



Terre des hommes

aiuto diretto e immediato all'infanzia sofferente senza implicazioni
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FONDAZIONE TERRE DES HOMMES ITALIA - ONLUS

DRAFT OF THE FINANCIAL STATEMENTS AS OF DECEMBER 2020

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FONDAZIONE TERRE DES HOMMES ITALIA		
- O N L U S -		
Registered office: Via Boiardo, 6, Milan (MI) Italy		
FINANCIAL STATEMENTS AT 31 DECEMBER 2020		
STATEMENT OF FINANCIAL POSITION		
ASSETS	31/12/2020 in €	31/12/2019 in €
A) DUE FROM ASSOCIATES FOR PAYMENTS OF QUOTAS	===	===
B) FIXED ASSETS		
I - Intangible fixed assets (NFS page 9)		
1) Concessions, licenses and trademarks	3.050	8.233
2) Assets under development and advances		
	-----	-----
Total	3.050	8.233
	-----	-----
II - Tangible fixed assets (NFS page 9)		
1) Equipment and systems	0	0
2) Other assets	8.066	5.687
3) Land and buildings	707.260	707.260
	-----	-----
Total	715.326	712.948
	-----	-----
III - Financial fixed assets (NFS page 10)		
1) Receivables	4.101	808
	-----	-----
Total	4.101	808
	-----	-----
Total fixed assets (B)	722.477	721.989
C) CURRENT ASSETS		
I - Inventories	===	===
	-----	-----
II - Receivables		
1) From various entities for residual financing approved (NFS page 10)	10.295.422	13.743.294
2) From others (NFS page 10)	5.569.143	4.509.603
Amounts due within the next financial year		
Amounts due within the next financial year		
	-----	-----
Total	15.864.565	18.202.897
	-----	-----

ASSETS (continued)	31/12/2020 in €	31/12/2019 in €
III - Current financial assets	===	===
IV - Cash and cash equivalents (NFS page 16)		
1) Bank and postal deposits	2.497.732	3.116.824
2) Cash and negotiable instruments on hand	8.248	10.959
Total	2.505.980	3.127.783
Total current assets (C)	18.370.546	21.330.681
D) PREPAYMENTS AND ACCRUALS (NFS page 16)	27.303	34.137
TOTAL ASSETS	19.120.326	22.086.806

LIABILITIES AND NET ASSETS	31/12/2020 in €	31/12/2019 in €
A) NET ASSETS		
II - Initial endowment and capital contributions (NFS page 17)	434.051	434.051
Total (A)	434.051	434.051
B) RESERVES FOR RISKS AND CHARGES	===	===
C) EMPLOYEE SEVERANCE RESERVE (NFS page 17)	379.495	341.321
D) PAYABLES		
1) Residuals restricted for completion of intervention programs (NFS page 18)	16.590.131	20.052.143
2) Residuals available for institutional activities (NFS page 18)	914.614	683.722
3) Trade accounts payable Amounts due within the next financial year Amounts due within the next financial year	195.849	346.698
4) Taxes payable (NFS page 23) Amounts due within the next financial year Amounts due within the next financial year	44.466	42.472
5) Due to social-welfare institutions (NFS page 23) Amounts due within the next financial year Amounts due within the next financial year	49.970	49.836
6) Other payables (NFS page 23) due within the following financial year due within the following financial year	511.748	136.564
Total (D)	18.306.779	21.311.434
E) DEFERRALS AND ACCRUALS	===	===
TOTAL LIABILITIES	18.686.275	21.652.755
TOTAL LIABILITIES AND NET ASSETS	19.120.326	22.086.806

STATEMENT OF ACTIVITIES			
INCOME		31/12/2020 in €	31/12/2019 in €
Contributions	(NFS pages 20-21-22)	22.020.466	22.390.073
Final surpluses on projects financed	(NFS page 24)	813.144	1.481.501
Financial income	(NFS page 24)	56	350
Non-recurring income	(NFS page 24)	24.651	24,345
Quota and income from fundraising to cover general expenses	(NFS page 24)	1.295.669	1.025.648
		-----	-----
Total		24.153.986	24.921.917
		-----	-----
Total income		24.153.986	24.921.917

EXPENSES		31/12/2020 in €	31/12/2019 in €
Outlays for project realization	(NFS pages 20-21-22)	22.020.466	22,390,073
Outlays for advocacy projects	(NFS page 25)	200.067	421.533
		-----	-----
<u>Operating expenses</u>			
Head-office associates on projects	(NFS page 25)	9.016	70.048
Overheads	(NFS page 26)	1.494.880	1.467.642
Promotions and fundraising	(NFS page 27)	294.142	416.533
Deferred charges, depreciation and amortization	(NFS page 27)	25.013	15.379
Financial charges	(NFS page 28)	29.243	30.061
Non-recurring charges	(NFS page 28)	53.951	79.902
Deficits on projects financed	(NFS page 28)	27.209	30.747
		-----	-----
Total operating expenses		1.933.454	2.110.312
		-----	-----
Total expenses		24.153.986	24.921.917

FONDAZIONE TERRE DES HOMMES ITALIA
- O N L U S -
Registered office: Via Boiardo, 6, Milan (MI) Italy

NOTES TO 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 in accordance with: i) the provisions of the decree of the Ministry of Labour and Social Policies dated 5 March 2020 with regard to the adoption of financial statement formats for services sector entities, and ii) the provisions of Legislative Decree No. 117 of 3 July 2017 and subsequent modifications and additions.

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").

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 2020 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.

MATERIAL EVENTS OCCURRING AFTER THE YEAR-END

The year of 2020 was marked by the COVID-19 emergency. During the year, the Foundation promptly implemented the provisions issued by the government, the Ministry of Health, and the various regional and local authorities responsible for managing the emergency. Therefore, the Foundation took all of the necessary measures aimed at minimizing the actual or potential causes of the risk of contagion within the workplace.

During the lockdown, the Foundation continued to operate through remote-working arrangements. The Foundation maintained its financial situation and regularly paid suppliers and salaries. In addition, the Foundation did not take advantage of the suspension of tax payments and did not have to make use of the financial instruments which the Government promoted to address the ongoing emergency.

Although it is currently not possible to predict the long-term effects of the pandemic, the board of directors has not identified any element that could compromise the going-concern assumption serving as the basis for the preparation of the financial statements.

In the first months of 2021, there were no significant events to report pursuant to Article 2427, Paragraph 22-quater of the Italian Civil Code. The project activities continued on a basis consistent with 2020, both internationally and nationally.

* * * * *

ACCOUNTING PRINCIPLES AND VALUATION CRITERIA

The financial statements were prepared in accordance with: i) the provisions of Legislative Decree No. 117 of 2 July 2017, and subsequent modifications and additions; ii) the provisions of the Italian Civil Code; and iii) where applicable, the accounting recommendations drawn up by the Italian Accounting Body (Organismo Italiano di Contabilità - OIC). The accounts were valued based on the general criteria of prudence, the matching concept, and with a view toward the continuation of the activity.

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, inclusive of ancillary charges, 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.

The amortization and depreciation rates of all categories of intangible and tangible fixed assets are 50%, which is deemed representative of the useful life of the assets.

Financial fixed assets

Financial assets recognized as fixed assets are stated at acquisition or subscription cost, which is reduced in the event of permanent impairment in value. 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.

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.

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. The reserve is adjusted at year end according to the revaluation coefficient established by law and is shown net of the advances paid.

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.

Payables for accrued employee vacation and deferred compensation, including the amount due to social-welfare institutions, are allocated based on the amount that would be paid in the event of a termination of the employment relationship at the balance sheet date.

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

The Foundation benefits, for tax purposes, from the favourable rules provided for by Legislative Decree No. 460 of 1997 on the subject of non-profit organizations ("ONLUS"). Pursuant to Article 111-ter of the Presidential Decree No. 917 of 1986, the Foundation is not considered to be engaging in a commercial activity when carrying out its institutional business and business relating to connected activities.

The services rendered by the Foundation are considered excluded for VAT purposes; therefore, the VAT paid on purchases is not deductible, and is thus a cost for the Foundation.

Donations made to the Foundation are deductible: i) pursuant to Article 10, Paragraph 1, letter g of the Presidential Decree No. 917 of 1986 and subsequent modifications; or ii) pursuant to Article 13-bis of the aforementioned Presidential Decree, if made through banking or postal instruments.

Article 1, Paragraph 7 of Regional Law No. 27 of 2001 (2002 Regional Budget) provides an exemption, as of 1 January 2002, in the payment of the regional tax on productive activities ("IRAP") and the regional automobile tax for the persons referenced in Article 10 of Legislative Decree No. 460 of 1997, which concerns tax regulations applicable to non-commercial entities and non-profit organizations ("ONLUS"). As a result of this provision, the Foundation, which is part of the aforementioned category, is no longer subject to these taxes as from the year of 2002.

The Foundation is liable for payment of the corporate income tax ("IRES") for the income on real estate and land owned by the organization.

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 18 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>						
- Software licenses	2019	7,015		7,015		0
	2020		6,100	3,050		3,050
- Trademarks	2019	1,218		1,218		0
<u>Total intangible fixed assets</u>		8,233	6,100	11,283	0	3,050
<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
	2019	4,710		4,710		0
	2020		1,475	738		738
- Electronic office equipment	1994/2017	11				11
	2019	965		965		0
	2020		14,634	7,317		7,317
<u>Total other assets</u>		5,687	16,109	13,729	0	8,066
- 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>		712,948	16,109	13,729	0	715,326

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 intangible fixed assets total Euro 3,050, net of accumulated amortization, include the costs incurred for the new accounting and project-reporting software for the local offices and those incurred for the registration and the filing of the "Indifesa" and "Stand For Girls" trademarks.

The tangible fixed assets total Euro 715,326, net of accumulated depreciation, with an increase of Euro 2,378 over the previous year mainly due to the purchase of new furniture and PCs for the offices at the Foundation's headquarters.

B III - Financial fixed assets

Accounts	31/12/2020	31/12/2019
1) Receivables		
- Security deposits		
* Telecom Italia	0	372
* Others	4,101	436
	-----	-----
	4,101	808
	-----	-----
	4,101	808
	=====	=====

Financial fixed assets amount to Euro 4,101 with an increase of Euro 3,293 over the previous year. They concern security deposits for the office in Via Boiardo, Milan, and a deposit paid to WFP Aviation to have air service available at any time to and from the areas of humanitarian intervention during the COVID-19 pandemic.

C II - Receivables

Accounts	31/12/2020	31/12/2019
1) Due from various entities for residual financing	10,295,422	13,743,294
	-----	-----
2) Due from others		
* Receivables for disbursements made prior to recognition of the outlays	5,568,234	4,446,004
* Other receivables	909	2,216
* Supplier advances	0	11,383
	-----	-----
	5,569,143	4,459,603
	-----	-----
	15,864,565	18,202,897
	=====	=====

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 10,295,422 reflects a decrease of Euro 3,447,872 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 5,568,234 reflects an increase of Euro 1,122,230 over the prior year.

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 01/01/20	Supplements/ reductions on receivables for prior-year projects	Receivables for 2020 projects	Contributions from financing parties	TDH It contributions	Other contributions	Incremental/ incremental disbursements	Surplus/ deficit	Reversals of prior accruals of deficits/ surpluses	Balance 31/12/20
Bangladesh EIDHR/2019/412-276	0		557,894	-183,450		-238				374,206
Bangladesh MAE AID 010591	-7,192			7,192						0
Burma AICS 10942/TDH/MYANMAR	210,495			-12,300	-25,013		-212,926	26,418		-13,326
Burma PATH "Smart Move" PATH/NU/03/2019	377,618			-158,747						218,871
Burma UNOPS-LIFT R 1.4/023/2014	59,176			-56,138					-3,038	0
Burkina DCI-HUM/2017/394-475	168,332			-49,336	-69,009	-469				49,518
Burkina CSO-LA/2019/412-179			274,243	-142,892	-13,712					117,639
Burkina LVIA TF/2017/07	91,565			-88,502			-26,173	23,110		0
Burkina Monaco Cooperation CERMICOL							1,319	-1,319		0
Burkina UNICEF 2019	97,459			-90,276						7,183
Burkina UNICEF 2020			31,830	-18,111						13,718
Colombia GOAL "Venezuelan migrants in Colombia"	0		73,563	-73,563			-5,498	5,498		0
Colombia UNICEF COL/2019/023	1,982						-12,416	10,434		0
Colombia UNICEF COL/2019/036	0			5,599			-17,040	11,441		0
Colombia UNICEF COL/2020/004	0		156,548	-149,674			-8,950	2,076		0
Mauritania ECHO-WF/BUD/2018/91010	394,089						-156,500	108,550		346,138
Zimbabwe ECHO-SF/BUD/2020/91003			911,999	-450,005						461,994
Mauritania ECHO-WF/BUD/2019/91063			750,000	-600,000	-4,544					145,456
Iraq ECHO/IRQ/BUD/2020/9100 5			1,200,000	-600,000			-37,468	37,468		600,000
Jordan TDH DE "Reduction child Labour in Zarqa"	68,140	3,460		-71,600			2,019	-2,019		0
Jordan AICS AID JORDAN/10696/01	59,985			-58,781			-22,387	21,182		0
Jordan OCHA JOR-20/DDA-3560/SA2/BN/INGO/17547	0		252,781	-252,781						0
Jordan PMM 2020 "Healthcare and Diagnostics Fund"	0		9,240	-9,240						0
Jordan PMM 2020 "Medical care"	0		112,824	-112,824			-350	350		0
Jordan PMM 2020 "Medical services"	0		107,349	-107,349						0
Haiti EIDHR/2019/412-347	342,815									342,815
Haiti FIFA "FHF Sport Center"	0		49,043	-34,385						14,659
Haiti French Embassy 22/2019	0		50,045	-50,045			-3,329	3,329		0
Haiti UNICEF 2020	0		314,116	-71,354						242,762
Iraq TDH DE "Edu Care I"	1,004,482	200,000		-590,098						614,384
Iraq AICS AID 11349 (with FOCISV)	6,386			-5,950			-9,492	9,055		0
Iraq AICS IRAQ/11746/03	245,000			-195,900			-5,572	3,933		47,461
Iraq OCHA IRQ-19/3884/SA2/E/INGO/13918	126,759						-16,078	7,825		118,506
Iraq OCHA IRQ-20/3884/SA1/P/INGO/1646 1	0		306,640	-183,974						122,667
Iraq UNODC PCA 56/2020	0		421,220	-421,220						0
Iraq TDH NL Phase 4 (IRQJR4)	0			-2,399					2,399	0
Iraq PMM2 Iraq 2019	0	226,993		-226,993			10,838	-10,838		0
Iraq UNICEF PD/2018/87	27,203			-27,057					-147	0
Iraq UNICEF PD/2019/575	28,435	580,986		-609,263			-57,008	56,850		0
Iraq UNICEF PD/2020/651	0		204,880	-100,253						104,626
Iraq UNICEF IRQ/PCA/2020299/HPD2020666	0		700,691	-661,029						39,661
Iraq UNICEF IRQ/PCA/2020299/HPD2020667	0		374,346	-189,578						184,768
Iraq UNHCR IRQ01/2020/741	0		1,396,896	-1,411,232			-101,409	74,820		-40,925
Italy "Voci di confine" (AID 11039/AMREF/ITA)	1,125			-1,125						0
Italy "Un nido per amico" ATS City of Milan	34,895	213,300		-26,171						222,024
Italy "Indifesa Network" Equal Opportunity Department	60,200			-21,404						38,796
Italy Esselunga "Timmi - Ospedale V. Buzzi" Milan	127,812			-63,906						63,906
Italy Interior Ministry "FAMI PROG 1635"	91,671			-89,318					-2,354	0
Italy National Authority for Children and Adolescents "2° indagine maltrattamento minori"	23,868	5,122		-15,000						13,990
Italy "Inclusione soc. Migrant" Intesa S. Paolo				26,940			-30,204	3,264		0
Lebanon American University of Beirut no. 103916			99,065							99,065
Lebanon TDH DE "Improving educational opportunities"	2,379			-17,534			14,525	630		0
Lebanon MAE AID 010578/TDH/LIB	-764			764						0
Lebanon/Jordan AICS AID 10804/01/0 (AVSI lead)	0									0
Lebanon AICS CS/11263/10	449,723			-360,000		-316				89,407
Lebanon TF-MADAD/2019/T04.198	1,961,262					-50				1,961,213
Lebanon/Jordan TF-MADAD/2016/T04.22	638,194			-588,194		-50,000				0
Lebanon OCHA LEB-19/DDA-3604/SA1/E/INGO/13129	95,022			-95,505		-69	-14,283	14,835		0
Lebanon TDH NL LBHA0343			381,646	-250,000						131,646
Lebanon UNICEF LEBA/PCA2017042/PD2019677	248,930	509,842		-761,481		-41	-76,055	78,804		0
Lebanon UNICEF LEBA/PCA2017042/PD2019684 (CP)	69,645			-58,609		-173	-119,649	108,786		0
Lebanon UNICEF LEBA/PCA2017042/PD2019687 (EDU)	742,627	40,392		-766,223		-188				16,608
Lebanon UNICEF LEBA/PCA2017042/PD2020 760 (CP)			2,316,323	-2,220,472		-96				95,755
Lebanon UNRWA 2020			34,671	-21,343						13,328
Lebanon UNRWA 2019	8,036			-8,036					-1	0
Libya IOM LYB/IMPL/MM0223/2020			253,079	-226,176						26,903
Libya AICS 11242/04 AID 11242	39,946			-39,946						0
Libya AICS 11242/04 AID 11573	124,993			-122,013			7,454	-10,434		0
Libya ECW 20-ECW-CVDII-0077-NRC			182,585	-121,698						60,888
Mauritania T05-EUTF-SAH-MR-07-02 (Safire-Consortium)	489,497			-242,280	-4,030					243,187
Mauritania UNICEF MAU/PCA202044/PD202083			257,505	-69,532						187,972

DUE FROM VARIOUS ENTITIES FOR RESIDUAL FINANCING APPROVED (continued)

Description	Opening 01/01/20	Supplements/reductions of receivables for prior-year projects	Receivables for 2020 projects	Contributions from financing parties	TDH It contributions	Other contributions	Incremental/incremental disbursements	Surplus/deficit	Reversals of prior accruals of deficits/surpluses	Balance 31/12/20
Mozambique TDH DE no. 580022 (Cyclone Idai3)			65,000	-64,913			-4	-83		0
Mozambique MAE AID 010575/TDH/MOZ (with CCS)	-11,093					6,157				-4,936
Mozambique AICS AID 011518/TDH/MOZ	576,302			-517,043	-42,980					16,279
Mozambique AICS AID 11460 (with AIFO and ISCOS)	73,508			-67,694						5,814
Mozambique TDH CH-Swiss Solidarity 2019	55						-1,627	1,572		0
Mozambique UNICEF MOZ/PCA2020144/HPD2020179			150,223	-122,596						27,627
Mozambique UNICEF MOZ/PCA2020144/HPD2020201			101,574	-46,614						54,961
Mozambique UNICEF MOZ/PCA2020144/HPD2020227			332,712	-76,479						256,233
Nicaragua CSO-LA/2019/406-632	643,733			-510,558						133,175
Nicaragua CSO-LA/2018/402-739	720,753			-597,594						123,159
Palestine ENI/2015/359-883	136,915			-116,915		-20,000				0
Palestine ENI/2019/408-198	1,496,893					-134,909				1,361,984
Palestine UEFA no. 2018599 "CREATE"	86,400			-57,600						28,800
Peru Zanetti Foundation "Bambini di Omacha Cusco"			13,600	-13,600			-3,600	3,600		0
Syria TDH DE "Commodities for IDPs in North East Syria"			20,000							20,000
Syria AICS CS.11214.03_05	519,961			-259,980						259,980
Syria OCHA DDA-3558/COVID-19/INGO/15845			280,734	-224,647						56,087
Syria OCHA SYR-20/DDA3558/SA1/INGO/17083			428,946	-257,412						171,534
Syria OCHA SYR-20/DDA3558/SA1/INGO/17092			319,809	-192,016						127,793
Syria OCHA DDA-3558/SA/P/INGO/10636	403			57,013			-69,798	12,382		0
Syria OCHA DDA-3558/RA3/P/INGO/14704	224,363			-225,293			-1,725	2,655		0
Syria OCHA DDA-3558/RA3/N/INGO/14703	327,948			-328,155						-207
Syria TDH NL Phase 4 (SJR4)	36,020			-35,975					-45	0
Syria TDH NL Phase 5 (SJR2019)	226,501	179,155		-188,243			-239,681	22,268		0
Syria TDH NL Phase 5 (SJR2020)		-179,155	1,267,188	-973,343						114,690
Syria Save The Children no. 12777			145,896	-95,510						50,386
Syria Save The Children no. 13268			239,047	-128,821						110,226
Syria Save The Children no. 12352	117,115						-142,309	25,193		0
Syria UNHCR Syria SYR01/2019/395	5,395			1,090			-3,971	-2,515		0
Tunisia Helpcode (ICSP/2017/393-093)	5,000			-5,418			419	-1		0
Zimbabwe AICS "CROPS 4 Food" AID 11297 (Lead: CESVI)	18,398			-20,607			-1,740	3,949		0
Zimbabwe AICS "CROPS" AID 10862 (Lead: CESVI)	26,931			-27,542					610	0
Zimbabwe TDH DE No. 580024			40,000	-40,183			183			0
Zimbabwe UNHCR ZWE01/2019/56							-53,255	53,255		0
Zimbabwe UNHCR ZWE01/2020/59			1,075,726	-1,075,746			-67,290	67,311		0
Zimbabwe UNHCR ZWE01/2020/64			11,080	-11,080						0
Zimbabwe American Embassy 2020			21,838	-17,472						4,366
Zimbabwe WFP "Activity 2" CSP 2020			17,518	-17,481			-1,011	974		0
Zimbabwe WFP TDH/GOROMONZI/LSA/10/2 020			162,576	-162,539			-11,365	11,328		0
	13,743,294	1,780,095	16,474,489	-20,632,732	-159,288	-200,392	-1,493,404	785,935	-2,575	10,295,422

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 31/12/20	Balance 31/12/19
Long-distance support: Bangladesh - Delegation	2,831	22,650
Long-distance support: Bangladesh - Aparajeyo	410	
Long-distance support: Bangladesh - Kurigram	4,409	
Long-distance support: Bangladesh - Arban	1,221	
Long-distance support: Bangladesh - SOF	347	
Project: Bangladesh EIDHR/2019/412-276	38,622	
Project: AICS Burma 10942/TDH/MYANMAR		135,499
Project: Burma PATH "Smart Move" PATH/NU/03/2019	29,105	107
Project: Burkina DCI-HUM/2017/394-475	48,962	101,026
Burkina Delegation	21,763	54,593
Project: Burkina CSO-LA/2019/412-179	33,689	
Project: Burkina LVIA TF/2017/07		104
Project: Burkina Monaco Cooperation CERMICOL		4,775
Project: Burkina UNICEF 2019	4	6,616
LDS Colombia Delegation	37,955	50,747
Project: Colombia GOAL "Venezuelan migrants in Colombia"	29	
Project: Colombia TDH NL (VCJR4)		8,281
Project: Colombia UNICEF COL/2019/023	-36	1,873
Project: Colombia UNICEF COL/2019/036		30,915
Project: Colombia UNICEF PRC COL/2018/035		42
Project: Colombia UNICEF PRC COL/2020/004	164	
Project: Ivory Coast MENET (Min. Ed.) C2D-EF	336	644
Project: Mauritania ECHO/-WF/BUD/2018/91010		63,022
Project: Zimbabwe ECHO/-SF/BUD/2020/91003	30,478	
Project: Mauritania ECHO/-WF/BUD/2019/91063	67,651	
Project: Iraq ECHO/IRQ/BUD/2020/9100 5	3,957	
Long-distance support: Ecuador - Delegation	51,191	48,261
Project: Jordan TDH DE "Reduction child labour in Zarqa"		5,302
Project: AICS Jordan AID JORDAN/10696/01		209,592
Project: OCHA Jordan JOR-20/DDA-3560/SA2/BN/INGO/17547	252,772	
Project: Haiti MAECD Canada PSOP 16-151		740
Project: Haiti EIDHR/2019/412-347	48,618	
Project: FIFA Haiti "FHF Sport Center"	29,830	
Project: Haiti French Embassy 22/2019	1,079	
Project: ONU FEMMES Haiti HTI/PCA/19/UNWOMEN/03		22,012
Project: UNICEF Haiti 2020	22,441	
Iraq Delegation	7,484	11,376
Project: Iraq TDH DE "Edu Care I"	69,956	14,665
Project: AICS Iraq AID 11349 (with FOCSIV)		17,498
Project: AICS Iraq IRAQ/11746/03		94,693
Project: OCHA Iraq IRQ-19/3884/SA2/E/INGO/13918		122,552
Project: OCHA Iraq IRQ-20/3884/SA1/E/INGO/1646 1	182,861	
Project: UNODC Iraq PCA 56/2020	301,596	
Project: PMM 2 Iraq 2019		3,746
Project: Iraq UNICEF PD/2018/87		177,747
Project: Iraq UNICEF PD/2019/10		428

Description	Balance 31/12/20	Balance 31/12/19
Project: Iraq UNICEF PD/2019/16		156,291
Project: Iraq UNICEF PD/2019/575		92,049
Project: Iraq UNICEF PD/2020/651	6,776	
Project: Iraq UNICEF IRQ/PCA/2020299/HPD202 0666	487,469	
Project: Iraq UNICEF IRQ/PCA/2020299/HPD202 0667	109,087	
Project: UNHCR Iraq IRQ01/2019/688		76,574
Project: UNHCR Iraq IRQ01/2020/741	223,125	
Project: Esselunga "Timmi - Ospedale V. Buzzi" Milan	16,528	40,728
Lebanon Delegation	122,788	746,931
Project: Lebanon TDH DE "Improving educational opportunities"		231,064
Project: AICS Lebanon CS/11263/10	187,680	347,879
Project: Lebanon TF-MADAD/2019/T04.198	949,983	29,285
Project: OCHA Lebanon LEB-19/DDA-3604/SA1/E/INGO/13129	7,387	79,091
Project: Lebanon TDH NL LBHA0343	82,280	
Project: UNICEF Lebanon LEBA/PCA2017042/PD2019 677	23,784	134,264
Project: UNICEF Lebanon LEBA/PCA2017042/PD2019 684 (CP)		437,767
Project: UNICEF Lebanon LEBA/PCA2017042/PD2019 687 (EDU)	61,513	46,115
Project: UNICEF Lebanon LEBA/PCA2017042/PD2020 760 (CP)	572,972	
Project: UNRWA Lebanon 2019		-5,570
Project: UNRWA Lebanon 2020	7,234	
Libya Delegation	449	4,457
Project: AICS Libya AID 11573		16
Project: Mauritania T05- EUTF-SAH-MR-07-02 (Safire-Consortium)	20,434	48,441
Project: UNICEF Mauritania MAU/PCA202044/PD202083	68,113	
Project: Mozambique TDH DE no. 580016 (Cyclone Idai2)	0	7,311
Project: MAE Mozambique AID 010575/TDH/MOZ (with CCS)	0	6,157
Project: AICS Mozambique AID 11518/TDH/MOZ	88,407	55,163
Project: AICS Mozambique AID 11460 (with AIFO and ISCOS)	3,775	39,611
Project: Mozambique TDH CH-Swiss Solidarity 2019		25,655
Project: Mozambique UNICEF MOZ/PCA2020144/PD20201 79	6,537	
Project: Mozambique UNICEF MOZ/PCA2020144/HPD2020 201	7,437	
Project: Mozambique UNICEF MOZ/PCA2020144/PD20202 27	76,479	
Long-distance support: Nicaragua - Delegation	64,553	58,714
Project: Nicaragua CSO-LA/2019/406-632	12,307	7,834
Project: Nicaragua CSO-LA/2018/402-739	7,788	114,182
Niger Delegation	439	
Project: Palestine ENI/2019/408-198	52,591	66,071
Long-distance support: Peru - Delegation	14,559	7,158
Long-distance support: Burma	41,316	50,199
Long-distance support: Ivory Coast	658	27,132
Long-distance support: Jordan	26,213	27,084
Long-distance support: Haiti	54,926	36,702
Long-distance support: Mauritania	12,437	30,723
Long-distance support: Mozambique	8,113	1,668
Long-distance support: Palestine	11,551	17,603
Long-distance support: Saharawi	140	140
Long-distance support: Syria	3,303	23,424
Long-Distance Support: Tunisia	703	
Long-distance support: Zimbabwe	31,525	10,030
Project: AICS Syria CS. 11214.03_05	131,301	
Project: OCHA Syria DDA-3558/COVID-19/INGO/15845	39,619	
Project: OCHA Syria SYR-20/DDA3558/SYR-20/DDA3558/SA1/INGO/17 083	235,964	
Project: OCHA Syria SYR-20/DDA3558/SA1/INGO/17 092	176,336	
Project: OCHA Syria DDA-3558/SA/P/INGO/10636		63,946
Project: OCHA Syria DDA-3558/RA3/P/INGO/14704	7,919	268
Project: OCHA Syria DDA-3558/RA3/N/INGO/14703	69,459	
Project: Syria TDH NL "Aleppo" SY004	2,549	2,549
Project: Syria TDH NL Phase 5 (SJR2019)		21,560
Project: Syria TDH NL Phase 6 (SJR2020)	68,192	
Project: Syria Save The Children no. 12777	1,725	
Project: Syria Save The Children no. 13268	64,055	
Project: Syria Save The Children no. 12352		43,830
Project: AICS Zimbabwe "CROPS 4 food" AID 11297 (Lead: CESVI)		-9,289
Project: UNHCR Zimbabwe ZWE01/2019/56		35,693
Project: Zimbabwe American Embassy 2020	8,016	
Project: WFP Zimbabwe "Activity 2" CSP 2020	16	
	5,568,234	4,446,004

C IV - Cash and cash equivalents

Accounts	31/12/2020	31/12/2019
1) Bank and postal deposits		
* UBI Banca	61,043	6,407
* Banca Monte dei Paschi di Siena	1,463,036	2,451,778
* Unicredit Banca	534,454	220,738
* Banca BNL	500	500
* Postal current accounts	333,096	350,160
* PayPal	105,602	60,658
* Mutual investment funds	0	26,584
	-----	-----
	2,497,732	3,116,824
	-----	-----
2) Cash and negotiable instruments on hand	5,710	8,351
* Cash	2,538	2,609
* Foreign currency	-----	-----
	8,248	10,959
	-----	-----
	2,505,980	3,127,783
	=====	=====

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

The balance of “Mutual investment funds” is zero at 31 December 2020 since the units held in two funds were divested during the year.

D - Prepayments and accruals

Accounts	31/12/2020	31/12/2019
1) Accrued income	-	-
2) Prepayments		
* Rental of photocopiers 2021	652	706
* Various rentals for 2021	26,651	33,431
	-----	-----
	27,303	34,137
	=====	=====

LIABILITIES AND NET ASSETS

A - Net assets

Accounts	31/12/2020	31/12/2019
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	31/12/2020	31/12/2019
Opening balance	341,321	295,890
Use for employment terminations/advances	- 13,300	
Provisions for the year	51,475	45,431
	<u>379,495</u>	<u>341,321</u>
	=====	=====

The account reflects the accruals of severance indemnities in favour of the eligible employees. The "Use" includes an advance to an employee and the substitute tax on the revaluation deducted. At 31 December 2020, the Foundation had 18 full-time employees, with 2 additional employees compared to the prior year end.

Following the entry into force of Italian Law No. 296 of 27 December 2006 (the "2007 Finance Law"), 17 of 18 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 (01/01/20)	19,662,873	389,270	20,052,143	683,722	20,735,865
Supplements/reductions of commitment for projects financed	1,780,095		1,780,095		1,780,095
Decremental/incremental disbursements for project completion	-1,493,404		-1,493,404		-1,493,404
Funding from individuals (national + on site)		2,102,911	2,102,911	1,327,758	3,430,669
Funding for projects financed	16,654,415		16,654,415		16,654,415
Restricted LDS funds for project co-financing		-159,288	-159,288		-159,288
Outlays	-20,342,886	-1,677,580	-22,020,466		-22,020,466
Use of funds available from institutional funding to cover LDS expenses		198,245	198,245	-198,245	0
Other changes	-127,471		-127,471		-127,471
Coverage of general expenses		-397,047	-397,047	-898,621	-1,295,669
Closing (31/12/20)	16,133,621	456,510	16,590,131	914,614	17,504,746
	=====	=====	=====	=====	=====

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 2020; after deducting the funding allocated to institutional activity (Euro 1,327,758), the remainder has been allocated to long-distance support projects (Euro 1,705,863, roughly 80%) and the coverage of general expenses (Euro 397,047, 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 20,342,886 related to projects financed and/or co-financed, and Euro 1,677,580 related to long-distance support projects.
- Use of funds available from institutional funding to cover LDS expenses: The row shows the amounts of the funds to cover the expenses of 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 + 2020 commitments + 2019 residuals	Supplements/ Reductions of commitments	Decremental/ incremental disbursements	Other changes	Project realization (Ω)	Residuals to be employed (Υ)	Final surplus/ deficit
2020 PROJECTS							
- Bangladesh EIDHR/2019/412-276	557,894				-151,023	406,871	
- Burma CSO-LA/2019/412-179	274,243				-90,658	183,585	
- Burkina UNICEF 2020	31,830				-17,938	13,891	
- Colombia GOAL "Venezuelan migrants in Colombia" (*)	73,563		-5,498		-68,065	0	5,498
- Colombia UNICEF COL/2020/004 (*)	156,548		-8,950		-147,598	0	2,076
- Zimbabwe ECHO/-SF/BUD/2020/91003	911,999				-350,596	561,404	
- Mauritania ECHO/-WF/BUD/2019/91063	750,000				-231,856	518,144	
- Iraq ECHO/IRQ/BUD/2020/91005 (*)	1,200,000		-37,468		-1,162,532	0	37,468
- Jordan OCHA JOR-20/DDA-3560/SA2/BN/INGO/17547	252,781				-8	252,772	
- Jordan PMM 2020 "Healthcare and Diagnostics Fund"	9,240				-9,240	0	
- Jordan PMM 2020 "Medical care" (*)	112,824		-350		-112,475	0	350
- Jordan PMM 2020 "Medical services"	107,349				-107,349	0	
- Haiti FIFA "FHF Sport center"	49,043				-5,469	43,574	
- Haiti French Embassy 22/2019 (*)	50,045		-3,329		-46,716	0	3,329
- Haiti UNICEF 2020	314,116				-41,950	272,166	
- Iraq OCHA IRQ-20/3884/SA1/INGO/16461	306,640				-1,112	305,528	
- Iraq UNODC PCA 56/2020	421,220					421,220	
- Iraq UNICEF PD/2020/651	204,880				-93,274	111,605	
- Iraq UNICEF IRQ/PCA/2020299/HPD2020666	700,691				-275,852	424,838	
- Iraq UNICEF IRQ/PCA/2020299/HPD2020667	374,346				-90,754	283,593	
- Iraq UNHCR IRQ01/2020/741 (*)	1,396,896		-101,409		-1,295,487	0	74,820
- Lebanon American University of Beirut no. 103916	99,065					99,065	
- Lebanon TDH NL LBHA0343	381,646				-98,957	282,689	
- Lebanon UNICEF LEBA/PCA2017042/PD2020760 (CP)	2,316,323				-1,571,766	744,557	
- Lebanon UNRWA 2020	34,671				-18,464	16,207	
- Libya IOM LYB/IMPL/MM0223/2020	253,079				-26,411	226,668	
- Libya ECW 20-ECW-CVDII-0077-NRC	182,585				-9,982	172,604	
- Mauritania UNICEF MAU/PCA202044/PD202083	257,505				-1,419	256,086	
- Mozambique TDH DE no. 580022 (Cyclone Idai3) (*)	65,000		-4		-64,996	0	-83
- Mozambique UNICEF MOZ/PCA2020144/PD2020179	150,223				-115,670	34,553	
- Mozambique UNICEF MOZ/PCA2020144/HPD2020201	101,574				-39,177	62,397	
- Mozambique UNICEF MOZ/PCA2020144/PD2020227	332,712					332,712	
- Peru Zanetti Foundation "Bambini di Omacha Cusco" (*)	13,600		-3,600		-10,000	0	3,600
- Syria TDH DE "Commodities for IDPs in North East Syria"	20,000					20,000	
- Syria OCHA DDA-3558/COVID-19/INGO/15845	280,734				-185,578	95,156	
- Syria OCHA SYR-20/DDA3558/SA1/INGO/17083	428,946				-23,891	405,055	
- Syria OCHA SYR-20/DDA3558/SA1/INGO/17092	319,809				-15,680	304,129	
- Syria TDH NL Phase 6 (SJR2020)	1,267,188				-1,200,327	66,861	
- Syria Save the Children no. 12777	145,896				-129,017	16,879	
- Syria Save the Children no. 13268	239,047				-69,554	169,493	
- Zimbabwe TDH DE no. 580024	40,000		183		-40,183	0	
- Zimbabwe UNHCR ZWE01/2020/59 (*)	1,075,726		-67,290		-1,008,435	0	67,311
- Zimbabwe UNHCR ZWE01/2020/64	11,080				-11,080	0	
- Zimbabwe American Embassy 2020	21,838				-9,456	12,382	
- Zimbabwe WFP "Activity 2" CSP 2020 (*)	17,518		-1,011		-16,507	0	974
- Zimbabwe WFP TDH/GOROMONZI/LSA/10/2020 (*)	162,576		-11,365		-151,211	0	11,328
- Italy COVID-19 Emergency	179,926				-42,446	137,480	
	16,654,415	0	-240,090	0	-9,160,161	7,254,164	206,670
PRIOR YEAR PROJECTS							
- Burma PATH "Smart Move" PATH/NU/03/2019	373,721				-116,365	257,356	
- Burma AICS 10942/TDH/MYANMAR (*)	403,887		-212,926		-190,961	0	26,418
- Burkina UNICEF 2019	104,075				-96,888	7,187	
- Burkina LVIA TF/2017/07 (*)	72,803		-26,173		-46,630	0	23,110
- Burkina Monaco Cooperation CERMICOL	8,064		1,319		-9,384	0	-1,319
- Burkina DCI-HUM/2017/394-475	1,189,306				-723,211	466,095	
- Colombia UNICEF COL/2019/023 (*)	13,380		-12,416		-964	0	10,434
- Colombia UNICEF COL/2019/036 (*)	35,354		-17,040		-18,314	0	11,441
- Mauritania ECHO/-WF/BUD/2018/91010 (*)	877,088		-156,500		-720,588	0	108,550
- Jordan TDH DE "Reduction child labour in Zarqa" (*)	73,387	3,460	2,019		-78,866	0	-2,019
- Jordan AICS AID JORDAN/10696/01 (*)	271,175		-22,387		-248,788	0	21,182
- Haiti EIDHR/2019/412-347	565,000				-184,330	380,670	
- Iraq TDH DE "Edu Care I"	1,010,899	200,000			-462,620	748,279	
- Iraq AICS AID 11349 (with FOCSIV) (*)	24,253		-9,492		-14,761	0	9,055

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

Description	Funding + 2020 commitments + 2019 residuals	Supplements/ Reductions of commitments	Decremental/ incremental disbursements	Other changes	Project realization (Ω)	Residuals to be employed (Υ)	Final surplus/ deficit
- Iraq AICS IRAQ/11746/03 (*)	449,071		-5,572		-443,499	0	3,933
- Iraq OCHA IRQ-19/3884/SA2/E/INGO/13918	251,891		-16,078		-235,813	0	7,825
- Iraq PMM 2 2019 (*)	2,845	226,993	10,838		-240,676	0	-10,838
- Iraq UNICEF PD/2019/575 (*)	186,966	580,986	-57,008		-710,944	0	56,850
- Italy "Un nido per amico" ATS City of Milan	34,895	213,300			-65,457	182,738	
- Italy "Indifesa Network" Equal Opportunity Department	32,863				-27,254	5,609	
- Italy Esselunga "Timmi - Ospedale V. Buzzi" Milan	187,379				-51,524	135,854	
- Italy National Authority for Children and Adolescents "2° indagine maltrattamento minori"	9,716	5,122			-9,251	5,587	
- Italy "Inclusione soc. migranti" Intesa S. Paolo	52,534		-30,204		-22,330	0	3,264
- Lebanon AICS CS/11263/10	788,889				-493,625	295,264	
- Lebanon TF-MADAD/2019/T04.198	3,266,314				-748,453	2,517,861	
- Lebanon OCHA LEB-19/DDA-3604/SA1/E/INGO/13129 (*)	174,061		-14,283		-159,777	0	14,835
- Lebanon UNICEF LEBA/PCA2017042/PD2019677 (*)	391,956	509,842	-76,055		-825,743	0	78,804
- Lebanon UNICEF LEBA/PCA2017042/PD2019684 (CP) (*)	405,612		-119,649		-285,963	0	108,786
- Lebanon LEBA/PCA2017042/PD2019687 (EDU)	707,157	40,392			-690,176	57,373	
- Lebanon TDH DE "Improving educational opportunities" (*)	228,699		14,525		-243,223	0	630
- Libya French embassy 2019	27,435				-20,190	7,245	
- Libya AICS AID 11573 (*)	112,251		7,454		-119,705	0	-10,434
- Mauritania T05-EUTF-SAH-MR-07-02 (Safire-Consortium)	600,775				-80,598	520,178	
- Mozambique AICS AID 011518/TDH/MOZ	774,357				-380,216	394,140	
- Mozambique AICS AID 11460 (with AIFO and ISCOS)	113,414				-95,143	18,271	
- Mozambique TDH CH-Swiss Solidarity 2019 (*)	26,799		-1,627		-25,172	0	1,527
- Nicaragua CSO-LA/2019/406-632	1,040,872				-494,349	546,523	
- Nicaragua CSO-LA/2018/402-739	870,891				-440,756	430,135	
- Palestine ENI/2019/408-198	1,999,031				-550,360	1,448,672	
- Palestine UEFA no. 2018599 "CREATE"	127,471			-127,471		0	
- Syria TDH NL "Aleppo" SY004	38,637				-20,725	17,912	
- Syria OCHA DDA-3558/SA/P/INGO/10636 (*)	69,706		-69,798		93	0	12,382
- Syria AICS CS.11214.03_05	511,450				-148,355	363,095	
- Syria OCHA DDA-3558/RA3/P/INGO/14704 (*)	224,363		-1,725		-222,638	0	2,655
- Syria OCHA DDA-3558/RA3/N/INGO/14703	327,948				-254,535	73,413	
- Syria TDH NL Phase 5 (SJR2019) (*)	290,156		-239,681		-50,475	0	22,268
- Syria Save The Children no. 12352 (*)	144,614		-142,309		-2,305	0	25,193
- Syria UNHCR Syria SYR01/2019/395 (*)	3,971		-3,971			0	-2,515
- Tunisia Helpcode (ICSP/2017/393-093) (*)	5,000		419		-5,419	0	-1
- Zimbabwe AICS "CROPS 4 food" AID 11297 (Lead: CESVI)	78,902		-1,740		-77,161	0	3,949
Zimbabwe UNHCR ZWE01/2019/56 (*)	81,592		-53,255		-28,337	0	53,255
	19,662,873	1,780,095	-1,253,314	-127,741	-11,182,725	8,879,457	579,265
TOTAL PROJECTS	36,317,288	1,780,095	-1,493,404	-127,741	-20,342,886	16,133,621	785,935
	=====	=====	=====	=====	=====	=====	=====

(*) Projects closed in 2020

LONG-DISTANCE SUPPORT (LDS) INITIATIVES

Description	Residuals 01/01/20	Use of funds available from institutional funding for LDS coverage	Use of funds for coverage of TDH contribution quotas for co- financed projects	2020 funding, net of quota for covering general expenses	Project realization (Ω)	Residuals to be employed (Υ)
- Bangladesh	0	16,932		190,981	-207,912	0
- Burma	53,892		-25,013	111,504	-110,670	29,714
- Burkina	0	44,373	-82,721	137,611	-99,263	0
- Colombia	31,387			87,987	-102,349	17,026
- Ivory Coast	0			90,332	-56,783	33,549
- Ecuador	64,486			162,542	-158,477	68,551
- Jordan	18,813	580		17,525	-36,919	0
- Haiti	2,446	2,438		29,583	-34,466	0
- India	0			87,365	-81,297	6,068
- Iraq	19,741			15,662	-12,825	22,577
- Lebanon	0			29,150	-7,097	22,052
- Libya	0	64,223			-64,223	0
- Mauritania	63,478		-8,574	67,881	-52,025	70,760
- Mozambique	89,705		-42,980	138,980	-97,913	87,792
- Nicaragua	0			180,451	-141,868	38,583
- Palestine	43,658			80,703	-68,822	55,538
- Peru	0			162,602	-158,302	4,300
- Syria	0	1,895		6,329	-8,224	0
- Tunisia	0	31,406		1,000	-32,406	0
- Zimbabwe	1,664	36,397		107,675	-145,736	0
	938,477	198,245	-159,288	1,705,863	-1,677,580	456,510
	=====	=====	=====	=====	=====	=====

Following is a description of the columns in the table:

- Residuals 01/01/20: The column represents the residuals of prior years.
- 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.
- 2020 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 22,020,466, while the residual amounts still available for expenditure (column Υ) amount to Euro 16,590,131.

D 4 - Taxes payable

Accounts	31/12/2020	31/12/2019
Due to the tax authorities for withholdings from employees and self-employed workers	44,466	42,472
	-----	-----
	44,466	42,472
	=====	=====

The balance refers to taxes payable for withholding from employees, self-employed workers engaged by the Foundation on a regular basis, and other self-employed workers providing services on an occasional basis.

D 5 - Due to social-welfare institutions

Accounts	31/12/2020	31/12/2019
Due to Italian Social Security Administration ("INPS") and Italian National Institute for Insurance Against Accidents at Work ("INAIL")	49,970	49,836
	-----	-----
	49,970	49,836
	=====	=====

The balance refers to amounts due to the INPS and INAIL that are paid for the benefit of full-time employees and self-employed workers.

D 6 - Other payables

Accounts	31/12/2020	31/12/2019
Accrual for fourteenth month wages and contributions accrued	99,405	103,145
Due to others	412,343	33,419
	-----	-----
	511,748	136,564
	=====	=====

The account includes for Euro 369,211 as a reimbursement due by the Terre des Hommes Italia Foundation to the Terre des Hommes Lausanne Foundation for the costs incurred as part of the ECHO / IRQ / BUD / 2020/91005 project financed by DG ECHO in Iraq.

* * * * *

INCOME

Contributions

Contributions amount to Euro 22,020,466, 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 813,144 are listed in the "Final surplus/deficit" column of the table presented on pages 20 and 21.

Financial income		
Accounts	31/12/2020	31/12/2019
- Interest income		
* bank and postal accounts	51	27
* securities	5	324
	56	350
	=====	=====

Non-recurring income		
Accounts	31/12/2020	31/12/2019
- Reversal of deficits previously accrued and discounts received	21,069	11,010
- Positive foreign-exchange differences - projects and currency holdings	3,582	13,335
	24,651	24,345
	=====	=====

Income from fundraising to cover general expenses		
Accounts	31/12/2020	31/12/2019
- Use of funds available from institutional funding	898,621	615,452
- Use of funds from LDS reserves		
- Quota and income from LDS funding	397,047	410,196
	1,295,669	1,025,648
	=====	=====

For additional details, see the table on page 18.

EXPENSES

Outlays for projects

The outlays for project realization amount to Euro 22,020,466. 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 20-21-22).

Outlays for advocacy projects

The outlays for advocacy projects amount to Euro 200,067. 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 a decrease of Euro 221,466 over the prior year.

Head-office associates on projects

The account balance of Euro 9,016 covers the costs of associates involved in the development of institutional and communications projects, with a decrease of Euro 61,032 over the prior year.

Overheads

Accounts	31/12/2020	31/12/2019
- Personnel		
* Salaries and wages	673,957	638,959
* FAREMUTUA contributions and social-welfare charges	185,380	169,449
* Provision to employee severance reserve	54,124	47,713
* Total personnel expense	913,462	856,121
- TDH Italia Chairman emoluments	97,364	97,362
- External associates and consultants	12,950	4,114
- Auditor compensation	2,659	3,989
- Certification of financial statements	43,286	19,368
- Office rent and related expenses	6,347	6,325
- Electricity, gas and water	9,866	8,720
- Office cleaning	20,133	11,957
- Telephones	11,678	16,706
- Postage, couriers and shipments	45,736	55,116
- Office supplies and photocopies	8,337	9,560
- Maintenance and repairs	2,404	6,965
- Rental expense	8,087	16,603
- Travel and feasibility studies	5,105	42,758
- Association and federation dues	142,437	161,734
- Insurance	11,281	15,580
- Administrative and legal counsel	98,964	87,875
- Maintenance and assistance: data processing centre software	26,825	27,758
- Other general expenses	14,027	10,335
- Taxes and duties	374	456
- Subscriptions and publications	10,164	7,293
- Translations and related certifications	3,394	950
	1,494,880	1,467,642
	=====	=====

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

Personnel expense amounts to Euro 913,462, with the year-on-year increase of Euro 57,341 due to the increase in the number of full-time employees at the Foundation, which went from 16 in 2019 to 18 in 2020.

Promotions and fundraising

Accounts	31/12/2020	31/12/2019
Photographic documentation and videos	9,270	22,329
Entertainment and promotions	618	2,183
Training courses	2,742	7,094
T.D.H. News	19,611	21,595
Support to and participation in other entities	4,908	14,386
Internet site	6,577	20,534
Events about institutional issues	862	3,341
Donor base retention and expansion	152,790	211,617
Corporate	20,130	3,482
Institutional and Christmas campaigns	76,634	109,972
	294,142	416,533
	294,142	416,533

The most significant year-on-year increase was seen in corporate area.

The expenditures related to the corporate area amount to Euro 20,130 Euro, with the year-on-year increase of Euro 16,648 almost entirely due to the costs sustained for a professional consultant specializing in business communications, fund-raising, and corporate social responsibility.

Deferred charges, depreciation, amortization, and write-downs

Accounts	31/12/2020	31/12/2019
<u>Deferred charges</u>		
- Concessions, software licenses	10,065	7,015
- Trademarks	1,218	1,218
	11,283	8,233
<u>Depreciation of tangible fixed assets</u>		
- Furniture and fixtures	5,448	5,556
- Electronic office equipment	8,282	1,590
- Miscellaneous equipment and systems	0	0
	13,730	7,146
<u>Write-down of current receivables</u>		
- Provision for credit risks	-	-
	25,013	15,379
	25,013	15,379

Financial charges

Accounts	31/12/2020	31/12/2019
Bank fees and expenses	29,243 =====	30,061 =====

Non-recurring charges

Accounts	31/12/2020	31/12/2019
Reversal of surpluses previously accrued and rebates granted	22,801	58,089
Negative foreign-exchange differences - projects and currency holdings	31,149	21,813
	----- 53,951 =====	----- 79,902 =====

Final deficits

The deficits on the projects financed amount to Euro 27,209 and are listed in the "Final surplus/deficit" column in the table on pages 20 and 21.

Other information

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

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

At 31 December 2020, 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.

- Average number of employees (Article 2427, Paragraph 15)

During the year of 2020, the Foundation had an average of 18 full-time employees.

- 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 26 of these notes.

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

The Foundation has not issued financial instruments of any type.

- 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 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.

Milan, 25 June 2021

[Signature]
Chairwoman
Donatella Vergari

**Independent Auditor's Report in accordance with article 14
of the Legislative Decree nr. 39 dated January 27, 2010**
(Translated from original in Italian)

To the Board of Directors of
Fondazione Terre Des Hommes Italia Onlus

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Audit opinion on the Statutory Financial Statements

Opinion

We have audited the accompanying financial statements of Fondazione Terre Des Hommes Italia Onlus (the "Foundation"), which comprise the balance sheet as at December 31, 2020, the income statement for the year then ended and the explanatory notes.

In our opinion, the financial statements give a true and fair representation of the financial position of Fondazione Terre Des Hommes Italia Onlus as at December 31, 2020 and of the results of its operations for the year then ended, in accordance with the Italian law which governing their preparation criteria.

Elements of the Opinion

We performed the audit in accordance with international auditing standards (ISA Italia). Our responsibilities under these principles are further described in the section "*Auditor's responsibility for auditing of the financial statements*" of this report.

We are independent of the Foundation in compliance with the rules and principles on ethics and independence applicable in the Italian law for auditing of the financial statements. We believe we have acquired sufficient and appropriate audit evidence on which to base our judgment.

Other aspects

The financial statements of Fondazione Terre Des Hommes Italia Onlus for the year ended 31 December 2019 has been audited by another auditor who, on July 29, 2020, expressed an unmodified opinion on those financial statements.

Responsibilities of the management and the board of statutory auditors for the financial statements

Management is responsible for the preparation of these financial statement as they give a true and fair representation in accordance with Italian laws which govern their preparation criteria, and within the terms established by law, for that part of the internal control they deem necessary to allow the preparation of a financial statement that does not contain significant errors due to fraud or unintentional behavior or events.

Management is responsible for assessing the Foundation's ability to continue operating as an operating entity and, in preparation of the financial statements, for the appropriateness of the use of the going concern assumption, as well as for adequate disclosure in matter. Management uses the assumption of business continuity in the preparation of the financial statements unless they have assessed that exist the conditions for the liquidation of the Foundation or for the interruption of the activity or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for supervising, within the terms established by law, and of the process of preparing the Foundation's financial information

Auditor's responsibility for auditing of the financial statements

Our objectives are the acquisition of reasonable assurance that the financial statements as a whole do not contain significant errors, due to fraud or unintentional behavior or events, and the issuance of a review report that includes our opinion.

For reasonable assurance means a high level of security which, however, does not provide the assurance that an audit carried out in accordance with international auditing standards (ISA Italia) will always identify a significant error, if any. Errors can result from fraud or unintentional behavior or events and are considered significant if it can reasonably be expected that they, individually or as a whole, are able to influence the economic decisions made by the users on the basis of the financial statements.

As part of the audit conducted in accordance with international auditing standards (ISA Italia), we have used professional judgment and maintained professional skepticism throughout the audit.

Furthermore:

- we have identified and assessed the risks of material misstatement in the financial statements due to fraud or unintentional behavior or events; we have defined and performed audit procedures in response to these risks; we have acquired sufficient and appropriate audit evidence on which to base our opinion. The risk of not identifying a significant error due to fraud is higher than the risk of not identifying a significant error deriving from unintentional behaviors or events, since fraud can imply the existence of collusion, falsification, intentional omission, misleading representations or forcing internal control;
- we have acquired an understanding of the internal control relevant for auditing purposes in order to define appropriate audit procedures in the circumstances and not to express an opinion on the effectiveness of the internal control of the Foundation;
- we assessed the appropriateness of the accounting principles used and the reasonableness of accounting estimates made by the management, including the related disclosure;
- we have reached a conclusion on the appropriateness of the use by the management of the assumption of business continuity and, based on the audit evidence, on the existence of significant uncertainty regarding events or circumstances that may give rise to significant doubts about the Foundation's ability to continue operating as an operating entity. In the presence of significant uncertainty, we are obliged to call attention to the audit opinion on the related disclosures in the financial statements, or, if such disclosure is inadequate, to reflect this fact in the formulation of our judgment. Our conclusions are based on the audit evidence obtained up to the date of this report. However, subsequent events or circumstances may result in the Foundation ceasing to operate as an operating entity;
- we assessed the presentation, structure and content of the financial statements as a whole, including the disclosure, and whether the financial statements represent the underlying transactions and events in order to provide a correct representation.

We have communicated to the managers of the governance activities, identified at an appropriate level as required by the ISA Italia, among other aspects, the scope and timing planned for the audit and the significant results emerged, including any significant deficiencies in the internal control identified in the audit course.

Milan, June 24, 2021

Ria Grant Thornton S.p.A.

Fabrizio Perego
Partner

This report has been translated into the English language solely for the convenience of international readers.

We have not examined the translation of the financial statements referred to this report.