



# Annual Report 2017

## Balance Sheet

### Balance Sheet At 31/12/2017

	31/12/17	31/12/16
<b>ASSETS</b>	<b>4.502.596</b>	<b>1.323.169</b>
<b>A) RECEIVABLE FROM ASSOCIATES FOR PAID SHARES</b>	<b>0</b>	<b>0</b>
<b>B) TANGIBLE AND INTANGIBLE ASSETS</b>	<b>123.544</b>	<b>85.147</b>
I Intangible Assets (Net Book Value)	91.269	50.276
1) Intangible Assets	222.588	709.604
2) Write-down	(131.320)	(659.329)
II Tangible Assets (Net Book Value)	32.275	34.872
1) Tangible Assets	226.015	214.962
2) Write-down	(193.739)	(180.090)
III Financial Assets (Net Book Value)	0	0
<b>C) CURRENT ASSETS</b>	<b>4.347.123</b>	<b>1.226.062</b>
I Inventories	3.481	3.481-
1) Inventories	3.481	3.481-
II Receivables	37.712	68.849
1) Trade receivables	630	3.404-
2) Income tax receivables	21.519	20.691
3) Payments on account	9.507	9.246
4) Receivables from employees	440	177
5) Other assets	0	30.016
6) Security deposits	5.616	5.316
III Receivables for Projects	2.501.111	475.208
1) Receivables for Projects	2.501.111	475.208
IV Cash and Cash Equivalents	1.804.819	678.524
1) Cash	1.211	6.762
2) Banks	1.679.846	563.316
3) Cash deposits on foreign bank accounts	123.761	108.446
<b>D) PREPAYMENTS AND ACCRUED INCOME</b>	<b>31.930</b>	<b>11.959</b>

**Balance Sheet At 31/12/2017**

	31/12/17	31/12/16
<b>LIABILITIES</b>	<b>4.502.596</b>	<b>1.323.169</b>
<b>A) EQUITY</b>	<b>356.008</b>	<b>447.349</b>
I Capital reserve	12.491	12.491
II Restricted funds for projects and child sponsorship	358.862	471.473
1) Child sponsorship funds	358.862	471.473
2) Project funds	0	0
III Retained profit	21.270	24.237
1) Retained profit	21.270	24.237
IV Retained profit previous years	(36.615)	(60.851)
1) Retained profit previous years	(36.615)	(60.851)
<b>B) PROVISIONS FOR WARRANTIES</b>	<b>0</b>	<b>0</b>
1) Retirement funds	0	0
2) Credit-risk fundsi	0	0
3) Marketing Expenses Fund	0	0
<b>C) PROVISIONS FOR PENSIONS</b>	<b>37.669</b>	<b>36.984</b>
<b>D) LIABILITIES</b>	<b>180.688</b>	<b>188.797</b>
I Trade payables	58.359	86.834
II Liabilities towards projects	0	0
1) Liabilities towards on-going projects	0	0
III Others Liabilities	122.329	101.963
1) Tax Liabilities	37.877	30.707
2) Social insurance and security payments	29.284	23.868
3) Payables to employees	55.168	46.441
4) Payables to the project partners	0	0
5) Others Liabilities	0	947
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>3.928.231</b>	<b>650.040</b>

## Profit and loss account at 31/12/2017

	31/12/17	31/12/16
<b>INCOME FROM PROJECTS</b>	<b>974.173</b>	<b>962.879</b>
From European Union	156.365	233.966
From National Government Agencies	729.183	250.888
From National Government Agencies on site	81.920	302.608
From Government Entities Abroad	0	74.606
From private sector	6.704	100.811
<b>EXPENCES FOR PROJECTS</b>	<b>1.876.483</b>	<b>1.831.172</b>
Mozambique	1.006.652	1.075.129
Zambia	0	113.255
Libya	87.877	0
Nepal	512.346	497.777
Cambodia	119.638	133.234
DR Congo	0	1.526
Iraq	53.977	10.250
Italy	95.993	0
<b>PROJECT MARGIN</b>	<b>-902.310</b>	<b>-868.293</b>
<b>INCOME FROM FUNDRAISING</b>	<b>1.940.121</b>	<b>2.013.31</b>
Donations in cash	1.847.391	1.917.374
Five per thousand	87.605	83.255
From ancillary activities	5.125	12.684
<b>EXPENSES FROM FUNDRAISING</b>	<b>1.003.814</b>	<b>1.242.729</b>
Expenditure for projects in Italy	304.515	252.989
Direct costs of Promotion and Communication	338.254	440.561
Ancillary activities charges	10.255	21.063
General support charges	350.790	528.116
<b>FINANCIAL AND EXTRAORDINARY EXPENSES AND INCOMES</b>	<b>-12.727</b>	<b>121.946</b>
Financial expenses and incomes	-8.264	-10.087
Other extraordinary income	-4.464	132.033
<b>PROFIT FOR THE YEAR</b>	<b>21.270</b>	<b>24.237</b>



# Explanatory Notes

## 1 Organisation and internal control

### 1.1 Organisation

In order to carry out its activities, the Association has facilities in Italy and abroad.

The Management Structure in Genoa is dedicated to:

- a) project management, remote support programmes and relationships with supporters;
- b) management and coordination of project teams, in Italy and abroad, in all its phases;
- c) continuous and systematic monitoring of project management, with particular regard to administrative controls.

The facilities that are headed by the Offices on site are devoted to the production of communication materials needed for SAD programmes and the management of all phases of the on-site project cycle. They rely on the skills of expatriate and local staff, as well as supporting logistic structures.

b) project reporting: each Project Leader submits a final project report to the headquarters functions by March 31st of each year so that a full report of all the activities of the association can be made within the drafting process of the Annual Report.

Lastly, in the course of 2017, as already set in previous years, on the basis of the recommendations of the Auditors, PKF Italia SpA, all external offices were subjected to external administrative audits on the accounting data of the year by local Auditors specially contracted. During these audits, 100% of the accounting movements were analysed for each local office.

### 1.2 Internal control

In line with the path started in previous years, in 2016 the management of programmes continued aimed at increasing the quality of monitoring and internal control over the various activities both at home and abroad:

1) All Helpcode projects in Italy and abroad are monitored day after day with dedicated technical support; project managers send a quarterly financial report to the headquarters and a half-yearly report on the progress of each project. The on-site management control checks, on a quarterly basis or as needed, any deviations between the forecast budget and the actual progress of the project costs, thus providing the Management with all useful and timely information to be evaluated in case of any issues.

2) The process of sending funds to projects is carried out through cross-checking between the administrative function, for the technical-accounting part, and the coordination of foreign activities, for the substantive part consistency with the financial planning that the project leaders periodically send to the headquarters. Once the data corresponds, the Management authorises the sending of the funds needed to carry out the project activities.

It reconfirms for the current year what has become a current management practice and in particular:

- a) integrated general accounting system with project analytical accounting;

### 1.3 Significant events occurring

During the 2017 period, project planning continued with institutional donors to ensure that the Association, which historically based its fundraising almost exclusively on individual donors, had differentiated sources of funding.

After the approval of new projects in 2014, 2015 and 2016 by the European Commission in Nepal, MAECI and AICS in Mozambique, new projects were approved in 2017: two emergency projects approved by the Italian Agency for Development Cooperation in Lybia, two projects in Mozambique also approved by the Italian Agency for Development Cooperation, one project approved in Mozambique and one in Tunisia by the European Commission.

On the 13/10/2017 HELP CODE signed a Framework Partnership Agreement with EU DG ECHO, registered under the protocol number 2014 n° 14-298. This eligibility will allow HELP CODE to participate in tenders for humanitarian aid and emergency projects abroad.

## 2 Financial Statements

### Introduction

In general, the financial statements have been drawn up in accordance with the accrual method: therefore, the income and project costs are represented with reference to the time when they have found economic justification. Consequently, the costs characterising Onlus's activities during the financial year are compared to the related income. In addition, from this financial year, HELP CODE has introduced, in line with established practices in the sector, the revenue recognition methodology for institutional projects by applying the principle of the State Advancement Work, starting from the costs actually incurred for the realisation of the projects during the year.

This method of accounting requires revenue to be entered in the financial statements on the basis of the percentage of completion of the project determined by reference to the actual costs incurred for the project and identified on the basis of the project budget. In particular, the basis for calculating revenue is determined on the basis of a coefficient equal to the sum of the accrued costs of the year divided by the total project direct costs determined on the basis of the budget approved by the institutional sponsor. This percentage applies to the total contractual value of the contribution that the project sponsor has committed to deliver to Helpcode.

The loans referring to the projects are entered in the financial statements for their entirety when the contract is signed with the sponsor and are progressively reduced by the amounts actually paid by the institutional sponsor during the project period.

Always at the time of the conclusion of the contract in exchange to the overall credit payable to HELP CODE, revenues are recorded which not being attributable to the financial year, are deferred to subsequent financial years. The item of deferred income therefore includes the amount of future revenues that will become relevant for future years in relation to the percentage of completion of each project.

With regard to donations and fundraising proceeds, they are included in the Statement of Operations at the time of their financial recording.

### 2.1 Structure and content of the Financial Statements

The financial statements have been prepared in accordance with current laws and regulations.

**The financial statements transpose the provisions of Article 2423 et seq. of the Italian Civil Code, supplemented by the accounting principles issued by the Italian Accounting Organisation (OIC) and have been prepared, where possible and in accordance with the applicable rules of the Association, with a view to adjusting the reporting to practices commonly used in the International Cooperation and Humanitarian Aid sector. The Financial Statements consist of the Balance Sheet, the Statement of Operations at December 31, 2017 and the present Notes to the Financial Statements. In drawing up these financial statements the new valuation criteria introduced by Legislative Decree no. 139/2015 have been taken into account.**

The economic performance chart, represented by the Statement of Operations has been arranged into divided and contrasting sections.

**The Explanatory Notes serve to provide the illustration, the analysis and, in some cases, the integration of the data presented in the Financial Statements, deemed necessary to give a true and fair view, even if not required by specific provisions of the Law.**

The valuation of the items of the financial statements corresponds to the results of the accounting records duly held at the Helpcode Headquarters and Offices. The financial statements have been prepared in Euros.

The financial statements have been audited by the Company PKF Italia SpA, which has issued its Certification Report.

### 2.2 Accounting of the management operations

The operations of the Association, due to the nature of the activity and its administrative and accounting organisation, are managed in principle according to the accrual method and, where it is not possible given the type of work, according to the a cash basis, thus in part derogating from the provisions of the Civil Code, which indicates the accrual method as the reference one.

It should be emphasised that this accounting approach is commonly used in many of the Associations of the Sector.

In particular, it is specified that: the donations collected during the accounting year are accounted for as cash when received.

Costs related to the structure and generally sustained during the year by the HELP CODE Board, such as personnel costs and other operating expenses, are accounted for on an accrual basis, having recourse when necessary, to the data collection of accruals and deferrals.

Proceeds and charges relating to projects funded by institutional donors are accounted for on an accrual basis. The transition from the cash accounting principle to that of accruals, that also applied in 2016, was motivated by the growth in the volume of projects funded by institutional donors, which, until 2015, were not significant in relation to the total value of the Association's income and costs.

The on-site Helpcode projects have their own management, financial and administrative autonomy.

Accounting for the costs associated with Project management operations initiated locally by the Association is done by cash. Expenses are therefore recorded only when paid. The resources sent by the Project Execution Department and donations received locally from private individuals when they are received.

Money transfers allocated for the Realisation of Projects on site are accounted for as "Deposits in PVS for projects", In the assets of the Balance Sheet and included in the various items of expenditure in "Expenditure for the realisation of Projects in the PVS" when they are incurred. Depreciation of fixed assets has been recognised at the close of the Financial Statements.

## 2.3 Evaluation Criteria

The evaluation criteria adopted correspond to those provided for in Art. 2426 Civil Code.

In the event that these principles have not been considered compatible with the Association's activity, different criteria have been applied, determined on the basis of the reference practice of associations (not for profit) which operate in the same sector of activity as Helpcode.

### Intangible fixed assets

Intangible fixed assets are recognised at cost and capitalised in the assets of the Balance Sheet with the consent of the Board of Statutory Auditors. They are amortised from the year in which they were available, taking into account the future profit attributable to the investments made.

### Tangible fixed assets

Tangible fixed assets are stated at purchase cost and capitalised in the assets of the balance sheet and adjusted by the corresponding depreciation fund.

Depreciation is determined and charged to the Statement of Operations on the basis of the rates provided by current legislation (Article 102, DPR 917/86), considered to be representative of the financial and technical lifetime of the assets and their actual use. On the acquisition of new assets which entered into operation during the year, the depreciation was reduced to 50% of the legal rate.

### Inventories

Inventories were recorded from the commercial activities started by the Association during 2016 but these activities did not continue in 2017.

### Receivables

Receivables are stated at nominal value, adjusted when necessary to bring them back to their presumable realisable value.

### Cash and cash equivalents

Cash and cash equivalents are recorded at their nominal value. Amounts in foreign currencies other than the euro, which may potentially exist at the close of the Financial Statements, are converted into euros using the INFOEURO exchange.

### Accruals and Deferrals

They were determined in accordance with the matching principle and the accruals accounting principle of the financial year.

### Employee severance indemnities

Represents the actual debt accrued to employees at the end of the financial year. It has been determined in compliance with applicable labour laws and work contracts in force.

### Payables

Payables are stated in the financial statements at their nominal value.

### Income and Expenditure

Income and expenditure are presented in the financial statements in accordance with the matching and accrual criteria

## 2.4 Comments on the main Financial Statement items

### Balance sheet assets

#### B. Fixed Assets

##### I. Intangible fixed assets

Balance as at 31/12/2017	€ 91.269
Balance as at 31/12/2016	€ 50.276
Changes	€ 40.993

The item "intangible fixed assets" is made up as follows:

Description	Original Value	Accumulated amortisation	Net
New LOGO	48.800	-9.760	39.040
Software Licences	91.493	-66.841	24.653
New office renovation costs	5.806	-1.161	2.782
Shop renovation costs	0	0	0
ISO 9001 Certification	0	0	0
Costs and multi-annual charges to be amortised.	3.550	-1.451	2.099
Website	66.723	-48.272	18.451
Local Intranet	0	0	0
Trademarks	6.216	-3.835	2.381
<b>Total</b>	<b>222.588</b>	<b>-131.320</b>	<b>91.269</b>

The items "new office renovation costs" and "shop renovation costs" have been zeroed out because the shop has been closed and the headquarter was moved to new premises in via XXV Aprile 12,B. Write off remaining credit was covered during the year.

It should be noted that the reduction in the item "costs and multi-annual charges to be amortised" is due to the application of the OIC 24 accounting principle and the consequent reduction of the residual amount of start-up costs related to the installation of a Swiss fund-raising facility in previous years.

##### II. Tangible fixed assets

Balance as at 31/12/2017	€ 32.275
Balance as at 31/12/2016	€ 34.872
Changes	€ -2.597

The amount at the close of the Financial Statements is comprised of the following items:

Description	Original Value	Accumulated amortisation	Net
Office furniture and fittings	25.932	-23.833	2.090
Shop furniture and fittings	0	0	0
Headquarters electronic and office machines	71.968	-59.161	12.808
Shop electronic and office machines	0	0	0
Shop electronic and office machines	18.341	-18.341	0
Various minor equipment	2.760	-2.590	171
Other installations	12.950	-11.129	1.821
PVS vehicles	88.630	-73.253	15.377
Motorbikes	4.098	-4.098	0
<b>Total</b>	<b>224.680</b>	<b>-192.404</b>	<b>32.275</b>

The item "PVS Motor Vehicles" refers to cars purchased as logistical support to on-site offices.

The Association does not hold any financial lease contracts.

#### C. Current Assets

##### I. Inventories

Balance as at 31/12/2017	€ 3.481
Balance as at 31/12/2016	€ 3.481
Changes	€ 0

The shop was closed on 31/12/16. The inventories' value did not change in 2017 and it matches the value of the goods stored on closing business day.

##### II. Receivables

Balance as at 31/12/2017	€ 37.712
Balance as at 31/12/2016	€ 68.849
Changes	€ -31.137



The item "intangible fixed assets" is made up as follows:

Description	Within 12 months	Over 12 months	Total
Receivables from customers	630	0	630
Credits from Tax authorities	21.519	0	9.507
Advances to suppliers	9.246	0	9.246
Loans to employees	440	0	440
Other receivables	0	0	0
Security deposits	5.616	5.616	5.616
<b>Total</b>	<b>37.712</b>	<b>5.316</b>	<b>37.712</b>

The item "Credits from Tax authorities" is represented by the bonuses conferred to employees pursuant to DL 66/2014 on the payroll of December 2017 and the IRAP (Regional Income Tax) payments made during the year amounting to EUR 16,618,00.

The item "Security deposits" is represented by the deposit paid by the Association for the rental of the premises via XXV aprile 12B of EUR 4.000, for the premises in Milan, via Agordat 32 of EUR 300 and from the security deposit for the "HELP" institutional newspaper (EUR 1,316.00).

### III. Receivables for projects

Balance as at 31/12/2017	€ 2.501.111
Balance as at 31/12/2016	€ 475.208
Changes	€ 2.025.903

The item "Receivables for Projects" represents the value of the receivables due to the Association from institutional sponsors for unpaid contributions for future annual payments on projects for which contracts have been signed.

### IV. Cash and cash equivalents

Balance as at 31/12/2017	€ 1.804.819
Balance as at 31/12/2016	€ 678.524
Changes	€ 1.126.295

The item "cash and cash equivalents" is made up as follows

Description	31/12/2017
Cash and cash equivalents in hand	1.211
Office deposits	1.679.846
Deposits in PVS for Projects	123.761
<b>Total</b>	<b>1.804.819</b>

The Office Deposits represent the amount remaining in the bank's current account and postal accounts of the Office.

The Association in Italy, has relationships with 4 Institutes, under normal market conditions.

Deposits in the PVS for projects represent cash amounts and bank deposits, even in local currency, of the offices responsible for the development of Helpcode Projects.

Below are the details for the Office to which they relate:

Office	Country	Deposits in €
Beira	Mozambique	701
Maputo	Mozambique	1.014
Vilankulo	Mozambique	1.398
Maputo	Mozambique Projects.	115.678
Kathmandu	Nepal	4.971
<b>Total</b>		<b>123.761</b>

### D. Accruals and deferrals

Balance as at 31/12/2017	€ 31.930
Balance as at 31/12/2016	€ 11.959
Changes	€ 19.971

They represent adjusting entries for the financial year in order to comply with the accrual method.

They refer to the management costs of the Genoa facility.

## Liabilities and net assets

### A. Net Assets

The net assets of the Association are as follows:

- I – Endowment fund
- II – Reserved funds
- III – Operating result

In particular:

1. The “Endowment fund” consists of the payments made by the associates at the time of the establishment of the Association. In accordance with the statutory rules and the rules contained in Art. 10 of Legislative Decree 4 December 1997, No. 460 governing the Onlus, it is not distributable.

2. The item “Reserved funds” is made up of individual SAD funds,

These funds are historically linked to the association Mission and thus constitute a commitment to finance the characteristic and institutional activities of the association, represented specifically by SAD activities, from projects with specific aims and from organisational and / or functional investments to the activity of the Association itself.

3. The item ‘Operating surplus’ is represented by the result of the current fiscal year.

4. The item “Other reserves and Previous year Results shows” the operating surplus that would have been generated in the year 2016 as a result of the application of the accrual method for the projects summed up in the profits of previous years carried forward.

Net assets at 31.12.2016 show the following changes:

Description	31/12/17	31/12/16	Changes
I - Endowment fund	12.491	12.491	0
II - Reserved funds, of which:	358.862	471.473	-112.611
SAD Funds	358.862	471.473	0
III - Operating surplus	21.270	24.237	-2.967
of the year	21.270	24.237	0
IV Other Reserves and Results of Previous Years	-36.615	-60.851	24.237
of previous years, not yet allocated	-36.615	-60.851	0
<b>Total</b>	<b>356.008</b>	<b>447.350</b>	<b>-91.342</b>

### B. Employee severance indemnities

Balance as at 31/12/2017	€ 37.669
Balance as at 31/12/2016	€ 36.984
Changes	€ 685

The severance indemnity fund is that at 31.12.2017 with deductions for use during the year.

### C. Payables

Balance as at 31/12/2017	€ 180.688
Balance as at 31/12/2016	€ 188.797
Changes	€ -8.109

Payables are valued at nominal value and are as follows:

Description	31/12/2017
I - Payables to suppliers	58.359
II - Payables to suppliers	
III - Other payables:	122.329
Payables to tax authorities	37.877
Payables to pension and social security institutions	29.284
Payables to staff	55.168
Other Payables	0
<b>Total Payables</b>	<b>180.688</b>

Payables to suppliers refer to the expense for goods and services acquired in on behalf of the operating structure.

Payables to tax authorities consist of the IRPEF individual withholding tax on salaries in December 2017 for employees and self-employed (EUR 15.651), Irper for self employed (EUR 283) for VAT payable for the fourth quarter of 2017 (EUR 2,605) and the Irap (Regional Income tax) payable for 2017 (EUR 19,338).

### D. Accruals and deferrals

Balance as at 31/12/2017	€ 3.928.231
Balance as at 31/12/2016	€ 650.040
Changes	€ 3.278.191

The item is composed as follows: EUR 331,50 accrued costs during the financial year that occurred in the first months of 2018; EUR 3.927.899,43, being revenues from institutional projects that will be declared in the following years.

Below are the Association’s commitments to donors for the realisation of institutional projects in future years.

Project	Donor	Commitment at 01/01/2015	Outstanding Commitment at 31/12/2015	Commitment at 01/01/2016	Outstanding Commitment at 31/12/2016	Commitment at 01/01/2017	Outstanding Commitment at 31/12/2017	Commitments to be processed after 31/12/2017
N-WOM	UE	121.250	20.000	101.250	36.763	64.487	37.786	26.701
M-RES	AICS	0	0	213.308	54.246	159.061	102.500	56.561
ADAPT	AICS					159.600	0	159.600
AID 11042	AICS					28.000		28.000
<b>Totale</b>		<b>121.250</b>	<b>20.000</b>	<b>314.558</b>	<b>91.009</b>	<b>411.148</b>	<b>140.286</b>	<b>270.862</b>

## Statement of operations

The statement of operations has been drawn up in accordance with the model specified by the non profit business Commission of the National Council of Chartered Accountants.

The operating surplus at December 31, 2017 was in credit for a total of EUR 21,270.

	Management Report 2017	
<b>Revenue for projects</b>		
	from European Union	156.365
	from National Government Agencies	729.183
	from National Government Agencies on site	81.920
	from Government Entities Abroad	0
	from other Agencies / Companies	6.704
<b>Total revenue for projects</b>		<b>974.173</b>

<b>Project charges</b>		
	Mozambique	1.006.652
	Libya	87.877
	Nepal	512.346
	Cambodia	119.638
	Iraq	53.977
	Italy	95.993
<b>Total charges for projects</b>		<b>1.876.483</b>
<b>Project margin</b>		<b>-902.310</b>

<b>Revenue from fundraising</b>		
	Donations in cash	1.847.391
	Five per thousand	87.605
	From ancillary activities	5.125
<b>Total revenue from fundraising</b>		<b>1.940.121</b>

<b>Expenditure</b>		
	Expenditure for projects in Italy	304.515
	Promotion and communication direct charges	338.254
	Ancillary activities charges	10.255
	General support charges	350.790
<b>Total expenditure</b>		<b>1.003.814</b>

	Financial revenue and expenditure	-8.264
	Extraordinary revenue and expenditure	-4.464
<b>Profit for the year</b>		<b>21.270</b>

As already mentioned in the preceding paragraphs of these notes to the financial statements, the operating surplus, the result of the Association's activity, is a hybrid of cash and accrual accounting criteria.

Below are some details of the most significant items in the statement of operations.

We recall that regarding the collection for projects (income) and the use of funds used for institutional activity (charges), extensive explanation has been given in the Annual Report.

### Income

#### Income from ancillary activities

Balance as at 31/12/2017	€ 5.125
Balance as at 31/12/2016	€ 12.684
Changes	€ -7.559

This item in question is made up of revenues generated by the retail sale of toys and other leisure products held within the sales point of the Association in the first trimester of the year.

### Charges

#### Expenditure for projects in Italy

Balance as at 31/12/2017	€ 304.515
Balance as at 31/12/2016	€ 252.989
Changes	€ 51.526

They represent the costs for awareness raising and information activities.

#### Promotion and communication direct charges

Balance as at 31/12/2017	€ 338.254
Balance as at 31/12/2016	€ 440.561
Changes	€ -102.307

They are represented as follows:

Description	31/12/2017
F2F Charges Switzerland	203.323
Creation of promotional materials	39.586
Staff for communication	95.345
<b>Total</b>	<b>338.254</b>

Charges for F2F Switzerland relate to the investment made during the year relating to the Swiss fundraising facility.

#### Charges from ancillary activities

Balance as at 31/12/2017	€ 10.255
Balance as at 31/12/2016	€ 21.063
Changes	€ -10.808

The position in question refers exclusively to the charges incurred in the first part of the year for shop management.

The costs are as follows:

Description	31/12/2017
Purchase of goods and materials	0
Promotion charges	0
Amortisations	0
Miscellaneous charges	1.275
Staff	8.980
Total ancillary charges	10.255

#### General support charges

Balance as at 31/12/2017	€ 350.790
Balance as at 31/12/2016	€ 528.116
Changes	€ -177.326

General support charges account for about 12% of total charges.

Below is the detail of each item of expenditure:

General Support Charges	Costs incurred	Amount attributed to projects in the PVS and in Italy	Amount staff fundraising cost	Amount staff communication cost	Amount staff communication cost
Staff costs	759.243	-204.117	-95.345	-304.515	155.267
General Service Charges	85.365				85.365
Leases	28.056				28.056
Amortisations	44.693	0			44.693
Other management costs	18.071				18.071
Taxes for the year	19.338				19.338
<b>Total</b>	<b>954.767</b>	<b>-204.117</b>	<b>-95.345</b>	<b>-304.515</b>	<b>350.790</b>

In this reclassification, the project margin, negative for an amount of EUR 902,310, represents the direct costs of projects abroad supported by the Association through its fundraising activities from individuals.

Operating profit is the result of the project margin plus the difference between fund revenue and expenses incurred in Italy - including those for information and education projects - plus extraordinary and financial margins.

### Financial revenue and expenditure

Balance as at 31/12/2017	€ 8.264
Balance as at 31/12/2016	€ 10.090
Changes	€ -1.826

Financial charges consist of:

Description	31/12/2017
Bank interest, charges and fees	5.564
Postal interest, charges and fees	2.276
Interest for late payment	0
E-commerce charges (paypal)	243
Money Transfer Fees	181
<b>Total</b>	<b>8.264</b>

### Other Extraordinary Charges

Balance as at 31/12/2017	€ -4.464
Balance as at 31/12/2016	€ 132.033
Changes	€ -127.569

Extraordinary charges consist of contingency liabilities accrued during the year and accrued costs in 2016 which became known after the close of the financial year.

## 2.5 Other information

### Number of employees and volunteers

As of December 31, 2017, the number of employees making up the workforce of the Association was (12) (twelve) and 5 (five) associates for Italy and 5 (five) associates abroad.

### Taxation

With reference to the IRAP relating to institutional activity, an amount was calculated for EUR 19,338.

### Tax exemptions from which the Association benefits

The Association Helpcode Italia has been a Non Profit Organisation since 1998; and is regulated according to the regulations laid down in Legislative Decree 4 December 1997, No. 460, updated with the Legislative Decree of November 19, 1998, No. 422 and enjoys the tax advantages described in Art. 12 of the decree itself.

### Tax advantages from which donors benefit

For cash or in-kind contributions to Non-Lucrative Social Benefit Organisations, from the 1st January 2018 the current provisions provide, for natural persons, a tax deduction equal to 30% of the donation. For donations from people or businesses deducted from income, in cash or in kind, for a sum of not more than 10% of the total declared income. The limit of a maximum of 70,000.00 Euro per year established by the DL 35/2005 is now removed.



## Concluding Remarks

These Financial Statements, which consist of the Balance Sheet, the Statement of Operations and the Notes to the Financial Statements, are a true, complete and correct statement of the balance sheet and financial position as well as the operating surplus of the Association and corresponds to the results of the accounting records.

The Board of Directors therefore proposes to the Members' Meeting to approve the financial statements for the year 2017 and to carry forward the accrued earnings.

Genoa, April 23, 2018

The President



Giorgio Zagami

## Statutory Auditor's Report to the Financial Statements AT 31.12.2017

Dear Associates,

We have examined the draft financial statements of HELP CODE as at December 31, 2017 consisting of the Balance Sheet, the Statement of Operations and the Notes to the Financial Statements, made available to us by the Board of Directors together with the information prospectuses and the detailed attachments.

Our examination has been carried out by referring to the statutory provisions, if any, as well as to the principles of conduct recommended by the National Council of Chartered Accountants, where these are compatible with the activities carried out by your Association. Control activity was carried out jointly with the audit firm that certified the financial statements at December 31, 2017.

In the course of our audit activity we have verified during the year the regular keeping of the company's accounts and the correct recording of the management facts in the accounting records. Furthermore, the correspondence of the financial statements with the results of the accounting records was verified, as well as its conformity with the technical provisions governing the drafting of the financial statements.

In particular we would point out that:

- the financial statements model used, in line with the "Recommendation No.1" drawn up by the National Council of Chartered Accountants, is considered sufficiently clear and appropriate to the nature and size of the entity;

- we believe we can attest to the congruity and the reasonableness of the evaluation criteria used;

With reference to the supervision activities carried out in 2017, we would like to point out the following:

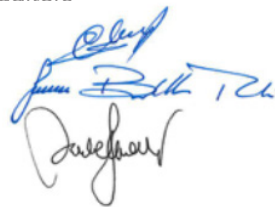
- ✓ we have participated, except for justified reasons, at the meetings of the Board of Directors and we have verified the legitimacy and consistency of the deliberations made both with the reference standards and with the charter in force paying particular attention to the ethical content of the same in accordance with the non-lucrative nature of the Association;

- ✓ we have periodically requested information on the business activity and on the most significant economic, financial and asset transactions carried out by the association;
- ✓ we have gained knowledge and monitored the aspect of compliance with the principles of proper administration consistent with the specificity of the activity of the association;
- ✓ we did not detect any non-typical or unusual operations during the year.
- ✓ we have evaluated and supervised the administrative- accounting system that is structured so as to ensure reasonable assurance that the accounting data is correctly recognised:
- ✓ we have overseen the observance of the law and the Company Charter;
- ✓ we have verified the compliance of the financial statements with the facts and information of which we have knowledge as a result of the fulfillment of our duties and we have no observations thereon;

- The checks carried out allow us to express our opinion in favour of the proposal for approval of the draft financial statements at December 31, 2017, considering that the same corresponds to the results of the books and accounting records and that the valuation of the company's assets has been correctly carried out.

The Board of Statutory Auditors

Dott. Sergio Chiodi  
Dott. Giovanni Battista Parodi  
Dott. Massimiliano Iazzetti



## Independent Auditor's Report

*(Translation from the original Italian version)*



Revisione e  
organizzazione contabile

To the Partners of Helpcode

### Report on the financial statements

We have audited the financial statements of HELP CODE, which comprise the balance sheet as December 31, 2017, the management statement to that date and the explanatory notes.

In our opinion, the financial statements present the true and fair view of the statement of the financial position of HELP CODE at December 31, 2017, and the management statement for the exercise ended to date, in accordance with the International Financial Reporting Standards as adopted by the European Union and with the regulations adopted in force to art. 9 of D. Lgs. n. 38/2005.

#### Basis of 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 company in accordance with ethical requirements and standards applicable in Italy that are relevant to the audit of financial statements. 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 under the law, considering that, in the financial year ended December 31, 2017, HELPCODE Italy was not obliged to the statutory audit pursuant to ex art. 2477 of the Civil Code.

#### Responsibilities of the Directors for the financial statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian regulations and accounting principles governing financial statements and, within the limits of the 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.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 auditor's 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 these financial statements.

As part of the audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ✓ identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of non 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;
- ✓ obtain and 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 Company's internal control;
- ✓ evaluate the appropriateness of accounting principles used and the reasonableness of accounting estimates and related disclosures made by sole management;
- ✓ conclude on the appropriateness of the sole management's use of the going concern and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company to cease to continue as a going concern;
- ✓ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions in a manner that achieves fair presentation.

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

Milan, April 24, 2018

PKF Italia S.p.A.



Michele Riva  
(Partner)

## NUMBERS

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[www.helpcode.org](http://www.helpcode.org)



Helpcode – Il diritto di essere bambini



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Helpcode



Helpcode

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