

WE WORLD – G.V.C. ONLUS

Registered office Via Serio 6 – Milano (MI)

Tax Code 97241280151

Economic and Administrative Register no. 1759079

VAT No. 03993130966

BALANCE SHEET AS AT 31/12/2020

STATEMENT OF ASSETS AND LIABILITIES (in Euros)

ASSETS	31/12/2020	31/12/2019
B) FIXED ASSETS		
<i>B.I. INTANGIBLE FIXED ASSETS</i>		
B.I.1 Plant costs	60.480	88.040
B.I.2 Development costs	8.861	17.721
B.I.3 Patent, industrial and intellectual property rights	57.735	81.995
B.I.7 Others	14.308	1.218
TOTAL INTANGIBLE FIXED ASSETS	141.384	188.974
<i>B.II. TANGIBLE FIXED ASSETS</i>		
B.II.1 Land and buildings	1.689.369	1.782.836
B.II.2 Plant and machinery	1.290	2.296
B.II.4 Other goods	67.972	51.580
TOTAL TANGIBLE FIXED ASSETS	1.758.631	1.836.712
<i>B.III. FINANCIAL FIXED ASSETS</i>		
B.III.1 Holdings	27.226	16.985
B.III.2 Receivables	14.730	14.730
B.III.3 Other securities	12.810.514	12.872.849
TOTAL FINANCIAL FIXED ASSETS	12.852.470	12.904.564
TOTAL FIXED ASSETS	14.752.485	14.930.250
C) WORKING CAPITAL		
<i>C.I. INVENTORY</i>		
C.I.4 Goods	0	0
TOTAL INVENTORY	0	0
<i>C.II. RECEIVABLES NOT INCLUDED IN FIXED ASSETS</i>		
C.II.1 Receivables from Sources of funding within 12 months	11.353.819	11.469.177
C.II.1 Receivables from Sources of funding beyond 12 months	32.407.250	20.222.311

C.II.4 bis) Tax receivables	9.449	0
C.II.5-quater From others	4.584.474	4.257.158
TOTAL RECEIVABLES NOT INCLUDED IN FIXED ASSETS	48.354.992	35.948.646
C.III. FINANCIAL ASSETS NOT INCLUDED IN FIXED ASSETS	0	0
C.IV. CASH/LIQUID ASSETS		
C.IV.1 Bank and Post Office deposits	8.688.034	8.671.336
C.IV.3 Cash and cash equivalents	88.284	71.972
TOTAL CASH/LIQUID ASSETS	8.776.318	8.743.308
TOTAL WORKING CAPITAL	57.131.310	44.691.954
D) PREPAID EXPENSES AND ACCRUED INCOME		
D.2 Other prepaid expenses and accrued income	8.465.273	7.744.151
TOTAL PREPAID EXPENSES AND ACCRUED INCOME	8.465.273	7.744.151
TOTAL ASSETS	80.349.068	67.366.355

LIABILITIES	31/12/2020	31/12/2019
A) SHAREHOLDERS EQUITY		
Unrestricted assets	14.390.040	861.981
<i>I. Share capital</i>	300.000	300.000
<i>Endowment fund pursuant to Pres.Dec. no.36 dated 10/02/2000</i>	300.000	300.000
<i>V. Statutory reserves</i>	217.573	217.573
<i>VI. Other reserves, shown separately</i>	13.496.239	0
<i>Funds without restriction on allocation</i>	13.496.239	0
<i>VIII. Surplus (deficit) carried forward</i>	344.408	334.246
<i>IX. Operating surplus (deficit)</i>	31.820	10.162
Restricted assets	60.834.809	62.675.471
<i>V. Statutory reserves</i>	0	3.763.272
<i>Third party earmarked funds</i>	0	3.763.272
<i>VI. Other reserves, shown separately</i>	60.834.809	58.912.199
<i>Third party earmarked funds</i>	59.634.809	45.979.233
<i>Funds pending allocation</i>	0	12.932.966
<i>Fund to support the activities of future financial years</i>	1.200.000	0
TOTAL SHAREHOLDERS EQUITY	75.224.849	63.537.452
B) FUNDS FOR RISKS AND CHARGES	85.000	85.000
C) STAFF LEAVING INDEMNITY (TFR)	802.296	762.181
D) PAYABLES		
<i>D.4 Payables to banks</i>	498.506	95.902
<i>D.7 Payables to suppliers</i>	1.273.490	825.307
<i>D.12 Tax payables</i>	325.808	277.089
<i>D.13 Social security payables</i>	247.701	163.846
<i>D.14 Other payables</i>	1.759.015	1.509.759
TOTAL PAYABLES	4.104.520	2.871.903
E) ACCRUALS AND DEFERRED INCOME		
<i>E.2 Accruals and deferred income</i>	132.403	109.819
TOTAL ACCRUALS AND DEFERRED INCOME	132.403	109.819
TOTAL LIABILITIES	80.349.068	67.366.355

INCOME STATEMENT (in Euros)

	31/12/2020	31/12/2019
A) PRODUCTION VALUE		
A.1 Revenue from institutional activities	35.985.037	33.180.337
A.5 Other revenue and income from related activities	471.424	130.166
TOTAL PRODUCTION VALUE	36.456.461	33.310.503
B MANAGEMENT CHARGES	33.516.639	30.895.408
B.6 For institutional activities	29.698.082	27.183.525
B.7 For services	3.707.411	3.642.550
B.8 For the use of third-party assets	111.146	69.333
B.9 FOR PERSONNEL	2.289.825	2.134.446
B.9.a Salaries and wages	1.655.415	1.558.025
B.9.b Social security	509.820	461.221
B.9.c Staff leaving indemnity	124.590	115.200
B.9.e Other personnel costs	0	0
B.10 DEPRECIATION, AMORTIZATION AND WRITE-DOWNS	198.215	219.185
B.10.a Depreciation of intangible fixed assets	79.733	101.345
B.10.b Amortization of tangible fixed assets	118.482	117.840
B.11 Inventory var. in raw materials, auxiliaries, consum., goods	0	1.309
B.12 Provisions for risks	0	0
B.14 Sundry management charges	182.398	116.633
TOTAL MANAGEMENT CHARGES	36.187.077	33.366.981
ADDED VALUE	269.384	-56.478
C) FINANCIAL REVENUE AND CHARGES		
C.16 Other financial revenue	407.243	432.657
C.16.b From securities included in fixed assets	404.946	431.809
C.16.c From securities included in working capital	0	0
C.16.d Other revenues	2.297	848
C.17 Interest and other interest expenses	619.204	319.297
C.17.a Interest and other interest expenses	265.890	198.556
C.17.bis Profits and losses from foreign exchange	353.314	120.741
TOTAL FINANCIAL REVENUE AND CHARGES	-211.961	113.360
PRE-TAX PROFIT	57.423	56.882
22)) Income tax for the period	25.603	46.720
23) OPERATING SURPLUS (DEFICIT)	31.820	10.162

MANAGEMENT REPORT (in Euros)

	31/12/2020	31/12/2019
ROUTINE ACTIVITIES		
From private entities	9.098.169	10.326.340
From public entities	25.326.918	22.977.270
Other revenues	2.000.000	0
TOTAL REVENUES	36.425.087	33.303.611
CHARGES		
Purchasing	594.609	1.364
Services	567.847	554.082
Personnel	339.665	376.247
Sundry management charges	9.895	28.603
For projects	29.479.813	27.777.320
TOTAL CHARGES	30.991.830	28.737.616
PROMOTIONAL ACTIVITIES		
CHARGES		
Purchasing	29.939	8.331
Services	1.639.488	1.395.418
Use of third-party assets	22.219	
Personnel	623.578	534.480
Sundry management charges	13.491	26.922
TOTAL CHARGES	2.328.714	1.965.151
FINANTIAL AND CAPITAL ASSETS		
REVENUES		
Financial/Capital	952.377	538.590
TOTAL REVENUES	952.377	538.590
CHARGES		
Sundry management charges	24.057	63.029
Financial/Capital	1.140.139	358.278
TOTAL CHARGES	1.164.196	421.307
GENERAL SUPPORT ACTIVITIES		
REVENUES		
Other revenues	31.233	4.079
TOTAL REVENUES	31.233	4.079
CHARGES		
Purchasing	82.216	52.827
Services	807.921	863.681
Use of third-party assets	61.014	40.697

Personnel	1.543.744	1.405.983
Sundry management charges	119.781	56.200
Amortization	198.215	219.185
Extraordinary	47.557	26.750
Income tax for the period	31.688	46.720
TOTAL CHARGES	2.892.137	2.712.043
TOTAL REVENUES	37.408.696	33.846.280
TOTALE CHARGES	37.376.877	33.836.117
OPERATING RESULT	31.820	10.162

FINANCIAL STATEMENT 2020

FINANCIAL STATEMENT	Period 2020	Period 2019
A. Financial flows from operations (indirect method)		
Surplus (deficit) for the period	31.820	10.162
Income tax	25.603	46.720
Interest paid/(interest received)	-1.150	5.968
(Capital gains)/Capital losses from disposal of assets	11.392	-207.442
1. Surplus (deficit) for the period before income tax, interest, dividends and capital gains/losses on disposals	67.665	-144.592
Adjustments for non-monetary items		
Provisions to funds	148.500	139.852
Amortization of fixed assets	216.703	219.185
Other adjustments for non-monetary items	-4.821	-80.229
2. Financial flows before variations in net working capital	428.047	134.216
Variations in net working capital		
Decrease/(increase) in inventory	0	1.309
Decrease/(increase) of receivables from sources of funding	-	-5.331.702
	12.069.581	
Increase/(decrease) of restricted funds and of funds <i>without restriction on allocation</i>	11.655.576	4.983.212
Increase/(decrease) of payables to suppliers	448.183	180.767
Decrease/(increase) in prepaid expenses and accrued income	-721.122	-1.243.309
Increase/(decrease) in accruals and deferred income	22.584	9.632
Other variations in net working capital	43.350	-1.299.077
3. Financial flows after variations in net working capital	-192.963	-2.564.952
Other adjustments		
Interest received/(paid)	1.150	-5.968
(Income tax paid)	-23.887	-35.490
(Use of funds)	-108.385	-223.568
Financial flow from operations (A)	-324.085	-2.829.978
B. Financial flows from investment activities		
Tangible fixed assets		
(Investments)	-58.889	-23.069
Disposals	0	0
Intangible fixed assets		
(Investments)	-32.143	-92.082
Disposals	0	0
Financial fixed assets		
(Investments)	-490.076	-1.454.012
Disposals	535.599	4.895.061
Financial flow from investment activities (B)	-45.509	3.325.898

C. Financial flows from funding activities

From third parties

Increase (decrease) in short-term payables to banks 402.604 -664.414

Financial flow from funding activities (C) 402.604 -664.414**Increase (decrease) in cash/liquid assets (A ± B ± C) 33.010 -168.494**

Impact of foreign exchange on cash/liquid assets

Cash and liquid assets at the beginning of the period 8.743.308 8.911.801

including:

Bank and Post Office deposits 8.671.336 8.860.070

Cash and cash equivalents 71.972 51.731

Cash and liquid assets at the end of the period 8.776.318 8.743.308

including:

Bank and Post Office deposits 8.688.034 8.671.336

Cash and cash equivalents 88.284 71.972

Variation in cash/liquid assets 33.010 -168.493

SUPPLEMENTARY NOTES

Balance Sheet as at 31/12/2020 (Amounts in Euros)

Introduction

In line with the principle of continuity, we adopted the form of reporting recommended in the “Guidelines and schedules for drawing up the Financial Statements of non-profit entities” of the Agency for the Tertiary Sector, appropriately integrated by the first Accounting Principle for the drafting of the Financial Statements of non-profit entities headed “Systematic framework for the drafting and submission of the Financial Statements of non-profit entities”; this principle is the basis for the application of the subsequent principles to the accounting of individual items in the Financial Statements.

In compliance with the above recommendations, the contents of the documents comprising the Financial Statements does not derogate from the regulations set out in section 2423 and following sections of the Italian Civil Code, as amended by Legislative Decrees no.127 and 526 dated respectively 09.04.1991 and 30.12.1992.

The Financial Statements were drawn up in compliance with the provisions of section 2423 and following sections of the Civil Code, suitably integrated by the Accounting Principles of the Italian Accounting Body (OIC), the provisions applicable to non-profit, socially useful organizations (Legislative Decree no.460/97) and the recommendations of professional bodies.

Law Decree n° 117/17, also known as Code of the Third Sector was issued during the 2017 financial year, with the aim to harmonise the rules applicable to all not-for-profit organisations, although not all the rules contained therein are currently in force, as a number of implementing decrees still need to be issued for the overall reform to be fully effective.

By registering in the National Single Register of the Third Sector (RUNTS), which is currently still optional, the pre-existing non-profit organisation will acquire the status of ETS (Third Sector Organisation) and will have to comply with all the provisions of the reference legislation.

On April 18, 2020, the Decree of 05/03/2020 on the “Adoption of the budget forms of Third Sector Entities” was published in the Official Gazette, in compliance with the provisions of art. 13 c. 3 of the Code of the Third Sector. The aforementioned decree contains the financial statement formats, not significantly different from those adopted by the Foundation WW GVC Onlus, that Third Sector Entities will be required to use for the preparation of financial statements starting from the 2021 financial year; to date, the principles and criteria with which such formats must be prepared have not yet been definitely issued.

For this reason, and pending a better definition of the principles for the drafting of Third Sector Entities financial statements provided for by the aforementioned regulations, these financial statements have been prepared using the same formats used since 2018, when the merger between WW GVC and Onlus took place.

The Financial Statements for the year ended on **31 December 2020** therefore comprise the Balance Sheet, Income Statement, Financial Statement and the following Annexes to the financial statements:

- Supplementary notes;
- Management Report on Operations;
- Report on Operations (the so-called Mission or Moral Report).

As a framework for the current status of the entity, it should be remembered that the merger by incorporation of Associazione Gruppo di Volontariato Civile - GVC ONG/ONLUS (hereinafter, also “GVC”) into the WE World Foundation came legally into force only on 1 December 2018, even though the tax and accounting effects thereof started on 1 January 2018: therefore, the 2020 period

is the second complete management period in which the activities of the two previously separated entities were developed by a single legal entity.

GVC was an NGO with headquarters in Bologna that had been operating in Italy and abroad for almost 50 years, developing projects mainly funded by Italian, European and United Nations entities. Their projects were carried out in the sectors of development and technical assistance, humanitarian help, DRR (disaster risk reduction), LRRD (linking relief, rehabilitation and development), voluntary work, advocacy, global citizenship education

The merger came about due to the wish by We World and GVC to continue their activities in favour of “disadvantaged” subjects with a new organisational model and by pooling their experience and skills in order to be more efficient in their community service activities, while at the same time increasing their fund-raising opportunities.

In 2020, the Foundation also joined the ChildFund Alliance, a leading international network for the protection of children’s rights, with two offices, in New York and Brussels, which is currently made up of 11 other members based in the following countries: Canada, United States, Australia, New Zealand, Japan, South Korea, Sweden, Germany, Ireland, France and Spain.

ChildFund Alliance has strong advocacy capacities and a widespread presence, with operational projects, in dozens of countries around the world, on all continents, which makes us look forward to strengthening the quality of We World’s intervention.

Content and form of the Financial Statements

The Statement of Assets and Liabilities shows individual items according to the criterion of increasing liquidity. On a climbing scale, the Income Statement shows costs and revenues for the period.

The Financial Statement, as Accounting Statements, shows the reasons for positive and negative variations in cash/liquid assets in a given period.

The Management Report on Operations, with sections set out side-by-side, provides information in the “management areas” about the resources acquired and used during the period.

The “management areas” of **We World-GVC Onlus** are as follows:

- **routine activities**
- **promotional activities and fundraising**
- **financial and capital assets**
- **general support activities**

The supplementary notes, drawn up pursuant to section 2427 of the Civil Code, also include all the information deemed necessary to provide an accurate interpretation of the Financial Statements.

The Supplementary Notes includes changes in items in shareholders equity and provides information on how the institutional mission is carried out as well as the use of funds during the period.

Pursuant to the provisions of section 25, paragraph 5, of Legislative Decree 460/97, the amount of revenues collected during the year required that this Financial Statements must be accompanied by the Report of the Board of Statutory Auditors.

On a voluntary basis, the Financial Statements were submitted to auditors PricewaterhouseCoopers S.p.A.

Criteria adopted for the preparation of the Financial Statements

The Financial Statements were drawn up applying national accounting principles integrated, where necessary, by the recommendations of the National Council of Chartered Accountants and Expert Bookkeepers specifically applicable to non-profit organizations. The documents promoted by the CNDCEC’s Commission for Non-Profit Companies are, to date, the only significant action by a specialised body concerning the principles of financial statement preparation that directors of non-commercial entities can

refer to.

The Financial Statements were drawn up applying the same evaluation criteria and the same accounting principles as used for the previous period.

Financial statements drafting principles

Items in the Financial Statements were evaluated on the basis of the general criteria of prudence and on the accrual basis and, where required by the law, with the consent of the Board of Statutory Auditors.

The financial statements have been prepared on a going concern basis, as the Directors have verified that there are no financial, operational or other indicators that may indicate significant uncertainties about the Foundation's ability to meet its obligations in the foreseeable future and in particular over the next 12 months.

The application of the principle of prudence means that elements comprising items under assets or liabilities have been evaluated singly in order to prevent the offsetting of losses requiring inclusion against profits not to be included because they did not materialize.

On the accrual basis of accounting, the effect of transactions and other events was entered into the accounts in the period in which these transactions and events occurred and not the period when the merely monetary changes (collections and payments) occurred.

Revenues and charges for the period are recorded irrespective of the date of collection or payment and risks and losses for the period are shown even if they materialized after the end of the period.

Assets destined for long-term use are shown among the fixed assets. Below, the evaluation criteria and related accounting principles are set out for the most significant items in the Balance Sheet.

The criteria adopted for the drafting of the Financial Statements for the period ended 31 December 2020 are the same as for the Financial Statements for the previous period.

Evaluation Criteria

The criteria applied to evaluate items in the Financial Statements and the adjustments of amounts comply with the provisions of the Civil Code which should be consulted.

In the valuation of balance sheet items, the criteria set forth in art. 2426 of the Italian Civil Code which do not differ from those adopted for the preparation of the financial statements of the previous year and are inspired by the principle of prudence and with a view to continuing operations, as well as taking into account the economic function of the asset or liability element considered have been observed. For the valuation criteria not referred to in Article 2426, reference has been made to the Accounting Principles drawn up by the Organismo Italiano di Contabilità (Italian Accounting Standard Setter) and, where necessary, to the accounting recommendations issued by the Consiglio Nazionale dei Dottori Commercialisti ed Esperti Contabili (National Council of Chartered Accountants and Bookkeepers) specifically for non-profit organisations.

The most significant valuation criteria adopted in compliance with the aforementioned provisions are illustrated below in the paragraphs dedicated to each individual items of the financial statements.

1.B - FIXED ASSETS

1.B.1 - INTANGIBLE FIXED ASSETS

These are shown at their historic acquisition cost including related charges, including in-house costs, as directly arising, net of the depreciation during the periods and recorded directly in individual items.

The depreciation of the intangible fixed assets was calculated pursuant to this pre-established plan:

ITEMS IN INTANGIBLE FIXED ASSETS	PERIOD
Plant costs	5 years – quote costanti
Development costs	5 years – straight line
Patent and intellectual property rights	5 years – straight line
Capitalized software, licences and trademarks	5 years – straight line
Improvements on third party assets	According to the shorter between the useful life and the duration of the underlying contract.

Net intangible fixed assets as at 31 December 2018 underwent the following changes during the period:

	Net value as at 31.12.19	Acquisitions	Depreciat.	Net value as at 31.12.20
Plant and expansion costs	88.040	0	27.559	60.480
Development costs	17.721	0	8.861	8.861
Patent and intellectual property rights	81.995	10.788	35.047	57.735
Other intangible fixed assets	1.218	21.355	8.265	14.308
Totale	188.974	32.143	79.732	141.384

The item “Plant and expansion costs” refers to costs incurred in the 2018 financial year by both We World Onlus and GVC for the merger operation, while the item “Development costs” refers to costs incurred in previous years for a study and a methodology of analysis to be applied to the management of the projects carried out by the Entity, both booked with the consent of the Board of Auditors.

The increase in “Patent and intellectual property rights” refers to the purchase of software licences for the development of Project management systems.

The increase in the item “Other intangible fixed assets” refers to the cost and expense of the modernisation of the Bologna office, which the Foundation can use by virtue of a lease agreement.

1.B.2 - TANGIBLE FIXED ASSETS

These are shown at their acquisition cost plus related charges, adjusted by the corresponding amortization funds. The amounts shown in the Financial Statements take account of the supplementary charges and costs incurred for the use of the fixed asset.

The amortization of tangible fixed assets, to be used over a limited amount of time, was carried out in compliance with this pre-established plan and the related rates set out below:

ITEMS IN TANGIBLE FIXED ASSETS	% rate
Buildings	3%
Specific plant	20%
Sundry equipment	7,5%
Furniture and furnishings	12%
Electronic office equipment	20%
Mobile phones	50%

For fixed assets acquired during the period the amortization rates applied were reduced by half, due to the shorter period of use. The applied rates are deemed appropriate, in light of the remaining period of use, to represent the degree of obsolescence of the assets. These rates are the same as for the previous period. Depreciation of assets used in individual projects is fully and directly charged to the costs of those projects.

In terms of historic costs, tangible fixed assets underwent the following changes during the period ended 31 December 2020:

	Initial historical cost	Acquisition	Final historical cost
Land and buildings	3.115.574	0	3.115.574
Plant and machinery	117.174	0	117.174
Other tangible assets	499.855	58.889	558.744
Total	3.732.603	58.889	3.791.492

The changes in amortization funds were as follows:

	Initial value of amort. fund	Amort. during the period	Final value of amort. fund
Land and buildings	1.332.738	93.467	1.426.205
Plant and machinery	114.878	1.006	115.884
Other tangible assets	448.275	42.497	490.772
Total	1.895.891	136.970	2.032.861

Amortization for the year also includes the amortization of assets used in individual projects for €18,488, classified in the profit and loss account under the item "Operating expenses specific to institutional activities"

Hence the net values in the Financial Statements are as follows:

	31.12.19	31.12.20
Land and buildings	1.782.836	1.689.369
Plant and machinery	2.296	1.290
Other tangible assets	51.580	67.972
Total	1.836.712	1.758.631

The increase in the item "Other assets" refers to the purchase of electronic office equipment used both at the Foundation's premises and in the implementation of the various projects.

1.B.3 – FINANCIAL FIXED ASSETS

The financial products held were evaluated at the acquisition cost plus related charges, such as those for banking and financial brokerage, and for securities without the interest instalments accrued at the acquisition date, which are shown separately and calculated on the accrual basis. Such financial products are depreciated in case of impairment.

Revenues from securities, coupons and interest accrued during the period are shown on the accrual basis separated into the related prepaid expenses.

Product	31.12.20	31.12.19
Funds	1.502.907	1.570.061
Insurance policies	10.301.575	10.280.095
Asset management	1.006.032	1.022.693
Totale	12.810.514	12.872.849

These items are classified in fixed assets since they represent amounts in excess of requirement for the day-to-day operations of the Foundation and hence are a long-term investment of company assets.

The continuing effects of the Covid-19 epidemic led to a generalised downturn in the financial markets during the 2020 financial year, the effects of which are shown in the profit and loss account. Taking into account the type of investments made, which guarantee the preservation of the invested capital, and the transactions carried out in the period after the end of the financial year, there were no losses in the first months of 2021.

1.C.4 – INVENTORY OF GOODS

Leftover stocks are valued at the lower between the purchase cost and the assumed realisable value based on market trends.

In the last few months of the year, the Foundation received donations in kind of goods that were subsequently subject to promotional and fundraising activities. Once this activity ceased, the goods received free of charge and not sold were recorded under closing inventories at their normal value of Euro 290 thousand. Considering that these assets were subsequently donated to other entities, in compliance with the provisions of paragraph 10 of Article 2426, a provision for depreciation of the same amount was allocated.

1.C.2 – RECEIVABLES NOT INCLUDED AMONG FIXED ASSETS

Receivables are shown in the Financial Statements at the estimated collection value, pursuant to the provisions of section 2426 of the Civil Code.

No receivables have a due date beyond five years.

The main amounts comprising this item are as follows:

a. Receivables from source funding

Receivables from sources of funding shown in working capital include the receivables for projects approved mainly by Italian, European and United Nations related public institutions, but not yet received at the end of the period.

Changes during the period were as follows:

Receivables from sources of funding	Amount
Receivables at 31/12/19	31.691.488
Variation during the period	12.069.581
Balance as at 31/12/20	43.761.069

Receivables are set out below by credit line as at 31 December 2020, and according to due date, within and beyond the following period:

Item	Receivables within 12 months	Receivables beyond 12 months
AICS Projects Development	1.238.709	1.649.153
UE-ECHO Projects	1.199.167	1.256.849
EU - other DG projects	5.657.619	25.576.000
Local Authority projects	205.626	204.136
United Nations projects	1.351.227	114.405
Foundations	1.081.107	1.487.289
Foreign government projects	244.409	834.444
Other projects	375.955	1.284.974
Total	11.353.819	32.407.250

The corresponding restricted funds from sources of funding are shown among the liabilities, in relation to project revenues to be collected in future periods. In this connection, see under the heading "Foundation Assets".

b. Receivables from others

Receivables from others include receivables from other NGOs and/or local counterparties and refer to instalments from partners for projects not yet reported on at the end of the period.

Item	31.12.20	31.12.19
Receivables from other NGOs and/or local counterparties	4.240.826	4.115.740
Mission ceiling	9.837	4.617
Other Receivables	333.811	136.801
Total	4.584.474	4.257.158

1.C.4 - CASH/LIQUID ASSETS

Cash and liquid assets, comprising bank and Post Office deposits, are shown at the realizable value equal to their par value.

Cash in foreign currency is shown in the Financial Statements at the exchange rate on the date of the Financial Statements. Pursuant to Accounting Principles this means differences in foreign exchange, based on the application of the Italian Foreign Exchange Office euro/foreign currency rate as at 31.12.2020, are also shown.

Bank deposits are also the current accounts in various countries in which the Foundation carries out its activities.

Changes during the period are as follows:

Cash/liquid assets	Amount
Value at 31/12/19	8.743.308
Variation during the period	33.010
Balance as at 31/12/20	8.776.318

The composition of cash and liquid assets at the end of the year, compared to the same as at the end of the previous year, is as follows:

Item	31.12.20	31.12.19
Banks in Italy	5.267.262	5.911.222
Local banks	3.420.772	2.760.114
Cash in hand at headquarter	8.230	11.861
Cash held in situ	80.054	60.111
Total	8.776.318	8.743.308

For further details about changes during the period see the attached Financial Statement.

1.D - PREPAID EXPENSES AND ACCRUED INCOME

These were calculated according on the basis of the period in which the sums accrued.

Changes during the period were as follows:

Item	31.12.20	31.12.19
Accrued income for financial activities	392.175	308.537
Prepaid expenses for projects	7.874.756	7.370.308
Prepaid expenses	198.342	65.306
Total	8.465.273	7.744.151

“Prepaid expenses for projects” mainly refer to costs incurred for some credit lines for which the related contribution has not yet been collected or has been collected only partially.

This item does not include accrued income and prepaid expenses with a duration of more than 5 years.

2.A FOUNDATION ASSETS

Our organisation, established in 1999, obtained legal recognition from the Prefecture of Milan in 2009 and was entered in the Register of Legal Persons under number 1018 page 5238 vol 5°.

In March 2013, the organisation was then entered in the Register of Foundations, and with the notarial deed of 31 May 2014 it took on the name We World Onlus. The current unavailable Endowment Fund was created pursuant to Presidential Decree 361/2000 at the time of the registration of the deed with the Register of Legal Entities of the Prefecture of Milan.

On December 1st, 2018 the merger by incorporation of G.V.C. ONG/ONLUS into the WE WORLD ONLUS Foundation took legal effect, as provided for in the Deed of Merger of October 24 th, 2018, filed in the index of Mr Guido Peregalli, Notary in Milan. For additional details on the merger, please refer to the introduction.

SCHEDULE OF CHANGES IN THE ITEMS COMPRISING SHAREHOLDERS EQUITY (UNRESTRICTED AND RESTRICTED).

The changes in unrestricted shareholders equity during the period 2020 were as follows:

Unrestricted assets	Endowment fund pursuant to DPR 361/2000	Statutory reserves	Funds without restriction on allocation	Surplus (deficit) carried forward	Surplus (deficit) for the period	Total
Start of 2020	300.000	217.573	0	334.246	10.162	861.981
Allocation/Use	0	0		10.162	(10.162)	0
Increases	0	0	16.696.239	0	0	16.696.239
Decreases	0	0	(3.200.000)	0	0	(3.200.000)
Surplus in 2020	0	0	0	0	31.820	31.820
Situation at the end of 2020	300.000	217.573	13.496.239	344.408	31.820	14.390.040

In line with the recommendations of the National Council of Chartered Accountants and Expert Bookkeepers, the breakdown of restricted funds is set out below.

Restricted assets	Third party restricted funds	Fund to support the activities of future financial year	Funds pending allocation	Total
Start of 2020	49.742.505	0	12.932.966	62.675.471
Variation due to projects allocations	13.655.577	0	0	13.655.577
Increases	0	1.200.000	0	1.200.000
Decreases	(3.763.272)	0	(12.932.967)	(16.696.239)
Rounding off	(1)	0	1	0
Situation at the end of 2020	59.634.809	1.200.000	0	60.834.809

The items shown as decreases in restricted assets and increases in unrestricted assets were the subject of a resolution passed in the 2020 financial year, whereby the Board of Directors, after noting that the restricted funds and reserves totalling EUR 16.7 million, which had already been set aside several years ago, were no longer subject to specific restrictions and, as such, could be freely allocated to the Foundation's institutional and statutory purposes, resolved to include them among the unrestricted funds of the Foundation's unrestricted assets.

Subsequently, also during the 2020 financial year, the Board of Directors resolved to allocate part of the aforementioned Funds to support the Foundation's institutional activities ongoing in the 2020 financial year (EUR 2 million) and EUR 1.2 million to a new reserve item, called Fund to Support the Activities of Future Financial Years, placed in the Foundation's restricted assets. This was after having also approved, before the end of the year 2020, the budget for the year 2021, as provided for in the articles of association of the Organisation.

"Third party restricted funds" booked under "Other reserves, shown separately", include both funds committed for receivables from financing institutions recorded as assets in the balance sheet, and advances received on current projects, if they exceed the related costs incurred at the end of the financial year and allocated by their nature to specific projects.

2.B - FUNDS FOR RISKS AND CHARGES

This fund represents the estimated risks related to the possibility of sustaining additional charges for costs that cannot be covered by donors.

2.C - STAFF LEAVING INDEMNITY (TFR)

This represents the debt to employees in compliance with the law and current employment contracts, taking into consideration all forms of continuous remuneration.

The fund corresponds to the total of individual indemnities payable to employees at the date of the Financial Statements, net of advances paid, and corresponds to the amount that would have been paid to employees if they had left employment at that date.

TFR is calculated pursuant to section 2120 of the Civil Code, in light of the specific terms of contracts and professional categories, and includes the annual quotas accrued and revaluation based on ISTAT (the National Statistics Institute) coefficients.

The changes during the period were as follows:

TFR Fund	Amount
Value at 31/12/19	762.181
Settlements/Advances	(108.385)
Provision	148.500
Balance as at 31/12/20	802.296

The provision for the financial year also includes the share relating to the subjects collaborating in the individual projects for € 23,910, classified in the profit and loss account under the item "Operating expenses specific to the institutional activity".

2.D - PAYABLES

Payables are shown in the Financial Statements at par value; adopting the amortization method would not have had a significant impact.

No payables are due beyond five years and no payables are backed by guarantees on company real estate assets.

The main amounts in this item are as follows:

2.D.4 Payables to banks

The variation during the period is as follows:

Payables to banks	Amount
Value at 31/12/19	95.902
Variation during the period	402.604
Balance as at 31/12/20	498.506

At the end of the 2020 financial year, the payables due to banks showed that current account credits were used for short-term cash needs related to the management of projects financed by public donors. Payables to Ubi Banca as at 31.12.20 amounted to 470,000 Euro, due to the drawings on the credit line granted for up to one million Euro during the 2020 financial year, which was secured by securities included under financial fixed assets for a corresponding value.

2.D.7 Payables to suppliers

The variation during the period is as follows:

Payables to suppliers	Importo
Value at 31/12/19	825.307
Variation during the period	448.183
Balance as at 31/12/20	1.273.490

The amount includes invoices to be received totaling 237 thousand.

2.D.14 Other payables

Other payables comprise:

Item	31.12.20	31.12.19
Payables to employees and collaborators	622.510	496.656
Payables to other NGOs and/or local counterparties	1.050.762	921.102
Other payables	85.743	32.001
Total	1.759.015	1.509.759

This item in the Financial Statements includes debts to employees both for salaries as yet unpaid and the amount for holidays yet to be taken at the end of the period.

2.E - ACCRUALS AND DEFERRED INCOME

Accruals and deferred income are shown in the Financial Statements on the accrual basis in relation to the related costs and revenues.

The composition of Accruals and deferred income at the end of the year, compared to the same as at the end of the previous year, is as follows:

Item	31.12.20	31.12.19
Accruals on financial assets	131.703	108.201
Deferred income	700	1.618
Total	132.403	109.819

No items among the accruals and deferred income has a duration of over 5 years.

3.A - PRODUCTION VALUE**ENTERING REVENUES**

Cash donations from natural persons or legal entities to the Foundation are carried out without a corresponding transfer of goods and/or provision of services.

Contributions from private legal entities are shown in the Financial Statements on the basis of a formal decision to make the donation, the duration of the project or the financial commitment.

The use of revenues from donations can be restricted or unrestricted.

1. Unrestricted donations, i.e. without limitations or constraints imposed by the donor, are entered into the accounts among the revenues for the period in which they are received or the right is obtained, enforceable in law, to receive them.
2. Restricted donations are subject to the wishes of the donor or an external third party and the limitations or constraints imposed by them for their use. Starting in the 2018 financial statements, they have been booked under income at the time of collection and reclassified at the end of the period, as far as the amounts still unused are concerned, under "Third party restricted funds" of the Restricted capital assets.
3. Revenues relating to funds derived from 5 per thousand contributions on annual income tax returns are shown on the basis of the publication of definitive lists by the Tax Authorities. The Foundation is called upon to keep a dedicated and separate record – with illustrative report – of these donations, clearly and transparently indicating how these donations were used. This document must be drawn up within a year of receipt of the contribution (section 8 of Prime Ministerial Decree dated 19/3/2008 and subsequent amendments). With specific Notes, the Ministry of Labour and Social Policies postponed this deadline for the revenues relating to the years 2018 and 2019, giving the Foundation the opportunity to set aside the sums not yet used; in any case the 24-month period from the date of receipt granted entities required to send the granting administration a rendering of accounts with regard to the provision, together with a descriptive report detailing the expenses included, still stands.

Revenues of a financial nature are shown on the accrual basis.

INCLUSION AND EVALUATION CRITERIA

Entering cash donations into the accounts contributes to the truthful and accurate representation of the assets and financial position of the Foundation, highlights the degree of attractiveness (**Consent**) that the Institute is able to create and maintain to investors in solidarity and benefactors (**Donors**).

There are no problems regarding the evaluation of cash donations paid by bank and Post Office transfers, as well as other bank remittances (standing debit orders and credit cards).

REPRESENTATION CRITERIA

At the moment a cash donation is received, it is entered into the accounts under liquid assets offset against revenues for institutional activities.

The portion of the donation that has not been used at the end of the period for a dedicated project or which cannot be used freely, is adjusted as a deferred donation under "Third party restricted funds", one of the categories of Restricted capital assets. The sum is used to calculate the operating result for the following periods.

Donations comprising goods to be used over a period of several years are shown as proceeds and included among the fixed assets under the suitable heading. The value of the goods is subject to normal amortization, based on their remaining useful life.

When the financing body pays out a certain amount of the project funding, liquid assets are offset against revenues from institutional activities and, at the same time, the Payables to the Financing entity and the corresponding amounts under "Third party restricted funds" of the Restricted Capital Assets are reduced.

The part of the project funding not used at the end of the period for a dedicated project was adjusted as a deferred donation under "Third party restricted funds", one of the categories of the Restricted Capital Assets. It will be used to calculate the operating result of the Foundation for the subsequent periods.

For further details and qualitative and quantitative data regarding the donations received and their use, see the Mission Statement.

ENTERING CHARGES

They are booked according to the principle of prudent accounting and on an accrual basis. Charges from community service projects refer to the costs incurred for the creation of a work or set of works which together form a single project with a duration of one or multiple years.

INFORMATION ON TAX EXEMPTIONS

The Foundation can avail itself of the favourable regulations for tax purposes provided by Legislative Decree no. 460/1997 on non-profit organizations as a result of the transitional system introduced by Article 101 of Legislative Decree no. 117/2017 and of the rules already in force of the latter decree, the so-called "Third Sector Code" with regard to indirect taxes and the deduction/relief of received donations, namely, articles 82, 83, 102 paragraph 1 letter e), f) and g).

For VAT purposes, institutional activities are not subject to tax due to the lack of the objective and subjective requirements set forth in articles 2, 3, 4 of Presidential Decree 633/72, donations received by the Foundation are considered excluded.

For IRES (corporate income tax) purposes, the Foundation can avail itself of the tax benefits provided by art. 150 of Presidential Decree 917/86 for non-profit organisations.

For IRAP (regional tax on productive activities) purposes, the Foundation calculates its dues on the basis of the so-called "remuneration system" enjoying the benefits provided by Regional Law no. 27 of 18/12/01 (Lombardy Region) as well as the rate reductions provided for by the regions in which it operates.

Tax relief allowed for third parties making donations to the Foundation.

Deductions for donations for the donors pursuant to section 83 of Legislative Decree no.117, dated 3 July 2017 are listed below:

1. From the gross income tax for natural persons a deduction of 30 percent of the charges incurred by the taxpayer for cash donations and donations in kind to non-commercial entities in the Tertiary sector as specified in section 79, paragraph 5, for an overall amount in each tax period of no more than 30,000 Euros. The deduction is allowed for cash donations provided the payment is made by bank or Post Office remittance or other payment method as specified in section 23 of Legislative Decree 241 dated 9 July 1997.
2. Cash donations or donations in kind to non-commercial entities in the Tertiary sector as specified in section 79, paragraph 5, from natural person, entities or companies are deductible from the overall net income of the donor up to a limit of 10 percent of the declared total income. If the deduction is higher than the total declared income, after all deductions, the excess can be calculated as an increase in the deductible amount from the income of up to four subsequent periods, up to the total of the excess amounts.

During the tax period, numerous natural persons and companies made donations for institutional purposes. In compliance with the regulations governing the sector, the Foundation:

- 1) kept a systematic and chronological record of the donations received, with an identity code, the date, nature of the donation, amount and payment method;
- 2) kept "one-by-one" records without grouping them either by date, donor or payment method;
- 3) on request, provided receipts specifying the amount and how it will be spent;
- 4) drew up the Financial Statements to accurately reflect the assets and economic and financial position of the Foundation.

OTHER INFORMATION***Economic relations with Public Administrations***

In accordance with the provisions of paragraph 125 of Article 1 of Law 124/17, the publication of “information relating to grants, contributions, paid assignments and in any case economic benefits of any kind received” will take place as provided for on the Foundation’s website, by 30 June of the year following the year of receipt, as established by Article 35 of the “Growth” Decree 2019.

List of subsidiaries and associated companies

The Foundation does not have subsidiaries or possess a holding in any other company.

Information about financial instruments

Pursuant to section 2427 bis of the Civil Code, as at 31 December 2020, the Foundation has no derivatives.

Directors and Statutory Auditors fees

The amount of the consideration due, for the financial year 2020, to directors having specific appointments within the Board and to the members of the Board of Auditors is shown in the table below as taxable value:

Directors fees	50.000
Board of Auditors fees	24.000

COMPOSITION OF PERSONNEL

The Table below gives a breakdown of personnel as at 31/12/2020.

TYPE OF CONTRACT	Outside Italy		Italy		TOTAL
	F	M	F	M	
Fixed-term	0	0	8	0	8
Open-ended	0	0	37	17	54
Coordinated continuous cooperation	43	34	16	10	103
TOTAL	43	34	61	27	165

There were no significant changes in payroll (fixed term or Open-ended contracts) compared to the previous year. The increase in employer-coordinated freelance workers, expatriate personnel employed in the various countries, reflects the normal and continuous turnover due to the different needs of the various projects.

MANAGEMENT REPORT

In order to improve its analytical skills, the Foundation has long since adopted the “Guidelines and schedules for drawing up the Financial Statements of non-profit entities” of the Agency for the non-profit organizations, adding the Management Report model to the usual financial statement documents; this scheme reflects the numbers of the organization’s activities by “areas of activity”.

The decree on the “Adoption of the budget forms of Third Sector Entities” published in the Official Gazette on 18 April 2020 contains the budget forms to be adopted by the various Entities starting from 2021. The decree is part of the provisions of art. 13 par. 3 of Legislative Decree 117/17 and for

the first time sets a standard for all Third Sector Entities; in this regard the Decree mentions: *“the forms referred to in this document must be considered as “fixed” forms”*, in particular with regard to the the Management Report, which is the form representing the economic and operational performance of the entity.

Pending further doctrinal clarifications regarding the content of the individual items in the Management Report required by the Decree, the Foundation continues to use the format adopted so far, which does not differ significantly from the format to be used from the 2021 financial year. It should also be noted that, following the merger between We World and GVC in December 2018, it was only in 2019 that the Foundation was able to use the same IT system, and the operational activities of internal reorganisation and rationalisation of the structure and resources were put in place to facilitate the structuring of the Management Report.

As regards the core business, there was a significant increase in managed volumes, thanks in particular to an increase in the income from public entities by almost 2 million Euro, as a logical consequence of the increase in new contracts with institutional donors recorded in recent years. In 2020, in particular, the total value of the contracts signed was EUR 36.7 million, with an increase by approximately EUR 7 million compared to the figure for the 2019 financial year. The Other income item, equal to EUR 2 million includes the funds that the Board of Directors has allocated to support the institutional activities taking place in the 2020 financial year, as already shown in the movements of the items in Equity. Charges for the core business also increased accordingly.

The increase in charges for Promotional Activities highlights the commitment and the new strategies approved starting from last financial year with the aim of increasing the visibility of the Foundation and the provision of information on the actions carried out.

As far as the management of financial assets is concerned, the particularly turbulent performance of the currency markets generated a significant increase in both income and expenses. The annual balance showed a worsening by more than EUR 300,000, due in particular to the exchange loss generated by the strengthening of the Euro against all the currencies with which the Foundation operates in the various countries. The positive effects of the financial management of assets are still absolutely marginal from the point of view of generating the result for the year, due to the decision to make prudent investments with a view to protecting it.

General support costs show an increase compared to 2019, due to the increase in the Foundation's activities and the consequent higher support costs necessary to carry them out.

Significant events after closing the Financial Statements

Following the measures issued due to the continuing effects of the Covid-19 pandemic, the organisation in Italy continued to operate mainly on a smart-working basis, in both Bologna and Milan.

In the countries where the projects were implemented, the situations remains extremely varied and heterogeneous. Some activities are still proceeding at a slower pace, in order to guarantee the safety of the organisation's staff and of the beneficiaries of the actions.

Analysis of efficiency indices

The following efficiency indices are highlighted:

Indices	31.12.20	31.12.19
Institutional charges / Total charges	85%	86%
Fundraising charges / Total charges	7%	6%
General support charges / Total charges	8%	8%

(*) Calculated on the basis of Total charges, excluding financial charges

Final remarks

Dear Directors

In light of the above, we recommend approval of the Financial Statements and the accompanying documents and the allocation of the operating surplus for the 2020 financial year equal to 31.820 Euros to unrestricted Assets under the heading "Surplus carried forward".

We World - G.V.C. Onlus

The Chairman

Marco Chiesara

[signed]



Independent auditor's report

To the board of directors of
We World - GVC Onlus

Opinion

We have audited the financial statements of We World - GVC Onlus (the Foundation), which comprise the balance sheet as of 31 December 2020, the income statement and statements of cash flows for the year then ended and related notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Foundation as of 31 December 2020 and of the result of its operations and cash flows for the year then ended in compliance with the laws governing the criteria for their preparation, as illustrated in the notes to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are independent of the Foundation pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other aspects

This report is not issued in accordance with Italian law because in the year ended 31 December 2020 the Foundation was not obliged to assign an audit engagement.

Responsibilities of Management and of Board of Auditors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian laws governing the criteria for their preparation and, in the terms prescribed by law, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

PricewaterhouseCoopers SpA

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Management is responsible for assessing the Foundation's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, management uses the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

The Board of Auditors is responsible for overseeing, in the terms prescribed by law, the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- We concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Milan, 22 June 2021

PricewaterhouseCoopers SpA

Signed by

Nicola Fierro
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers