

FONDAZIONE TERRE DES HOMMES ITALIA		
- O N L U S -		
Registered office: Via Boiardo, 6, Milan (MI) Italy		
FINANCIAL STATEMENTS AT 31 DECEMBER 2019		
STATEMENT OF FINANCIAL POSITION		
ASSETS	31/12/2019 in €	31/12/2018 in €
A) DUE FROM ASSOCIATES FOR PAYMENTS OF QUOTAS	===	===
B) FIXED ASSETS		
I - Intangible fixed assets (NFS page 91)		
1) Concessions, licenses and trademarks	8,233	0
2) Assets under development and advances	0	14,030
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Total	8,233	14,030
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II - Tangible fixed assets (NFS page 91)		
1) Equipment and systems	0	0
2) Other assets	5,687	1,484
3) Land and buildings	707,260	707,260
	-----	-----
Total	712,948	708,745
	-----	-----
III - Financial fixed assets (NFS page 92)		
1) Receivables	808	808
	-----	-----
Total	808	808
	-----	-----
Total fixed assets (B)	721,989	723,583
C) CURRENT ASSETS		
I - Inventories	===	===
	-----	-----
II - Receivables		
1) From various entities for residual financing approved (NFS page 93)	13,743,294	12,587,555
2) From others (NFS page 93)	4,459,603	4,153,553
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Total	18,202,897	16,741,108
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ASSETS (continued)	31/12/2019 in €	31/12/2018 in €
III - Current financial assets	===	===
IV - Cash and cash equivalents (NFS page 98)		
1) Bank and postal deposits	3,116,824	2,091,976
2) Cash and negotiable instruments on hand	10,959	6,979
Total	3,127,783	2,098,955
Total current assets (C)	21,330,681	18,840,063
D) PREPAYMENTS AND ACCRUALS (NFS page 98)	34,137	32,393
TOTAL ASSETS	22,086,806	19,596,039

LIABILITIES AND NET ASSETS	31/12/2019 in €	31/12/2018 in €
A) NET ASSETS		
II - Initial endowment and capital contributions (NFS page 99)	434,051	434,051
Total (A)	434,051	434,051
B) RESERVES FOR RISKS AND CHARGES	===	===
C) EMPLOYEE SEVERANCE RESERVE (NFS page 99)	341,321	295,890
D) PAYABLES		
1) Residuals restricted for completion of intervention programs (NFS page 100)	20,052,143	18,144,215
2) Residuals available for institutional activities (NFS page 100)	683,722	108,483
3) Trade accounts payable	346,698	440,620
4) Taxes payable (NFS page 105)	42,472	54,502
5) Due to social-welfare institutions (NFS page 105)	49,836	65,001
6) Other payables (NFS page 105)	136,564	53,277
Total (D)	21,311,434	18,866,097
E) DEFERRALS AND ACCRUALS	===	===
TOTAL LIABILITIES	21,652,755	19,161,987
TOTAL LIABILITIES AND NET ASSETS	22,086,806	19,596,039

STATEMENT OF ACTIVITIES			
INCOME		31/12/2019 in €	31/12/2018 in €
Contributions	(NFS pages 102-103-104)	22,390,073	22,011,067
Final surpluses on projects financed	(NFS page 106)	1,481,501	761,410
Financial income	(NFS page 106)	350	216
Non-recurring income	(NFS page 106)	24,345	16,967
Quota and income from fundraising to cover general expenses	(NFS page 106)	1,025,648	1,769,918
		-----	-----
Total		24,921,917	24,559,578
		-----	-----
Total income		24,921,917	24,559,578

EXPENSES		31/12/2019 in €	31/12/2018 in €
Outlays for project realization	(NFS pages 102-103-104)	22,390,073	22,011,067
Outlays for advocacy projects	(NFS page 107)	421,533	392,749
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<u>Operating expenses</u>			
Head-office associates on projects	(NFS page 107)	70,048	87,597
Overheads	(NFS page 108)	1,467,642	1,436,128
Promotions and fundraising	(NFS page 109)	416,533	486,328
Deferred charges, depreciation and amortization	(NFS page 110)	15,379	2,946
Financial charges	(NFS page 110)	30,061	28,798
Non-recurring charges	(NFS page 110)	79,902	101,228
Deficits on projects financed	(NFS page 110)	30,747	12,737
		-----	-----
Total operating expenses		2,110,312	2,155,762
		-----	-----
Total expenses		24,921,917	24,559,578

**FONDAZIONE TERRE DES HOMMES
ITALIA**

- O N L U S -

Registered office: Via Boiardo, 6, Milan (MI) Italy

NOTES TO THE FINANCIAL STATEMENTS

HISTORY AND ACTIVITY OF THE FOUNDATION

Inspired by the international movement, Terre des Hommes, founded by Edmond Kaiser in Lausanne, Switzerland, in 1960, the Terre des Hommes Italia Association was established in 1989 at the initiative of a group of professionals, entrepreneurs, and representatives of civil society. In 1994, the association became a foundation. Fondazione Terre des Hommes Italia - ONLUS is active in Italy and internationally, mainly in developing countries. The Foundation aims to help suffering children through its commitment to concrete solidarity, including programs for medium-term development and emergencies where necessary. Through its programs, the Foundation aspires to overcome the conditions of disadvantage and underdevelopment faced by the populations in many of the countries in the southern parts of the world. In general, such conditions have the most severe and unjust impact on children.

Promoted and agreed with the participation of national partners, the Foundation's programs are scaled to real, local needs and, therefore, to the possibility for self-management. The programs are developed in total respect of social, cultural, and religious values, and national sovereignty, according to the principles of international cooperation defined by the Charter of the United Nations.

Fondazione Terre des Hommes Italia engages without political, racial, or religious bias, coordinating its initiatives with other public or private institutions in Italy and abroad with similar or related purposes.

The Terre des Hommes Italia's loans and contributions come from private donors (individuals, businesses, and other private institutions) and institutional donors (European Commission, United Nations Agencies, the Italian government, and other public entities).

INFORMATION ON ITALIAN TAX EXEMPTIONS AVAILABLE TO THE FOUNDATION

The Foundation benefits, for tax purposes, from the favourable regulations provided by Italian Legislative Decree No. 460/97 on the subject of non-profit organisations ("ONLUS"). Pursuant to Article 111-ter of the Italian Presidential Decree No. 917/86, the Foundation's institutional and related activity is not considered a commercial activity. The services rendered by the Foundation are deemed tax-exempt for VAT purposes; the tax paid on purchases is not deductible, and it thus becomes a cost for the Foundation.

Charitable donations made to the Foundation may be deducted from taxable income pursuant to Article 10, Paragraph 1, letter g of Italian Presidential Decree No. 917/1986 and subsequent modifications, or they may be deducted from tax payable pursuant to Article 13-bis of the aforementioned Presidential Decree if carried out through banking or postal instruments.

Article 1, Paragraph 7 of Lombardy Regional Law No. 27/2001 (2002 Regional Finance Law) provides for an exemption from the Regional Tax on Productive Activity ("IRAP") and the regional vehicle tax as of 1

January 2002 for the taxpayers referenced in Article 10 of Italian Legislative Decree No. 460/1997, which concerns tax regulations applicable to non-commercial entities and non-profit organisations.

As a result, the Foundation, which is part of the aforementioned category, is no longer subject to IRAP from the tax year 2002.

MATERIAL EVENTS OCCURRING AFTER THE YEAR-END

As of February 2020, Italy, like other countries, was struck by the outbreak of COVID-19, which was declared a pandemic by the WHO on 11 March 2020. Pursuant to Article 2427, Paragraph 22-quater of the Italian Civil Code, the events attributable to this pandemic are considered as events occurring after the end of the financial year. Management believes, therefore, that there is no need to adjust the values reported in the financial statements at 31 December 2019 since the aforementioned events relate to the 2020 financial year.

The Foundation promptly implemented the provisions issued by the government, the Ministry of Health, and the competent regional and local authorities, putting in place all the necessary preventive measures aimed at minimizing the causes, actual or potential, of the risk of COVID-19 infection in the workplace.

To date, Terre des Hommes Italia has not applied for any safeguard instruments offered by the government, such as the redundancy scheme, and has elected instead to allow employees to take paid vacation and to reduce working hours. During the lockdown, the Foundation continued to operate with its personnel working remotely. The Foundation did not experience any impairment of its financial situation, and it regularly paid suppliers and salaries. In addition, the Foundation has not had to suspend tax payments, and it did not have to resort to financial instruments promoted by the government for the ongoing emergency.

The long-term effects of the pandemic cannot currently be predicted. However, based on the data available for 2020 and the Foundation's net assets, and despite a possible decrease in donations anticipated for the second half of 2020, the Board of Directors has not identified any element that could compromise the underlying going-concern assumption serving as the basis for the preparation of the financial statements.

STRUCTURE AND CONTENT OF THE FINANCIAL STATEMENTS

The financial statements of Fondazione Terre des Hommes Italia - ONLUS consist of the statement of financial position, the statement of activities, and these notes. The financial statements are presented along with the annual report of the Board of Directors, and a summary of the projects ongoing during the year.

The Foundation's financial statements are prepared annually according to the principles of prudence and full compliance with the prevailing provisions of the law, but with some exceptions to the provisions of the recommendations for non-profit entities approved by the Italian Professional Accounting Association ("Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili"). However, since the by-laws of Fondazione Terre des Hommes Italia do not provide for carrying out any activity of a commercial nature, including instrumental activity, for the achievement of its institutional purposes, certain aspects of the aforementioned recommendations have been appropriately adapted to the Foundation's situation.

In particular, as suggested by the aforementioned documents, the portions of contributions and grants received that remained at year-end were reclassified as payables, instead of net assets, with the recognition of two specific liabilities to include "Residuals restricted for completion of intervention programs" and

“Residuals available for institutional activities”. In the opinion of the Board of Directors, this classification more appropriately reflects the nature and restriction of these funds.

As customarily, the Foundation has closed the statement of activities with a breakeven.

The Board of Directors believes that the financial statements at 31 December 2019 as presented give a true and fair view of the financial position of the Foundation, in accordance with the accounting principles that the aforementioned document has intended to establish, and in particular, the clarity, precision, and transparency due to all those who support Terre des Hommes Italia.

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ACCOUNTING PRINCIPLES AND VALUATION CRITERIA

The financial statements have been prepared by applying the same valuation criteria and accounting principles used in the previous year. The accounts in the statement of financial position and the statement of activities are reported along with the corresponding values for the previous year. Certain of the prior year’s accounts have been reclassified to conform to the current period financial statement presentation; where not possible, the information to facilitate the comparison with the prior year’s data is provided in the notes to the financial statements. The valuation criteria and accounting principles for the most significant accounts are disclosed below.

Valuation criteria

Intangible and tangible fixed assets

Intangible and tangible fixed assets are recognized at purchase cost, net of amortization and depreciation computed on the basis of the estimated economic life of the assets.

Should the value of fixed assets at the reporting date be below that determined according to the cost criterion due to permanent impairment, the assets are booked at such lower value.

Financial fixed assets

Security deposits are booked as financial fixed assets.

Receivables

Receivables are stated at their estimated realizable value.

Receivables include the quotas of contributions or grants already approved by third parties but not yet received by the Foundation, which are booked as “Receivables from various entities for residual financing approved”.

Instead, the receivables due from others include the amounts of disbursements already made to third parties as part of the projects prior to recognition of the outlays. These amounts are transferred to the statement of activities once the expense to be booked has been incurred.

Cash and cash equivalents

Cash and cash equivalents are recorded at their cash value, while foreign currencies held are recognized at their presumed realizable value based on the exchange rates in effect at the end of the period.

Net assets

The net assets represent the Foundation's net equity, and they include both the initial endowment and the subsequent donations received with an obligation for use as a capital contribution.

Employee severance reserve

The provision is allocated to cover the entire liability accrued in favour of employees, in accordance with prevailing law, collective bargaining contracts, and supplemental company-specific labour contracts.

Payables

Payables are recognized at their nominal value.

Payables include the quotas of contributions and grants not yet expended at the reporting date; such amounts are classified among the "Residuals restricted for completion of intervention programs" and "Residuals available for institutional activities" since they are earmarked for the realization of projects and/or institutional activity.

Deferrals and accruals

Deferrals and accruals refer to quotas of costs and income attributable to two or more years, in accordance with the matching principle.

Contributions income and project expenses

Contributions and grants received from international bodies, governments, entities, public and private institutions, and individuals for the achievement of objectives consistent with the Foundation's purposes, are used for approved projects, and they are recognized in the statement of activities as income only to the extent of the percentage of the projects completed in the period.

Such amounts are offset by the recognition of equivalent outlays, which represent disbursements booked entirely for projects approved by the financing parties or financed directly by the Foundation through the use of available funds.

As pointed out above, the amount of the contributions and grants received and not yet expended at the reporting date are classified among the "Residuals restricted for completion of intervention programs" and "Residuals available for institutional activities" depending on whether they are contributions to be used for the realization of specific projects or contributions for overheads. Instead, any disbursements not yet reported at the reporting date are recognized in the statement of financial position as "Receivables from others".

Final surpluses/deficits on projects financed

At the end of each project, the final balance between contributions and grants received by the Foundation and the total amount of outlays for realizing the projects is reported as a "surplus", if positive, or as a "deficit",

if negative. Such amounts are recognized in the statement of activities during the period of the project's conclusion.

Recognition of other revenues/costs and income/expenses

The accounts include expenses for head-office associates on projects, overhead expenses, charges for promotions and fundraising, financial income/charges and non-recurring income/charges, and they are booked based on the matching principle.

Quota and income from fundraising to cover general expenses

The overhead costs and the charges for promotional activity reported in the statement of activities are covered through the use of 20% of the funding from individuals for the financing of long-distance support projects in developing countries, the use of funds available for institutional activities, and the final surpluses for projects concluded in preceding years.

Taxes

As pointed out above, the Foundation is exempt from the Italian Regional Tax on Productive Activity ("IRAP").

Amounts denominated in foreign currency

Except for fixed assets, the assets and liabilities denominated in foreign currency are recognized at the exchange rates prevailing at the date they are initially booked and are aligned with the spot exchange rate at the reporting date. The earnings and losses derived from the conversion of receivables and payables are respectively credited and debited to the statement of activities as positive and negative foreign-exchange differences. Any net earnings arising from the adjustment of foreign-currency-denominated accounts to year-end exchange rates are accrued to the operating result for the year, with any portion thereof not absorbed by losses for the year booked to a reserve among net assets.

Other information

The Foundation has 16 full-time employees, and it makes use of the work of various external associates and volunteers.

The amounts indicated in these notes are expressed in units of euros.

ASSETS

Intangible fixed assets, tangible fixed assets and related depreciation/amortization

Assets	Year of acquisition	Initial residual cost	Purchase cost	Depreciation/Amortization	Capital gains/losses	Carrying value
<u>B I - Intangible fixed assets</u>						
- Assets under development	2016/2017	7,930				7,930
	2018	6,100				6,100
	2019	-14,030				-14,030
- Software licenses	2019		14,030	7,015		7,015
- Trademarks	2019		2,437	1,218		1,218
<u>Total intangible fixed assets</u>		0	16,467	8,233	0	8,233
<u>B II - Tangible fixed assets</u>						
- Equipment and systems	1995/2017	0				0
<u>Total equipment and systems</u>		0	0	0	0	0
- Furniture and fixtures	1995/2017	1				1
	2018	846		846		0
	2019		9,421	4,710		4,710
- Electronic office equipment	1994/2017	13			-2	11
	2018	625		625		0
	2019		1,930	965		965
<u>Total other assets</u>		1,485	11,351	7,146	-2	5,687
⌘						
- Land and buildings	2013	540,589				540,589
	2014	77,725				77,725
	2015	60,614				60,614
	2016	10,945				10,945
	2018	17,388				17,388
<u>Total land and buildings</u>		707,260	0	0	0	707,260
<u>Total tangible fixed assets</u>		708,746	11,351	7,146	-2	712,948
		=====	=====	=====	=====	=====

The tangible and intangible fixed assets refer to office equipment and assets used in the Foundation's normal operations, and the assets primarily refer to the Foundation's head office located in Via Boiardo, Milan.

The new accounting and project-reporting software for the local offices whose purchase and development began in 2016 was fully rolled out during 2019.

The related amount of Euro 14,030 was accordingly reclassified from Account B)I 2) “Assets under development and advances” to Account B)I 1) “Concessions, licenses, and trademarks”. This amount has, therefore, been subject to amortization.

The tangible fixed assets also include the costs incurred for the registration and the filing of the “Indifesa” and “Stand For Girls” trademarks.

The tangible fixed assets total Euro 712,948, net of accumulated depreciation, with an increase of Euro 4,203 over the previous year mainly due to the purchase of new furniture and fixtures for the offices at the Foundation’s headquarters.

The buildings have not been depreciated since it is reasonably deemed that the realizable value at the end of their useful life will exceed the net book value at the reporting date.

B III - Financial fixed assets

Accounts	31/12/2019	31/12/2018
1) Receivables		
- Security deposits		
* Telecom Italia	372	372
* Others	436	436
	-----	-----
	808	808
	-----	-----
	808	808
	=====	=====

Financial fixed assets amount to Euro 808 and they concern security deposits for the office in Via Boiardo, Milan, and the deposit paid to the lessor for the rental of a real estate unit used by an associate of a project in Sicily. The account balance remains unchanged compared to the previous year.

C II - Receivables

Accounts	31/12/2019	31/12/2018
1) Due from various entities for residual financing	13,743,294	12,587,555
	-----	-----
2) Due from others		
* Receivables for disbursements made prior to recognition of the outlays	4,446,004	4,123,248
* Other receivables	2,216	27,784
* Supplier advances	11,383	2,522
	-----	-----
	4,459,603	4,153,553
	-----	-----
	18,202,897	16,741,108
	=====	=====

The “Receivables due from various entities for residual financing approved” represent the contributions or grants already approved by third-party lenders that have not yet been received by the Foundation. The account balance of Euro 13,743,294 reflects an increase of Euro 1,155,739 over the prior year.

The “Receivables for disbursements made prior to recognition of the outlays” represent the difference between the transfers of funds sent abroad for project execution and the outlays already recognized as of the reporting date. The account balance of Euro 4,446,004 reflects an increase of Euro 322,756 over the prior year.

The “Supplier advances” include amounts paid to suppliers of goods and services who had not submitted their invoices to the Foundation as of 31 December 2019.

The following tables illustrate the changes in the receivables due from various entities for residual financing approved and the mix of the balance of the receivables for disbursements made prior to recognition of the outlays.

DUE FROM VARIOUS ENTITIES FOR RESIDUAL FINANCING APPROVED

Description	Opening 01/01/19	Supplements/reductions on receivables for prior-year projects	Receivables for 2019 projects	Contributions from financing parties	TDH It contributions	Other contributions	Incremental/ incremental disbursements	Surplus/ deficit	Reversals of prior accruals of deficits/ surpluses	Balance 31/12/19
Bangladesh DCI-NSAPVD/2015/359-821	135,867			-24,406	-17,277	38,819	-176,829	43,825		0
Bangladesh MAE AID 010591	183,136				-179,598		-60,922	50,193		-7,192
Bangladesh Swiss Embassy no. 81049423	4,926			-1,696			-7,589	4,359		0
Burma AICS 10942/TDH/MYANMAR	667,978			-337,530	-119,953					210,495
Burma PATH "Smart Move" PATH/NU/03/2019			377,618							377,618
Burma UNOPS-LIFT R 1.4/023/2014	25,057	34,119					-1,920	1,920		59,176
Burkina EIDHR/2016/382-818	32,944			-31,611			-14,962	13,630		0
Burkina DCI-HUM/2017/394-475	1,252,838			-1,014,168	-68,094	-2,244				168,332
Burkina TDH Lausanne (FED/2017/386-731)	32,290				-23,695		-26,709	18,115		0
Burkina LVIA TF/2017/07	95,953				-4,388					91,565
Burkina Monaco Cooperation CERMICOL	30,000	10,000		-40,000						0
Burkina UNICEF 2019			124,109	-26,650						97,459
Colombia TDH NL (VCJR4)			309,228	-293,767			-21,037	5,576		0
Colombia UNICEF COL/2019/023			204,989	-203,007						1,982
Colombia UNICEF COL/2019/036			141,350	-141,350						0
Colombia UNICEF PRC COL/2018/035	55,912			-51,992			-7,110	3,189		0
Ivory Coast Brassivoire (with Heineken Africa)	28,088			-21,033			-12,788	5,734		0
Ivory Coast MENET (Min. Ed.) C2D-EF	581			-15,048			-22,614	37,082		0
Mauritania ECHO/-WF/BUD/2018/91010	249,089	725,000		-580,000						394,089
Jordan TDH DE "Reduction child Labour in Zarqa"	352,297			-284,157						68,140
Jordan TDH DE "Improving mother and child health"	190,111	15,340		-205,121			-346	16		0
Jordan AICS AID JORDAN/10696/01			599,785	-539,800						59,985
Jordan PMM 340/2019/M			92,820	-92,485			-317	-18		985
Haiti EIDHR/2019/412-347			565,000	-222,185						342,815
Haiti MAECD Canada PSOP 16-151	148,854			-147,682			-44,717	43,545		0
Haiti ONU FEMMES HTI/PCA/19/UNWOMEN/03	0		75,195	-70,748			-10,077	5,630		0
"Right Courts for Children" TDH Lausanne in Hungary	6,934			-8,093					1,159	0
Iraq TDH DE " Edu Care I"	0		1,204,831	-200,349						1,004,482
Iraq AICS AID 11349 (with FOCSIV)	0		59,550	-53,164						6,386
Iraq AICS IRAQ/11746/03	0		490,000	-245,000						245,000
Iraq OCHA IRQ-18/3884/SA1/P/INGO/8382	63,781			-67,053			-15,717	18,990		0
Iraq OCHA IRQ-19/3884/SA2/E/INGO/13918			316,655	-189,895						126,759
Iraq TDH NL Phase 3	22,803			-22,803						0
Iraq TDH NL Phase OUT (IRQJR4)	0		129,999	-125,003			-5,050	54		0
Iraq PMM 2 2019			185,801	-185,884		83				0
Iraq PMM 2018	11,408			-4,021			-4,656	-2,731		0
Iraq UNICEF PD/2018/9	83,019			-87,971			-3,896	8,848		0
Iraq UNICEF PD/2018/22	73,451			-77,083			-1,317	4,949		0
Iraq UNICEF PD/2018/30	485,296	236,388		-735,573			-56,302	70,192		0
Iraq UNICEF PD/2018/86	331,490			-321,969			-26,090	16,570		0
Iraq UNICEF PD/2018/87	209,145	457,314		-642,342			-31,668	34,755		27,203
Iraq UNICEF PD/2019/10	0		388,889	-388,755			-21,610	21,476		0
Iraq UNICEF PD/2019/16	0		262,788	-262,725			-12,390	12,328		0
Iraq UNICEF PD/2019/575	0		432,557	-404,122						28,435
Iraq UNHCR IRQ01/2018/628		-2,307		2,307			12,662	-12,662		0
Iraq UNHCR IRQ01/2018/665	18,660						-34,100	15,441		0
Iraq UNHCR IRQ01/2019/688			1,136,602	-1,136,909			-58,025	58,332		0
Iraq UNESCO contract no. 4500387146			225,098	-53,959			-170,545	-594		0
Italy "Voci di confine" (AID 11039/AMREF/ITA)	9,875						-7,930	-820		1,125
Italy "Un nido per amico" ATS City of Milan	0		34,895							34,895
Italy "Indifesa Network" Equal Opportunity Department	0		60,200							60,200
Italy Esselunga "Timmi - Ospedale V. Buzzi" Milan	0		203,340	-75,528						127,812
Italy "Faro VIII" various donors (Ragusa)	12,500			-12,500						0
Italy "Faro VIII" various donors (Ventimiglia)	5,750			-3,403					-2,347	0
Italy Interior Ministry "FAMI PROG 1635"	399,767	-299,826					-51,278	43,008		91,671
Italy National Authority for Children and Adolescents "Azioni supporto Comune MI n. 24"	77,006			-76,039			9,448	-10,415		0
Italy National Authority for Children and Adolescents "2° indagine maltrattamento minori"			33,868	-10,000						23,868
Lebanon TDH DE "Improving educational opportunities"	233,380	515,505		-746,374		-132				2,379
Lebanon MAE AID 010578/TDH/LIB	280,451				-3,222		-309,800	31,807		-764
Lebanon/Jordan AICS AID 10804/01/0 (AVSI lead)	44,359			-34,139			-25,908	15,687		0
Lebanon/Jordan AICS CS/10805/13	587,960			-578,171			-53,686	43,897		0
Lebanon AICS CS/11263/10			900,000	-450,000		-277				449,723
Lebanon TF-MADAD/2019/T04,198			3,375,193	-1,405,416	-8,493	-22				1,961,262
Lebanon/Jordan TF-MADAD/2016/T04.22	1,280,886			-558,373	-37,891		-352,445	306,017		638,194
Lebanon OCHA LEB-19/DDA-3604/SA1/E/INGO/13129			238,331	-143,234		-75				95,022
Lebanon UNICEF LEBA/PCA2017042/PD201802	1,439,387			-1,247,926		-568	-336,718	145,825		0
Lebanon UNICEF LEBA/PCA2017042/PD2018600	116,643	25,980		-142,165		-3	-12,185	11,730		0
Lebanon UNICEF LEBA/PCA2017042/PD2019677	0		671,573	-422,619		-23				248,930
Lebanon UNICEF LEBA/PCA2017042/PD2019684 (CP)	0		1,691,564	-1,621,575		-344				69,645
Lebanon LEBA/PCA2017042/PD2019687 (EDU)	0		969,302	-226,473		-202				742,627
Lebanon UNRWA SER/017/2017	6,634			-8,542			-2,005	3,913		0

DUE FROM VARIOUS ENTITIES FOR RESIDUAL FINANCING APPROVED (continued)

Description	Opening 01/01/19	Supplements/reductions of receivables for prior-year projects	Receivables for 2019 projects	Contributions from financing parties	TDH It contributions	Other contributions	Decremental/incremental disbursements	Surplus/deficit	Reversals of prior accruals of deficits/surpluses	Balance 31/12/19
Lebanon UNRWA 2019	0		26,786	-18,750			-536	536		8,036
Lebanon UNHCR LBN01/2018/410	0			17,540			-74,862	57,322		0
Lebanon UNHCR LBN01/2018/432	0			6,354			-28,528	22,173		0
Libya French embassy 2019			27,435	-27,435						0
Libya AICS 11242/04 AID 11242	199,765			-159,812			3,324	-3,331		39,946
Libya AICS 11242/04 AID 11573	249,955			-124,963						124,993
Mauritania FED CRIS MR/FED/24285	116,093			-116,093						0
Mauritania T05-EUTF-SAH-MR-07-02 (Safire-Consortium)			733,378	-237,251	-6,630					489,497
Mozambique TDH DE no. 580016 (Cyclone Idai2)			91,500	-91,413			-4,688	4,601		0
Mozambique TDH DE/TDH CH (Em. Ass. Cyclone Idai)			45,510	-39,953			-5,382	-175		0
Mozambique MAE AID 010575/TDH/MOZ (with CCS)	148,031						-205,388	46,264		-11,093
Mozambique AICS AID 011518/TDH/MOZ	1,123,433			-484,292	-62,839					576,302
Mozambique AICS AID 11460 (with AIFO and ISCOS)			162,886	-89,378						73,508
Mozambique TDH CH-Swiss Solidarity 2019			198,854	-198,799						55
Nicaragua CSO-LA/2019/406-632			1,331,752	-688,019						643,733
Nicaragua CSO-LA/2018/402-739	720,753									720,753
Palestine ENI/2015/359-883	150,114				-10,536		-97,465	94,803		136,915
Palestine ENI/2019/408-198			2,108,500	-600,514	-10,947	-146				1,496,893
Palestine UEFA no. 2018599 "CREATE"	0		144,000	-57,600						86,400
Syria AICS CS.11214.03_05	0		519,961							519,961
Syria OCHA DDA-3558/SA/FSA/INGO/4282	142,745			-130,187			-78,588	66,029		0
Syria OCHA DDA-3558/SA/P/INGO/10636	241,983			-241,580						403
Syria OCHA DDA-3558/RA3/P/INGO/14704	0		224,363							224,363
Syria OCHA DDA-3558/RA3/N/INGO/14703	0		327,948							327,948
Syria TDH NL Phase 4 (SJR4)	37,194						-26,821	25,647		36,020
Syria TDH NL Phase 6 (Est Ghouta)	44,254			-44,254			-4,049	4,049		0
Syria TDH NL Phase 5 (SJR2019)			953,402	-726,901						226,501
Syria Save The Children no. 12352			213,843	-96,728						117,115
Syria UNHCR Syria SYR01/2018/385							-3,542	3,542		0
Syria UNHCR Syria SYR01/2019/395			48,408	-43,013						5,395
Syria UNICEF 2017 Nutrition	9,922			-3,458			-14,463	7,999		0
Tunisia Helpcode (ICSP/2017/393-093)	0		5,000							5,000
Zimbabwe AICS "CROPS 4 Food" AID 11297 (Lead: CESVI)	91,992			-73,593						18,398
Zimbabwe AICS "CROPS" AID 10862 (Lead: CESVI)	15,642	11,289					-3,793	3,793		26,931
Zimbabwe TDH NL Phase 2	9,173								-9,173	0
Zimbabwe UNHCR ZWE01/2018/51	0						-48,112	48,112		0
Zimbabwe UNHCR ZWE01/2019/56	0		805,777	-805,777						0
	12,587,555	1,728,803	23,470,434	-22,393,149	-553,563	34,865	-2,572,044	1,450,754	-10,361	13,743,294

The "Supplements/reductions of receivables for prior-year projects" represent contractual revisions of the budget of projects approved in prior years that entail an increase or decrease of the contributions or grants due from the third-party financing entities and not yet received by the Foundation.

The "Contributions from financing parties" represent contributions and grants received from international bodies, governments, entities, public and private institutions, and individuals for the financing of projects in developing countries.

The "TDH It contributions" represent the portions of contributions disbursed by Terre des Hommes Italia for the co-financing of projects in developing countries.

The "Other contributions" represent the portions of contributions disbursed by other parties for the co-financing of projects in developing countries.

The “Decremental/incremental disbursements” represent the difference between the project budget approved in the contract and the expenses actually incurred during the year.

The “Surplus/deficit” on the projects represents the positive/negative difference between the expenses recognized and approved by the financing party (inclusive of an agreed lump-sum percentage to cover general expenses) and the expenses actually incurred for the projects concluded during the year.

The “Reversals of prior accruals of deficits/surpluses” represent the adjustments of the deficits/surpluses on projects concluded in previous years. These amounts are reported as non-recurring items in the statement of activities.

RECEIVABLES FOR DISBURSEMENTS MADE PRIOR TO RECOGNITION OF OUTLAYS

Description	Balance 31/12/19	Balance 31/12/18
Long-distance support: Bangladesh - Delegation	22,650	469
Long-distance support: Bangladesh - Aparajeyo	0	6,781
Long-distance support: Bangladesh - Kurigram	0	6,049
Long-distance support: Bangladesh - Arban	0	-2,566
Project: Bangladesh DCI-NSAPVD/2015/359-821	0	157,579
Project: MAE Bangladesh AID 010591/TDH/BGD	0	9,287
Project: Bangladesh Swiss embassy no. 81049423	0	32,798
Project: AICS Burma 10942/TDH/MYANMAR	135,499	154,340
Project: Burma PATH "Smart Move" PATH/NU/03/2019	107	
Project: UNOPS-LIFT Burma R 1.4/023/2014	0	37,133
Project: Burkina EIDHR/2016/382-818	0	65,173
Project: Burkina DCI-HUM/2017/394-475	101,026	104,028
Burkina Delegation	54,593	40,439
Project: Burkina TDH Lausanne (FED/2017/386-731)	0	29,843
Project: Burkina LVIA TF/2017/07	104	61,404
Project: Burkina Monaco Cooperation CERMICOL	4,775	77,211
Project: Burkina UNICEF 2019	6,616	
LDS Colombia Delegation	50,747	62,413
Project: Colombia TDH NL (VCJR4)	8,281	
Project: Colombia UNICEF COL/2019/023	1,873	
Project: Colombia UNICEF COL/2019/036	30,915	
Project: Colombia UNICEF PRC COL/2018/035	42	
Project: Ivory Coast MENET (Min. Ed.) C2D-EF	644	1,435
Project: Mauritania ECHO/-WF/BUD/2018/91010	63,022	58,915
Long-distance support: Ecuador - Delegation	48,261	40,942
Project: Jordan TDH DE "Reduction child labour in Zarqa"	5,302	
Project: Jordan TDH DE "Improving mother and child health"	0	80,310
Project: AICS Jordan AID JORDAN/10696/01	209,592	
Project: AICS Jordan AID 10704/TDH/2016	0	647
Project: PMM Jordan PHBWiU/2017/1/J/M1	0	2,005
Project: Haiti MAECD Canada PSOP 16-151	740	65,037
Project: ONU FEMMES Haiti HTI/PCA/19/UNWOMEN/03	22,012	
Iraq Delegation	11,376	10,031
Project: Iraq TDH DE "Safe spaces for refugee children and youth"	0	31,210
Project: Iraq TDH DE "Edu Care I"	14,665	
Project: AICS Iraq AID 11349 (with FOCSIV)	17,498	
Project: AICS Iraq IRAQ/11746/03	94,693	
Project: OCHA Iraq IRQ-17/3884/R/P/INGO/7316	0	10,502
Project: OCHA Iraq IRQ-18/3884/SA1/P-E/INGO/8382	0	-20,658
Project: OCHA Iraq IRQ-19/3884/SA2/E/INGO/13918	122,552	
Project: Iraq TDH NL Phase 4 (IRQJR4)	0	12,149
Project: PMM 2 Iraq 2019	3,746	
Project: PMM Iraq 2018	0	1,322
Project: Iraq UNICEF PD/2018/9	0	12,208
Project: Iraq UNICEF PD/2018/22	0	3,694
Project: Iraq UNICEF PD/2018/30	0	-150,357

Description	Balance 31/12/19	Balance 31/12/18
Project: Iraq UNICEF PD/2018/87	177,747	
Project: Iraq UNICEF PD/2019/10	428	
Project: Iraq UNICEF PD/2019/16	156,291	
Project: Iraq UNICEF PD/2019/575	92,049	
Project: UNHCR Iraq IRQ01/2018/628	0	-17,476
Project: UNHCR Iraq IRQ01/2018/665	0	65,161
Project: UNHCR Iraq IRQ01/2019/688	76,574	
Project: Esselunga "Timmi - Ospedale V. Buzzi" Milan	40,728	
Project: Italy Interior Ministry "FAMI PROG-1635"	0	34,476
Lebanon Delegation	746,931	387,530
Project: Lebanon TDH DE "Improving educational opportunities"	231,064	45,993
Project: MAE Lebanon AID 010578/TDH/LIB	0	3,709
Project: AICS Lebanon/Jordan AID 10804/01/0 (AVSI lead)	0	14,119
Project: AICS Lebanon/Jordan CS/10805/13	0	7,854
Project: AICS Lebanon CS/11263/10	347,879	
Project: Lebanon TF-MADAD/2019/T04.198	29,285	
Project: Lebanon/Jordan TF-MADAD/2016/T04.22	0	170,176
Project: OCHA Lebanon LEB-19/DDA-3604/SA1/E/INGO/13129	79,091	
Project: UNICEF Lebanon LEBA/PCA2017042/PD201801	0	25,584
Project: UNICEF Lebanon LEBA/PCA2017042/PD201802	0	1,023,925
Project: UNICEF Lebanon LEBA/PCA2017042/PD2018600	0	254
Project: UNICEF Lebanon LEBA/PCA2017042/PD2019677	134,264	
Project: UNICEF Lebanon LEBA/PCA2017042/PD2019684 (CP)	437,767	
Project: UNICEF Lebanon LEBA/PCA2017042/PD2019687 (EDU)	46,115	
Project: UNRWA Lebanon SER/017/2017	0	21,829
Project: UNRWA Lebanon 2019	-5,570	
Project: UNHCR Lebanon LBN01/2018/410	0	103,568
Project: UNHCR Lebanon LBN01/2018/432	0	81,279
Libya Delegation	4,457	
Project: AICS Libya/11242/04 AID 11242	0	-2,758
Project: AICS Libya AID 11573	16	
Project: FED Mauritania CRIS MR/FED/24285	0	8,656
Project: Mauritania T05- EUTF-SAH-MR-07-02 (Safire-Consortium)	48,441	
Project: Mozambique TDH DE no. 580016 (Cyclone Idai2)	7,311	
Project: MAE Mozambique AID 010575/TDH/MOZ (with CCS)	6,157	4,811
Project: AICS Mozambique AID 11518/TDH/MOZ	55,163	-29,321
Project: AICS Mozambique AID 11460 (with AIFO and ISCOS)	39,611	
Project: Mozambique TDH CH-Swiss Solidarity 2019	25,655	
Project: Nepal AGIRE 2	0	3,676
Long-distance support: Nicaragua - Delegation	58,714	44,405
Project: Nicaragua CSO-LA/2019/406-632	7,834	
Project: Nicaragua CSO-LA/2018/402-739	114,182	
Project: Palestine ENPI/2012/296-210	0	65
Project: Palestine ENI/2015/359-883	0	50,145
Project: Palestine ENI/2019/408-198	66,071	
Long-distance support: Peru - Delegation	7,158	7,924
Long-distance support: Burma	50,199	169,487
Long-distance support: Ivory Coast	27,132	91,163
Long-distance support: Jordan	27,084	21,848
Long-distance support: Haiti	36,702	13,464
Long-distance support: Mauritania	30,723	74,525
Long-distance support: Mozambique	1,668	0
Long-distance support: Palestine	17,603	12,475
Long-distance support: Saharawi	140	140
Long-distance support: Syria	23,424	155,804
Long-distance support: Zimbabwe	10,030	1,814
Project: OCHA Syria DDA-3558/SA/FSA/INGO/4282	0	1,074
Project: OCHA Syria DDA-3558/SA/P/INGO/10636	63,946	
Project: OCHA Syria DDA-3558/RA3/P/INGO/14704	268	
Project: Syria TDH NL "Aleppo" SY004	2,549	2,564
Project: Syria TDH NL Phase 4 (SJR4)	0	195,329
Project: Syria TDH NL Phase 6 (Est Ghouta)	0	1,773
Project: Syria TDH NL Phase 5 (SJR2019)	21,560	
Project: Syria Save The Children n. 12352	43,830	
Project: UNICEF Syria PCA/2014/21	0	663
Project: UNICEF Syria 2017 Nutrition	0	5,144
Project: UNHCR Syria SYR01/2018/385	0	16,148

Project: AICS Zimbabwe "CROPS 4 food" AID 11297 (Lead: CESVI)	-9,289	
Project: AICS Zimbabwe "CROPS" AID 10862 (Lead: CESVI)	0	1,946
Project: UNHCR Zimbabwe ZWE01/2018/51	0	300,528
Project: UNHCR Zimbabwe ZWE01/2019/56	35,693	
	4,446,004	4,123,248

C IV - Cash and cash equivalents

Accounts	31/12/2019	31/12/2018
1) Bank and postal deposits		
* UBI Banca	6,407	1,346
* Banca Monte dei Paschi di Siena	2,451,778	1,291,624
* Unicredit Banca	220,738	271,575
* Banca BNL	500	0
* Postal current accounts	350,160	432,574
* PayPal	60,658	94,856
* Mutual investment funds	26,584	0
	-----	-----
	3,116,824	2,091,976
	-----	-----
2) Cash and negotiable instruments on hand	8,351	5,069
* Cash	2,609	1,910
* Foreign currency	-----	-----
	10,959	6,979
	-----	-----
	3,127,783	2,098,955
	=====	=====

The "Bank and postal deposits" include current accounts specifically used for acceptance of payments from individuals concerning long-distance support projects.

The mutual investment funds relate to the shares of two investment funds whose ownership was assigned to the Foundation as part of a testamentary transfer.

D - Prepayments and accruals

Accounts	31/12/2019	31/12/2018
1) Accrued income	-	-
2) Prepayments		
* Rental of photocopiers 2020	706	1,388
* Various rentals for 2020	33,431	31,006
	-----	-----
	34,137	32,393
	=====	=====

LIABILITIES AND NET ASSETS

A - Net assets

Accounts	31/12/2019	31/12/2018
Initial endowment	51,646	51,646
Capital donations received	382,405	382,405
	<u>434,051</u>	<u>434,051</u>
	=====	=====

The balance of net assets remained unchanged with respect to the prior year as no donations were restricted during the reporting period, nor was it necessary to draw on capital reserves to cover the results from operations.

C - Employee severance reserve

Accounts	31/12/2019	31/12/2018
Opening balance	295,890	250,840
Use for employment terminations/advances		
Provisions for the year	45,431	45,050
	<u>341,321</u>	<u>295,890</u>
	=====	=====

The account reflects the accruals of severance indemnities in favour of the eligible employees. At 31 December 2019, the Foundation had 16 full-time employees, with no change compared to the prior year end.

Following the entry into force of Italian Law No. 296 of 27 December 2006 (the "2007 Finance Law"), 15 of 16 full-time employees elected to leave their accrued employee severance indemnities on deposit with the Foundation since the Foundation is an employer with less than 50 employees.

D1 - D2 - Changes in restricted residual amounts and available residual amounts

Description	Restricted funds: projects (A)	Restricted funds: LDS (B)	Residuals restricted for project completion (C)=(A)+(B)	Funds available from institutional funding (D)	Total (C)+(D)
Opening (01/01/19)	17,205,738	938,477	18,144,215	108,483	18,252,698
Supplements/reductions of commitment for projects financed	1,728,803		1,728,803		1,728,803
Decremental/incremental disbursements for project completion	-2,572,044		-2,572,044		-2,572,044
Funding from individuals (national + on site)		2,401,444	2,401,444	1,424,072	3,825,517
Funding for projects financed	23,470,434		23,470,434		23,470,434
Restricted LDS funds for project co-financing		-553,563	-553,563		-553,563
Outlays	-20,169,799	-2,220,274	-22,390,073		-22,390,073
Use of funds available from institutional funding to cover LDS expenses		247,470	247,470	-247,470	0
Use of restricted LDS funds for increase in funds available		-14,089	-14,089	14,089	0
Other changes	-258		-258		-258
Coverage of general expenses		-410,196	-410,196	-615,452	-1,025,648
Closing (31/12/19)	19,662,873	389,270	20,052,143	683,722	20,735,865

Following is a description of the columns and rows in the table above:

- Restricted funds (projects): The column refers to contributions and grants received from international bodies, governments, entities, public and private institutions for the financing of projects in developing countries.
- Restricted funds (LDS): The column refers to funding from individuals for the financing of long-distance support projects in developing countries.
- Funds available from institutional funding: The column refers to funding for which the donor has not indicated any specific project.
- Opening: The row refers to the opening balance of the funds indicated above.
- Supplements/reductions of commitments for projects financed: The row represents the increase/decrease of restricted funds for projects which has resulted from contractual revisions to the budget for projects approved in prior years and entails an increase/decrease in the quotas of contributions due from third-party financing entities.
- Decremental/incremental disbursements for project completion: The row represents the difference between the project budget approved in the contract and the expenses actually incurred during the year.
- Funding from individuals: The row represents the donations received from individuals in Italy and at the project sites during 2019; after deducting the funding allocated to institutional activity (Euro 1,424,072), the remainder has been allocated to long-distance support projects (Euro 1,991,249, roughly 80%) and the coverage of general expenses (Euro 410,196, roughly 20%).

- Funding for projects financed: The row represents the contributions due by the financing parties (institutional or individual) and the contributions due by Terre des Hommes as contractually provided.
- Restricted LDS funds for project co-financing: The row shows the amounts of the funds to be used for the co-financing of projects on the part of Terre des Hommes Italia.
- Outlays: The row represents the decreases in funds to cover project expenses incurred during the year; the outlays include Euro 20,169,799 related to projects financed and/or co-financed, and Euro 2,220,274 related to long-distance support projects.
- Coverage of general expenses: The row shows the amounts of the funds that have been used to cover overhead expenses.

The two tables below illustrate the amount of financing already used and the amount still available for spending for each ongoing project.

Detail of funding, outlays, and residual amounts for future projects

Description	Funding + 2019 commitments + 2018 residuals	Supplements/ Reductions of commitments	Decremental/ incremental disbursements	Other changes	Project realization (Ω)	Residuals to be employed	Final surplus/ deficit
2019 PROJECTS							
- Burma PATH "Smart Move" PATH/NU/03/2019	377,618				-3,897	373,721	
- Burkina UNICEF 2019	124,109				-20,034	104,075	
- Colombia TDH NL (VCJR4) (*)	309,228		-21,037		-288,191	0	5,576
- Colombia UNICEF COL/2019/023	204,989				-191,609	13,380	
- Colombia UNICEF COL/2019/036	141,350				-105,996	35,354	
- Jordan AICS AID JORDAN/10696/01	599,785				-328,610	271,175	
- Jordan PMM 340/2019/M (*)	92,820		-317		-92,503	0	-18
- Haiti EIDHR/2019/412-347	565,000					565,000	
- Haiti ONU FEMMES HTI/PCA/19/UNWOME N/03 (*)	75,195		-10,077		-65,118	0	5,630
- Iraq TDH DE "Edu Care I"	1,204,831				-193,932	1,010,899	
- Iraq AICS AID 11349 (with FOCSIV)	59,550				-35,297	24,253	
- Iraq AICS IRAQ/11746/03	490,000				-40,929	449,071	
- Iraq OCHA IRQ-19/3884/SA2/E/INGO/13918	316,655				-64,763	251,891	
- Iraq TDH NL Phase OUT (IRQJR4) (*)	129,999		-5,050		-124,949	0	54
- Iraq PMM 2 2019	185,801				-182,956	2,845	
- Iraq UNICEF PD/2019/10 (*)	388,889		-21,610		-367,279	0	21,476
- Iraq UNICEF PD/2019/16 (*)	262,788		-12,390		-250,397	0	12,328
- Iraq UNICEF PD/2019/575	432,557				-245,591	186,966	
- Iraq UNHCR IRQ01/2019/688 (*)	1,136,602		-58,025		-1,078,577	0	58,332
- Iraq UNESCO contract no. 4500387146 (*)	225,098		-170,545		-54,553	0	-594
- Italy "Un nido per amico" ATS City of Milan	34,895					34,895	
- Italy "Indifesa Network" Equal Opportunity Department	60,200				-27,337	32,863	
- Italy Esselunga "Timmi - Ospedale V. Buzzi" Milan	203,340				-15,961	187,379	
- Italy National Authority for Children and Adolescents "2° indagine maltrattamento minori"	33,868				-24,152	9,716	
- Lebanon AICS CS/11263/10	900,000				-111,111	788,889	
- Lebanon TF-MADAD/2019/T04.198	3,375,193				-108,879	3,266,314	
- Lebanon OCHA LEB-19/DDA-3604/SA1/E/INGO/13129	238,331				-64,270	174,061	
- Lebanon UNICEF LEB/PCA2017042/PD2019677	671,573				-279,617	391,956	
- Lebanon UNICEF LEB/PCA2017042/PD2019684 (CP)	1,691,564				-1,285,952	405,612	
- Lebanon UNICEF LEB/PCA2017042/PD2019687 (EDU)	969,302				-262,146	707,157	
- Lebanon UNRWA 2019 (*)	26,786		-536		-26,249	0	536
- Libya French embassy 2019	27,435					27,435	
- Mauritania T05-EUTF-SAH-MR-07-02 (Safire- Consortium)	733,378				-132,603	600,775	
- Mozambique TDH DE no. 580016 (Cyclone Idai2) (*)	91,500		-4,688		-86,812	0	4,601
- Mozambique TDH DE e TDH CH (Em. Ass. Cyclone Idai) (*)	45,510		-5,382		-40,128	0	-175
- Mozambique AICS AID 11460 (with AIFO and ISCOS)	162,886				-49,473	113,414	
- Mozambique TDH CH-Swiss Solidarity 2019	198,854				-172,055	26,799	
- Nicaragua CSO-LA/2019/406-632	1,331,752				-290,880	1,040,872	
- Palestine ENI/2019/408-198	2,108,500				-109,469	1,999,031	
- Palestine UEFA no. 2018599 "CREATE"	144,000				-16,529	127,471	
- Syria AICS CS.11214.03_05	519,961				-8,510	511,450	
- Syria OCHA DDA-3558/RA3/P/INGO/14704	224,363					224,363	
- Syria OCHA DDA-3558/RA3/N/INGO/14703	327,948					327,948	
- Syria TDH NL Phase 5 (SJR2019)	953,402				-663,246	290,156	
- Syria Save The Children no. 12352	213,843				-69,229	144,614	
- Syria UNHCR Syria SYR01/2019/395	48,408				-44,437	3,971	
- Tunisia Helpcode (ICSP/2017/393-093)	5,000					5,000	
- Zimbabwe UNHCR ZWE01/2019/56	805,777				-724,186	81,592	
	23,470,434	0	-309,658	0	-8,348,414	14,812,362	107,745
PRIOR YEAR PROJECTS							
- Bangladesh DCI-NSAPVD/2015/359-821 (*)	354,757		-176,829		-177,929	0	43,825
- Bangladesh MAE 010591/TDH/BGD (*)	74,143		-60,922		-13,220	0	50,193
- Bangladesh Swiss embassy no. 81049423 (*)	37,724		-7,589		-30,135	0	4,359
- Burma AICS 10942/TDH/MYANMAR	875,117				-471,230	403,887	
- Burma UNOPS-LIFT R 1.4/023/2014 (*)	0	34,119	-1,920		-32,199	0	1,920
- Burkina EIDHR/2016/382-818 (*)	80,041		-14,962		-65,079	0	13,630
- Burkina TDH Lausanne (FED/2017/386-731) (*)	80,383		-26,709		-53,674	0	18,115
- Burkina LVIA TF/2017/07	160,567				-87,764	72,803	
- Burkina Monaco Cooperation CERMICOL	48,001	10,000			-49,936	8,064	
- Burkina DCI-HUM/2017/394-475	1,638,329				-449,023	1,189,306	
- Colombia UNICEF PRC COL/2018/035 (*)	108,876		-7,110		-101,767	0	3,189
- Ivory Coast MENET (*)	38,453		-22,614		-15,839	0	37,082
- Ivory Coast Brassivoire (with Heineken Africa Foundation) (*)	33,530		-12,788		-20,741	0	5,734

Detail of funding, outlays, and residual amounts for future projects (continued)

Description	Funding + 2019 commitments + 2018 residuals	Supplements/ Reductions of commitments	Decremental/ incremental disbursements	Other changes	Project realization (Ω)	Residuals to be employed	Final surplus/ deficit
- Mauritania ECHO-WF/BUD/2018/91010	869,285	725,000			-717,197	877,088	
- Jordan TDH DE "Reduction child labour in Zarqa"	352,297				-278,910	73,387	
- Jordan TDH DE "Improving mother and child health" (*)	256,494	15,340	-346		-271,489	0	16
- Haiti MAECD Canada PSOP 16-151 (*)	130,083		-44,717		-85,366	0	43,545
- Iraq UNICEF PD/2017/74 (*)	258			-258	0	0	
- Iraq OCHA IRQ-18/3884/SA1/P-E/INGO/8382 (*)	15,849		-15,717		-131	0	18,990
- Iraq PMM 2018 (*)	4,656		-4,656		0	0	-2,731
- Iraq UNICEF PD/2018/9 (*)	101,543		-3,896		-97,647	0	8,848
- Iraq UNICEF PD/2018/22 (*)	52,648		-1,317		-51,331	0	4,949
- Iraq UNICEF PD/2018/30 (*)	135,907	236,388	-56,302		-315,993	0	70,192
- Iraq UNICEF PD/2018/86 (*)	331,490		-26,090		-305,400	0	16,570
- Iraq UNICEF PD/2018/87 (*)	209,145	457,314	-31,668		-634,791	0	34,755
- Iraq UNHCR IRQ01/2018/628 (*)	3,866	-2,307	12,662		-14,221	0	-12,662
- Iraq UNHCR IRQ01/2018/665 (*)	34,100		-34,100		0	0	15,441
- Italy "Voci di confine" (AID 11039/AMREF/ITA) (*)	7,930		-7,930		0	0	-820
- Italy "Inclusione soc. migranti" Intesa S. Paolo	84,804				-32,270	52,534	
- Italy Interior Ministry "FAMI PROG-1635" (*)	716,459	-299,826	-51,278		-365,356	0	43,008
- Italy City of Milan "Garante Infanzia-Azioni supporto" no. 2	36,371		9,448		-45,819	0	-10,415
- Lebanon MAE AID 010578/TDH/LIB (*)	338,438		-309,800		-28,637	0	31,807
- Lebanon/Jordan AICS AID 10804/01/0 (AVSI lead) (*)	28,849		-25,908		-2,941	0	15,687
- Lebanon/Jordan AICS CS/10805/13 (*)	53,790		-53,686		-104	0	43,897
- Lebanon/Jordan TF-MADAD/2016/T04.22 (*)	1,577,555		-352,445		-1,225,110	0	306,017
- Lebanon UNRWA SER/017/2017 (*)	2,005		-2,005		0	0	3,913
- Lebanon TDH DE "Improving educational opportunities"	271,372	515,505			-558,178	228,699	
- Lebanon UNICEF LEBA/PCA2017042/PD201802 (*)	2,300,542		-336,718		-1,963,824	0	145,825
- Lebanon UNICEF LEBA/PCA2017042/PD2018600 (*)	116,897	25,980	-12,185		-130,692	0	11,730
- Lebanon UNHCR LBN01/2018/410 (*)	93,248		-74,862		-18,386	0	57,322
- Lebanon UNHCR LBN01/2018/432 (*)	34,524		-28,528		-5,997	0	22,173
- Libya AICS AID 11242/04 (*)	317,289		3,324		-320,613	0	-3,331
- Libya AICS AID 11573	234,554				-131,303	112,251	
- Mozambique MAE AID 010575/TDH/MOZ (*)	226,717		-205,388		-21,329	0	46,264
- Mozambique AICS AID 11518/TDH/MOZ	1,402,746				-628,390	774,357	
- Nicaragua CSO-LA/2018/402-739	1,231,591				-360,701	870,891	
- Palestine ENI/2015/359-883 (*)	441,225		-97,465		-343,760	0	94,803
- Syria OCHA DDA-3558/SA/FSA/INGO/4282 (*)	456,705		-78,588		-378,117	0	66,029
- Syria TDH NL "Aleppo" SY004	38,923				-286	38,637	
- Syria UNICEF 2017 Nutrition (*)	14,463		-14,463		0	0	7,999
- Syria OCHA DDA-3558/SA/P/INGO/10636	241,983				-172,278	69,706	
- Syria TDH NL Phase 4 (SJR4) (*)	301,989		-26,821		-275,169	0	25,647
- Syria TDH NL Phase 6 (Est Ghouta) (*)	4,049		-4,049		0	0	4,049
- Syria UNHCR SYR01/2018/385 (*)	13,327		-3,542		-9,785	0	3,542
- Zimbabwe AICS "CROPS" AID 10862 (Lead: CESVI) (*)	64,756	11,289	-3,793		-72,251	0	3,793
- Zimbabwe AICS "CROPS 4 food" AID 11297 (Lead: CESVI)	182,245				-103,344	78,902	
- Zimbabwe UNHCR ZWE01/2018/51 (*)	333,849		-48,112		-285,736	0	48,112
	17,205,738	1,728,803	-2,262,386	-258	-11,821,385	4,850,511	1,343,009
TOTAL PROJECTS	40,676,171	1,728,803	-2,572,044	-258	-20,169,799	19,662,873	1,450,754
	=====	=====	=====	=====	=====	=====	=====

(*) Projects closed in 2019

LONG-DISTANCE SUPPORT (LDS) INITIATIVES

Description	Residuals 01/01/19	Re-allocation from LDS funds to available funds	Use of funds available from institutional funding for LDS coverage	Use of funds for coverage of TDH contribution quotas for co- financed projects	2019 funding, net of quota for covering general expenses	Project realization (Ω)	Residuals to be employed (Υ)
- Bangladesh	104,120		124,089	-196,875	233,102	-264,437	0
- Burma	208,018			-119,953	115,069	-149,241	53,892
- Burkina	172,396			-96,177	148,433	-224,652	0
- Colombia	23,309				145,569	-137,491	31,387
- Ivory Coast	11,047		23,526		220,567	-255,140	0
- Ecuador	69,856				176,594	-181,964	64,486
- Jordan	19,909				20,529	-21,625	18,813
- Haiti	37,122				40,729	-75,406	2,446
- India	0	-4,448			83,450	-79,002	0
- Iraq	0				29,802	-10,061	19,741
- Lebanon	18,157		45,000	-49,605	28,253	-41,806	0
- Libya			14,856			-14,856	0
- Mauritania	76,636			-6,630	66,433	-72,961	63,478
- Mozambique	107,622			-62,839	148,706	-103,785	89,705
- Namibia	0	-9,641			9,641		0
- Nicaragua	9,292		480		173,055	-182,827	0
- Palestine	80,991			-21,483	75,573	-91,423	43,658
- Peru	0		15,907		159,924	-175,831	0
- Syria	0		23,611		3,437	-27,048	0
- Zimbabwe	0				112,382	-110,718	1,664
	938,477	-14,089	247,470	-553,563	1,991,249	-2,220,274	389,270
	=====	=====	=====	=====	=====	=====	=====

Following is a description of the columns in the table:

- Residuals 01/01/19: The column represents the residuals of prior years.
- Re-allocation from LDS funds to available funds: The column shows the allocation of residual amounts from long-distance support projects concluded to the Foundation's available funds.
- Use of funds available from institutional funding for LDS coverage: The column shows the amounts of the funds that were allocated to cover expenses for long-distance support initiatives.
- Use of funds for covering TDH contribution quotas for co-financed projects: The column represents the portions of contributions disbursed by Terre des Hommes Italia for the co-financing of projects in developing countries.

- 2019 funding: The column represents the long-distance support funding, net of 20% for covering overhead expenses.

Overall, the funds already used in the projects (column Ω) amount to Euro 22,390,073, while the residual amounts still available for expenditure (column Υ) amount to Euro 20,052,143.

D 4 - Taxes payable

Accounts	31/12/2019	31/12/2018
Due to the tax authorities for withholdings from employees and self-employed workers	42,472	54,502
	-----	-----
	42,472	54,502
	=====	=====

D 5 - Due to social-welfare institutions

Accounts	31/12/2019	31/12/2018
Due to Italian Social Security Administration ("INPS") and Italian National Institute for Insurance Against Accidents at Work ("INAIL")	49,836	65,001
	-----	-----
	49,836	65,001
	=====	=====

D 6 - Other payables

Accounts	31/12/2019	31/12/2018
Accrual for fourteenth month wages and contributions accrued	103,145	91,525
Due to others	33,419	-38,248
	-----	-----
	136,564	53,277
	=====	=====

* * * * *

INCOME

Contributions

Contributions amount to Euro 22,390,073, and they consist of amounts actually donated during the reporting period to cover the outlays recognized for the various projects financed by the Foundation. The details of the contributions are provided in the tables presented in “Detail of funding, outlays, and residual amounts for future projects” in the “Project realization” column.

Final surpluses

The final surpluses on the financed projects of Euro 1,481,501 are listed in the “Final surplus/deficit” column of the table presented on pages 102 and 103.

Financial income		
Accounts	31/12/2019	31/12/2018
- Interest income		
* bank and postal accounts	27	216
* securities	324	0
	<u>350</u>	<u>216</u>
	=====	=====

Non-recurring income		
Accounts	31/12/2019	31/12/2018
- Reversal of deficits previously accrued and discounts received	11,010	5,230
- Positive foreign-exchange differences - projects and currency holdings	13,335	11,738
	<u>24,345</u>	<u>16,967</u>
	=====	=====

Income from fundraising to cover general expenses		
Accounts	31/12/2019	31/12/2018
- Use of funds available from institutional funding	615,452	1,326,721
- Use of funds from LDS reserves		
- Quota and income from LDS funding	410,196	443,198
	<u>1,025,648</u>	<u>1,769,918</u>
	=====	=====

For additional details, see the table on page 100.

EXPENSES

Outlays for projects

The outlays for project realization amount to Euro 22,390,073. The balance reflects expenses actually incurred and recognized in the reporting period for the Foundation's various projects against contributions actually disbursed.

The details of the outlays are indicated in the tables presented in "Detail of funding, outlays, and residual amounts for future projects" in the "Project realization" column (ΣΩ pages 102-103-104).

Outlays for advocacy projects

The outlays for advocacy projects amount to Euro 421,533. The balance reflects expenses actually incurred in the reporting period for various campaigns in Italy aimed at raising awareness about the protection of minors, with an increase of Euro 28,784 over the prior year.

Head-office associates on projects

The account balance of Euro 70,048 covers the costs of associates involved in the development of institutional and communications projects, with a decrease of Euro 17,549 over the prior year.

Overheads

Accounts	31/12/2019	31/12/2018
- Personnel		
* Salaries and wages	638,959	594,154
* FAREMUTUA contributions and social-welfare charges	169,449	149,005
* Provision to employee severance reserve	47,713	47,378
* Total personnel expense	856,121	790,538
- General Secretary emoluments and charges	0	97,357
- TDH Italia Chairman emoluments	97,362	47,790
- External associates and consultants	4,114	3,188
- Auditor compensation	3,989	3,989
- Certification of financial statements	19,368	26,865
- Office rent and related expenses	6,325	6,305
- Electricity, gas and water	8,720	9,352
- Office cleaning	11,957	14,054
- Telephones	16,706	18,716
- Postage, couriers and shipments	55,116	61,209
- Office supplies and photocopies	9,560	16,417
- Maintenance and repairs	6,965	4,976
- Rental expense	16,603	18,258
- Travel and feasibility studies	42,758	56,789
- Association and federation dues	161,734	112,049
- Insurance	15,580	8,607
- Administrative and legal counsel	87,875	86,237
- Maintenance and assistance: data processing centre software	27,758	29,005
- Other general expenses	10,335	8,092
- Taxes and duties	456	2,715
- Subscriptions and publications	7,293	7,809
- Translations and related certifications	950	5,813
	1,467,642	1,436,128
	=====	=====

The most significant year-on-year increase was seen in the charges for dues.

Association and federation dues amount to Euro 161,734, with the year-on-year increase of Euro 49,685 entirely due to the increase in the dues for the Terre des Hommes International Federation, Geneva, Switzerland.

Promotions and fundraising

Accounts	31/12/2019	31/12/2018
Photographic documentation and videos	22,329	26,828
Entertainment and promotions	2,183	4,616
Training courses	7,094	1,911
T.D.H. News	21,595	19,302
Support to and participation in other entities	14,386	35,305
Internet site	20,534	39,219
Events about institutional issues	3,341	6,039
Donor base retention and expansion	211,617	232,504
Corporate	3,482	1,159
Institutional and Christmas campaigns	109,972	119,443
	<hr style="width: 100%;"/> 416,533 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> 486,328 <hr style="width: 100%;"/>

The most significant year-on-year increase was seen in the expenses for personnel training.

The expenses incurred for training courses amount to Euro 7,094 Euro, with the year-on-year increase of Euro 5,183 almost entirely due to the costs sustained for the “Theory of Change” course held at the Foundation at the start of November 2019. Such course involved most of the head-office personnel and some expat personnel.

Deferred charges, depreciation, amortization, and write-downs

Accounts	31/12/2019	31/12/2018
<u>Deferred charges</u>		
- Concessions, software licenses	7,015	0
- Trademarks	1,218	0
	-----	-----
	8,233	0
<u>Depreciation of tangible fixed assets</u>		
- Furniture and fixtures	5,556	1,212
- Electronic office equipment	1,590	1,297
- Miscellaneous equipment and systems	0	437
	-----	-----
	7,146	2,946
	-----	-----
<u>Write-down of current receivables</u>		
- Provision for credit risks	-	-
	-----	-----
	15,379	2,946
	=====	=====

Financial charges

Accounts	31/12/2019	31/12/2018
Bank fees and expenses	30,061	28,798
	=====	=====

Non-recurring charges

Accounts	31/12/2019	31/12/2018
Reversal of surpluses previously accrued and rebates granted	58,089	21,983
Negative foreign-exchange differences - projects and currency holdings	21,813	79,245
	-----	-----
	79,902	101,228
	=====	=====

Final deficits

The deficits on the projects financed amount to Euro 30,747 and are listed in the "Final surplus/deficit" column in the table on pages 102 and 103.

Other information

OTHER INFORMATION EXPRESSLY REQUIRED BY THE ITALIAN CIVIL CODE (Article 2427)

- Listing of equity investments (Article 2427, Paragraph 5)

At 31 December 2019, the Foundation did not hold equity investments in any subsidiary or associate companies, whether directly, through a fiduciary company or an intermediary.

- Repurchase transactions (Article 2427, Paragraph 6-ter)

The Foundation did not carry out any financing transactions with the temporary transfer of assets. The Foundation has furthermore not effected any lending of assets against a security deposit of sums of money.

- Information about capital/financing allocated to a specific transaction (Article 2427, Paragraph 20)

At the end of the year, there was no capital and/or financing respectively earmarked for/dedicated to a specific transaction.

- Information about financial instruments issued by the Foundation (Article 2427, Paragraph 19)

The Foundation has not issued financial instruments of any type.

- Information about transactions with related parties (Article 2427, Paragraph 22-bis)

The Foundation has not maintained relationships with related parties during the year.

- Information about agreements not reported in the statement of financial position (Article 2427, Paragraph 22-ter)

There is no agreement that would give rise to significant risks and/or benefits to the Foundation that has not been reported in the statement of financial position.

- Compensation to directors, statutory auditors, and independent auditors (Article 2427, Paragraph 16)

With reference to the compensation to directors, statutory auditors, and independent auditors, reference should be made to the table on page 108 of these notes.

Milan, 30 June 2020

Donatella Vergari
[Signature]
Chairman

Fondazione Terre Des Hommes Italia - ONLUS

Financial statements at December 31, 2019

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Fondazione Terre Des Hommes Italia – ONLUS

Opinion

We have audited the financial statements of Fondazione Terre Des Hommes Italia – ONLUS, which comprise the balance sheet as at December 31, 2019, the income statement for the year then ended and the notes to the financial statements.

In our opinion, the accompanying financial statements of Fondazione Terre Des Hommes Italia – ONLUS as at December 31, 2019, is prepared, in all material respects, in accordance with the framework required by the law.

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 our report. We are independent of the Fondazione Terre Des Hommes Italia – ONLUS in accordance with ethical and independence regulations and standards 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 matter

This report is not issued in conformity with Italian law.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the framework required by the law and 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, management is responsible for assessing Terre Des Hommes Italia – ONLUS ability to continue as a going concern, disclosing, as applicable,

MILANO ROMA TORINO PADOVA GENOVA BRESCIA

matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Terre Des Hommes Italia – ONLUS or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Terre Des Hommes Italia – ONLUS’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 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 an audit in accordance with ISA Italia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain 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 Terre Des Hommes Italia – ONLUS’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude 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 Terre Des Hommes Italia – ONLUS’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 Terre Des Hommes Italia – ONLUS 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 and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as requested 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 identify during our audit.

Rome, July 29, 2020
Crowe AS SpA

Fabio Sardelli
(Partner)

This report has been translated into the English Language from the original, which was issued in Italian, solely for the convenience of the international reader.