



**2017**

# Balance sheet and Profit and loss accounts

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*[true copy of the Italian Report, translated from Italian]*

## PUNTO.SUD FOUNDATION

Final balance sheet on 31 December 2017

### BOARD OF AUDITORS REPORT

Dear partners,

We have reviewed the balance sheet for the financial year closing on 31 December 2017, including the state of assets, statement of accounts and supplementary note, which was presented to us by the Board of Directors.

The balance sheet was reviewed with respect for the indications from the Commission for non profit organisations of the National Board of Accountancy; the format used aims not only to highlight the results of the fiscal year and its comprehensive value, but also to illustrate the results of typical and support activities as well as the existing constraints on resources; to this end, we report the following:

The state of assets indicates a profit for the year 2017 of Euro 41.524= and can be summarised in the following values:

### Statement of Assets and Liabilities on 31 December 2017

#### Assets

- Intangible fixed assets	602
- Tangible fixed assets	465.630
- Financial assets	1.650
- Short and long-term debtors	262.748
- Other claims	4.366
- Cash at bank and in hand	2.512.268
- Prepayment and accrued income	8.126

<b>Total assets</b>	<b><u>3.255.390</u></b>
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#### Liabilities

- Capital and reserves	945.408
- Provision for risks and expenditures	82.905
- Provision for severance payment	175.966
- Creditors	264.687
- Accruals and deferred income	1.786.424

<b>Total liabilities</b>	<b><u>3.255.390</u></b>
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## Profit and Loss Accounts on 31 December 2017

### **Income**

- Income from statutory activities	1.081.520
- Financial income	728
- Extraordinary income	125

<b>Total income</b>	<b><u>1.082.373</u></b>
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### **Expenses**

- Expenses from statutory activities	837.696
- General operating expenses	178.460
- Interest paid	1.565
- Taxes	3.487
- Extraordinary charges	118
- Other expenses	4.718
- Taxes on profit	14.804

<b>Profit or loss for the year 2017</b>	<b><u>41.524</u></b>
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The value of commitments and guarantees are regularly indicated in the memorandum accounts.

We confirm that the abovementioned accounts have been confirmed by the regularly kept entries.

Concerning the balance sheet items provided by the Board, we stress that:

- We agree with the evaluation criteria used;
- The intangible and tangible assets appear in the net amortisation, following a method of a constant rate and with a rate we agree with.

The balance sheet has been drawn up including accounting data on flows into apposite accounts, which reflect the movements and of which a managerial account is included in the supplementary note.

The expenses incurred for the supply of funds, often sent abroad, were included in the economic report, subdivided where possible; the expenses incurred that were non-attributable in specific terms were classified under the balance sheet item "general support expenses".

In agreement with what was provided by the Directors, we invite you to approve the balance sheet.

The Auditor

Luigi Lepore

ASSETS	2017	2016
<b>FIXED ASSETS</b>		
Intangible fixed assets		
Software	602	1.129
Multi-year charges	-	-
<b>Total intangible fixed assets</b>	<b>602</b>	<b>1.129</b>
Tangible fixed assets		
Real estate properties	459.268	459.268
Office equipment	6.362	9.342
Other assets	0	-
<b>Totale immobilizzazioni materiali</b>	<b>465.630</b>	<b>468.610</b>
Financial assets		
Caution deposits	1.650	1.650
<b>Total financial assets</b>	<b>1.650</b>	<b>1.650</b>
<b>TOTALE FIXED ASSETS</b>	<b>467.882</b>	<b>471.389</b>

<b>CURRENT ASSETS</b>		
Receivables for projects		
from European Union	205.794	248.116
from International Agencies/United Nations	-	-
from National (Italian) Public Donors	6.000	-
from Private Organisations and Foundations	-	-
from Other Donors	-	-
<b>Total receivables for projects</b>	<b>211.794</b>	<b>248.116</b>
Receivables for training and support activities		
to the benefit of donor agencies	29.978	8.348
to the benefit of not-for-profit organisations	20.976	30.422
to the benefit of other organisations	-	-
<b>Total receivables for training and support activities</b>	<b>50.954</b>	<b>38.770</b>
Other receivables	4.366	1.886
<b>Total other receivables</b>	<b>4.366</b>	<b>1.886</b>
Cash at bank and in hand		
Bank and postal deposits	2.506.787	657.854
Cash in hand	5.482	7.299
<b>Total cash in bank and in hand</b>	<b>2.512.268</b>	<b>665.154</b>
<b>TOTAL CURRENT ASSETS</b>	<b>2.779.383</b>	<b>953.926</b>

<b>PREPAYMENT AND ACCRUED INCOME</b>		
Deferred liabilities and accrued income	8.126	5.224
<b>TOTAL PREPAYMENT AND ACCRUED INCOME</b>	<b>8.126</b>	<b>5.224</b>

<b>TOTAL ASSETS</b>	<b>€ 3.255.391</b>	<b>€ 1.430.539</b>
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<b>GUARANTEES AND COMMITMENTS</b>	<b>2017</b>	<b>2016</b>
<b>GUARANTEES</b>		
Guarantees issued to third parties	-	-
<b>TOTAL GUARANTEES</b>	<b>0</b>	<b>0</b>
<b>COMMITMENTS</b>		
Project commitments	52.562	8.363
<b>TOTAL COMMITMENTS</b>	<b>52.562</b>	<b>8.363</b>

<b>LIABILITIES</b>	<b>2017</b>	<b>2016</b>
<b>CAPITAL AND RESERVES</b>		
Endowment fund reserve		
Fund reserve	50.000	50.000
<b>Reserves</b>		
Tied up funds per decision	3.684	7.653
<b>Funds available for project</b>		
Profit and loss brought forward for the financial year	41.524	26.363
Profit and loss brought forward from the previous year	850.201	822.235
<b>TOTAL CAPITAL AND RESERVES</b>	<b>945.408</b>	<b>906.251</b>
<b>PROVISION FOR RISKS AND EXPENDITURES</b>	<b>82.905</b>	<b>79.799</b>

<b>PROVISION FOR SEVERANCE PAYMENT</b>	<b>175.966</b>	<b>158.869</b>
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<b>CREDITORS</b>		
Long term debts		
Long term non-bank debts	0	0
Long term non-bank debts	67.416	95.066
<b>Total long term debts</b>	<b>67.416</b>	<b>95.066</b>
Short term debts		
Short term non-bank debts	196.624	140.172
Short term non-bank debts	648	809
<b>Total short long term debts</b>	<b>197.271</b>	<b>140.981</b>
<b>TOTAL LOANS</b>	<b>264.687</b>	<b>236.047</b>

<b>ACCRUALS AND DEFERRED INCOME</b>		
Accruals and deferred income	10.871	11.754
Project deferred income	1.775.553	37.820
<b>TOTAL ACCRUALS AND DEFERRED INCOME</b>	<b>1.786.424</b>	<b>49.574</b>

<b>TOTAL LIABILITIES</b>	<b>€ 3.255.391</b>	<b>€ 1.430.539</b>
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<b>GUARANTEES AND COMMITMENTS</b>	<b>2017</b>	<b>2016</b>
<b>GUARANTEES</b>		
Guarantees issued to third parties	-	-
<b>TOTAL GUARANTEES</b>	<b>0</b>	<b>0</b>
<b>COMMITMENTS</b>		
Project commitments	52.562	8.363
<b>TOTAL COMMITMENTS</b>	<b>52.562</b>	<b>8.363</b>

# Profit and loss accounts



31st December 2017

PROVENTI	2017	2016
<b>PROGRAMS</b>	<b>923.315</b>	<b>1.098.510</b>
from European Union	917.315	1.098.510
from International Agencies/United Nations	-	-
from National (Italian) Public Donors	6.000	-
from Private Organisations and Foundations	-	-
<b>REVENUES FROM TRAINING AND SUPPORT ACTIVITIES</b>	<b>157.266</b>	<b>128.893</b>
Training and capacity/organisational development activities	97.153	65.165
- to the benefit of donor agencies	0	0
- to the benefit of not-for-profit organisations	69.043	57.700
- to the benefit of other organisations	28.110	7.465
Project consultancy (project management, feasibility studies, monitoring and evaluation)	60.113	63.728
- to the benefit of donor agencies	39.328	26.756
- to the benefit of not-for-profit organisations	20.785	36.973
- to the benefit of other organisations	0	0
<b>OTHER REVENUES</b>	<b>939</b>	<b>1.326</b>
<b>FINANCIAL INCOME</b>	<b>728</b>	<b>1.082</b>
<b>EXTRAORDINARY INCOME</b>	<b>125</b>	<b>25.279</b>
<b>TOTAL REVENUES</b>	<b>€ 1.082.373</b>	<b>€ 1.255.090</b>

EXPENSES	2017	2016
<b>EXPENSES FOR PROJECTS</b>	<b>711.885</b>	<b>883.465</b>
Staff costs	415.635	482.590
Operating and implementation expenses	296.250	398.722
Depreciation costs	-	2.152
<b>EXPENSES FOR TRAINING AND SUPPORT ACTIVITIES</b>	<b>125.811</b>	<b>135.393</b>
Staff costs	96.113	101.826
Operating and implementation expenses	29.698	33.566
Depreciation costs	-	-
<b>GENERAL OPERATING EXPENSES</b>	<b>178.460</b>	<b>168.168</b>
Staff costs	90.070	72.124
Office costs	59.904	74.059
IT costs	9.120	12.870
Communication & Fund Raising	13.932	7.442
Depreciation costs	5.434	1.673
<b>FINANCIAL COSTS</b>	<b>1.565</b>	<b>1.578</b>
<b>TAXES</b>	<b>3.487</b>	<b>3.270</b>
<b>EXTRAORDINARY CHARGES</b>	<b>118</b>	<b>802</b>
<b>OTHER EXPENSES</b>	<b>4.718</b>	<b>20.497</b>
<b>TAXES ON PROFITS</b>	<b>14.804</b>	<b>15.557</b>
<b>PROFIT OR LOSS FOR THE FINANCIAL YEAR</b>	<b>41.524</b>	<b>26.363</b>
<b>TOTAL EXPENSES</b>	<b>€ 1.082.373</b>	<b>€ 1.255.090</b>

## Restructured Simplified Accounting Balance Sheets and Profit and Loss Accounts

	Year N	Year N-1
Closing date (dd/mm/yyyy)	31/12/2017	31/12/2016
Duration (in months)	12	12
Currency displayed on the financial statements	Euro	Euro

### Accounting Balance Sheet(s)

	Year N	Year N-1
<b>ASSETS</b>		
1- Subscribed capital unpaid	0,00	0,00
2- Fixed assets (2.1+2.2+2.3)	<b>467.882,00</b>	<b>471.389,00</b>
2.1- Intangible fixed assets	602,00	1.129,00
2.2- Tangible fixed assets	465.630,00	468.610,00
2.3- Financial assets	1.650,00	1.650,00
3- Current assets (3.1+3.2.1+3.2.2+3.3+3.4)	<b>2.787.509,00</b>	<b>959.150,00</b>
3.1- Stocks	0,00	0,00
3.2.1- Debtors due within one year	275.241,00	293.996,00
3.2.2- Debtors due after one year	0,00	0,00
3.3- Cash at bank and in hand	2.512.268,00	665.154,00
3.4- Other current assets	0,00	0,00
<b>Total assets (1+2+3)</b>	<b>3.255.391,00</b>	<b>1.430.539,00</b>

	Year N	Year N-1
<b>LIABILITIES</b>		
4. Capital and reserves (4.1+4.2+4.3+4.4)	<b>1.028.313,00</b>	<b>986.050,00</b>
4.1- Subscribed capital	0,00	0,00
4.2- Reserves	903.884,00	879.888,00
4.3- Profit and loss brought forward from the previous years	82.905,00	79.799,00
4.4- Profit and loss brought forward for the financial year	41.524,00	26.363,00
5. Creditors (5.1.1+5.1.2+5.2.1+5.2.2)	<b>2.227.078,00</b>	<b>444.489,00</b>
5.1.1- Long term non-bank debt	175.966,00	158.869,00
5.1.2- Long term bank debt	67.416,00	95.066,00
5.2.1- Short term non-bank debt	1.983.048,00	189.745,00
5.2.2- Short term bank debt	648,00	809,00
<b>Total liabilities (4+5)</b>	<b>3.255.391,00</b>	<b>1.430.539,00</b>

### Profit and Loss Account(s)

	Year N	Year N-1
<b>Turnover</b>	1.081.520,00	1.228.729,00
+/- Variation in stocks <sup>(1)</sup>	0,00	0,00
+ Other operating income	0,00	0,00
= <b>Operating income (OI)</b>	<b>1.081.520,00</b>	<b>1.228.729,00</b>
- Cost of materials and consumables	3.387,00	3.812,00
- Other operating charges	405.518,00	522.846,00
- Remuneration and charges (staff costs)	601.818,00	656.540,00
= <b>Gross Operating Profit or Loss (GOP/GOL)</b>	<b>70.797,00</b>	<b>45.531,00</b>
- Depreciation and value adjustments on non-financial assets	5.434,00	3.825,00
= <b>Net Operating Profit or Loss (NOP/NOL)</b>	<b>65.363,00</b>	<b>41.706,00</b>
+ Financial income and value adjustments on financial assets	728,00	1.082,00
- Interest paid	1.565,00	1.578,00
- Similar charges	8.205,00	23.767,00
= <b>Profit or Loss on ordinary activities</b>	<b>56.321,00</b>	<b>17.443,00</b>
+ Extraordinary income	125,00	25.279,00
- Extraordinary charges	118,00	802,00
+/- Taxes on profits <sup>(1)</sup>	14.804,00	15.557,00
= <b>Profit or Loss for the financial year (Net result)</b>	<b>41.524,00</b>	<b>26.363,00</b>

(1) Positive or negative amount

## Own assessment of the financial viability check of a legal person (FP7 grant)

### 1- Ratios and noteworthy value used

Purpose	Indicators	Ratios	Concise Analysis	More in depth analysis
Liquidity	Quick ratio	$\frac{\text{Current assets} - \text{Stocks} - \text{Debtors} > 1 \text{ year}}{\text{Short-term debt (bank and non-bank)}}$	●	●
Financial autonomy	Gross Operating Profit Ratio	$\frac{\text{Interest}}{\text{GOP}}$		●
Profitability	Profitability (1)	$\frac{\text{GOP}}{\text{Turnover}}$	●	●
	Profitability (2)	$\frac{\text{NOP}}{\text{Turnover}}$		●
Solvency	Solvency	$\frac{\text{Total debt}}{\text{Equity(*)}}$	●	●
Purpose	Indicators	Noteworthy value (Flag)	Concise Analysis	More in depth analysis
Equity Flag	Solvency	$\frac{\text{Total debt}}{\text{Equity(*)}}$	●	●

(\*) Equity = Capital and reserves - 50% of intangible assets

### 2- Quotes given according to the results obtained

Purpose	Indicators	Weak & Unsufficient	Acceptable	Good
		0	1	2
Liquidity	Quick ratio	$i < 0,5$	$0,5 \leq i \leq 1$	$i > 1$
Financial autonomy	Gross Operating Profit Ratio	$i > 0,40$ or $< 0$	$0,40 \geq i \geq 0,30$	$0 \leq i < 0,30$
Profitability	Profitability (1)	$i < 0,05$	$0,05 \leq i \leq 0,15$	$i > 0,15$
	Profitability (2)	$i < 0,02$	$0,02 \leq i \leq 0,04$	$i > 0,04$
Solvency	Solvency	$i > 6,00$ or $< 0$	$6,00 \geq i \geq 4,00$	$0 \leq i < 4,00$

Purpose	Indicators	Weak	Good
Equity Flag	Solvency	$i > 10,00$ or $< 0$	$i \leq 10,00$ and $\geq 0$

### 3- Your financial viability check

Indicators	Ratios's Results(**)			Concise Analysis	More in-depth analysis
	Figure	Qualification	Quote		
Quick ratio	1,41	<u>Good</u>	2	5	9
Gross Operating Profit Ratio	0,02	<u>Good</u>	2		
Profitability (1)	0,07	<u>Acceptable</u>	1		
Profitability (2)	0,06	<u>Good</u>	2	Good	Good
Solvency	2,17	<u>Good</u>	2		
Indicators	Noteworthy value's Result (**)				
	Figure	Qualification			
Equity Flag	2,17	Good			

(\*\*) According to the figures you have submitted in the Restructured Simplified Accounting Balance Sheets and Profit and Loss Accounts