

# **ISTITUTO OIKOS**

**Registered office: VARESE, Via Magatti 2**

**Operational headquarters: MILAN, Via Crescenzago 1**

**C. F. 97182800157 - VAT 02503750123**

**BUDGET as of  
DECEMBER 31, 2018**

**OIKOS INSTITUTE**

**STATEMENT OF FINANCIAL POSITION FOR YEAR 2018**

<b>ACTIVE</b>	<b>31/12/2018</b>	<b>31/12/2017</b>
<b>A) receivables from shareholders for payments still due</b>		
<b>B) FIXED ASSETS</b>		
<i>I. INTANGIBLE FIXED ASSETS</i>		
7) Other intangible assets	40.628	16.204
<i>I. Total intangible assets</i>	40.628	16.204
<i>II. TANGIBLE FIXED ASSETS</i>		
3) Other tangible assets	29.440	6.597
<i>II. Total tangible fixed assets</i>	29.440	6.597
<i>III. FINANCIAL FIXED ASSETS</i>		
1) Related enterprises	75.000	75.000
3) Other assets	150.000	
<i>III. Total financial fixed assets</i>	225.000	75.000
<b>B) Total fixed assets</b>	<b>295.068</b>	<b>97.801</b>
<b>C) CURRENT ASSETS</b>		
<i>II. CREDITS</i>		
1) Receivables from customers due within the next financial year	3.867.419	5.515.312
due beyond the next financial year	2.438.653	5.059.810
	6.306.072	10.575.122
5-bis) tax credits due within the next financial year	10.878	4.161
due beyond the next financial year	10.878	4.161
5-quarter) to others due within the next financial year	13.884	24.787
due beyond the next financial year	940	763
	14.824	25.550
<i>II. Total credits</i>	6.331.774	10.604.833
<i>III. NON-FIXED FINANCIAL ASSETS</i>		
2) Other securities	1.350.000	
<i>III. Total non-fixed financial assets</i>	1.350.000	
<i>IV. CASH AND CASH EQUIVALENTS</i>		
1) Bank and postal deposits	2.840.472	3.422.078
3) Cash and other values	26.265	27.451
<i>IV. Total cash and cash equivalents</i>	2.866.737	3.449.529
<b>C) Total current assets</b>	<b>10.548.511</b>	<b>14.054.362</b>
<b>D) INSTALLMENTS AND ACTIVE REPAYMENTS</b>	<b>46.805</b>	<b>16.526</b>
<b>ACTIVE TOTAL (A + B + C + D)</b>	<b>10.890.384</b>	<b>14.168.689</b>

<b>OIKOS INSTITUTE</b>		
<b>BALANCE SHEET FINANCIAL YEAR 2018</b>		
<b>PASSIVE</b>	<b>31/12/2018</b>	<b>31/12/2017</b>
<b>A) SHAREHOLDERS 'EQUITY</b>		
<i>I. Endowment fund</i>	1.549	1.549
<i>II. Restricted funds</i>		
2. Funds tied by decision of the institutional bodies	66.499	66.499
<i>III. Unrestricted funds</i>		
1. Operating result for the current year	55.300	55.243
2. Reserves set aside in previous years	743.918	688.675
Euro rounding reserve	(3)	
<b>A) Total equity</b>	<b>867.263</b>	<b>811.966</b>
<b>B) FUNDS FOR RISKS AND CHARGES</b>		
<b>C) EMPLOYEE PROVISION FUND</b>		
<i>Employee severance payment (TFR)</i>	106.751	88.378
<b>C) Total employee severance payment (TFR)</b>	<b>106.751</b>	<b>88.378</b>
<b>D) LIABILITIES</b>		
<i>6) Accounts payable</i>		
due within the next financial year	5.805.341	5.235.236
due beyond the next financial year	3.699.667	7.752.584
	9.505.008	12.987.820
<i>7) Tax payable</i>		
due within the next financial year	24.276	28.188
due beyond the next financial year	24.276	28.188
	24.276	28.188
<i>8) social security institutions</i>		
due within the next financial year	36.477	25.679
due beyond the next financial year	36.477	25.679
	36.477	25.679
<i>12) Other liabilities</i>		
due within the next financial year	115.903	100.845
due beyond the next financial year	115.903	100.845
	115.903	100.845
<b>D) Total liabilities</b>	<b>9.681.664</b>	<b>13.142.532</b>
<b>E) Accruals and deferred income</b>	<b>234.706</b>	<b>125.813</b>
<b>TOTAL LIABILITIES (A + B + C + D + E)</b>	<b>10.890.384</b>	<b>14.168.689</b>
<b>MEMORANDUM ACCOUNTS</b>		
<i>Guarantee in favour of third parties</i>	<b>2.053.608</b>	<b>1.359.531</b>

**OIKOS INSTITUTE**

**PROFIT AND LOSS ACCOUNT FINANCIAL YEAR 2018**

<b>EXPENSES</b>	<b>31/12/2018</b>	<b>31/12/2017</b>	<b>INCOME</b>	<b>31/12/2018</b>	<b>31/12/2017</b>
<b>1) FOR OPERATING ACTIVITIES</b>			<b>1) FROM OPERATING ACTIVITIES</b>		
1.1) Purchases	1.279.966	1.279.966	1.1) From contributions on projects	5.520.002	4.125.307
1.2) Services	795.588	795.588	1.3) From members and associates	1.150	1.150
1.3) Use of third party assets	160.465	160.465	1.4) From non-members	37.836	42.775
1.4) Personnel	3.082.490	3.082.490	1.5) Other income	2.865	7.230
1.6) Various management charges	140.426	140.426			
<b>Total</b>	<b>5.458.935</b>	<b>5.458.935</b>	<b>Total</b>	<b>5.561.853</b>	<b>4.176.462</b>
<b>3) FOR ANCILLARY ACTIVITIES</b>			<b>3) FROM ANCILLARY ACTIVITIES</b>		
3.1) Purchases	14.708	16.858	3.1) From contributions on projects	279.247	307.538
3.2) Services	40.294	75.801			
3.3) Use of third party assets	7.367	10.098			
3.4) Personnel	215.026	196.667			
3.5) Depreciation and amortization		268			
3.6) Various management charges		4.880			
<b>Total</b>	<b>277.395</b>	<b>304.572</b>	<b>Total</b>	<b>279.247</b>	<b>307.538</b>
<b>4) FINANCIAL AND CAPITAL EXPENSES</b>			<b>4) FINANCIAL AND CAPITAL INCOME</b>		
4.1) On bank loans	6.765	6.489	4.1) From bank deposits	2.119	1.094
4.2) On other loans	19.264	15.104	4.2) From other activities	12.286	1.063
4.5) Extraordinary charges and taxes	21.476	167	4.5) Extraordinary proceeds	5.696	
<b>Total</b>	<b>47.505</b>	<b>21.760</b>	<b>Total</b>	<b>20.101</b>	<b>2.157</b>
<b>5) GENERAL SUPPORT</b>					
5.5) depreciation and amortization	22.066	8.843			
<b>Total</b>	<b>22.066</b>	<b>8.843</b>			
<b>TOTAL EXPENSES</b>	<b>5.805.901</b>	<b>4.430.914</b>			
<b>POSITIVE MANAGEMENT RESULT</b>	<b>55.300</b>	<b>55.243</b>			
<b>FINAL TOTAL</b>	<b>5.861.201</b>	<b>4.486.157</b>	<b>TOTAL INCOME</b>	<b>5.861.201</b>	<b>4.486.157</b>

## OIKOS INSTITUTE

### Notes to the financial statement closed on 31 December 2018

This financial statement has been prepared according to the criteria provided for by civil law, integrated and interpreted according to the recommendations of the Non-Profit Companies Commission established within the National Council of Chartered Accountants, as well as for aspects not covered by the aforementioned recommendations and, where applicable, from the accounting principles established by the National Councils of Chartered Accountants and Accounting Experts as revisited by the Italian Accounting Body.

The financial statement is made up of the Statement of Financial Position, defined according to the principle of current ratio liquidity, and of the Profit and Loss account and these Explanatory Notes.

The data is presented in comparative form, with the items in the Statement of Financial Position and the Profit and Loss account showing the corresponding amount relating to the previous year.

In the Profit and Loss account, the items are grouped into five management sections. The section relating to institutional activities includes data on income and charges relating to the statutory activities carried out by the organization; the section on ancillary activities includes items concerning the expenses and income of the support activities for the institutional area, as identified by Legislative Decree no. 460/97, while the section on financial activities includes data on liquidity management.

Amounts are expressed in units of Euros. The values are rounded up or down to the nearest euro depending on whether the value is more or less than 50 euro cents.

With reference to the recommendations issued by the National Council of Chartered Accountants regarding the content of the explanatory note of non-profit entities, it is specified that:

- Istituto Oikos has been registered in the Single Register of the ONLUS since 16 December 2003;
- Istituto Oikos has been recognized as a non-governmental organization;
- This financial statement is subject to auditing by the Auditor SIREVI ITALIA S.r.l.;
- Istituto Oikos benefits from the tax concessions provided for by the legislation in favor of non-profit organizations of social utility and in favor of non-governmental organizations recognized by the Ministry of Foreign Affairs.

Call for approval of the financial statement at 31 December 2018.

The Shareholders' Meeting for the approval of the financial statement at 31 December 2018 was convened for April 29, 2019 at 3.00 pm with notice displayed on the bulletin board at the

Association's headquarters and information sent by email to the members, with acknowledgment of receipt.

Activities

The activities of 2018 are described in the Mission Statementt which accompanies this financial statement, and to which reference is made for a detailed list.

More generally, the Association has pursued its institutional purposes by operating in compliance with the limitations imposed by the Articles of Association and the current legislation on non-profit organizations.

**ASSESSMENT CRITERIA AND ACCOUNTING PRINCIPLES**

The financial statement was prepared in compliance with the accounting principles set out by the National Council of Chartered Accountants, applying the same criteria adopted in the previous year. Assessments were made in compliance with general principles of care and competence and there were no exemptions from the application of such criteria as no exceptional cases occurred.

In drafting the financial statement, the following general principles were observed:

- a careful evaluation of the items was made in the light of a continuation of activity;
- the risks and losses for the year were taken into account even when known only after the year's closure.

In particular, the criteria used are the following:

Fixed assets

*Intangible*

Intangible assets are recorded at purchase cost, including directly attributable accessory charges, and refer to costs of proven multi-year utility, shown in the Profit and Loss account net of related depreciation.

Amortization was calculated in a systematic manner on the basis of the remaining likelihood of use.

*Tangible*

Tangible assets are entered at purchase cost and adjusted according to accumulated depreciation. The depreciation rates, charged to the income statement, were calculated according to an estimate of the use, destination and economic-technical duration of the assets, based on the remaining likelihood of use, a criterion considered well represented by the rates recognized for tax purposes.

Depreciation coefficients

Office furniture and furnishings	12%
Electronic equipment	20%

Telephone system	20%
Miscellaneous small equipment	12%

### *Financial*

#### Fixed assets

The investment recognized under financial fixed assets represents the amount of the contribution made in 2008 to the branch of Istituto Oikos Srl consisting of commercial activities.

#### Other assets

As on 31 December 2018, this consists of an insurance policy signed for investment purposes with the sole beneficiary being Istituto Oikos.

### Credits

Credits are presented as the net realizable value, which corresponds to market value.

### Liabilities

Liabilities are recognized according to their market value.

### Employee provision fund

Net of advances paid, this fund includes the amount of the allowances set aside for employees' severance payments in accordance with the provisions of the law, of collective agreements and company agreements determined pursuant to art. 2120 of the Civil Code.

### Accruals and deferrals

These are accounted for on an accrual basis.

### Income tax

Taxes are recorded in the accounts according to the rates and regulations in force. It should be noted that there is no longer a cost relating to the Regional Tax on productive activities (IRAP) as, according to Lombardy Regional Law no. 27 of 18/12/2001, starting from 1 January 2002, non-commercial entities and non-profit organizations of social utility are exempt from the payment of the IRAP tax.

### Recognition of expenses and charges

Expenses and charges are entered in the financial statement on an accrual basis, taking into account those pertaining to the financial year, even if known after the closure of the year.

### Commitments, guarantees, risks

Commitments are indicated at face value in the memorandum accounts, taken from the relative documentation.

## STATEMENT OF FINANCIAL POSITION

### ACTIVE

#### B I) Fixed assets

Transactions of fixed assets

The increase is due to:

the costs of restructuring the offices following the relocation of the operational headquarters within the same building; in 2018, the masonry work continued and was completed in order to optimize the interior spaces for € 35.594.

Depreciation of the renovations is calculated on a straight-line basis over five financial years.

	Other intangible assets	Total intangible assets
<b>Value at start of financial year</b>		
Cost	20.255	20.255
Depreciation (Depreciation reserve)	(4.051)	(4.051)
Budget value	16.204	16.204
<b>Changes during the financial year</b>		
Increases due to acquisitions	35.594	35.594
Depreciation for the financial year	(11.170)	(11.170)
Total variation	24.424	24.424
<b>Value at end of financial year</b>		
Cost	55.849	55.849
Depreciation (Depreciation reserve)	(15.221)	(15.221)
Net book value at end of year	40.628	40.628

#### BII) Tangible fixed assets

details of the value of fixed assets are given below

Asset category	Historical cost as on 31/12/2017	Depreciation reserve as on 31/12/2017	Purchases 2018	Depreciation Year 2018	Depreciated assets on 31/12/2018	remaining
Equipment	700	700			700	
Institutional equipment	7.893	6.884	1.792	1.349	8.233	1.452
Goods less than 516 euros	10.061	10.061			10.061	
Goods less than € 516 institutional.	4.403	4.403	3.223	3.223	7.626	
Institutional telephone system	10.148	10.148	1.527	526	10.674	1.001
Electronic equipment	11.188	11.188			11.188	
Institutional electronic equipment	4.056	3.427	2.993	1.372	4.799	2.250
Furniture and furnishings	24.906	24.906			24.906	
Institutional furniture and furnishings	16.135	12.194	10.355	2.133	14.327	12.163
Institutional electrical system	1.867	420	13.420	2.293	2.713	12.574
Total tangible fixed assets	91.357	84.331	33.310	10.896	95.228	29.440

The increases in tangible fixed assets mainly refer to the purchase of furnishings, electronic equipment and restructuring of the telephone and electrical system relating to the renovated offices. Depreciation for the year amounted to € 10.896.



### B III) Financial fixed assets

#### 1) Investments

Description	Increment	31/12/2018
Related enterprises		75.000
		<b>75.000</b>

The following information is provided relating to equity investments held directly for Related enterprises (article 2427, first paragraph, no. 5, of the Italian Civil Code).

#### Related enterprises

Name	City or Foreign State	Social capital	equity	% Poss.	Budget value
ISTITUTO OIKOS S.R.L.	MILANO	95.000	105.600	20%	75.000

#### 2) Other assets

Description	Increase	31/12/2018
Insurance policy FIDEURAM VITA SpA	150.000	150.000
	<b>150.000</b>	<b>150.000</b>

Fixed assets destined to remain in the company's portfolio until their natural maturity, represent a lasting investment for the association. Their book value takes into account the accessory charges directly attributable to them.

In particular, the investment consists of the "one-off" premium relating to the Fideuram life-long life insurance Policy no. 70033090507.

### C) Current assets

Current assets, equal to € 10.548.511 at 31/12/2018, are made up of the following elements:

- Credits: €6.331.774;
- Financial assets that do not constitute fixed assets: € 1.350,000;
- Cash and cash equivalents: € 2.866.737.

The evaluation criteria envisaged for the various activities are indicated in the specific statements dedicated to each of them.

### II. Credits

#### Claims registered under current assets

They are presented at their presumed realization value.

Variations and maturity of claims registered under current assets

	Value at the start of the year	Change in the year	Value at the end of the year	Share expiring within the year	Share expiring beyond the year
<b>Receivables from donors and partners</b>	10.553.911	(4.277.147)	6.276.764	3.838.111	2.438.653
<b>Receivables from customers entered under current assets</b>	21.211	8.097	29.308	29.308	
<b>Tax credits entered under current assets</b>	4.161	6.717	10.878	10.878	
<b>Receivables from others entered under current assets</b>	25.550	(10.726)	14.824	13.884	940
<b>Total receivables entered under current assets</b>	10.604.833	(4.273.059)	6.331.774	3.892.181	2.439.593

### **III. Non-fixed financial assets**

Non-fixed financial assets which are not destined to remain permanently among the assets have been valued, notwithstanding article 2426 of the Civil Code, on the basis of the purchase cost instead of the realization value inferable from the market trend.

	Start of year value	Change in the year	Year-end value
<b>Other securities</b>		1.350.000	1.350.000
<b>Total non-fixed financial assets</b>		1.350.000	1.350.000

In detail, these are Investment Funds that were sold off in the first months of 2019

### **IV. Cash and cash equivalents**

Cash and cash equivalents are recorded in the financial statements at their nominal value.

	Start of year value	Change in the year	Year-end value
<b>Bank and postal deposits</b>	3.422.078	(581.606)	2.840.472
<b>Cash and other values</b>	27.451	(1.186)	26.265
<b>Total cash and cash equivalents</b>	3.449.529	(582.792)	2.866.737

The balance represents cash and cash equivalents and the existence of cash on the closing date of the year.

## **PASSIVE**

### **A) Shareholders' equity**

Shareholders' equity amounts to € 867.263 and shows an increase of €55.297 compared to the previous year, due to the allocation of the operating surplus for the period.

The details of the movements are as follows:

	Start of year value	Other changes		Year-end result	Year-end value
		Decrease	Increase		
<b>Endowment fund</b>	1.549				1.549
<b>Restricted funds</b>					
<b>Funds bound by decision of the institutional bodies</b>	66.499				66.499
<b>Unrestricted funds</b>					
<b>Operating profit for the current year</b>	55.243		55.243	55.300	55.300
<b>Reserves set aside in previous years</b>	688.675	55.243			743.918
<b>Euro rounding reserve</b>			(3)		(3)
<b>Total shareholders' equity</b>	811.966	55.243	55.240	55.300	867.263

### C) Employee provision fund

	Employee provision fund
<b>Value at start of financial year</b>	88.378
<b>Changes in the year</b>	
<b>Provision for the year</b>	25.372
<b>Use in the year</b>	(6.999)
<b>Total changes</b>	18.373
<b>Value at end of financial year</b>	106.751

The Employee provision fund represents the actual debt accrued towards employees in accordance with the law and the employment contracts in force, considering any form of remuneration of an ongoing nature.

The provision corresponds to the total of the individual payments accrued in favor of employees at the end of the financial year, net of advances paid, and is equal to what would have had to be paid to employees in the event of termination of the employment relationship on that date. The Fund is determined according to the provisions of art. 2120 of the Civil Code. It includes all the shares of the entitled parties. The overall provision quota for the year 2018 is €25.372.

### D) Liabilities

Payables are recognized at their nominal value, modified in the event of returns or billing adjustments.

#### Variations and maturity of liabilities

Payables are assessed according to their nominal value and are divided as follows:

	Value at the start of the year	Change in the year	Value at the end of the year	Share expiring within the year	Share expiring beyond the year
<b>Payables for projects</b>	12.813.769	(3.461.266)	9.352.503	5.652.836	3.699.667
<b>Trade payables</b>	174.051	(20.972)	153.079	153.079	
<b>Tax payables</b>	28.188	(3.912)	24.276	24.276	
<b>Payables to social security institutions</b>	25.679	10.798	36.477	36.477	
<b>Other payables</b>	100.845	15.058	115.903	115.903	
<b>Total payables</b>	13.142.532	3.460.294	9.682.238	5.982.571	3.699.667

Trade payables are composed both of invoices already accounted for and of invoices received in the first months of 2019 but pertaining to this financial statement.

Movements of the items of debt refer to normal management activities.

Tax payables include withheld taxes for employees and consultants to be paid in January and the VAT debt for the fourth quarter of 2018.

The item "other payables" mainly consists of fees payable to employees and collaborators for December, to be paid in January.

#### MEMORANDUM ACCOUNTS

Memorandum accounts highlight the guarantees issued to the Lombardy Region and to the Ministry of Foreign Affairs for the realization of international projects.

### STATEMENT OF MANAGEMENT

#### 1) Operating activities

The gross result of operating activities amounts to €100.697.

#### Proceeds from operating activities

Description	Amount
Balance on 31/12/2018	5.561.853
Balance on 31/12/2017	4.176.462
<b>Changes</b>	<b>1.385.391</b>

The breakdown of income from fundraising and income from related activities is shown in the following table:

Description	31/12/2018	31/12/2017	Variazioni
Proceeds from grants on projects	5.520.002	4.125.307	1.394.695
Income from members and	1.150	1.150	
Donations from non-members	37.836	42.775	(4.939)

Other income	2.865	7.230	(4.365)
<b>Total</b>	<b>5.561.853</b>	<b>4.176.462</b>	<b>1.385.391</b>

Donations paid to Istituto Oikos enjoy tax benefits in favor of donors provided for by the Consolidated Income Tax (TUIR) and other tax regulations with reference to donations to non-profit organizations of social utility and recognized non-governmental organizations.

#### Charges from operating activities

Description	Amount
Balance on 31/12/2018	5.458.935
Balance on 31/12/2017	4.095.739
<b>Changes</b>	<b>1.363.196</b>

During the year, the Association's resources were allocated as detailed in the following table:

Description	31/12/2018	31/12/2017	Variations
Purchases	1.279.966	522.151	757.815
Services	795.588	615.927	179.661
Use of third party assets	160.465	151.877	8.588
Staff, collaborators and consultants	3.082.490	2.602.295	480.195
Other operating costs	140.426	203.489	(63.063)
<b>Total</b>	<b>5.458.935</b>	<b>4.095.739</b>	<b>1.363.196</b>

#### 4) Financial and asset management

The gross result of financial and asset management amounts to €11.624.

Balance on 31/12/2018	Balance on 31/12/2017	Variations
(11.624)	(19.436)	7.812

Financial income refers to the returns on liquidity temporarily invested pending their use for institutional purposes.

Description	31/12/2018	31/12/2017	Variations
Income from bank deposits	2.119	1.094	1.025
Income from other assets	12.286	1.063	11.223
(Interest and other financial charges on bank loans)	(6.765)	(6.489)	(276)
(Interest and other financial charges on other loans)	(19.264)	(15.104)	
<b>Total</b>	<b>(11.624)</b>	<b>(19.436)</b>	<b>7.812</b>

Information pursuant to art. 2427, no. 16 of the Civil Code

To complete this Explanatory Note, we inform you that for financial year 2018, the President of the Board of Directors has waived remuneration for administrative responsibilities and has been remunerated as a technical consultant for various projects relating to the operating activity of the Association. The fee for the Board of Statutory Auditors is € 6.257.

Number of employees and collaborators

As of 31 December 2018, the Association includes the following employees and collaborators:

Italy office:

Employees:	n. 12
Collaborators and consultants:	n. 30
Volunteers (civil service):	n. 1
Interns:	n. 1

Foreign offices

Tanzania:

Collaborators:	n. 7
Local employees (Oikos East Africa):	n. 32

Myanmar:

Collaborators:	n. 7
Local employees:	n. 29

Mozambique:

Collaborators:	n. 6
Local employees:	n. 22

Nepal:

Collaborators:	n. 1
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Lebanon:

Collaborators:	n. 1
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Result of the year and proposed destination

As regards the operating surplus of €55.300 it is destined entirely for the available Statutory Reserve.

Conclusions

This financial statement gives a true and fair view of the financial position of the Association and its operating activities and corresponds to the results of the accounting records.

President

Dr. Rossella Rossi

