

# WE WORLD GVC ORGANIZZAZIONE NON LUCRATIVA DI UTILITA' SOCIALE

**[non-profit-making organization for community work]**

Registered Office: Via Serio 6 – Milano (MI)

Taxpayer's Code: 97241280151

Registered at REA [Administrative Economic Index] under No. 1759079

VAT Id No. 03993130966

## BALANCE SHEET AS AT 31<sup>th</sup> December 2021

### Statement of Assets and Liabilities

	Financial Year 2021
<b>Assets:</b>	
<b>A) membership fees or contributions still due;</b>	<b>0</b>
<b>B) fixed assets:</b>	
I – Intangible fixed assets:	
1) start-up and expansion costs;	32,921
2) development costs;	0
3) industrial patent and intellectual property rights;	39,613
4) concessions, licences, trademarks and similar rights;	7,098
5) goodwill;	0
6) assets under construction and advances;	0
7) others,	7,261
<b>Total.</b>	<b>86,893</b>
II – tangible fixed assets:	
1) land and buildings;	1,793,220
2) plant and machinery;	749
3) equipment;	0
4) other assets;	69,511
5) assets under construction and advances;	0
<b>Total.</b>	<b>1,863,480</b>
III - financial fixed assets, with separate additional indication, for each item of receivables, of amounts due within the following financial year:	
1) equity investments in:	
a) subsidiary companies;	0
b) associated companies;	0
c) other companies;	27,226
2) receivables:	
a) from subsidiary companies;	0
b) from associated companies;	0
c) from other third-sector entities;	0
d) from others;	13.813
3) other securities;	11,897,879
<b>Total.</b>	<b>11,938,918</b>
<b>Total fixed assets.</b>	<b>13,889,291</b>
<b>C) current assets:</b>	
I - inventories:	
1) raw and ancillary materials and consumables;	0
2) work in progress and semi-finished goods;	0
3) contract work in progress;	0
4) finished products and goods;	0
5) payments on account.	0
<b>Total.</b>	<b>0</b>

II - receivables, with additional indication, for each item, of amounts due beyond the following financial year:

1) from users and customers;	0
2) from members and customers;	0
3) from public bodies;	
<i>Within the financial year</i>	23,584,128
<i>Beyond the financial year</i>	18,917,519
4) from private entities for contributions;	
<i>Within the financial year</i>	1,212,494
<i>Beyond the financial year</i>	935,562
5) from entities of the same association network;	0
6) from other Third-sector entities;	4,132,343
7) from subsidiary companies;	0
8) from associated companies;	0
9) tax receivables;	20,208
10) from <i>Cinque per mille</i> [five per thousand];	0
11) deferred tax assets;	0
12) from others.	528,300
<b>Total.</b>	<b>49,330,554</b>

III - Financial assets not held as fixed assets:

1) equity investments in subsidiary companies;	0
2) equity investments in associated companies;	0
3) other securities;	0
<b>Total.</b>	<b>0</b>

IV – cash and cash equivalents:

1) bank and post office deposits;	7,862,888
2) cheques;	0
3) cash on hand;	87,937
<b>Total.</b>	<b>7,950,825</b>

**Total current assets.** **57,281,379**

**D) accrued income and prepaid expenses.** **2,411,416**

**TOTAL ASSETS** **73,582,086**

**Liabilities:**

**Financial Year  
2021**

**A) shareholders' equity:**

I - endowment fund of the institution;	300,000
II – restricted capital assets:	
1) statutory reserves;	0
2) restricted reserves by decision of institutional bodies;	1,350,000
3) restricted reserves allocated by third parties;	52,514,176
III – free capital assets:	
1) profit or surplus reserves;	376,228
2) other reserves;	11,923,812
IV – surplus / deficit for the year,	21,555
<b>Total.</b>	<b>66,485,771</b>

**B) Provisions for risks and charges:**

1) for retirement and similar obligations;	0
2) for taxes, including deferred taxes;	0
3) others.	285,000
<b>Total.</b>	<b>285,000</b>

**C) employee severance indemnities;** **884,716**

**D) payables, with additional indication, for each item, of amounts due beyond the following financial year:**

1) due to banks;	1,049,249
2) due to other financing bodies;	0
3) due to members and founders for loans;	0
4) due to entities in the same network of associations;	0

5) for conditional charitable donations;	0
6) payments on account;	0
7) due to suppliers;	1,633,492
8) due to subsidiary and associated companies;	0
9) tax payables;	292,310
10) due to social security institutions;	261,677
11) due to employees and collaborators;	704,287
12) other payables;	1,826,991
<b>Total.</b>	<b>5,768,006</b>
<b>E) accrued liabilities and deferred income.</b>	<b>158,593</b>
<b>TOTAL LIABILITIES</b>	<b>73,582,086</b>

## Management Report

### CHARGES AND COSTS

A) Costs and charges from activities of general interest	Financial Year 2021
1) Raw and ancillary materials, consumables and goods	6,374,355
2) Services	16,885,808
	0
3) Use of third-party assets	977,099
4) Personnel	5,512,094
5) Depreciation	74,337
5 bis) Write-downs of tangible and intangible fixed assets	0
6) Provisions for risks and charges	200,000
7) Other operating charges	7,954,413
For projects	
8) Opening inventories	0
9) Allocation to restricted reserve by decision of institutional bodies	0
10) Use of restricted reserve by decision of institutional bodies	0
<b>Total</b>	<b>37,978,106</b>

### B) Costs and charges from other activities

1) Raw and ancillary materials, consumables and goods	0
2) Services	0
3) Use of third-party assets	0
4) Personnel	0
5) Depreciation	0
5 bis) write-downs of tangible and intangible fixed assets	0
6) Provisions for risks and charges	0
7) Sundry operating charges	0
8) Opening inventories	0
<b>Total</b>	<b>0</b>

### C) Costs and charges from fundraising activities

1) Charges for regular fundraising	3,402,145
2) Charges for occasional fundraising	0
3) Other charges	0
<b>Total</b>	<b>3,402,145</b>

### D) Costs and charges from financial and asset related activities

1) On banking relations	8,625
2) On loans	0
3) From real-estate assets	0
4) From other assets	0
5) Provisions for risks and charges	0
6) Other charges	106,493

### PROCEEDS AND REVENUES

A) Revenues, income and proceeds from activities of general interest	Financial Year 2021
1) Proceeds from membership fees and founders' contributions	2,250
2) Proceeds from members for mutual activities	0
3) Revenues from services and sales to members and founders	0
4) Charitable donations	705,512
5) Proceeds from <i>Cinque per Mille</i>	187,339
6) Contributions from private entities	1,237,874
7) Revenues from services and sales to third parties	0
8) Contributions from public entities	32,012,544
9) Proceeds from contracts with public entities	0
10) Other revenues, income and proceeds	2,299,237
11) Closing inventories	0
<b>Total</b>	<b>36,444,756</b>
<b>Surplus/deficit from activities of general interest (+/-)</b>	<b>-1,533,350</b>

### B) Revenues, income and proceeds from other activities

1) Revenues from services and sales to members and founders	0
2) Contributions from private entities	0
3) Revenues from services and sales to third parties	0
4) Contributions from private entities	0
5) Proceeds from contracts with public entities	0
6) Other revenues, income and proceeds	0
7) Closing inventories	0
<b>Total</b>	<b>0</b>
<b>Surplus/deficit from other activities (+/-)</b>	<b>0</b>

### C) Revenues, income and proceeds from fundraising activities

1) Proceeds from regular fundraising	7,419,852
2) Proceeds from occasional fundraising	0
3) Other proceeds	0
<b>Total</b>	<b>7,419,852</b>
<b>Surplus/deficit from fundraising (+/-)</b>	<b>4,017,707</b>

### D) Revenues, income and proceeds from financial and asset related activities

1) From banking relations	2,642
2) From other financial investments	340,058
3) From building assets	0
4) from other assets	0
5) Other proceeds	0

	<b>Total</b>	<b>115,118</b>		<b>Total</b>	<b>342,700</b>
				<b>Surplus/deficit from financial and asset related activities (+/-)</b>	<b>227,582</b>
<b>General support costs and charges</b>			<b>E) General support proceeds</b>		
1) Raw and ancillary materials, consumables and goods		4,766	1) Proceeds from staff secondment		0
2) Services		1,139,104	2) Other general support proceeds		57,410
3) Use of third-party assets		124,562			
4) Personnel		1,061,591			
5) Depreciation		194,047			
5 bis) write-downs of tangible and intangible fixed assets		0			
6) Provisions for risks and charges		18			
7) Other charges		184,500			
9) Allocation to restricted reserve by decision of institutional bodies		0			
10) Use of restricted reserve by decision of institutional bodies		0			
	<b>Total</b>	<b>2,708,588</b>		<b>Total</b>	<b>57,410</b>
	<b>Total charges and costs</b>	<b>44,203,957</b>		<b>Total proceeds and revenues</b>	<b>44,264,717</b>
				<b>Operating surplus/deficit before tax (+/-)</b>	<b>60,760</b>
				Taxes	<b>-39,205</b>
				<b>Operating surplus/deficit (+/-)</b>	<b>21,555</b>

## MISSION REPORT

### *Balance Sheet as at 31<sup>st</sup> December 2021 (Amounts expressed in Euro)*

#### **A) GENERAL INFORMATION**

##### ***Introduction***

During the 2017 financial year, the Italian Legislative Decree No. 117/17, known as reform of the Third Sector, aimed at harmonising the regulations applicable to non-profit Organisations, was enacted.

With the registration, albeit optional, in the *Registro Unico del Terzo Settore* (RUNTS) [National Single Register of the Third Sector], the pre-existing non-profit organisation will acquire the status of ETS (Third Sector Organisations) and shall comply with all the provisions set forth in the relevant regulations.

In a press release dated 28<sup>th</sup> March 2022, the Revenue Agency specified that organisations registered in the Onlus Registry [non-profit-making] organisations, the list of which is online on the Agency's website, will be able to complete their registration in the RUNTS from that date and until 31<sup>st</sup> March of the tax period following the issuance of the required authorisation by the European Commission (Article 101(10) of the Italian Legislative Decree No. 117 of 3<sup>rd</sup> July 2017). The Onlus Registry will be abolished as of the tax period following the issuance of the authorisation by the Commission, but until that date it will be fully operational and the Organisations that remain registered will be able to take advantage of the benefits specific to Onlus organisations.

On 18<sup>th</sup> April 2020, the Decree of the Italian Labour Minister dated 5<sup>th</sup> March 2020 "Adoption of the balance-sheet forms of Third Sector Organisations" was published in the Official Gazette on 18<sup>th</sup> April 2020, in compliance with the provisions of Article 13(3) of the Third Sector Code. The aforementioned decree contains the balance-sheet formats and some explanatory notes for the preparation of the balance sheet of Third Sector Organisations. As specified by the Italian Ministry of Labour with Note No. 19740 dated 29<sup>th</sup> December 2021, the balance sheet forms referred to in the Italian Decree dated 5<sup>th</sup> March 2020, and which the Accounting Standard OIC 35 refers to, are applicable starting from the balance sheet of the financial year 2021 to all Third Sector Organisations whose financial year corresponds to the calendar year and in any case to all APS [Social Promotion Associations], OdV [Voluntary Organisations] and ONLUS even if not yet registered with the National Single Register of the Third Sector (RUNTS).

In February 2022, the *Organismo Italiano di Contabilità* [Italian Accountancy Board] issued the document OIC 35 entitled "ETS Accounting Standard". This standard has the precise aim of "regulating the criteria for: (i) the presentation of the statement of assets and liabilities, the management report and the mission report of Third Sector organisations, with particular regard to their structure and their content; and (ii) the recognition and measurement of specific facts typical of Third Sector organisations".

Therefore, We World GVC ONLUS Foundation (hereinafter also referred to as the "Foundation"), although not yet registered with the RUNTS, has amended and implemented its accounting system as of the financial year 2021, and this balance sheet has therefore been prepared in compliance with the provisions of the Decree of the Italian Labour Minister and with the Accounting Standard OIC

35, both mentioned hereabove.

OIC 35 states that *“in order to avoid the burdens associated with reclassifying the 2020 balance sheet under the new formats, the organisation may decide not to produce the comparative balance sheet”*.

Since full comparability with the 2020 balance sheet cannot be guaranteed due to the different accounting approach for the recognition of charges for projects shown in the section “Costs and charges from activities of general interest”, which makes it impossible to produce the 2020 figures according to the new format of the Management Report, the Foundation decided to avail itself of the option not to produce the comparative balance sheet as provided for by the document OIC 35. However, the Foundation has reclassified and prepared a “pro-forma” Balance Sheet for the year 2020 to be presented in the section “Disclosure of the Balance Sheet Items” Mission Report with comments on the main accounting items.

The Balance Sheet as at **31<sup>st</sup> December 2021** consists of the Statement of Assets and Liabilities, the Management Report and the Mission Report.

### **1 – General information on the organisation**

We World GVC ONLUS is a foundation established in 2018 following the merger by incorporation of Associazione Gruppo di Volontariato Civile - GVC ONG/ONLUS (hereinafter referred to also as “GVC”) into Fondazione WE World Onlus.

GVC was a Bologna-based NGO that had been operating in Italy and worldwide for almost 50 years, carrying out projects mainly funded by Italian and European public institutions and the United Nations system. The main projects carried out over time by GVC were development and technical assistance, humanitarian aid, DRR (Disaster Risk Reduction), LRRD (Linking Relief, Rehabilitation and Development), volunteering, advocacy, and global citizenship education.

The reasons that led to the merger were the will of We World and GVC to continue their long-standing activities towards the beneficiaries of their interventions by adopting a new organisational model and pooling their experiences and skills, in order to carry out their socially useful activities in a more effective way, while also increasing their fundraising skills.

During 2020, the Foundation also joined the ChildFund Alliance, one of the leading international networks for the defence of children’s rights, with two operational offices in New York and Brussels, currently composed 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 skills 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.

The Foundation’s registered office is in Via Serio 6, Milan (MI), the other main office is in Via Francesco Baracca 3, Bologna (BO); accounting records are kept in both of these offices.

The Foundation also has other offices where projects are implemented, as listed herebelow:

Via Fratelli Cairoli 18/A, Brescia (BS)

Via Sant’Antonio 27, Cosenza (CS)

Via Saffi 11/13, Pescara (PE)

Lungo Grati Gergeri- S Antonio 27, Cosenza (CS)

Via Dei Somaschi 12, Elmas (CA)

Via Don Guanella 20, Naples (NA)

Via Oberdan 16, Agugliano (AN)

Via San Paolo 36, Appiano Sulla Strada Del Vino - Eppan an der Weinstraße (BZ)

Via Antonio Provolo 24, Rome (RM)  
Via San Secondo 20, Ventimiglia (IM)  
Via Lungo Crati, Cosenza (CS)  
Viale Della Resistenza 11/K, Naples (NA)  
Via G Di Vittorio 23, Reggio nell'Emilia (RE)

The Foundation carries out institutional activities (activities of general interest), as set out in Article 5 of the Italian Legislative Decree No. 117/2017. In particular, the object and purposes of We World GVC Onlus are, as stated in Article 2 of its Articles of Association, *“exclusive pursuit of social solidarity and, in particular, social and socio-health care, as well as protection of civil rights with particular attention to the rights of children, girls and women”* through programmes and projects having the following aims: *“development cooperation in favour of economically less developed populations and fight against poverty in general, including access to health, food security, water, socio-economic development and environmental protection; humanitarian aid during natural disasters and emergencies, including post-emergency prevention and rehabilitation; prevention and problem-solving of persons who are abandoned, marginalised, poor or at risk of violence, with special attention to children, youth and women, migrants and refugees; instruction, promotion of quality teaching and education in world citizenship; international volunteerism.”*

The aforementioned activities are carried out mainly in favour of the most vulnerable communities. During 2021, the Foundation's actions reached over 8 million direct beneficiaries and over 55 million indirect beneficiaries, in particular women, children, disabled, evacuated persons, refugees and migrants.

Pursuant to Article 6 of the Third Sector Code, the Foundation may carry out activities other than those of general interest, secondary and instrumental to the latter, in accordance with those criteria and limits as defined by a specific Italian Ministerial Decree. The Foundation may also carry out fundraising activities, in compliance with the principles of truthfulness, transparency and fairness with supporters and the public, in accordance with the provisions contained in Article 7 of the Italian Legislative Decree No. 117/2017.

### **Composition of corporate bodies**

At the date of approval of this balance sheet, the corporate bodies are composed as follows:

Board of Promoters: 5 natural persons

Board of Members: 40 natural persons;

Board of Directors: composed of 8 members appointed equally by the two Boards. It is vested with all powers of ordinary and extraordinary administration of the Foundation.

The Chairman of the Board of Directors is also the President of the Foundation, appointed by the Board of Directors from among its members.

The Managing Director, also appointed by the Board of Directors from among its members, supervises the management of the Foundation's activities.

The Board of Auditors consists of three regular members, all of whom are enrolled in the Register of Auditors kept by the Italian Ministry of Economy and Finance.

### **Activities of General Interest carried out pursuant to Article 2 of the Articles of Association**

During the financial year, the Foundation implemented 129 projects in 25 countries and with 386 partners, in the following areas of intervention: water, climate change, rights and gender equality, education, zero hunger, human mobility, health, global citizenship education and awareness-raising.

### **Deductions allowed to third parties for charitable donations to the Foundation.**



Listed below are the allowances and deductions for charitable donations allowed to donors as a result of the Italian Legislative Decree of 3<sup>rd</sup> July 2017, No. 117, art. 83:

1. An amount equal to 30 per cent of the expenses incurred by the taxpayer for charitable donations in cash or in kind in favour of non-commercial Third Sector organisations referred to in Article 79(5), for a total amount in each tax period not exceeding Euro 30,000, is deducted from the gross personal income tax. The deduction is allowed, for charitable donations in cash, on condition that the payment is made through banks or post offices or through other payment systems as envisaged by Article 23 of the Italian Legislative Decree No. 241 of 9 July 1997;
2. charitable donations in cash or in kind disbursed in favour of non-commercial Third Sector organisations referred to in Article 79(5), by individuals, entities and companies are deductible from the total net income of the donor within the limit of 10 per cent of the total declared income. If the deduction exceeds the total declared income, minus all deductions, the excess may be calculated as an increase of the amount deductible from the total income of the following tax periods, but not beyond the fourth, up to its amount.

During the year, numerous natural persons and companies made charitable contributions to the organisation for its institutional purposes. In accordance with sector regulations, the Foundation:

- 1) has kept systematic and chronological records of the charitable donations received, specifying the identification code, date, nature of donation, amount, and payment method thereof;
- 2) has made the entries “one by one” without grouping them either by date, by donor or by method of payment;
- 3) has sent, upon request, receipts certifying receipt and method of use of the sum;
- 4) has drew up the balance sheet document to adequately represent the equity, economic and financial situation.

## **2 - Data concerning Associates and Founders: information on the participation of associates in the life of the organisation.**

The number of associates as at 31<sup>st</sup> December 2021 was 45, all natural persons, 20 of whom work for the Foundation under different types of contracts.

Members are regularly informed of the Foundation’s activities during the course of the year, including by attending meetings of the Boards of Adherents and Promoters convened during the same year; in 2021, one meeting of the aforementioned Boards was held in September.

## **B) DISCLOSURE OF THE BALANCE SHEET ITEMS**

### **Criteria used to draw up the balance sheet**

#### ***Content and form of the balance sheet***

The Statement of Assets and Liabilities represents the individual items according to the criterion of increasing liquidity. The Management Report, in the form envisaged by the Italian Ministerial Decree of 5<sup>th</sup> March 2020, with an indication of proceeds and charges represents the costs and revenues for the period.

The Mission Report, drawn up pursuant to the Italian Ministerial Decree of 5<sup>th</sup> March 2020, also contains all information deemed necessary to provide a correct interpretation of the Statement of Assets and Liabilities, in particular, it discloses the items in the balance sheet, the Foundation’s economic and operating performance and the ways in which it pursues the purposes set forth in its articles of association.

The Mission Report contains, where applicable, all information required by Annex C to the Italian

Ministerial Decree of 5<sup>th</sup> March 2020, as supplemented with the contents of the document OIC 35 - ETS Accounting Standard.

The balance sheet has been voluntarily audited by PricewaterhouseCoopers S.p.A.

***Criteria adopted for the preparation of the balance sheet***

The Balance Sheet clearly and fairly represents the capital and financial position of the Foundation and the results of operations for the year.

The criteria used in the preparation and evaluation of the balance sheet for the year ended 31<sup>st</sup> December 2021 take into account the changes introduced into the national system by the Italian Ministerial Decree of 5<sup>th</sup> March 2020, by applying the Accounting Standard OIC 35 and the National Accounting Standards, as published by *Organismo Italiano di Contabilità*.

The following balance sheet complies with the provisions of Article 13 of the Italian Legislative Decree No. 117/2017 as supplemented by the Italian Ministerial Decree of 5<sup>th</sup> March 20, as shown in this Mission Report, which is an integral part of the balance sheet.

The balance sheet figures are represented in units of euro by rounding the relevant amounts. Any rounding differences have been shown in the item “Euro rounding reserve” under Shareholders’ Equity items.

The Mission Report also contains all information useful to provide a correct interpretation of the balance sheet and of the statement of assets and liabilities and the management report items, according to the order in which the relevant items are shown in the respective balance sheet formats.

The balance sheet corresponds to the results of the accounting records duly kept.

***Drafting principles***

The valuation of the items in the balance sheet is based on the general criteria of prudence and on an accrual basis, and, where required by law, with the consent of the Board of Auditors.

The balance sheet has been prepared on a going-concern basis, as the Directors have verified that there are no financial, management or other indicators that might point to significant uncertainties regarding 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 entailed the individual evaluation of the elements making up the individual items or items of assets or liabilities, in order to avoid offsetting losses that were to be recognised and profits that were not to be recognised because they had not been realised.

In accordance with the accrual principle, the effect of transactions and other events was recognised in the accounts and attributed to the financial year which these transactions and events refer to, and not to the year in which the related cash movements (collections and payments) occur.

In obedience to the principle of materiality, recognition, measurement, presentation and disclosure requirements have not been complied with when compliance with them would have an irrelevant effect on the true and fair view of the balance sheet.

The recognition and presentation of items in the balance sheet was made taking into account the substance of the transaction or contract.

Account has been taken of proceeds and charges pertaining to the financial year, regardless of the date of collection or payment, and of risks and losses pertaining to the financial year, even if they became known after its closure.

Capital assets intended to be used on a long-term basis have been entered under fixed assets. The valuation criteria and accounting principles adopted are explained below for the most significant

items.

The continuity of application of the valuation criteria over time is a necessary element for the comparability of the Foundation's balance sheets over the various financial years.

The criteria used in the preparation of the balance sheet for the year ended 31<sup>st</sup> December 2021 do not differ from those used in the preparation of the balance sheet for the previous year except for the recognition of proceeds relating to grants received from private and public institutional bodies for the implementation of projects. As from the current year, the proceeds deriving from agreements signed between the Foundation and Institutional Entities for, respectively, the implementation and financing of the various programmes, is recognised as proceeds at the time the agreement is signed for the full amount thereof. At the end of the year, it is recognised in the Management Report according to the progress of the financed project measured on the corresponding charges incurred and deemed eligible, in accordance with the requirements formalised in the agreement with the "Donor". The amount not yet used is reclassified under the item "Restricted reserves allocated by third parties" of the Restricted Assets. Previously, the Foundation used to transfer the cash and cash equivalents and in return the proceeds from institutional activities when a project instalment was disbursed by the financing entity and at the same time the Receivable from the Financing Entity was reduced and the corresponding part of the item "Funds restricted by third parties" of the restricted capital assets was reduced. The portion of the project tranche that had not been used for the restricted project at year-end was adjusted as a deferred contribution and charged to the item "Restricted funds from third parties" under restricted Capital Assets.

The Foundation applied this change in recognition retroactively and, accordingly, prepared a pro-forma balance sheet for the previous year by applying the new method of accounting already for that year. The retroactive application of this criterion resulted in the restatement of the items "Prepaid expenses" and "Restricted reserves allocated by third parties" in the Statement of Assets and Liabilities and the items "Contributions from Public Bodies" and "Costs and charges from activities of general interest" in the Management Report for a total of Euro 5,332.

### **Evaluation criteria**

The most significant evaluation criteria adopted in compliance with the provisions of the Italian Ministerial Decree of 5<sup>th</sup> March 2020, as supplemented and interpreted by the Accounting Principles issued by the *Organismo Italiano di Contabilità* (OIC), are shown below, with particular reference to those balance sheet items for which the legislator allows for different evaluation and adjustment criteria or for which no specific criteria are envisaged.

### **Fixed assets**

#### **Intangible fixed assets**

Intangible fixed assets are recorded at historical acquisition cost including accessory charges and shown net of amortisation and depreciation charged directly to the individual items.

Start-up and expansion costs with long-term utility have been capitalised with the approval of the Board of Auditors.

The amortisation of intangible assets was performed in accordance with this pre-determined plan:

<b>INTANGIBLE FIXED ASSETS ITEMS</b>	<b>PERIOD</b>
Start-up costs	5 years – straight line basis
Development costs	5 years – straight line basis
Use of intellectual property	5 years – straight line basis

Capitalised software, licences and trademarks	5 years – straight line basis
Leasehold improvements	Depending on the shorter of useful life and duration of the underlying contract

If, regardless of the depreciation already accounted for, an impairment loss results, the fixed asset is written down accordingly. If, in subsequent years, the reasons for the write-down no longer apply, the original value is reinstated, adjusted only for depreciation.

### **Tangible fixed assets**

These are recorded at purchase or production cost and adjusted by the corresponding depreciation provisions. Ancillary expenses and costs incurred for the use of the fixed asset have been taken into account in the book value.

Depreciation rates, charged to the Management Report, have been calculated considering the use, destination and economic-technical life of the assets, based on the criterion of the residual possibility of utilisation, a criterion that we considered to be well represented by the following rates, which have not changed with respect to the previous year:

<b>TANGIBLE FIXED ASSETS ITEMS</b>	<b>Rate %</b>
Buildings	3%
Specific plants	20%
Miscellaneous equipment	7,5%
Furniture and fixtures	12%
Electronic office machines	20%
Mobile phones	50%

For fixed assets purchased during the year, the depreciation rates applied were reduced by half, as they were deemed appropriate for the shorter period of use. The depreciation of assets used in the individual projects is entirely and directly allocated to the costs of the projects and entered under “Costs and charges from activities of general interest”.

If, regardless of the depreciation already accounted for, an impairment loss results, the fixed asset is written down accordingly. If, in subsequent years, the reasons for the write-down no longer apply, the original value is reinstated, adjusted only for depreciation.

### **Financial assets**

Financial products held are valued at purchase cost including ancillary charges, such as bank and financial brokerage fees, and for securities without accrued interest at the date of purchase, which have been accounted for as such and calculated on an accrual basis. These financial products are written down in the event of impairment.

### **Inventories**

Inventories of materials were valued at the lower of purchase cost and market value.

The value attributed to non-monetary charitable donations (donations of goods received by the Foundation, mainly on the occasion of the Christmas holidays) is recorded at fair value at the date of acquisition, in accordance with the provisions of the Accounting Standard OIC 35.

### **Receivables**

Receivables for which the application of the amortised cost method is deemed irrelevant, for the purpose of giving a true and fair view of the Foundation’s equity and financial situation, are maintained at nominal value net of any provision for bad debts in order to reflect their presumed

realisable value. This is the case, for example, in the presence of receivables with a maturity of less than twelve months or, with reference to the amortised cost criterion, in the event that transaction costs, commissions and any other difference between initial value and maturity value are insignificant.

### **Cash and cash equivalents**

These are valued at their nominal value.

### **Payables**

Payables are recognised in the balance sheet according to the amortised cost method, taking into account the time factor. Specifically, the initial recognition value is represented by the nominal value of the debt, net of transaction costs and all premiums, discounts and allowances directly resulting from the transaction that generated the debt. Transaction costs, any commission income and expenses and any difference between the initial value and the nominal value at maturity are included in the calculation of amortised cost using the effective interest method. Debts for which the application of amortised cost is irrelevant, pursuant to Article 2423, paragraph 4 of the Italian Civil Code, are entered at nominal value.

### **Accruals and deferrals**

Accruals and deferrals are determined according to the method of the actual accrual period. For accruals and deferrals lasting several years, the conditions that had determined their original recording were verified, by adopting the appropriate changes where necessary.

### **Provisions for risks and charges**

These provisions are set aside to cover losses or payables whose existence is certain or probable, but whose amount or date of occurrence could not be determined at year-end.

The general criteria of prudence and accrual have been observed in the evaluation of these provisions, and no generic risk provisions without economic justification have been set up.

Contingent liabilities have been recognised in the balance sheet and entered in the provisions as they are considered probable and the amount of the relative charge can be reasonably estimated.

### **Provision for staff severance pay**

This represents the actual debt accrued to employees in accordance with the law and current labour contracts, considering all forms of remuneration of an ongoing nature.

The provision corresponds to the total of the individual indemnities accrued in favour of employees at the closing date of the balance sheet, net of advances paid, and is equal to the amount that would have been payable to employees if they had terminated their employment on that date.

### **Taxes**

The Foundation benefits from the favourable regulations for tax purposes provided for by the Italian Legislative Decree No. 460/1997 regarding non-profit organisations due to the transitional regime introduced by Article 101 of the Italian Legislative Decree No. 117/2017 and the rules already in force of the latter decree known as the “Third Sector Code” regarding indirect taxes and allowance/deduction of charitable donations received, pursuant to Articles 82, 83, 102, subparagraph, e), f) and g).

For VAT purposes, the institutional activity is not subject to tax due to the lack of the objective and subjective requirements set out in Articles 2, 3, 4 of the Italian Presidential Decree No. 633/72.

Charitable donations of money received by the Foundation are considered excluded.

For IRES [Italian corporation tax] purposes, the Foundation benefits from the tax reliefs on Non-Profit Organisations provided for by Article 150 of the Italian Presidential Decree No. 917/86.

For IRAP [Italian regional tax on productive activities] purposes, the Foundation calculates the tax on the basis of the so-called “compensation system” benefiting from the facilitations provided for by the Regional Law of 18<sup>th</sup> December 2001 No. 27 (Lombardy region), as well as the rate reductions provided for by the regions in which it operates.

## Revenues

Revenues are posted according to the principle of prudence and on an accrual basis.

Proceeds in the form of subsidies, donations, gifts are recognised as revenues in the Management Report in the financial year in which they are collected, i.e. in the financial year in which the entitlement to collect them is of a legal nature.

Charitable donations are to be understood as all acts that are characterised by the coexistence of both of the following conditions:

1. the enrichment of the beneficiary with a corresponding reduction of wealth on the part of the person performing the act;
2. the spirit of liberality (i.e. an act of generosity performed in the absence of any form of constraint).

Proceeds constituted by liberal donations may be unrestricted/restricted.

1. Unrestricted donations, i.e., without any restrictions or constraints imposed by the donor, are recognised as proceeds in the financial year in which they are received or in which the right, enforceable in court, to receive them is acquired;
2. Restricted donations are those subject, by the will of the donor, an external third party or the entity’s administrative body, to a series of restrictions and/ or constraints that limit their use, either temporarily or permanently;
3. Proceeds from donations deriving from the *5 x mille* is accounted for on the basis of the publication of the definitive lists by the *Agenzia delle Entrate* [Revenue Agency]. The Foundation is required to draw up a specific and separate account - accompanied by an explanatory report - clearly and transparently indicating the destination of the sums received. This document shall be drawn up within one year of receiving the grant (Art. 8 of the D.P.C.M. [Italian Prime Minister’s Decree] of 19<sup>th</sup> March 2008 and amendments thereof).

Proceeds arising from agreements signed with financing bodies for the implementation of specific projects, recorded under “Contributions from public bodies” or under “Contributions from private individuals” in the Management Report, are subject to a destination restriction and/ or conditions imposed by the donor on the basis of a formal agreement. They are recognised as proceeds when the agreement is signed. At the end of the financial year, they are charged to the Management Report according to the progress of the financed project measured on the corresponding charges incurred and deemed eligible, consistent with the requirements formalised in the agreement with the “Donor”. The amount not yet utilised is reclassified under the item “Restricted reserves allocated by third parties” of the Restricted Assets.

Revenues of a financial nature are recognised on an accrual basis.

## Charges

Charges comprise the costs incurred by the Foundation in the reporting period for the performance of its activities. These charges are recorded on an accrual basis.

Charges also include amounts allocated to projects whose financial disbursement will occur beyond the financial year. Charges from activities of general interest mainly refer to charges for social

solidarity projects incurred for the realisation of a work or set of works that together form a single project of one or more years' duration.

### Evaluation of items in foreign currencies

During the year, foreign currency transactions were accounted for at the exchange rate prevailing at the time of the individual transactions.

Cash available in foreign currency was shown in the balance sheet at the exchange rate in force on the date of the balance sheet. This resulted in the recognition of exchange rate differences based on the application of the Euro/foreign currency exchange rate as at 31<sup>st</sup> December 2021, in compliance with the Accounting Principles.

The Foundation's costs, when incurred in a currency other than the Euro, were accounted for according to the exchange rate on the day the cost was incurred. It should be noted that when the reporting is submitted to the donor, and only for the purposes of said reporting, the costs relating to the funded projects are revalued at the exchange rate that may be required by the donor and in compliance with the agreement signed between the Foundation and the funding body: this may obviously generate differences between the amount of the cost recognised in the accounts and the amount presented to the funding body.

Proceeds originally denominated in a currency other than the Euro were accounted for by applying the exchange rate on the day the proceeds arose.

Exchange rate gains and losses related to the evaluation of current accounts in foreign currencies are respectively credited and debited to the Management Report, under Assets of General Interest, in the items "Other revenues, income and proceeds" and "Other operating expenses".

### Shareholders' Equity

Shareholders' Equity was recognised at its original nominal value, net of any utilisation. It consists of the endowment fund (unavailable fund, pursuant to the Italian Presidential Decree No. 361/2000), unrestricted Assets (assets consisting of the management result of previous years, as well as profit reserves or operating surpluses and other unrestricted reserves) and restricted Assets (assets deriving from restricted statutory reserves, as well as restricted reserves due to choices made by the institutional bodies or third-party donors), and is allocated for the Foundation's protection, programmes and emergencies, as per specific resolutions of the Board of Directors. Shareholder's Equity is used by resolution of the Board of Directors. It should be noted that there are no legal restrictions on the Shareholders' Equity Reserves.

### STATEMENT OF ASSETS AND LIABILITIES

As stated above, the Foundation has drawn up a pro-forma balance sheet for the financial year 2020, in accordance with the format provided for by the Italian Ministerial Decree of 5<sup>th</sup> March 2020 and supplemented by the Accounting Standard OIC 35, which is shown below.

#### Assets:

<b>A) membership fees or contributions still due;</b>	<b>0</b>
<b>B) fixed assets:</b>	
I – intangible fixed assets:	
1) start-up and expansion costs;	60,480
2) development costs;	8,861
3) industrial patent rights and rights to use intellectual property;	57,735
4) concessions, licences, trademarks and similar rights;	0
5) goodwill;	0
6) assets under construction and advances;	0
7) others.	14,308

<b>Total.</b>	<b>141,384</b>
<b>II – tangible fixed assets:</b>	
1) land and buildings;	1,689,369
2) plant and machinery;	1,290
3) equipment;	0
4) other assets;	67,972
5) fixed assets under construction and advances;	0
<b>Total.</b>	<b>1,758,631</b>
<b>III - financial fixed assets, with separate additional indication, for each item of receivables, of the amounts due within one year:</b>	
1) equity investments in:	
a) subsidiary companies;	0
b) associated companies;	0
c) other companies;	27,226
2) receivables:	
a) from subsidiary companies;	0
b) from associated companies;	0
c) from other Third Sector entities;	0
d) from others;	14,730
3) other securities;	12,810,514
<b>Total.</b>	<b>12,852,470</b>
<b>Total fixed assets.</b>	<b>14,752,485</b>
<b>C) current assets:</b>	
I - inventories:	
1) raw, ancillary and consumable materials;	0
2) work in progress and semi-finished goods;	0
3) contract work in progress;	0
4) finished products and goods;	0
5) payments on account.	0
<b>Total.</b>	<b>0</b>
<b>II - Receivables, with additional indication, for each item, of amounts due beyond the next financial year:</b>	
1) from users and customers;	0
2) from members and funders;	0
3) from public bodies;	
Within the financial year	9,921,407
Beyond the financial year	30,919,961
4) from private entities for contributions;	
Within the financial year	1,432,413
Beyond the financial year	1,487,289
5) from entities of the same association network;	0
6) from other organisations of the Third Sector;	4,240,826
7) from subsidiary companies;	0
8) from associated companies;	0
9) tax receivables;	9,449
10) from <i>5 x mille</i> ;	0
11) deferred tax assets;	0
12) from others.	343,647
<b>Total.</b>	<b>48,354,992</b>
<b>III - Financial assets not held as fixed assets:</b>	
1) equity investments in subsidiary companies;	0
2) equity investments in associated companies;	0
3) other securities;	0
<b>Total.</b>	<b>0</b>
<b>IV – cash and cash equivalents:</b>	
1) bank and postal deposits;	8,688,034
2) cheques;	0
3) cash on hand;	88,284



<b>Total.</b>	<b>8,776,318</b>
<b>Total current assets.</b>	<b>57,131,310</b>
<b>D) accrued income and prepaid expenses.</b>	<b>3,133,522</b>
<b>Liabilities:</b>	
<b>A) shareholders' equity:</b>	
<b>I – endowment fund of the association;</b>	<b>300,000</b>
<b>II – restricted assets:</b>	
1) statutory reserves;	0
2) tied reserves by decision of the institutional bodies;	1,200,000
3) tied reserves allocated by third parties;	54,303,058
<b>III – unrestricted capital assets:</b>	
1) profit reserves or operating surpluses;	344,408
2) other reserves;	13,713,812
IV – surplus/deficit for the year.	31,820
<b>Total.</b>	<b>69,893,098</b>
<b>B) provisions for risks and charges:</b>	
1) for pensions and similar obligations;	0
2) for taxes, including deferred taxes;	0
3) others.	85,000
<b>Total.</b>	<b>85,000</b>
<b>C) employee severance indemnities;</b>	<b>802,296</b>
<b>D) payables, with additional indication, for each item, of amounts due beyond the next financial year:</b>	
1) due to banks;	498,506
2) due to other financiers;	0
3) due to members and founders for loans ;	0
4) due to entities in the same association network;	0
5) payables for conditional charitable donations;	0
6) advance payments;	0
7) due to suppliers;	1,273,490
8) due to subsidiary and associated companies;	0
9) tax payables;	325,808
10) due to pension and social security institutions;	247,701
11) due to employees and collaborators;	622,510
12) other payables;	1,136,505
<b>Total.</b>	<b>4,104,520</b>
<b>E) accrued expenses and deferred income.</b>	<b>132,403</b>

The amounts shown here will be disclosed in the following sections of this Mission Report as comments on individual items.

## 1.B – FIXED ASSETS

### B.I – INTANGIBLE FIXED ASSETS

As regards historical costs, intangible fixed assets recorded the following changes in the year ended 31<sup>st</sup> December 2021:

	<b>Initial Historical Cost</b>	<b>Purchases</b>	<b>Sales</b>	<b>Final Historical Cost</b>
Start-up and expansion costs	145,509	0	0	145,509
Development costs	44,304	0	0	44,304
Patents and intellectual property rights	311,080	21,961	0	333,041
Concessions, licences, trademarks and similar rights	283,088	0	0	283,088

Other intangible fixed assets	22,572	0	0	22,572
<b>Total</b>	<b>806,553</b>	<b>21,961</b>	<b>0</b>	<b>828,514</b>

Changes in accumulated depreciation were as follows:

	Initial acc. deprec.	Acc. deprec. for the year	Sales	Final acc. deprec.
Start-up and expansion costs	85,029	27,559	0	112,588
Development costs	35,443	8,861	0	44,304
Patents and intellectual property rights	267,329	26,099	0	293,428
Concessions, licences, trademarks and similar rights	269,104	6,886		275,990
Other intangible fixed assets	8,264	7,047	0	15,311
<b>Total</b>	<b>665,169</b>	<b>76,452</b>	<b>0</b>	<b>741,621</b>

The net value in the balance sheet is therefore as follows:

	Net value as at 31.12.21	Net value as at 31.12.20
Start-up and expansion costs	32,921	60,480
Development costs	0	8,861
Patents and intellectual property rights	39,613	57,735
Concessions, licences, trademarks and similar rights	7,098	-
Other intangible fixed assets	7,261	14,308
<b>Total</b>	<b>86,893</b>	<b>141,384</b>

The item "Start-up and expansion costs" refers to the costs incurred in the 2018 financial year by both We World Onlus and GVC for the merger transaction, recorded with the consent of the Board of Auditors.

The increase in the item "Patents and intellectual property rights" refers to the purchase of software licences for the development of management systems.

The Foundation did not revalue intangible fixed assets, even in previous years.

## B.II – TANGIBLE FIXED ASSETS

Tangible fixed assets recorded the following changes in historical cost during the year ended 31<sup>st</sup> December 2021:

	Initial historical cost	Purchases	Sales	Final historical cost
Land and building	3,115,574	197,335	0	3,312,909
Plant and machinery	117,174	0	0	117,174
Other tangible assets	558,744	99,533	16,472	641,804
<b>Total</b>	<b>3,791,492</b>	<b>296,868</b>	<b>16,472</b>	<b>4,071,887</b>

Changes in accumulated depreciation were as follows:

	Initial acc. deprec.	Acc. deprec. for the year	Sales	Final acc. deprec.
Land and building	1,426,205	93,484	0	1,519,689
Plant and machinery	115,885	540	0	116,425
Other tangible assets	490,772	97,908	16,387	572,293

<b>Total</b>	<b>2,032,862</b>	<b>182,976</b>	<b>16,387</b>	<b>2,208,407</b>
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Depreciation for the year also includes the relative depreciation of assets used in individual projects in the amount of Euro 74,337, which is classified in the management report under “Costs and charges from activities of general interest”

The net balance sheet value is therefore as follows:

	<b>31.12.21</b>	<b>31.12.20</b>
Land and building	1,793,220	1,689,369
Plant and machinery	749	1,290
Other tangible assets	69,511	67,972
<b>Total</b>	<b>1,863,480</b>	<b>1,758,631</b>

The increase in the item “Land and buildings” is related to a testamentary bequest in favour of the Foundation; the amount recorded therein, in addition to the amounts recorded under Receivables from others also deriving from this bequest, is offset by an increase in the Restricted Shareholders’ Equity in compliance with the provisions of the Accounting Principle OIC 35.

The increase in the item “Other Assets” refers to the purchase of electronic office machines.

The Foundation has not carried out any revaluations of tangible fixed assets, even in previous years.

### **B.III – FINANCIAL FIXED ASSETS**

Income from securities, coupons and interest, accrued during the year, was recognised on an accrual basis, through the recognition of the related accruals.

<b>Product</b>	<b>31.12.21</b>	<b>31.12.20</b>
Funds	1,536,444	1,502,907
Insurance policies	9,321,437	10,301,575
Asset management	1,039,998	1,006,032
<b>Total</b>	<b>11,897,879</b>	<b>12,810,514</b>

These items are classified as fixed assets since they are sums in excess of the Foundation’s current operating needs and are therefore intended for long-term investment of the corporate assets.

The main purpose of this type of investment remains the protection and preservation of invested capital. Despite the volatility that characterised the markets in the first few months of 2022, no were recorded.

### **C.I – INVENTORIES OF GOODS**

Inventories of goods are valued at the lower of purchase cost and realisable value inferable from market trends.

During the final months of the financial year, the Foundation received charitable donations in kind of goods that were subsequently subject to promotional and fundraising activities. Once this activity ceased, the assets received free of charge and not disposed of, were recognised among the final inventories at their fair value of Euro 180,000. Taking into account that these assets were subsequently donated to other parties, in compliance with the provisions of sub-paragraph 10 of Article 2426 of the Italian Civil Code, a write-down reserve of the same amount was set aside.

### **C.II – RECEIVABLES NOT HELD AS FIXED ASSETS**

Receivables are stated in the financial statements at their estimated realisable value, in accordance with Article 2426 of the Italian Civil Code.

There are no receivables with a residual duration of more than five years.

The main amounts that make up this item are represented by:

### 3) Receivables from Public Entities

Receivables from Public Entities shown under current assets refer to receivables claimed for projects approved mainly by Italian and European public institutions and by the United Nations system, which at year-end had not yet been collected.

The change during the year is as follows:

Receivables from Public Entities	Amount
Receivables as at 31/12/20	40,841,367
Change during the year	1,660,280
<b>Balance as at 31/12/21</b>	<b>42,501,647</b>

The breakdown of receivables by line of credit as at 31<sup>st</sup> December 2021, divided between due within and beyond one year, is as follows:

Description	Receivables due within the year	Receivables due beyond the year
AICS [Italian Agency for Development Cooperation] projects and other government agencies	2,708,930	2,104,022
European Commission projects	15,507,239	16,604,921
Local authorities projects	222,224	109,459
United Nations projects	2,266,857	20,803
Foreign Governments projects	2,878,878	78,314
<b>Total</b>	<b>23,584,128</b>	<b>18,917,519</b>

### 4) Receivables from Private Entities

Receivables from Private Entities shown under current assets refer to receivables claimed for projects approved mainly by Foundations that had not yet been collected at year-end.

The change during the year is as follows:

Receivables from Private Entities	Amount
Receivables as at 31/12/20	2,919,702
Change during the year	-771,645
<b>Balance as at 31/12/21</b>	<b>2,148,056</b>

The receivables as at 31<sup>st</sup> December 2021, broken down between due within and beyond one year, is as follows:

Description	Receivables due within the year	Receivables due beyond the year
Foundations	1,089,848	841,458
Others	122,646	94,104

<b>Total</b>	<b>1,212,494</b>	<b>935,562</b>
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**6) Receivables from Third Sector Entities**

Receivables from Third Sector Entities in current assets refer to receivables claimed from project counterparties for instalments paid to them by the Foundation but not yet accounted for by the counterparties.

The change during the year is as follows:

<b>Receivables from Third Sector Entities</b>	<b>Amount</b>
Receivables as at 31/12/20	4,240,826
Change during the year	-108,483
<b>Balance as at 31/12/21</b>	<b>4,132,343</b>

Under the term “Third Sector Entities”, the Foundation reports in this item the receivables it has from Italian and foreign entities with which it works to implement its various projects. These entities are therefore not exclusively those regulated by the Italian Legislative Decree No. 117/17, known as the Third Sector Code.

**9) Tax receivables**

The change during the year is as follows:

<b>Tax receivables</b>	<b>Amount</b>
Values as at 31/12/20	9,449
Change during the year	10,759
<b>Balance as at 31/12/21</b>	<b>20,208</b>

Tax receivables include Euro 9,000 relating to tax receivables provided for by the “Sostegni-bis” decree for investments made in daily, including online, newspapers and periodicals and in local and national, analogue or digital, television and radio stations not owned by the State.

**12) Receivables from others**

The change during the year is as follows:

<b>Receivables from others</b>	<b>Amount</b>
Values as at 31/12/20	343,647
Change during the year	184,653
<b>Balance as at 31/12/21</b>	<b>528,300</b>

Receivables due from others include amounts due from suppliers totalling Euro 159,000, as well as receivable related to a testamentary bequest in the amount of Euro 237,000. This amount relates to cash on hand and investments in securities that the deed of inheritance legitimately assigned to the Foundation but whose actual transfer to the Foundation’s available assets, due to the protracted formalities with credit institutions, took place only during the 2022 financial year.

**C.IV – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of bank and postal deposits as well as cash on hand mainly in the foreign countries where the Foundation implements its various projects.

The change during the year is as follows:

Cash and cash equivalents	Amount
Value as at 31/12/20	8,776,318
Change during the year	-825,493
<b>Balance as at 31/12/21</b>	<b>7,950,825</b>

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

The breakdown of cash and cash equivalents at the end of the year, compared to the values at the end of the previous year, is as follows:

Description	31.12.21	31.12.20
Italian banks	3,137,526	5,267,262
On-site banks	4,725,362	3,420,772
Cash at head office	7,384	8,230
On-site cash	80,553	80,054
<b>Total</b>	<b>7,950,825</b>	<b>8,776,318</b>

#### D - ACCRUED INCOME AND PREPAID EXPENSES

The change during the year is as follows:

Description	31.12.21	31.12.20
Accrued income on financial assets	470,033	392,175
Prepaid expenses on projects	1,784,074	2,543,005
Prepaid expenses	157,309	198,342
<b>Total</b>	<b>2,411,416</b>	<b>3,133,522</b>

The item “Prepaid expenses on projects” refers to the suspension and deferral to future years of charges on programmes incurred during the year by the Foundation, programmes for which it was not possible to record the related income, either because the Foundation is awaiting the formalisation of an agreement with the financing body regarding the contribution to cover such charges or because the charges relate to multi-year programmes whose coverage will be guaranteed by particular lines of fundraising proceeds, already allocated in a binding manner to cover such charges, as already resolved by the Board of Directors.

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

#### A – FOUNDATION’S ASSETS

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

In March 2013, the organisation was then enrolled in the register of foundations, while with the notarial deed of 31<sup>st</sup> May 2014 it took the name We World Onlus. On the occasion of the deed’s registration with the register of legal persons of the *Prefettura* of Milan, the current unavailable endowment fund was determined at the same time, pursuant to Italian Presidential Decree No. 361/2000.

On 1<sup>st</sup> December 2018, the merger by incorporation of Associazione G.V.C. ONG/ONLUS into

Fondazione We World Onlus took legal effect, as set forth in the Merger Deed dated 24<sup>th</sup> October 2018, under the hand and seal of Dr Guido Peregalli, Notary in Milan.

### STATEMENT OF CHANGES IN THE COMPONENTS OF (UNRESTRICTED AND RESTRICTED) SHAREHOLDERS' EQUITY.

In accordance with OIC 35, the statement of changes in Restricted Shareholders' Equity is shown herebelow.

Restricted assets	Statutory reserves	Restricted reserves allocated by third parties	Reserves restricted by decision of the institutional bodies	Total
Opening year 2021	0	59.634.809	1.200.000	60.834.809
Change due to allocation to projects	0	-7.580.370	0	-7.580.370
Increases	0	459.737	1.350.000	1.809.737
Decreases	0	0	-1.200.000	-1.200.000
Roundings	0	0	0	0
<b>Year-end situation 2021</b>	<b>0</b>	<b>52.514.176</b>	<b>1.350.000</b>	<b>53.864.176</b>

In accordance with OIC 35, the statement of changes in Unrestricted Assets is shown below.

Unrestricted assets	Profit reserves or operating surplus	Other reserves	Surplus (deficit) for the year	Total
Opening year 2021	344,408	13,713,812	31,820	14,090,040
Allocation/use	31,820	0	-31,820	0
Increases	0	0	0	0
Decreases	0	-1,790,000	0	-1,790,000
Roundings	0	0	21,554	21,554
<b>Year-end situation 2021</b>	<b>376,228</b>	<b>11,923,812</b>	<b>21,554</b>	<b>12,321,594</b>

During the approval of the 2021 budget, at the end of 2020, and with a subsequent resolution passed during the 2021 financial year, the Board of Directors resolved to use the "Restricted reserves by decision of the institutional bodies" (Restricted assets) in the amount of Euro 1,200,000 and the "Other reserves" (Unrestricted assets) in the amount of Euro 440,000 to support the Foundation's institutional activities in the 2021 financial year.

The Board of Directors also resolved, when approving the budget for the financial year 2022, to set up a restricted reserve in the amount of Euro 1,350,000 to support activities in future years.

The "Restricted Reserves allocated by third parties" include the surplus of income over expenses recognised for each project at year-end.

The increase in the item "Restricted reserves allocated by third parties" in the amount of Euro 460,000 refers to a testamentary bequest with destination restriction consisting of a flat, cash on current account, and securities included in the item "Land and buildings" of tangible fixed assets and in the item "Receivables from others", respectively. The bequest was accepted with the benefit of inventory and subsequently formalised with a declaration of inheritance.

**B - PROVISIONS FOR RISKS AND CHARGES**

The provision for risks represents an estimate of risks related to the probability of incurring future charges for costs deemed ineligible by the donor.

Movements during the year are shown in the table below:

Other provisions	Amount
Values as at 31/12/20	85,000
Accrual	200,000
<b>Balance as at 31/12/21</b>	<b>285,000</b>

The increase for the year refers to the provision for likely higher estimated future expenses, which are expected to be incurred in connection with the reporting of certain projects, due to the use of exchange rates different from the official ones required by the donor entity, against which the related income has already been recognised at the balance sheet date. In the management report, the amount was classified under the item “Provision for risks and charges”, included in the section “Costs and charges from activities of general interest”.

**C – EMPLOYEE SEVERANCE INDEMNITIES**

The severance indemnity fund was calculated in accordance with Article 2120 of the Italian Civil Code, taking into account the specific nature of contracts and professional categories, and includes the annual amounts accrued and the revaluations made on the basis of ISTAT [Italian Statistics Institute] coefficients.

Movements during the year are set forth in the following table:

Provision for severance indemnities	Amount
Values as at 31/12/20	802,296
Severance pays/advances	-95,782
Accrual	183,705
Substitute tax	-5,503
<b>Balance as at 31/12/21</b>	<b>884,716</b>

The accrual for the year also includes the quota relating to persons collaborating on individual projects in the amount of Euro 36,000, classified in the Management Report under the item “Personnel” in the section “Costs and charges from activities of general interest”.

**D - PAYABLES**

There are no payables with a residual duration of more than five years, nor are there any debts secured by collateral on corporate assets.

The main amounts comprising this item are as follows:

**D.1 Due to banks**

The change during the year is as follows:

Payables to banks	Amount
Values as at 31/12/20	498,506
Change during the year	550,743



<b>Balance as at 31/12/21</b>	<b>1,049,249</b>
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Amounts due to banks show, at the end of the financial year 2021, the use of current account receivables for short-term cash needs, connected with the management of projects financed by public donors. Payables to Banca Intesa San Paolo include Euro 842,000 relating to the use as of 31<sup>st</sup> December 21 of the credit line granted in the year 2020 of up to Euro 1 million and guaranteed by securities included in financial fixed assets for a corresponding value.

#### **D.7 Trade payables**

The change during the year is as follows:

<b>Trade payables</b>	<b>Amount</b>
Values as at 31/12/20	1,273,490
Change during the year	360,002
<b>Balance as at 31/12/21</b>	<b>1,633,492</b>

The value includes invoices to be received for Euro 346,000.

#### **D.9 Tax payables**

The change during the year is as follows:

<b>Tax payables</b>	<b>Amount</b>
Values as at 31/12/20	325,308
Change during the year	- 33,498
<b>Balance as at 31/12/21</b>	<b>292,310</b>

The value includes IRPEF [personal income tax] withholdings for Euro 110,000 as well as withholdings on interest not yet paid on investments for Euro 163,000.

#### **D.10 Payables to social security institutions**

The change during the year is as follows:

<b>Tax payables</b>	<b>Amount</b>
Values as at 31/12/20	247,701
Change during the year	13,976
<b>Balance as at 31/12/21</b>	<b>261,677</b>

The value includes INPS [Italian social security Institute] contributions due and relating to both employees and collaborators.

#### **D.11 Payables to employees and collaborators**

The change during the year is as follows:

<b>Payables to employees</b>	<b>Amount</b>
Values as at 31/12/20	622,510
Change during the year	81,777
<b>Balance as at 31/12/21</b>	<b>704,287</b>

This balance sheet item includes payables to employees, both for wages and salaries not yet paid and for holidays still to be taken at the closing date of the financial year.

**D.12 Other payables**

Other payables are broken down as follows:

Description	31.12.21	31.12.20
Payables to other NGOs and/or local counterparties	1,744,867	1,050,762
Other payables	82,126	85,743
<b>Total</b>	<b>1,826,993</b>	<b>1,136,505</b>

This item includes payables to counterparties for expenses reported but not yet reimbursed by the Foundation.

**E - ACCRUED LIABILITIES AND DEFERRED INCOME**

Accrued liabilities and deferred income at year-end, compared to the values at the end of the previous year, are broken down as follows:

Description	31.12.21	31.12.20
Accrued liabilities on financial assets	158,020	131,703
Deferred income	573	700
<b>Total</b>	<b>158,593</b>	<b>132,403</b>

This item does not include accrued liabilities and deferred income with a duration of more than five years.

**MANAGEMENT REPORT**

The economic entities expressed during the financial year 2021 will be presented below, comparing them with the same relating to the previous year.

As already set out in the introduction to this Mission Report, in the year 2021 the Foundation implemented its accounting system so as to be able to recognise by nature the costs related to the activities carried out in the various countries as required by the format of the Management Report contained in the Italian Ministerial Decree of 5<sup>th</sup> March 2020 and in the Accounting Standard OIC 35; previously, costs related to projects were accounted for on a project-by-project basis.

Therefore, since the costs incurred in the financial year 2020 related to the projects, and contained in section A “Costs and Charges from Activities of General Interest”, cannot be presented by nature, it is impossible to compare the Management Report of the two financial years. Nonetheless, without prejudice to what has already been set forth for the items relating to Section A, the Foundation has also prepared a pro-forma balance sheet for the year 2020 in accordance with the format prescribed by the Italian Ministerial Decree of 5<sup>th</sup> March 2020 and supplemented by Accounting Standard OIC 35.

**CHARGES AND COSTS****A) Costs and charges from activities of general interest**

- 1) Raw and ancillary materials, consumables and goods
- 2) Services
- 3) Use of third-party assets
- 4) Personnel

**Financial Year 2020****PROCEEDS AND REVENUES****A) Revenues, income and proceeds from activities of general interest**

- 1) Proceeds from membership fees and founders' contributions
- 2) Proceeds from members for mutual activities
- 3) Revenues from services and transfers to members and founders
- 4) Charitable donations

**Financial Year 2020**

2,250  
0  
0  
597,418

5) Depreciation		5) Proceeds from 5 per Mille	0
5 bis) Write-downs of tangible and intangible fixed assets		6) Contributions from private individuals	892,902
6) Provisions for risks and charges		7) Revenues from services and sales to third parties	0
7) Sundry operating charges		8) Contributions from public entities	30,009,069
8) Opening inventories		9) Proceeds from contracts with public bodies	0
9) Allocation to restricted reserve by decision of institutional bodies		10) Other revenues, income and proceeds	2,564,716
10) Use of restricted reserve by decision of the institutional bodies		11) Closing inventories	0
<b>Total</b>	<b>37,328,412</b>	<b>Total</b>	<b>34,715,955</b>
		<b>Surplus/deficit from general interest activities (+/-)</b>	<b>-2,612,457</b>
<b>B) Costs and charges from miscellaneous activities</b>		<b>B) Revenues, income and proceeds from other activities</b>	
Total	0	Total	0
		<b>Surplus/deficit from miscellaneous activities (+/-)</b>	<b>0</b>
<b>C) Costs and charges from fundraising activities</b>		<b>C) Revenues, income and proceeds from fundraising</b>	
1) Charges from regular fundraising	2,828,912	1) Proceeds from regular fundraising	7,585,875
2) Charges for occasional fundraising	0	2) Proceeds from occasional fundraising	0
3) Other charges	0	3) Other proceeds	0
<b>Total</b>	<b>2,828,912</b>	<b>Total</b>	<b>7,585,875</b>
		<b>Surplus/deficit from fundraising activities (+/-)</b>	<b>4,756,963</b>
<b>D) Cost and charges from financial and capital asset related activities</b>		<b>D) Revenues, income and proceeds from financial and capital asset activities</b>	
1) On bank relations	1,229	1) From banking relationships	2,297
2) On loans	0	2) From other financial investments	405,087
6) Other charges	240,604	5) Other proceeds	0
<b>Total</b>	<b>241,833</b>	<b>Total</b>	<b>407,384</b>
		<b>Surplus/deficit from financial and capital asset activities (+/-)</b>	<b>165,551</b>
<b>E) General support costs and charges</b>		<b>E) Proceeds from general support</b>	
1) Raw and ancillary materials, consumables and goods	7,695	1) Proceeds from staff secondment	0
2) Services	853,675	2) Other proceeds of general support	31,233
3) Use of third-party assets	61,014		
4) Personnel	990,742		
5) Depreciation	198,215		
5 bis) Write-downs of tangible and intangible fixed assets	0		
6) Provisions for risks and charges	0		
7) Other charges	172,526		
9) Allocation to restricted reserve by decision of the institutional bodies	0		
10) Use of restricted reserve by decision of the institutional bodies	0		
Total	2,283,867	Total	31,233
<b>Total charges and costs</b>	<b>42,683,024</b>	<b>Total proceeds and revenues</b>	<b>42,740,447</b>
		<b>Operating surplus/deficit before tax (+/-)</b>	<b>57,423</b>
		<b>Taxes</b>	<b>-25,603</b>
		<b>Operating surplus/deficit (+/-)</b>	<b>31,820</b>

The amounts listed here will be shown in the following sections of this Mission Report as a comment on the individual items.

## PROCEEDS AND REVENUES

Proceeds and revenues are broken down as follows:

<b>Total proceeds and revenues</b>	<b>31.12.21</b>	<b>31.12.20</b>
A – Revenues and income from activities of general interest	36,444,756	34,715,955
B – Revenues, income and proceeds from other activities	0	0
C - Revenues, income and proceeds from fundraising	7,419,852	7,585,875
D - Revenues, income and proceeds from financial and capital asset activities	342,700	407,384
E – Proceeds of general support	57,410	31,233
<b>Total proceeds</b>	<b>44,264,717</b>	<b>42,740,447</b>

Group A proceeds represent all income earned to enable the Foundation’s activities of general interest carried out in Italy and abroad.

<b>A – Revenues, income and proceeds from activities of general interest</b>	<b>31.12.21</b>	<b>31.12.20</b>
Charitable donations	705,512	597,418
Proceeds from membership fees and contributions from founders	2,250	2,250
Proceeds from <i>5 per Mille</i>	187,339	0
Contributions from private individuals	1,237,874	892,902
Proceeds from contracts with public bodies	32,012,544	30,658,669
Other revenues and proceeds	2,299,237	2,564,716
<b>Total A – Revenues, income and proceeds from activities of general interest</b>	<b>36,444,756</b>	<b>34,715,955</b>

Group A, as a result of the new reclassification scheme, also includes the *5 per Mille* contribution in the amount of Euro 187,000, which represents the result of the options exercised by taxpayers in their income tax returns, the amount of which was collected during the year.

Furthermore, Group A includes contributions from public and private entities recognised as a result of specific agreements signed with the donor entity, for which a descriptive and financial reporting is required. These are therefore proceeds with a clear restriction of destination.

Charitable donations, on the other hand, of an unrestricted nature, refer to donations of goods received by the Foundation, mainly during the Christmas holidays and used for a fundraising activity. The goods remaining at the end of the year at the end of this activity were donated to other organisations of the Third Sector during the first months of the year 2022.

The item “Other revenues, income and proceeds”, as was also the case in the year 2020, includes the utilisation of shareholders’ equity reserves, amounting to Euro 1,640,000 for the financial year 2021: these amounts had been collected in previous years, but not recognised in the Management Report in the balance sheets of those previous years and therefore had not been previously reported as proceeds of the Foundation. For further details, please refer to the section “Statement of Changes in the (Unrestricted and Restricted) Components of Shareholders’ Equity”.

The item “Other revenues, income and proceeds” also includes exchange gains related to the revaluation of foreign currency accounts as at 31.12.21 according to the UIC [Italian Foreign Exchange Office] euro/foreign currency exchange rate and amounted to Euro 606,000. Charges related to exchange rate losses are classified in the item “Other operating charges” of general interest and amount to Euro 382,000.

As far as income in group “C - Revenues, income and proceeds from fundraising activities” is concerned, it includes all contributions and donations received and aimed at supporting the Foundation’s activities, which are classified among regular fundraising activities, as they are included in the Foundation’s planned fundraising activities.

<b>C – Revenues, income and proceeds from fundraising</b>	<b>31.12.21</b>	<b>31.12.20</b>
Proceeds from regular fundraising	7,419,852	7,585,875
Proceeds from occasional fundraising	0	0
Other proceeds	0	0
<b>Total C - Revenues, income and proceeds from fundraising</b>	<b>7,419,852</b>	<b>7,585,875</b>

Fundraising proceeds come from both natural and legal persons:

<b>C - Revenues, income and proceeds from fundraising</b>	<b>31.12.21</b>
Proceeds from natural persons	6,586,143
Proceeds from legal persons	833,709
<b>Total C - Revenues, income and proceeds from fundraising</b>	<b>7,419,852</b>

Please note that the decrease compared to the financial year 2020 is related to the deferral to the following year of proceeds in the amount of Euro 309,000, as it is intended to cover project charges that will occur in the financial year 2022.

It should be noted that donations to the Foundation confer the tax benefits provided by the Consolidated Income Tax Act (TUIR) and other tax regulations with reference to donations to socially useful non-profit organisations and recognised non-governmental Organisations.

As regards income under D, this arises from interest accrued on the Foundation’s invested capital assets in the amount of Euro 301,000 and from proceeds related to the sale of securities in the amount of Euro 39,000.

As regards the residual income, letter E “general support income”, these include amounts of modest amounts and of little significance in the context of the values expressed in this Statement.

## **CHARGES AND COSTS**

Charges and costs are broken down as follows:

<b>Total charges and costs</b>	<b>31.12.21</b>	<b>31.12.20</b>
A – Costs and charges from activities of general interest	37,978,106	37,328,412
B – Costs and charges from other activities	0	0
C – Costs and charges from fundraising	3,402,145	2,828,912
D – Costs and charges from financial and capital asset activities	115,118	241,833
E – Costs and charges of general support	2,708,588	2,283,867
<b>Total charges</b>	<b>44,203,957</b>	<b>42,683,024</b>

Group A charges represent all costs incurred for the implementation of activities of general interest. In the table below, the 2021 figure is broken down by individual items that make it up, and the corresponding revenue figure is also shown in order to provide evidence of the surplus or deficit related to the specific area of the management report, in compliance with the new guidelines for compiling the balance sheets of Third Sector Organisations. As mentioned in the introduction to this section, the Foundation is unable to present in the same detail the values for the previous year, which have been fully grouped and shown in the total of the item under comment.

The increase in charges shown in the various sections is related to the increased activity in 2021,

which was affected to a lesser extent by the effects of the Sars-CoV-2 pandemic.

<b>A – Costs and charges from activities of general interest</b>	<b>31.12.21</b>	<b>31.12.20</b>
Raw and ancillary materials, consumables and goods	6,374,355	
Services	16,885,808	
Use of third-party services	977,099	
Personnel	5,512,094	
Depreciation and amortisation	74,337	
Provision for risks and charges	200,000	
Other operating charges	7,954,413	
<b>Total A – Costs and charges from activities of general interest</b>	<b>37,978,106</b>	<b>37,328,412</b>
<b>Total A – Revenues, income and proceeds from activities of general interest</b>	<b>36,444,756</b>	<b>34,715,955</b>
<b>Surplus/Deficit from activities of general interest</b>	<b>-1,533,350</b>	<b>-2,612,457</b>

Charges for activities of general interest include all direct charges incurred for the implementation of the Foundation’s activities in the 25 countries where it operates.

Charges for services include over 3 million in charges for expatriate staff working in the countries abroad, with coordinated and continuous collaboration contracts.

Personnel expenses include Euro 4 million in charges for local staff hired by the Foundation in the foreign countries where it operated in 2021.

Other operating expenses mainly refer to expenses incurred by project counterparts and reported to the Foundation. Also included here are charges for exchange losses due to the evaluation of foreign currency liquid assets, used directly for project implementation, at the exchange rate of 31.12.21.

The balance of activities of general interest is “naturally” negative, as part of the activities is supported by fundraising income.

Charges relating to group C – “Costs and Charges from Fundraising Activities”, amount to Euro 3,402,000 and include all the activities carried out by the Organisation to obtain donations and other donations aimed at obtaining the financial resources needed to support and guarantee the pursuit of institutional purposes.

<b>C – Costs and charges from fundraising</b>	<b>31.12.21</b>	<b>31.12.20</b>
Charges from regular fundraising	3,402,145	2,828,912
Charges from occasional fundraising	0	0
Other charges	0	0
<b>Total C – Costs and charges from fundraising</b>	<b>3,402,145</b>	<b>2,828,912</b>
<b>Total C – Revenues, income and proceeds from fundraising</b>	<b>7,419,852</b>	<b>7,585,875</b>
<b>Surplus/Deficit from fundraising</b>	<b>4,017,707</b>	<b>4,756,963</b>

Charges related to fundraising activities, which are carried out on a regular basis even though they are then correlated to activities coinciding with specific holidays or special occasions, are mainly incurred for fundraising from individuals.

The main fundraising channels in which the Foundation invested during the year were Face to Face and the web channel (about 50% of the budget spent); other major charges were incurred for DRTV channels and for call centre and direct mailing activities (about 25% of the total expenditure).

The balance of fundraising activities is “naturally” positive since the purpose of the fundraising activity is to support and finance the Foundation’s project activities as well as, in part, to cover general structural costs.

The costs reclassified in Group D - Costs and Charges from Financial and Capital Asset Activities refer to bank charges for the year and charges for the management of the Foundation’s investments.

Capital asset management shows a positive balance as shown in the table below:

<b>D – balance of financial and capital asset activities</b>	<b>31.12.21</b>	<b>31.12.20</b>
Surplus/deficit of financial and capital asset activities	227,582	165,551

As for the costs in group E (General Support Costs and Charges), they totalled Euro 2,708,588 and can be broken down in the table below.

<b>E – Costs and charges of general support</b>	<b>31.12.21</b>	<b>31.12.20</b>
Raw and ancillary materials, consumables and goods	4,766	7,695
Services	1,139,104	853,675
Use of third-party services	124,562	61,014
Personnel	1,061,591	990,742
Depreciation and amortisation	194,047	198,215
Provision for risks and charges	18	0
Other charges	184,500	172,526
Opening inventories	0	0
Allocation to restricted reserve by decision of institutional bodies	0	0
Use of restricted reserve by decision of the institutional bodies	0	0
<b>Total E – Costs and charges of general support</b>	<b>2,708,588</b>	<b>2,283,867</b>

Activities of general support refer to direction, administration and management of the organisation’s human resources that guarantee the Foundation’s management and administrative operations.

Costs for services include all utilities necessary for the operation of the two main offices in Italy (Milan and Bologna), consultancy services provided for various reasons, emoluments of corporate bodies where provided for, auditing expenses and maintenance of the Foundation’s assets.

Costs for the use of third-party assets include rental charges for the Bologna premises.

Staff costs relate to all employees not employed in activities of general interest or fundraising activities.

Taxes and duties charged on an accrual basis refer to IRAP [Italian regional tax on productive activities] in the amount of Euro 37,000 and IRES [Italian corporate income tax] in the amount of Euro 2,000.

## **ADDITIONAL INFORMATION**

### ***Economic relations with Public Administrations***

Pursuant to the provisions of paragraph 125 of Article 1 of the Italian Law No. 124/17, the publication of “information relating to grants, contributions, remunerated appointments and in any case to economic benefits of any kind received” will take place as provided for through the Foundation’s website by and no later than 30<sup>th</sup> June of the year following the year of receipt, as set

by Article 35 of the 2019 Decreto “Crescita” [“Growth” Decree].

### **Information on financial instruments**

In compliance with the provisions of Article 2427 bis of the Italian Civil Code, it should be noted that as at 31<sup>st</sup> December 2021, the Foundation had no derivative contracts in place.

### **Average number of employees, broken down by category**

Average number	Qualification	Average
Employees	QUA	4
Employees	IMP	57
COCOCO [term-contract workers] in Italy	ITA	25
Expatriate COCOCO	EST	67
<b>Average</b>		<b>153</b>

There were no significant changes in the composition of staff employed on a fixed-term or permanent basis compared to the previous year.

During the year, the Foundation did not make use of the work of volunteers pursuant to Article 17 of the Italian Legislative Decree No. 117/17.

### **Capital assets allocated to a specific purpose**

It is hereby certified that there were no capital assets intended for a specific business at the balance sheet date.

### **Information on transactions with related parties**

During the financial year, transactions were carried out with related parties; these transactions were concluded at market conditions, therefore, in accordance with the regulations in force, no additional information is provided with respect to what has already been set out in this document.

### **Notional Costs**

Notional costs and proceeds have not been reported at the foot of the Statement of Assets and Liabilities as the Foundation does not make use of the work of volunteers, goods and services have been purchased at their fair value and the Foundation does not make free donations of money, goods or services.

### **Directors’ and Statutory Auditors’ Fees**

The amount of the fees due for the financial year 2021 to directors holding special offices on the Board of Directors and to members of the Board of Auditors is indicated for taxable value in the following table:

<b>Directors’ Emoluments</b>	50,000
<b>Board of Auditors’ Emoluments</b>	24,000

## **C) PRESENTATION OF THE ECONOMIC AND FINANCIAL PERFORMANCE AND THE MANNER IN WHICH THE PURPOSES OF THE ARTICLES OF ASSOCIATION ARE PURSUED**

### **Situation of the organisation and management performance**



During the year, the Foundation implemented 113 projects abroad (Africa, Latin America, Middle East), 10 citizenship education projects in Europe, as well as 6 direct interventions in Italy, where it is present with social programmes of direct aid against violence against women and education poverty, especially in the suburbs of large cities such as Milan, Turin, Rome, Naples, Caserta, Cagliari, Brescia and, from 2021, Bologna. Another direct intervention within our country was in Ventimiglia, where support was offered to migrants in transit.

As part of the Global Citizenship Education activities, awareness of causes and consequences of global climate crisis was promoted with debates, campaigns and the two festivals organised in Milan and Bologna.

Resources amounting to Euro 37,978,000 were used to support the most vulnerable communities. 25% of the funds were used in Italy and Europe (compared to 18% in 2020). Specifically, 17% in Europe and 8% in Italy, to finance direct aid activities (contracting education poverty, support programmes for women victims of violence and support for migrants in transit in Ventimiglia) and actions to raise awareness, inform and promote initiatives to demand concrete changes in social and environmental policies. The remaining 75% of the funds was used in local communities around the world, where the impact of poverty, war, effects of climate change and a general lack of rights is higher.

Below is a summary of aid by geographical area:

Aid by geographical area	Value	%
Latin America and the Caribbean	4,420,122	12
North-Western Africa	7,160,539	19
South-Eastern Africa	6,370,632	17
Middle East	8,926,531	24
Asia	1,522,006	4
Europe	6,540,705	17
Italy	3,037,572	8
<b>Total</b>	<b>37,978,106</b>	

During 2021, the Foundation signed new agreements with public or private “Donors” for a total value of more than Euro 31 million. Although this figure is slightly down compared to 2020, when about Euro 5 million more was signed, it should be underlined that in 2021 there were no major calls from the European Commission (which remains the Foundation’s main Donor) to which We World Onlus was able to apply; it was therefore important to access new sources of funding (in particular the cooperation of foreign governments) and to expand collaboration with other Donors, such as some United Nations agencies.

It is noteworthy that the volume of activities managed by the Foundation has steadily increased in recent years, particularly since 2018, the year of merger between We World and GVC, reaching and exceeding the 40-million-euro budget for the first time.

Also in 2021, the Foundation has confirmed an approach aimed at working in partnership with local and international organisations: there are 386 active partners in various capacities (382 in 2020, 319 in 2019), stakeholders who see direct involvement from the programme design phase to the closure phase, according to a logic of participatory intervention and responsibility for a share of the activity budget.

We World is a member of several national and international networks and associations. Among these, as already mentioned, is the participation, as the only Italian member, in the international Child Fund Alliance network.

**Foreseeable evolution of management**

In the course of 2022, the Foundation expects to consolidate the volumes of activities realised in 2021 and to lay the foundations for further growth, to be realised in future financial years, by increasing new “Grants” acquisitions with public and private donors.

In addition, following the steady growth in fundraising investments, a further growth is expected in funds raised from private donors.

The increase in the managed budget, from the point of view of economic balance, may represent a strong point allowing to optimise some economies of scale and to guarantee the coverage of general charges through the structure costs recognised by the different donors. However, great attention must also be paid to financial equilibrium, considering the emergency activities that are increasingly being carried out and the way in which institutional donors are paid, with times when the Foundation must advance funds while waiting for the next tranches to be collected.

Among the most significant events that marked the first months of 2022 is unfortunately the conflict in Ukraine, which displaced millions of citizens. We World activated its presence in Ukraine and Moldova from the very beginning of the conflict, just as it had done during 2021 in Afghanistan, to provide support to the population affected by the conflict. Currently, operations in the two countries are being consolidated and it is planned to raise funds from both public and private institutional donors to support the projects.

**Methods of pursuing the purposes of the articles of association**

The Foundation has ensured the pursuit of its aims through the implementation of projects in the 25 countries in which it is involved, as described above.

**Fund-raising activities**

Below is an overview of fundraising activities by line of acquisition.

Line	Proceeds	Direct collection charges
Natural persons – regular donations	6,072,086	2,129,939
Legal persons – non-regular donations	514,057	60,340
Companies and foundations	833,709	107,513
Other direct fundraising expenses		450,289
Fundraising personnel expenses		654,065
<b>Total</b>	<b>7,419,852</b>	<b>3,402,145</b>

Regular donations, accounted for at the time of their collection, consist of donations for "*sostegno a distanza* [sponsorship] in the amount of Euro 4,749,000 and unrestricted donations in the amount of Euro 1,322,000.

Donations from the corporate area (enterprises and foundations) may or may not be unrestricted. Non-regular donations from natural persons are linked to campaigns launched by the Foundation to support specific activities.

Lastly, it should be noted that in 2021 a testamentary bequest with a restriction on destination was accepted with the benefit of inventory, subsequently formalised with a declaration of inheritance, consisting of a flat, cash on current account and securities included, as previously mentioned.

**Final considerations**

Directors,

in light of the foregoing, we propose to approve the balance sheet and accompanying documents and to allocate the operating surplus for the year 2021 in the amount of Euro 21,555 to the Unrestricted Assets item “Reserves of operating profit or surplus”.

We World - G.V.C. Onlus

The President

Marco Chiesara



## ***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 statement of assets and liabilities as of 31 December 2021, the management report for the year then ended and the sections "General information" and "Disclosure of the balance sheet items" included in the mission report. The financial statements were prepared for the first time in compliance with the Italian laws governing the criteria for their preparation.

In our opinion, the financial statements give a true and fair view of the financial position of We World - GVC Onlus as at 31 December 2021 and of the result of its operations for the year ended in compliance with the Italian laws governing the criteria for their preparation.

### ***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 We World - GVC Onlus 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 2021 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.

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#### ***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 2022

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*