4,969,670)	(1,126,561)	(3,843,109)
Increase/(decrease) in short-term payables to others			
Opening of loans			
Repayment of loans			
Own funds			
Increase/(decrease) in net worth	825,415	374,427	450,988
CASH FLOW FROM FUNDING C)	(4,144,255)	458,151	(4,602,406)
Increase/(decrease) in liquidity (A+B+C)	9,557,434	7,074,118	2,483,316
Liquidity 1 January	25,335,182	18,261,063	7,074,119
Liquidity 31 December	34,892,616	25,335,182	9,557,434
TOTAL CHANGE IN LIQUIDITY	9,557,434	7,074,119	2,483,315

EVENTS AFTER YEAR END

This financial statement was, needless to say, written and approved during the medical crisis brought about by the spread of Covid-19. It therefore takes into account, wherever relevant, legislation enacted in response to the pandemic.

It should be noted that at year end, the Italian Revenue Agency has not yet published the list stating the distribution of 5 per mille funds from 2020, based on income in the tax year 2019, so these data are currently unavailable.

It should also be noted that the exchange rate between the Sudanese pound and the euro fluctuated greatly between December 2020 and March 2021, rising from 65 to 455 Sudanese pounds to the euro.

As stated above, this financial statement includes a provision for risks of 1,300,000 euros, to cover write-down costs in the event that the Sudanese government's contribution cannot be revaluated.

With regard again to the pandemic, EMERGENCY has made a huge effort to combat this crisis. The Organisation has arranged for almost all of the staff at its offices to work from home, but maintained teams at the offices in Milan and Rome to run the 'Nobody Left Behind' project. Concerning fundraising, the opening months of this year saw stable income and an alignment with the forecasts in the budget approved for 2021.

It should also be noted that a supplementary, second-level agreement was signed with trade union representatives in February concerning non-medical staff working in the region of Lombardy.

In the year 2020, no fees were paid to members of the Board of Directors in remuneration for their positions.

Some members of the Board received fees for separate work they carried out as employees or collaborators of the Organisation. Some received expenses, purely for travel necessary to their work.

In February 2021 the Board of Members, in light of the circular issued by the Ministry of Work and Social Policies on 9 July 2020 and its broad interpretation of the ban on employees and members of statutory bodies providing voluntary work for an organisation with which they also have a working or collaborative relationship, decided to bring in a flat fee for anyone taking on a statutory role, such as member of the Board of Directors, of 1,000 euros per year, net of applicable taxes.

Fees for the Board of Statutory Auditors totalled 26,663 euros.

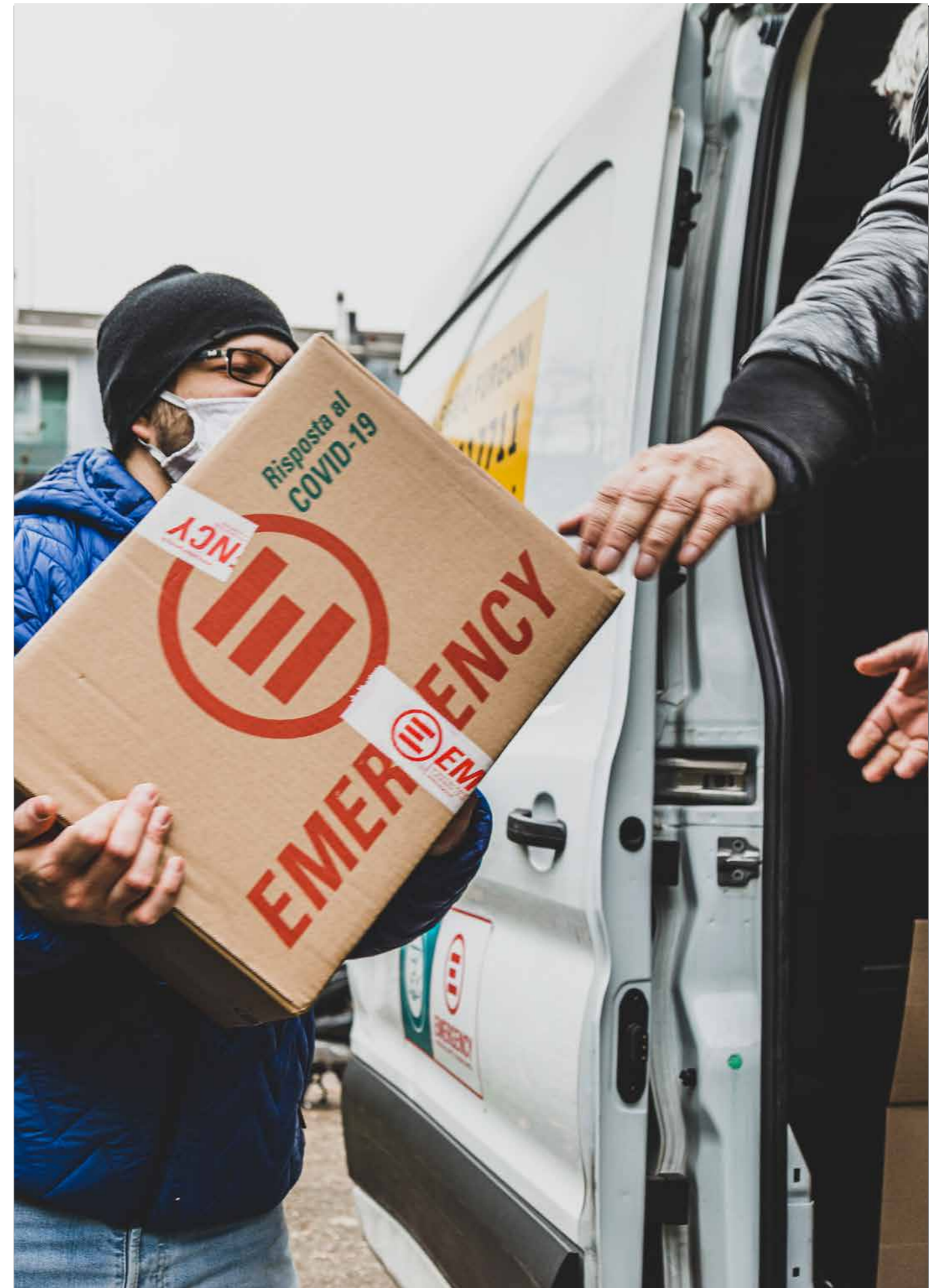
Fees for certifying and auditing the financial statement amounted to 20,500 euros.

These are in line with the professional fees recommended by CNDCEC in proportion to the Organisation's net worth.

This financial statement, composed of net worth, income statement and explanatory notes, represents truthfully and accurately the Organisation's situation in terms of assets and finance, as well as its financial result for the year ending 31 December 2020. The statement and the accounting information within it correspond with the Organisation's accounting records, which are kept in accordance with existing legislation.

It should be noted that as of the year 2020, the Organisation has published a social report, which it deems essential to monitoring and measuring processes and results, in line with its own specific needs and the specific work of social utility that it performs.

President of the Board of Directors
Rosa Miccio



EMERGENCY ONG Onlus

via Santa Croce 19 - 20122 Milan - T +39 02881881 - F +39 0286316336

via Umberto Biancamano 28 - 00185 Rome - T +39 06688151 - F +39 0668815230

isola della Giudecca 212 - 30133 Venice - T +39 041877931 - F +39 0418872362

info@emergency.it - en.emergency.it

EMERGENCY also has offices in Belgium, Switzerland, the United Kingdom and the United States, and a network of volunteers in Barcelona, Berlin, Brussels, Hong Kong, Hyogo, London, Los Angeles, New York, Ticino and Vienna.



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