

INDEPENDENT AUDITOR'S REPORT

To the Associated of
Intersos Organizzazione Umanitaria Onlus

Opinion

We have audited the financial statements of Intersos Organizzazione Umanitaria Onlus ("Intersos" or "Association"), which comprise the statement of financial position as at December 31, 2019 the statements of activities for the year then ended and notes to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Intersos as at December 31, 2019, and of the result of operations for the year then ended in accordance with the accounting policies independently defined by Intersos in the notes.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with ethical and independence rules and principles applicable under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance the criteria for their preparation illustrated in the notes and, in the terms prescribed by law, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is responsible for assessing the Association's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting and for disclosing matters related to going concern. In preparing the financial statements, management uses the going concern basis of accounting unless management either intends to liquidate the the Association to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

MILANO ROMA TORINO PADOVA GENOVA BRESCIA

As part of an audit in accordance with ISA Italia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Rome, October 19, 2020

Crowe AS SpA

Signed by
Fabio Sardelli
(Partner)

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



Financial Statements 2019

For the year ended December 31, 2019



INTERSOS
NON-PROFIT HUMANITARIAN ORGANIZATION
 Non-governmental Organization as recognized by Ministerial Decree 1997/128/002770
 Headquarters in Rome - Via Aniene 26/A - Italian Tax Code 97091470589

Financial Statements as of 31/12/2019

All amounts are expressed in Euros

Assets	31/12/2019	31/12/2018
B) Fixed assets		
I. Intangible assets		
1) Software	-	-
2) Leasehold improvement	-	-
	-	-
II. Tangible assets		
2) Plant and equipment	23.254	14.495
4) Other assets	2.288	5.775
	25.542	20.270
III. Financial assets		
1) Shares in affiliated undertakings	-	-
2) Receivables	15.449	15.359
3) Other investments	22.361	20.010
	37.810	35.369
Total fixed assets	63.352	55.639
C) Current assets		
I. Inventory		
6) Material for communication and fundraising activities	-	-
	-	-
II. Receivables		
1) Donor receivables	31.525.343	31.884.561
2) Other receivables	2.143.421	759.139
	33.668.764	32.643.700
IV. Cash at bank and in hand		
1) Bank and post office deposits	9.227.449	11.979.947
3) Cash in hand	195.800	188.643
	9.423.249	12.168.589
Total current assets	43.092.013	44.812.290
D) Prepayments and accrued income	131.136	68.760
Total assets	43.286.500	44.936.689

Equity and Liabilities	31/12/2019	31/12/2018
A) Net assets		
I. Unrestricted		
1) Profit or loss for the financial year	176.137	1.041
2) Profit or loss brought forward	557.785	556.744
	733.922	557.785
III. Restricted		
2) Funds earmarked by institutional bodies' decisions		
a) Funds for launch of new Programs/entry to new Countries	137.106	252.650
b) Funds earmarked for INTERSOS Staff	54.410	100.000
c) Funds earmarked for Humanitarian Emergency	189.350	189.350
	380.866	542.000
Total net assets	1.114.788	1.099.785
B) Provisions for liabilities and charges	710.498	479.235
3) Other provisions	710.498	479.235
C) Severance indemnities	234.657	159.715
D) Payables		
4) Bank payables	2.572.619	1.843.196
5) Donor payables	879.048	1.067.654
7) Supplier payables	2.086.009	2.033.746
12) Tax payables	931.308	551.503
13) Social security payables	1.567.442	898.280
14.1) Staff payables	842.974	809.674
14.2) Other field payables	1.727.445	793.577
	10.606.845	7.997.631
E) Accruals and deferred income	30.619.712	35.200.323
Total liabilities	43.286.500	44.936.689
Commitments, Contingencies and Guarantees	1.476.487	1.369.280

Statement of operating activities	31/12/2019	31/12/2018
A) Operating income		
I. Income from operating activities		
1) Income from grants and contracts	70.352.298	65.132.595
	70.352.298	65.132.595
II. Income from supporting activities		
2) Income from contributions		
2.1) Unrestricted income from private donors	456.201	276.863
2.2) Income from projects	5.123.017	4.063.823
2.3) Membership fees	3.400	3.200
	5.582.618	4.343.886
3) Other operating income		
3.1) Billable expense income	9.846	14.807
3.2) Rounding off allowances and discounts	278	308
3.3) Gain on lease of equipment	-	-
3.4) Gain on sale of equipmen	-	-
3.5) Staff costs recovery	172.249	169.423
3.6) Gifts-in-kind	-	-
	182.373	184.538
Total operating income	76.117.289	69.661.020
B) Operating expenses		
I. Expenses from operating activities		
1) Expenses from grants and contracts	70.352.298	65.132.595
	70.352.298	65.132.595
II. Expenses from supporting activities		
6) For material and visibility		
7) For services		
a) External contractors and consultants	1.581.872	1.614.359
b) Other services	1.123.903	814.828
c) Expenses from earmarked funds for expat staff	-	-
	2.705.775	2.429.187
9) For staff		
a) Salaries and benefits	1.685.001	1.378.391
b) Social security charges	381.569	297.519
c) Severance indemnities	100.360	85.427
	2.166.930	1.761.337
10) Depreciation and amortization expense		
a) Depreciation of intangible assets	-	-
b) Depreciation of tangible assets	9.421	9.387
d) Bad debt provisions		
	9.421	9.387
11) Changes in inventory	-	-
12) Provisions for liabilities	334.055	103.839
14) Other operating expenses	223.400	172.772
Total operating expenses	75.791.879	69.609.117
Net operating income	325.410	51.902

Statement of activities	31/12/2019	31/12/2018
C) Operating financial income and expenses		
16) Other financial income		
16.1) Interest income	110	126
16.2) Foreign currency exchange gain	-	-
	110	126
17)) Interest and other financial charges		
17.1) Interest expense	40.325	20.806
17.2) Foreign currency exchange loss	50.661	30.527
	90.986	51.333
Total operating financial income and expenses	- 90.876	- 51.207
D) Adjustments to operating financial assets		
	-	-
Total adjustments to operating financial assets	-	-
E) Extraordinary operating income and expenses		
20) Unusual or infrequent gain	42.037	111.315
	42.037	111.315
21) Unusual or infrequent loss	16.998	52.076
Doubtful debts		
	16.998	52.076
Total extraordinary income and expenses	25.039	59.238
Income before taxes	259.572	59.934
22) Taxes		
a) IRAP (Regional Business Tax)	83.435	56.329
b) Other taxes		
	83.435	56.329
23) Net income provided by operating activities	176.137	3.605

Statement of operating activities subject to VAT	31/12/2019	31/12/2018
A) Income of operating activities subject to VAT		
I. Income from operating activities subject to VAT		
1) Income from grants and contracts	-	-
II. Income from supporting activities		
2) Income from sales		
2.1) Income from sale of goods		
2.2) Income from sale of services	-	5.000
2.3) Billable expense income	-	-
	-	5.000
Total income of operating activities subject to VAT	-	5.000
B) Operating expenses subject to VAT		
I. Expenses from operating activities subject to VAT		
1) Program services	-	-
II. Expenses from supporting activities		
6) For material and consumables	-	-
7) For services		
a) External contractors and consultants		
b) Services subject to VAT	-	7.564
c) Other taxes and charges	-	-
d) Rounding off allowances and discounts	-	-
	-	7.564
Total operating expenses subject to VAT	-	7.564
Net operating income subject to VAT	-	2.564
C) Operating financial income and expenses subject to VAT		
16) Other financial income		
16.1) Interest income		
16.2) Foreign currency exchange gain	-	-
17) Interest and other financial charges		
17.1) Interest expense	-	-
17.2) Foreign currency exchange loss	-	-
	-	-
Total operating financial income and expenses subject to VAT	-	-
D) Adjustments to operating financial assets subject to VAT		
Total Adjustments to operating financial assets subject to VAT	-	-
E) Extraordinary operating income and expenses subject to VAT		
20) Unusual or infrequent gain	-	-
21) Unusual or infrequent loss	-	-
	-	-
Total extraordinary operating income and expenses subject to VAT	-	-
Income before taxes	-	2.564
22) Taxes		
a) IRAP (Regional Business Tax)	-	-
b) IRES (Corporate Income Tax)	-	-
	-	-
23) Result of COMMERCIAL management	-	2.564

