

A I F O

Associazione Italiana Amici di Raoul Follereau

FINANCIAL STATEMENT
as of
31 DECEMBER 2009



FINANCIAL STATEMENT 2009

ASSET & LIABILITY STATEMENT

ASSETS	2009	2008	LIABILITIES	2009	2008
FIXED ASSETS			NET ASSETS		
<i>Intangible fixed assets</i>			<i>Free assets</i>		
Software	19.957	2.218	Available fund	1.041.340	1.909.691
Total intangible fixed assets	19.957	2.218	Re-evaluation reserve as per D.L. 185/2008	848.958	848.958
<i>Tangible fixed assets</i>			Operating surplus/deficit	196.500	833
Land and buildings	951.904	1.280.000	Total free assets	2.086.798	2.759.483
Systems and machines	16.346	25.742	<i>Tied-up assets</i>		
Other assets	11.514	17.555	Assets devoted to projects	1.983.237	1.114.053
Total tangible fixed assets	979.764	1.323.297	Tied-up reserve	600.000	600.000
<i>Financial fixed assets</i>			Totale tied-up assets	2.583.237	1.714.053
Shareholdings	9.984	8.566	TOTAL NET ASSETS	4.670.036	4.473.535
Guarantee-tied assets	0	0	FUNDS FOR RISKS AND CHARGES		
Total financial fixed assets	9.984	8.566	Miscellaneous funds	-	10.000
TOTAL FIXED ASSETS	1.009.705	1.334.082	Accountancy report risk fund	39.027	47.617
CIRCULATING ASSETS			TOTAL RISK AND CHARGES FUND	39.027	57.617
Total final stock	12.340	21.183	PAY SEVERANCE FUND	430.263	413.459
<i>Credits for funding of short-term projects</i>			DEBTS		
Receivables from private Bodies	519.679	560.850	Suppliers	122.739	135.994
Receivables from MAAEE	495.547	799.186	Miscellaneous debts	126.503	110.321
Receivables from Inter'l funding bodies	146.873	195.159	Payables to social security bodies	47.985	46.850
Receivables from local Authorities	91.827	74.928	Tax payables	44.797	35.260
Receivables for grants through Groups	40.366	32.016	TOTAL DEBTS	342.024	328.425
Total credits for short-term projects	1.294.292	1.662.139	ACCRUED COSTS & DEFERRED REVENUES	1.470.125	2.270.337
<i>Credits for funding of long-term projects</i>			TOTAL LIABILITIES	2.281.440	3.069.838
Receivables from private Bodies	216.850	58.350	TOTAL LIABILITIES AND NET ASSETS	6.951.476	7.543.373
Receivables from MAAEE	337.391	337.391			
Receivables from Inter'l funding bodies	223.264	413.732			
Receivables from local Authorities	0	20.000			
Total credits for long-term projects	777.505	829.472			
Total credits for projects	2.071.797	2.491.611	MEMORANDUM ACCOUNTS		
Tax credits	1.695	2.552	Appropriations for projects		
Miscellaneous credits	120.160	121.592	Funds for short-term projects	3.017.837	2.499.766
Bequests	914.801	1.591.315	Funds for long-term projects	591.496	1.059.456
Non fixed financial assets	1.304.997	991.782	Funds for D.E. projects (short-term)	48.376	41.217
<i>Available cash</i>			Total appropriations for projects	3.657.708	3.600.439
Cash balance	37.631	43.636	Offered guaranties		
Bank- and Post- c/a	1.457.689	929.116	Guarantee-tied assets	-	-
Total available cash	1.495.321	972.752	Total guarantees offered	-	-
TOTAL CIRCULATING ASSETS	5.921.110	6.192.789	Received guaranties		
ACCRUED REVENUES & DEFERRED COSTS	20.660	16.503	Received Bank guarantees	166.574	-
TOTAL ASSETS	6.951.476	7.543.373	Total guarantees received	166.574	-

ASSOCIAZIONE ITALIANA AMICI DI RAOUL FOLLEREAU

FINANCIAL STATEMENT 2009**OPERATING RESULTS**

	2009	2008
PROCEEDS		
Donations	3.400.849	3.504.769
5 per thousands	143.264	0
Grants from private bodies	505.412	563.055
Grants from the It. Ministry of Foreign Affairs (MAAEE)	999.928	313.181
Grants from International Bodies	287.543	294.636
Grants from local and regional Authorities	154.394	125.063
Grants from local and regional Authorities through Groups	5.885	32.016
Bequests	345.690	498.318
(Consultants for bequests)	-41.457	-40.166
(Provisions and bequests costs)	-248.376	-259.817
Stock variation	-8.844	-18.291
TOTAL PROCEEDS	5.544.288	5.012.764
CHARGES FOR PROJECTS		
Cooperation projects	-3.466.197	-2.951.332
Projects support from HQ	-393.207	-377.637
Projects of Development Education	-133.161	-226.638
TOTAL PROJECT CHARGES	-3.992.565	-3.555.607
CHARGES FOR SECRETARIAT SERVICES, COMMUNICATION AND FUND RAISING		
Communication and fund raising activities	-106.988	-127.973
Secretariat and General Service activities	-595.974	-755.860
TOTAL CHARGES FOR SECRETARIAT SERVICES, COMMUNICATION AND FUND RAISING	-702.962	-883.833
CHARGES FOR GENERAL SUPPORT ACTIVITIES		
Institutional activities and administration	-511.960	-521.719
Amortization	-48.622	-43.028
TOTAL GENERAL SUPPORT ACTIVITIES	-560.582	-564.747
TOTAL CHARGES	-5.256.109	-5.004.187
INSTITUTIONAL RESULT	288.179	8.577
FINANCIAL ADMINISTRATION		
Interests from Bank- and Post- c/a	4.920	5.658
Costs for Post- and Bank- c/a	-11.149	-12.994
Operating results of Post- and Bank- c/a	-6.228	-7.336
Proceed from Investment funds and securities	50.185	12.697
Costs of Investment funds and securities	-13.362	-37.893
Operating results of funds and securities	36.822	-25.196
Charges for bank guarantees	-3.690	-53
FINANCIAL OPERATING RESULTS	26.904	-32.585
PROVISIONS AND FUND CLEARANCE		
Provisions	-111.307	-161.428
Cleared funds	36.904	253.487
NET PROVISIONS	-74.403	92.060
EXTRAORDINARY PROCEEDS AND CHARGES		
Extraordinary proceeds	49.661	14.420
Extraordinary charges	-63.975	-49.656
TOTAL EXTRAORDINARY PROCEEDS AND CHARGES	-14.315	-35.235
OPERATING RESULT BEFORE TAXES	226.366	32.816
Taxes	-29.865	-31.982
OPERATING RESULT	196.500	833

NOTE TO THE 2009 FINANCIAL STATEMENT

1. INTRODUCTORY INFORMATION

The Association “Associazione Italiana Amici di Raoul Follereau – AIFO”, an Organization for International Health Cooperation, was established pursuant to sect. 12 and subsequent ones of the Italian Civil Code and was recognized by the Decree No. 561 of the President of the Italian Republic dated July 3 1979. AIFO is a Non-Governmental Organization (NGO) which is authorized to carry out cooperation programs in developing countries, by virtue of and in compliance with the Act No. 49/87, and the Decrees of the Italian Minister of Foreign Affairs No. 196/0039 dated 2 February 1978, and No. 1988/128/4178/OD of 14 September 1988. Furthermore, AIFO is a non commercial body, a non-profit social utility organization (in short in Italian: ONLUS), pursuant to paragraph 8 of art. 10 of the decree D. Lgs. 460/97 and is officially recognized by the World Health Organization (WHO).

AIFO’s Financial Statement, **as of 31 December 2009**, is made up as follows:

Management Report issued by the Board of Directors;
Asset & Liability Statement;
Operating Results;
Note to the Financial Statement.

In order to offer detailed information on the activities carried out in 2009, some Information Sheets are enclosed to the Financial Statements; technically speaking, however, these information sheets are not integral part of the Financial Statement. The Report on the activities carried out this year will be replaced, as usual, by the Social Statement.

The Asset & Liability Statement and the Operating results are drawn up in Euros; the figures shown can be compared to those concerning the previous year. Some items in both Asset & Liability Statement (miscellaneous and tax debts) and Profit & Loss Account (bequests, amortization and extraordinary management) have been re-classified and, consequently, in compliance with the postulate of item comparability in the financial statement as per art. 2423-ter, 5th paragraph of the Italian Civil Code, the corresponding items of the previous year have been adjusted accordingly.

In particular, as for the inclusion of the extra-ordinary management in the profit and loss account, with respect to the previous years it was decided to split the section previously called “Miscellaneous proceeds and charges ” in three subsections concerning “Financial administration”, “Provisions and fund clearance”, and “Taxes”, respectively. As for the item “Bequests” among the proceeds, which up to 2008 was indicated after the deduction of the relevant costs and de-valuations borne in the year, it was decided to list it separately, thus evidencing the amounts concerning the total bequests received, costs borne, and provisions set aside in the year.

All the activities carried out by AIFO are managed in agreement with AIFO by-laws purposes. All the projects are submitted to monthly auditing procedures which are extended also to the check of the estimated costs.

Financing bodies receive reports drawn up in compliance with the expected patterns at pre-set times, while private donors receive punctual information on the use of funds.

2. ACCOUNTING PRINCIPLES

The Financial statement was drawn up in compliance with the guidelines issued by the National Council of Business Consultants concerning the drawing up of financial statements for non-profit organizations. Whenever it is necessary, and if applicable, these guidelines are integrated by the accounting principles of the Financial Accounting Standard Board (F.A.S. n. 116 and 117) which have been specifically set out for non-profit Organizations; furthermore, both relevant regulatory provisions and the general principle of prudence are duly met.

Items have been entered following the criteria of time competence, independently of the actual date of collection or payment.

The same accounting principles of the previous year have been followed also in 2009.

3. EVALUATION CRITERIA

Fixed assets, intangible assets and financial assets

Fixed assets and intangible assets are entered net of the relevant amortization fund and at their purchase cost, with the addition of the accessory charges directly attributable to them; the sole exception to this is represented by the entering of real estate values in the item "Lands and buildings" which, by virtue of the decree D.L. 185/2008, had been re-evaluated on 31/12/2008. Therefore, their value correspond to the relevant market evaluation of early 2009 (as they appear from the relevant expert's estimates), increased by any possible accessory charge which is directly attributable to them.

The amortization was carried out at constant rates in function of the remaining possibility of use of the specific assets.

The "Financial assets" item is made of "Shareholdings" and "Assets submitted to a guarantee lien". If this last item shows an amount, that would represent some securities owned by AIFO and submitted to a lien in order to provide a warrant for the guarantees issued by bankers and financial institutes on behalf of AIFO itself. This year no value is shown.

Final stock

This item represents the value of the promotional and information material kept in the national headquarters at the closing date of the financial statement; it is shown at the relevant purchase cost.

Credits for the funding of short- and long- term projects

Some of the projects carried out by AIFO are implemented with the partial or total contribution of Public or private bodies, either national or international. For these projects - on the ground of the value stated in either the agreements concerning the projects approved or the decisions taken by the bodies themselves - AIFO lists among receivables the value corresponding to the contribution granted for the funding of the projects.

These receivables are appropriately de-evaluated if their estimated value at the collection time is lower than their entered value.

Items are grouped on the ground of the nature of the funding body and mainly refer to receivables from private Bodies, the Italian Ministry of Foreign Affairs (hereinafter called MAEE), International bodies such as the European Union (hereinafter called EU), and local bodies (hereinafter called EE.LL.). "Credits for contribution through groups" refer to funds attributed by Local Bodies to different AIFO's groups in the territory.

Tax Credits

This item includes tax credits concerning advanced payments of both IRAP and replacement tax on the income originated by the re-evaluation of the pay severance fund.

Miscellaneous Credits

The item "Miscellaneous Credits" is made up of "donations to be received", "5 /000 to be received", advanced expenses, and other receivables of different nature.

"Donation to be received" are represented by the donations collected early this year but pertaining to 2009. "5 /000 to be received" refer to the relevant amounts attributed to AIFO, which have already been published by the Revenue Office, but not yet collected; conversely, the amounts concerning "5 /000 to be received" are not entered into the financial statement when they have not been made public yet by the Revenue Office.

Furthermore, this item includes advanced expenses for travels or missions and those concerning the activities of regional coordination offices, expense refunds to be received, as well as other minor miscellaneous credits.

Bequests

Bequests consisting of personal properties and cash are entered in the financial statement at their face value, whereas real estate is entered either at the value indicated by an expert's estimate, if any, or at the cadastral value. The value is entered in the financial statement at the time of the decision of acceptance taken by AIFO's Board of Directors and it is decreased at the time of collecting it.

Furthermore, in view of the adjustment of the above mentioned values, a special fund is set out (Fund to cover the bequest-related costs): its amount is equal to the expected expenses to be borne by AIFO from the time the bequest is notified to its final monetization.

Furthermore, in order to meet the principle of prudence and on the ground of the differences observed between entered values and expected collection values, an appropriate "Bequest devaluation fund" is established, on the ground of available documents such as up-dated estimates and any possible impugment of last wills.

Non fixed financial assets

This item contains securities entrusted to a monetary asset administration, ordinary bonds, and investment funds. They are entered at their market value at the closing date of the financial statement if the value is lower than the historical cost; conversely, they are entered at their historical cost if their market value at the date of the financial statement is higher.

The value entered in Circulating assets, if there are securities used to warrant bank guarantees, would be diminished by the value of these securities which are entered among financial fixed assets because they are not available.

Cash, Banks and Post-Office current accounts

These items are entered at their face value. Current accounts in foreign currency concerning Projects directly managed by AIFO have been converted at the exchange rate of the closing date of the financial statement.

Accruals and deferrals

Accruals and deferrals are present in activities and liabilities of the relevant statement; in these items the shares of costs and proceeds which are common for two or more years are entered; the entity of these shares is determined in compliance with competence criteria.

In particular, among Deferred Revenues there are the shares of grant-in-aids received from public bodies which are entered in the financial statement but which pertain to future years, because they are correlated to charges and activities for projects which will be carried out after the end of this financial year.

Net Assets

Net Assets are subdivided into Available Net Assets and Tied Assets, also keeping in mind the provisions of AIFO's by-laws.

The Available Net Assets correspond to the part of assets which can be used freely in order to pursue the association's purposes. They are made of available Fund, operating surplus/deficit, and the re-evaluation Reserve which was established in view of the real-estate re-evaluation performed on 31/12/2008 pursuant to the decree D.L. 185/2008.

The tied Assets are made of both the Assets devoted to projects and the Tied Reserve. The assets devoted to projects are represented by the share of assets corresponding to appropriations incurred by AIFO and still pending on 31 December; obligations which are aimed at the implementation of projects in the following year, net of the relevant contributions granted by financing bodies.

The Tied Reserve represents the share of unavailable assets, pursuant to the decision No. 97/2007 of the General Meeting. Said decision sets out that an unavailable fund is kept which corresponds to 30 % of the net obligations; its relevant amount shall be between € 600,000 and € 1,200,000, in order to offer a warranty in case of either unexpected events or future contingent liabilities.

Funds for Risks and charges

The item “Funds for risks and charges” includes miscellaneous Funds and Funds for risks concerning operating reports.

Miscellaneous Funds are set out in order to make up for sure or possible losses or liabilities, of which – however – at the end of the financial year it is not possible to determine either the relevant amount or the date of realization. These provisions reflect the best possible estimate on the ground of the available details. As for the evaluation of risks and charges, one shall keep in mind the risks and losses of which one has become aware also after the end of the financial year and up to the date of drawing up of this financial statement.

The Fund for risks concerning operating reports is prudentially set out to cover every possible charge originated by funding Bodies’ remarks on the accountancy reports for co-funded projects. Usually, this fund is increased every year in the measure of 1.5 % of the costs borne in the same year on co-funded projects and is decreased in the measure corresponding to the ended projects for which the discharge of credit to the funding body has been registered.

Pay Severance (P.S.)

This item includes the overall amount of the shares accrued in each operating period, which are calculated pursuant to article 2120 of the Italian Civil Code in compliance with the provisions of the National Labour Contract in force. Furthermore, this item includes also possible shares of pay severance indemnities concerning the contracts for volunteers and cooperators who are employed in our cooperation projects.

Debts

Debts which appear among liabilities, include the following items: suppliers, miscellaneous debts, payables to social security bodies, and tax debts. They are entered at their face value, as the latter is deemed to be representative of their discharge value.

Memorandum Accounts

Memorandum accounts are made of the Funds to be delivered to projects, warranties offered and received.

Funds to be delivered to projects represent the value of the obligations incurred concerning short- and long- term projects, including the funds granted by financing bodies. The difference registered between the value stated in this item and the value entered in the item “Tied Assets” represents the share of financial obligation covered by the contributions on projects recognized by financing bodies.

The item “Warranties offered” represents the value of the warranties demanded by the banks in relation to the bank guarantees available at the date of the financial statement, whereas in the item “Warranties received” there is the value of the bank guarantees, irrespective of the fact that they are or not warranted by securities.

Proceeds and Charges

Proceeds and Charges are entered in the Operating Report according to the criteria of time competence.

As for proceeds, they are registered at the time when they become sure.

In particular:

- private donations are entered at the time of collection with the exception of those received in the first days of the subsequent year but which pertain to the year ended;
- 5 per thousand is entered in the financial statement at the time when the Revenue Office notifies its amount;
- contributions concerning co-financed projects are attributed to the financial year, proportionally to the costs borne for the projects to which they refer, in the measure established by the financing Body;
- bequests – which are entered at the time of the decision of acceptance by the Board of Directors - are listed among proceeds in three different items, thus making apparent their gross value, relevant expenses, and devaluation.

Charges for projects are entered at the time when they are actually borne. The variation in the risk fund concerning accountancy reports which is connected to these projects is separately indicated under the item "Variation in the fund for projects" among miscellaneous charges, because it is not directly attributable to the activities carried out by AIFO.

Charges are subdivided in:

- a) charges for projects, concerning the activities which are part of the Association's purposes;
- b) charges for communication, fund raising and secretariat: they include the costs for the instrumental activities aimed at raising funds for the pursuance of AIFO's purposes;
- c) charges for general supporting activities, which are directly connected to the management of all the activities. This item includes amortizations, even though the latter are separately entered.

In the profit and loss account, the extra-ordinary management is divided in four parts which are related to the financial administration, provisions and fund clearance, extra-ordinary proceeds and charges, and taxes, respectively.

4. ANALYSIS OF THE COMPOSITION OF THE ASSET AND LIABILITY STATEMENT

Hereinafter, the variations registered in the main items in Assets, Liabilities, and net assets, are shown in relation to the previous year.

ASSETS

FIXED ASSETS

Fixed assets are listed net of the relevant amortization fund; they amounted to overall € 1,009,705 on 31 December 2009 (they were € 1,334,082 on 31 December 2008). The registered decrease in comparison to the previous year is mainly attributable to the sale of both the building in via Guido Rossa 48 - Casalecchio di Reno and the unused assets kept therein.

During the year, however, an increase in the net value of intangible fixed assets was registered as a consequence of some important investments made for the development of operational and accounting software.

Intangible fixed assets

This item includes software costs only; they are subdivided as follows:

	31/12/2009	31/12/2008	Variation
Software	68,961	100,602	-31,641
Amortization fund	(49,004)	(98,384)	-49,380
Value entered in the financial statement	19,957	2,218	17,739

This variation is attributable to the assignment of entirely amortized unused software as well as to the purchase of up-dated operational- and accounting- software packages which are used by AIFO.

Tangible fixed assets

This item includes:

	31/12/2009	31/12/2008	Variation
Land and buildings	981,345	1,280,000	-298,655
Furniture	49,931	49,931	0
Vehicles	11,485	11,485	0
Machines and equipment	36,555	72,568	-36,013
Electronic machines & systems	73,714	124,291	-50,577
Office machines	20,853	26,853	-6,000
Electric systems	6,218	6,218	0
Light constructions	18,732	30,163	-11,431
Telephone systems	11,153	11,153	0
Total historic value	1,209,985	1,612,661	-402,676
Amortization funds	(230,221)	(289,364)	-59,143
Value entered in the financial statement	979,764	1,323,297	-343,533

As stated hereinbefore, the variations occurred are mainly due to the sale of both the building in Casalecchio di Reno, and the relevant obsolete assets kept therein.

Financial fixed assets

The item "Financial fixed assets" is made of "Shareholdings" and "Guarantee-tied Assets".

The shareholding value went from € 8,566 on 31 December 2008 up to € 9,984 on 31 December 2009. This difference is due to the increase of AIFO's share in the capital of Banca Popolare Etica. The value of the share owned in the International Federation of Anti-Leprosy Associations (ILEP) was kept unchanged.

On 31 December 2009, the item "Guarantee-tied assets" amounts to zero, as in the previous year.

CIRCULATING ASSETS

Stock

This item - which is made exclusively of promotional materials which are kept at the national headquarters - amounts to € 12,340. This amount represents the purchase cost value of the materials concerning the World Leprosy Day 2010 which were purchased in advance.

Short- and long- term receivables for the funding of projects

The examined items concern receivables for the funding of projects from ILEP member Associations and other private associations, the EU and other international funding Bodies, CEI (the Italian Bishop Council), the Italian Ministry of Foreign Affairs, and local Authorities; they are entered among both the short- term activities and long-term activities.

These items, in their overall amount, showed the following trend:

	2009	2008	Variation
Balance at the beginning of the financial year (including the devaluation fund)	2,742,814	2,986,991	-244,177
Collected amounts	(1,470,150)	(990,318)	479,831
Differences due to exchange rate	0	0	0
Zero-setting – movements	(50,612)	(170,991)	-120,379
Credits originated by new approvals	<u>1,203,940</u>	<u>917,132</u>	<u>286,808</u>
Balance at the end of the financial year (including the devaluation fund)	<u>2,425,992</u>	<u>2,742,814</u>	<u>-316,822</u>
Credit devaluation Funds	<u>(354,195)</u>	<u>(251,202)</u>	<u>102,993</u>
Balance at the end of the financial year after deducting the Credit devaluation Fund	<u><u>2,071,797</u></u>	<u><u>2,491,611</u></u>	<u><u>-419,814</u></u>

By analysing the balance of credits subdivided by type of funding Body, as they are entered among activities, it appears as follows:

	31/12/2009	31/12/2008	Variation
Receivables from private associations (ILEP, CEI and others)	736,529	619,200	117,329
Receivables from MAAEE (net of devaluation fund)	832,938	1,136,576	-303,639
Receivables from International bodies	370,137	608,891	-238,754
Receivables from local and Regional Authorities	91,827	94,928	-3,101
Receivables from local and Regional Authorities for grants through groups	40,366	32,016	8,350
Total grants to be received	2,071,797	2,491,611	-419,814
Of which, in a short term	1,294,292	1,662,139	-367,847
Of which, in a long term	777,505	829,472	-51,968

The item "Receivables from other associations", which overall - with short and long term amounts - is equal to € 736,529, increased by € 117,329 if compared to € 619,200 registered on 31 December 2008. This significant increase is due mainly to the 3-year contribution to the Kenya Kadem project by CEI and the Missio Association; thus this increase refers to long-term credits. As for the ILEP member Associations which are also included in this item, no significant variations are registered in comparison to the preceding year, thus confirming the vitality in our relationships.

Receivables from MAAEE amount to € 832,938 after deducting their own devaluation which is equal to € 334,195 if compared to € 1,136,576 of 31 December 2008, after deducting their devaluation which is equal to € 251,202. The difference registered was due mainly to the following reasons:

- Cina Yunnan Project: € 141,508 collected; credit deficit equal to € 21,720.
- Mozambico Nampula Project: € 15,439 collected; total devaluation of the remaining credit equal to € 45,394.
- Brasil Parà Project: € 53,097 collected; credit deficit equal to € 7,598 and total devaluation of the remaining credit equal to € 22,503.
- Vietnam Emergency Project: € 267,934 donation approved, of which € 241,158 were collected.

This year the decrease in receivables from International bodies is due to the collection of € 164,851 granted by the European Union to the Mongolia CBR Project, and by the collection of € 73,903 granted by the Tunisian Ministry of Social Affairs, Solidarity and Tunisians Abroad concerning the Tunisia CBR Project.

Receivables from local Bodies and Regional authorities are practically unchanged.

Tax Credits

Tax credits as of 31 December 2009 amount to € 1,695 and refer - almost entirely - to IRAP advanced payments.

Miscellaneous Credits

This item is practically unchanged if compared to the preceding year and amounts to € 120,160. The main credits included herein concern donations received early in 2010 but pertaining to 2009 (€ 82,881), advanced costs (€ 9,902) and some minor receivables.

Bequests and donations

The item Bequests and donations is made up as follows:

	31/12/2009	31/12/2008	Variation
Real estate	1,517,001	1,518,751	-1,750
Cash/ Personal properties	182,709	636,152	-453,443
Total Bequests and donations	1,699,710	2,154,903	-455,193
Bequest devaluation fund	(629,075)	(419,636)	209,439
Bequest cost fund	(155,834)	(143,952)	11,882
Total bequests (net of the fund)	914,801	1,591,315	-676,514

Overall, the item Bequests among the assets in the Asset and Liability Statement, amounts to € 914,801, a value significantly lower than the preceeding year, as a consequence of the monetization of most personal properties which were included in this item, as well as of the increase in the bequest devaluation fund, which was mainly due to the following reasons:

- Additional € 90,625 de-valuation of three buildings in Naples which had already been devaluated in 2008. This operation was carried out in order to bring their value in the financial statement down to the expected break-up value, in view of the purchase offer received this year.
- Provision of € 121,823 for the devaluation of a bequest included in the 2009 budget for the same amount and then devaluated by 100%.

Conversely, the gross value of the real estate in the item Bequests has been kept unchanged, thus indicating that nothing has been sold in 2009.

The movements in the Bequest cost fund in 2009 were as follows:

Bequest cost fund as of 01/01/2009	143,952
Provisions in 2009	34,886
Adjustments (zero-settings)	-3,536
Use of the fund	-19,468
Bequest cost fund as of 31/12/2009	155,834

The movements in the Bequest devaluation fund were as follows:

Bequest devaluation fund as of 01/01/2009	419,636
Provisions set out in 2009	212,448
Use of the fund	-3,009
Bequest devaluation fund as of 31/12/2009	629,075

Financial assets

This item is made up as follows:

	31/12/2009	31/12/2008	Variation
Common Investment Pioneer	1,000,000	962,828	37,172
Common Investment Etica SGR	304,997	5,311	299,686
Securities	0	23,643	-23,643
Total Financial assets	1,304,997	991,782	313,214
Of which financial fixed assets	0	0	0
Total Non fixed Financial Assets	1,304,997	991,782	313,214

Also in 2009 the assets administration was entrusted to professionals, whose activities are strictly monitored by AIFO's directors as far as modes and guidelines for the investments are concerned. As a matter of fact, these investments shall always be financially non risky and in line with AIFO's purposes.

The significant increase in financial assets, from € 991,782 at the end of 2008 up to € 1,304,997 at the end of 2009, is due to the wealth of cash available at the end of the year, thanks to the reasons described in the paragraphs hereinbefore concerning buildings, credits and bequests. Actually, after both the collection of several credits and bequests and the sale of the building in Casalecchio di Reno, the Asset and Liability Statement underwent a variation in its composition, with a shift from fixed assets and credits to available cash. This situation caused the choice of increasing our financial assets by making a first investment of € 300,000 in the "Etica SGR" Fund.

Furthermore, while 2008 the Pioneer Fund had suffered a decrease in value, in 2009, given the increase in market values, the original price value was restored. The market value on 31 December 2009 is € 1,018,175.

Eventually, in 2009 some securities which were present at the end of the year, amounting to € 23,643 reached their natural expiration.

Cash

The item Cash amounts to € 37,631 and is represented by cash and securities at AIFO's national headquarters, in addition to the balance of the foreign currency cash which was available abroad for some projects, duly converted at the exchange rate applicable at the closing date of the financial statement. This item is subdivided as follows:

	31/12/2009	31/12/2008	Variation
Cash	27,816	31,378	-3,562
Foreign currency cash for projects	9,815	12,259	-2,444
Balance at the end of the year	37,631	43,636	-6,005

Banks and post current accounts (c/a)

The item Banks and post c/a amounts to € 1,457,689 and is subdivided as follows:

	31/12/2009	31/12/2008	Variation
Bank c/a	1,048,114	427,529	620,585
Post c/a	161,675	189,918	-28,243
C/a for stamping activities	352	868	-516
Pre-paid cards	3,418	4,792	-1,374
End of the year balance at AIFO headquarters	1,213,559	623,107	590,452
Bank c/a in foreign currencies for projects	244,130	306,008	-61,878
End of the year Balance	1,457,689	929,116	528,574

The significant increase in the banks balance (€ 528,574 more than 31 December 2008) is due solely to the increase in the balance of bank current accounts which, on 31 December 2009 amounted to € 1,048,114 (€ 427,529 at the end of 2008). As previously stated, this increase was due to both the sale of the building in Casalecchio di Reno and the monetization of some bequests and credits in 2009.

Accrued revenues and deferred assets

This item – equal to € 20,660 and compared to € 16,503 as of 31 December 2008 – mainly refers to the expenses borne for insurance and utilities pertaining to the subsequent year.

LIABILITIES

NET ASSETS

As a consequence of the operating surplus registered in 2009, which amounts to € 196.500, AIFO's net assets increased from € 4,473,535 on 31 December 2008 up to € 4,670,036 on 31 December 2009. This item is made up as follows:

Assets devoted to projects

This item represents the share of AIFO's available assets which are tied up to projects which have been approved by the Board of Directors for the next year. The entity of this item indicates the volume of project activities planned. This entity is represented by the appropriations decided by the Board of Directors in 2009, in addition to the remaining appropriations which are still effective at the closing date of the Financial statement. This item is increased on the occasion of new appropriations and is decreased in function of the implementation of projects. Appropriations are entered after deducting any possible grants-in-aid offered by financing bodies.

The Item "Assets devoted to Projects" was handled as follows:

	Net appropriation for projects on 31/12/2008	Pertaining Contribution	Gross appropriation for projects on 31/12/2008	Allocated to Projects 2009	Change in appropriations 2009	Gross appropriation for projects on 31/12/2009	Pertaining Contribution	Net appropriation for projects on 31/12/2009
Appropriation for short-term projects	1,079,353	1,420,414	2,499,766	-3,466,197	3,984,268	3,017,837	-1,077,619	1,940,218
Appropriation for Eas short-term projects	34,700	6,517	41,217	-9,741	16,900	48,376	-5,356	43,020
Total appropriations on short-term projects	1,114,053	1,426,931	2,540,983	-3,475,939	4,001,168	3,066,213	-1,082,975	1,983,237
Appropriation for long-term projects	250,113	809,343	1,059,456	0	-467,960	591,496	-382,583	208,913
Total appropriation for projects	1,364,165	2,236,274	3,600,439	-3,475,939	3,533,208	3,657,708	-1,465,558	2,192,150

In line with the method followed since 2007, also in 2009 net assets have been allocated exclusively to short-term appropriations. Therefore, in the financial statement as of 31/12/2009, net assets devoted to projects are equal to € 1,983,237.

The increase in this item as of 31 December 2009, if compared to the value of 2008 (from € 1,114,053 to € 1,983,237) is due to the fact that the appropriations for projects in 2010 have been decided by the Board of Directors on November 2009, i.e., as usual, the preceeding year. Conversely, in 2008 this decision had been post-poned (see the note to the financial statement 2008) and, therefore, the amount of the Assets devoted to projects in 2008 had been especially low.

Tied-up Reserve

This item is equal to € 600,000 and corresponds to the lowest limit indicated by the decision taken by the National Meeting of May 26-27 2007. This decision sets out a share of the unavailable assets corresponding to 30% of the net appropriations concerning projects which, however, shall be included in the range between € 600,000 and € 1,200,000.

Free Assets

Free assets are the part of net assets which is not allocated to either projects or the tied-up Reserve. On 31 December 2009 they are made up of the following items:

	31/12/2009	31/12/2008	Variation
Available Fund	1,041,340	1,909,691	-868,352
Re-evaluation reserve DL 185/08	848,958	848,958	0
Surplus/Deficit	196,500	833	195,667
Free Assets	<u>2,086,798</u>	<u>2,759,483</u>	<u>-672,684</u>

The decrease in the Free Assets as of 31 December 2009, if compared to 2008, is due to the decrease in the available fund; this decrease is partly counterbalanced by the surplus registered in 2009. The decrease in the available fund is due to the increase in the assets devoted to projects.

FUNDS FOR RISKS AND CHARGES

They are represented by miscellaneous Funds as well as the Fund for risks on accountancy reports. Their stated overall amount is equal to € 39,027, which is smaller than that of 31 December 2008 (when they amounted to € 57,617). The reasons for that are as follows:

- The item "Miscellaneous Funds" - in 2008 equal to € 10,000 - was zero-set as a consequence of the use of said amount to finally settle the relevant controversy;
- The item "Fund for risks on accountancy reports" - in 2008 was equal to € 47,617 and in 2009 underwent a € 8,590 decrease connected to ordinary administration. On 31 December 2009 this item amounted to € 39,027 and its components were as follows:

Fund as of 01/01/2009	57,617
Zero-setting due to either accountancy approval or credit devaluation	-36,904
Provisions for projects	28,315
Fund as of 31/12/2009	<u>39,027</u>

PAY SEVERANCE FUND (TFR)

As already clarified in the evaluation criteria, this item includes the overall amount of the pay severance indemnities accrued by the personnel, volunteers, and cooperation operators for projects abroad. In 2009 this item showed the overall amount of € 430,263 which concerns solely the pay severance indemnity for the employed personnel, because nothing is due to volunteers and cooperation operators at this regard.

The components of this items are as follows:

Pay Severance indemnity as of 01/01/2009	413,459
Amount used in the year	-26,812
Appropriation of this year	43,615
Fund as of 31/12/2009	<u>430,263</u>

DEBTS

The item "Suppliers", equal to € 122.739, is made of payables to suppliers and invoices to be received. If compared to the preceeding year this item is substantially unchanged.

Among miscellaneous debts and payables to social security bodies, payables to personnel, free-lancers, INPS (Italian Social Security Body), and others are entered. The single item which changed significantly if compared to 2008 is that concerning payables to personnel: that passed from € 39,614 on 31 December 2008 up to € 69,259 on 31 December 2009. This increase, which corresponds to the use of the Pay Severance Fund, is due to the fact that at the end of 2009 one staff member retired and, thus,

in compliance with the followed accounting principles, her share of pay severance fund was transferred from the latter fund to the item "Miscellaneous debts".

In the item Tax Debts, which amounts to € 44,797, debts concerning taxes accrued in 2009 are entered.

ACCRUED COSTS AND DEFERRED REVENUES

This item, amounting to € 1,470,125, in addition to various accrued costs and deferred revenues includes the shares of grants-in-aid appropriated by financing bodies and concerning projects to be implemented in the next year/years.

This item has been decreased due to the deduction of the share of grants used in 2009 for the implementation of projects.

	31/12/2009	31/12/2008	Variation
Various accrued costs and deferred Revenues	4,567	809	3,758
Deferred revenues for 1-year projects	1,082,975	1,462,185	-379,209
Deferred revenues for pluriannual projects	382,583	807,343	-424,760
Total accrued costs and deferred revenues	1,470,125	2,270,337	-800,212

MEMORANDUM ACCOUNTS

The appropriations for projects as of 31 December 2009 are as follows:

	31/12/2009	31/12/2008	Variation
Funds to be allocated to short-term projects	3,017,837	2,499,766	518,071
Funds to be allocated to long-term projects	591,496	1,059,456	-467,960
Education to Development	48,376	41,217	7,159
Total liability memorandum accounts	3,657,709	3,600,439	57,269

The items Funds to be allocated to short- and long- term projects show AIFO's commitment to projects and are the result of appropriations decided by the Board of Directors. These decisions concern appropriations for projects – also pluriannual - designed by AIFO, AIFO's partners or third parties. Appropriations concerning next year are entered in the item "Funds to be allocated to short-term projects", whereas other appropriations are entered in the item "Funds to be allocated to long-term projects". Appropriations are formally notified to the applicant and, even though they are not third parties' rights, represent a moral tie. The possible zero-setting of the appropriation is always decided by the Board of Directors and is caused either by savings obtained in the project itself or by the unfeasibility of the project or parts thereof.

In the case of co-funded projects, the appropriation decided by AIFO's Board of Directors includes the grant-in-aid: this is in contrast with what is entered in the item "Assets devoted to projects" which, as already mentioned hereinbefore, does not include said grants nor the long-term appropriation. Consequently, the difference between the two balances on 31/12/2009 corresponds to the share of appropriations for projects that is covered by the grants-in-aid of Financing bodies as well as by long-term appropriations.

On 31 December 2009 the value of the guarantees issued by third parties in AIFO's favour, upon request of Financing bodies, is equal to € 166,574, whereas there are no securities to warrant said

guarantees. It must be noted also that, on 31 December 2009, a bank credit line up to € 500,000 was available for the issuance of bank guarantees: the amount of € 333,476, however, was not used.

OPERATING RESULTS

PROCEEDS

Donations received from private individuals

With the purpose of raising funds for the pursuance of its institutional purposes, AIFO continuously perform awareness-raising and fund-raising activities, thanks to the dedication and presence in Italy of Members, supporters and sympathizers, as well as through means such as the magazine “Amici di Follereau”, its Web site, and initiatives such as the World Leprosy Day and specific campaigns.

In 2009, the donations received from private individuals as a consequences of these activities amount to € 3,400,849.

The item Donations shows the most significant value in terms of proceeds and in 2009 it appeared to be € 103,920 lower than in 2008. Furthermore, it must be noted that in the first quarter of 2010, if compared to the same periodo of 2009, donations registered a 16.5% decrease, corresponding to € 227,395. The reasons for this negative trend, in our opinion, in addition to the permanence of a difficult economic situation in Italy, can be found in the occurrence in early 2010 of extraordinary events such as the earthquake in Haiti and Chile, which significantly diverted people’s attention from AIFO’s main fund-raising campaign, which was linked to the World Leprosy Day.

Proceeds from 5 per thousand

In 2009 the Revenue Office published and paid the amounts concerning the “5 per thousand” of 2007. AIFO received € 143,264.

Grants from private associations

In this item, equal to € 505,412, the grants received from ILEP member Associations, for an amount equal to € 378,500 are entered, whereas the remaining part concerns grants from the Italian Bishop Council (CEI) and other private associations and bodies.

Grants from the Ministry of Foreign Affairs (MAAEE)

This item, which in 2008 amounted to € 999,928, includes the grants received from MAAEE and correlated to activities carried out in 2009. The significant increased registered if compared to the preceeding year when this item amounted to € 313,181, is mainly due to (i) the unfreezing of the activities for the China Yunnan project, (ii) the MAAEE funding of the emergency initiative in Vietnam, and (iii) the grant concerning the Brasil Tocantins project, which in 2008 was not particularly significant because it had been started late in the year. In particular, the MAAEE grants in 2009 concern the following projects:

- Brasil Tocantins: € 249,122
- China Yunnan: € 348,887
- Vietnam RBC: € 250,216
- Vietnam Emergency: € 151,703.

Grants from International Financing bodies

This item, equal to overall € 287,543, is made up of grants concerning the following projects and financing bodies:

- Mongolia RBC, European Union: € 193,192
- Tunisia, MASSTE: € 94,351

Grants from Local bodies and Regional Authorities

This item, equal to € 154,394, concerns grants from Councils, Provinces, and Regional Authorities. If compared to 2008 it was increased by € 29,331.

Grants from Local bodies and Regional Authorities granted to local Groups

In 2009 the grants received through Groups amount to € 5,885, with a significant decrease if compared to 2008, when they amounted to € 32,016.

Bequests

Since 2009 the gross value of new bequests and the relevant costs and provisions are shown in the financial statement while before bequests were indicated net of the relevant costs and provisions. In 2009 this item was made of the following components, whose values are compared to those of 2008:

	2009	2008	Variation
Gross proceeds from bequests	345,690	498,318	-152,628
Consultants for bequests	(41,457)	(40,166)	1,292
Other running costs	(35,927)	(107,942)	-72,015
Provisions	(212,448)	(151,875)	60,573
Net proceeds from bequests	<u>55,857</u>	<u>198,335</u>	<u>-142,478</u>

The decrease registered in net proceeds from bequests in comparison to 2008, is mainly due to the lower incidence of gross proceeds. As a matter of fact, the overall variation in the negative items to be deducted is not significant. However, some effect is due to the € 212,448 provision to the devaluation fund. This provision was affected by € 90,625 concerning the additional devaluation of three buildings in order to enter them among the assets at their relevant market value, as well as by € 121,823 concerning the total devaluation of one of the bequests received in 2009 (therefore, this amount can also be found among bequest gross proceeds).

Variation in stock

This item, amounting to € -8,844, concerns entirely the stock variations.

CHARGES

Charges for projects

The direct costs borne for projects' implementation amount to overall € 3,599,358, of which € 3,466,197 concern international cooperation projects, and € 133,161 projects of education to development and, specifically, training activities, the production of educational material, as well as personnel costs and other directly related costs.

The costs borne for the Foreign Project Service are equal to € 393,207 and are made up as follows.

	2009	2008	Variation
Personnel	371,450	355,636	15,814
Free-lancers	0	0	0
Other costs	21,757	22,001	-244
Total	<u>393,207</u>	<u>377,637</u>	<u>15,570</u>

Charges for Communication, Fund-raising, Secretariat and General Services

This item includes the costs borne in the year by the services which are mainly devoted to fund-raising, i.e. Secretariat and General Services, and Communication and Fund-raising, the costs of which are listed below.

Secretariat and General Services

	2009	2008	Variation
Personnel	223,140	229,523	-6,383
Free-lancers	0	0	0
Special consultants	2,500	6,000	-3,500
Purchased materials	157,771	138,260	19,511
Production of awareness-raising materials	80,085	196,193	-116,107
Mailing and distribution	78,103	127,451	-49,348
Professional up-dating	8,495	9,888	-1,393
Travels and transfers	421	409	12
Contacts with donors	0	3,881	-3,881
Post charges	28,442	23,776	4,666
Work groups	0	0	0
Other costs	17,017	20,481	-3,464
Total	595,974	755,860	-159,886

Communication and Fund-raising

	2009	2008	Variation
Personnel	36,861	77,094	-40,232
Special consultants	7,112	0	7,112
Work groups	0	328	-328
Advertising and press office	35,229	10,094	25,136
Professional up-dating	8,495	9,888	-1,393
Postal charges/ mailing	414	514	-100
Production of materials	7,638	11,084	-3,446
Travels and transfers	2,079	1,328	751
Subscriptions	2,919	8,854	-5,935
Other costs	6,240	8,791	-2,551
Total	106,988	127,973	-20,985

Charges for general support activities

Unlike the preceding years, the items "Amortizations" and "Charges for institutional activities and administration" were stated separately.

Charges for institutional and administrative activities represent the cost borne by AIFO to carry out all the activities which cannot be directly ascribed to projects or other Communication and fund-raising activities.

In 2009 this item amount to € 511,960 (it was € 521,719 in 2008) and is split in two components:

1. costs concerning the management, administration and information systems;
2. costs concerning institutional activities, which refer to the operation of AIFO's Organs.

Costs concerning the management, administration and information systems

	2009	2008	Variation
Personnel	292,540	304,130	-11,590
Consultants	22,774	20,010	2,764
Maintenance and cleaning	11,155	12,653	-1,499
Maintenance agreements	15,243	15,758	-515
Vehicles	1,917	1,181	737
Insurance costs	8,264	6,796	1,469
IT consumables	1,981	957	1,024
Professional up-dating	8,687	10,955	-2,269
Post charges/ mailing	1,285	754	532
Labour safety	1,509	2,118	-609
Travels and transfers	105	792	-687
Other costs	7,591	11,000	-3,409
Total	373,051	387,104	-14,053

Costs for institutional activities

	2009	2008	Variation
Federation membership fees	34,035	27,381	6,654
General Meetings	14,313	13,034	1,279
Members (insurance, cards...)	10,031	9,482	549
Institutional relationships (federations, conventions)	6,940	3,090	3,850
Board of Directors - Chairperson/Directors	21,221	24,125	-2,904
Management/PR	2,118	1,987	131
Regional Coordination offices	6,039	5,422	617
Auditors	11,360	16,587	-5,227
Certification of the financial statement	13,303	12,829	474
Rome Office	19,549	18,933	616
Civilian Service	0	1,744	-1,744
Total	138,909	134,615	4,294

Overall, this item did not register any significant changes if compared to the preceeding financial year.

Amortizations

In 2009, amortizations amounted to € 48,622, with a € 5,595 increase if compared to 2008. Essentially, said increase is due to the amortization rate on the greater value of some real estate which have been re-evaluated pursuant to the decree D.L. 185/2008.

TAXES, FINANCIAL AND EXTRAORDINARY CHARGES AND PROCEEDS

Financial administration

	2009	2008	Variation
INTERESTS ACCRUED ON POST AND BANK c/a	4,920	5,658	-737
<i>Interests due on post and bank c/a</i>	0	-21	21
<i>Charges on post and bank c/a</i>	-11,149	-12,973	1,824
COSTS OF POST AND BANK C/A	-11,149	-12,994	1,845
Post and bank c/a operating result	-6,228	-7,336	1,108
PROCEEDS FROM INVESTMENT FUNDS AND SECURITIES	50,185	12,697	37,488
<i>Charges from investment funds and securities</i>	-13,013	-37,739	24,726
<i>Commissions on investment funds and securities</i>	-349	-154	-195
COSTS OF INVESTMENT FUNDS AND SECURITIES	-13,362	-37,893	24,531
Funds and securities operating result	36,822	-25,196	62,019
Charges for bank guarantees	-3,690	-53	-3,637
FINANCIAL OPERATING RESULTS	26,904	-32,585	59,490

The financial operating results include Bank interests accrued and due, bank charges, bank guarantee charges, as well as proceeds and charges concerning investment funds and securities. In 2009 they registered a net positive balance of € 26,904; conversely in 2008, there was a negative balance amounting to - € 32,585. This improvement was caused - almost entirely - by the increased value of financial assets which was registered in 2009, after their decrease in value suffered in 2008 due to the well known international financial crisis. It must be noted that, as far as the item "Proceeds from investment funds and securities" is concerned, the registered € 37,488 increase is due to the restoration of the historic value, whereas the market value at the date of the financial statement was € 18,175 higher than the former. As stated in the paragraph on evaluation criteria, the positive difference between market value and historic cost is not entered into accountancy in compliance with prudence criteria.

Provisions and fund clearance

	2009	2008	Variation
Provision for the credit devaluation fund	-82,993	-140,264	57,271
Provision for the risk on accountancy report fund	-28,315	-21,164	-7,151
Provision for the risk and charge fund	0	0	0
Total provisions	-111,307	-161,428	50,121
Clearance of the credit devaluation fund	0	0	0
Clearance of the accountancy report risk fund	36,904	113,487	-76,583
Clearance of the risk and charge fund	0	140,000	-140,000
Total proceeds for fund clearance	36,904	253,487	-216,583
NET PROVISIONS	-74,403	92,060	-166,462

In this section the provisions to the "credit devaluation fund", "accountancy report risk fund", and "risk and charge fund" as well as the possible clearance of amounts from these funds are included. In 2009 their total value is negative (- € 74,403), whereas in 2008 it was positive (€ 92,060). This difference is due to the fact that in 2008, after an in-depth analysis and thanks to the risk management, overall € 253,487 had been cleared, which more than compensated the provisions for both credit devaluation and accountancy report risks which, overall, amounted to € 161,428. Conversely, in 2009 the sole substantial variation was the provision of € 82,993 for the credit devaluation fund.

Extra-ordinary proceeds and charges

	2009	2008	Variation
Surplus from assets	16,500	1,350	15,150
Proceeds from currency exchange rates	606	0	606
Contingent assets	32,555	13,070	19,485
Extraordinary proceeds	49,661	14,420	35,240
Extraordinary charges	-22,697	0	-22,697
Losses on receivables	-22,162	-15,795	-6,367
Contingent liabilities	-13,075	-27,618	14,544
Deficits from assets	-5,656	0	-5,656
Controversies with staff members	-386	-6,242	5,857
Extraordinary charges	-63,975	-49,656	-14,320
TOT. EXTRAORDINARY PROCEEDS AND CHARGES	-14,315	-35,235	20,921

This section includes among proceeds the asset surplus, positive exchange differences and contingent assets, whereas among charges there are losses from receivables, contingent liabilities, deficits from assets, costs for controversies with staff members which are not included in the risk and charge fund, as well as other extraordinary charges.

Overall, in 2009 extraordinary proceeds amount to € 49,661: they are mainly caused by (i) the € 15,000 surplus originated from the sale of the building in Casalecchio di Reno, (ii) the return of a micro-credit amounting to € 18,572, and (iii) the return of a € 7,822 deposit which – by mistake - had been entered among costs in the preceeding years. The balance of this item is made of several small grants pertaining to past financial years.

Conversely, extraordinary charges amount to € 63,975. They essentially consist of losses on credits (€ 22,162), extraordinary charges related to the building sold (€ 22,697), contingent liabilities (€ 13,075), and deficits from assets (€ 5,656).

Taxes in the financial year

The item “Taxes in the financial year” amounting to € 29,865, includes the provisions concerning IRES and IRAP, in addition to all the withholding taxes on bank interests.

Personnel

AIFO’s personnel is hired in compliance with the National Labour Contract concerning the companies in the third sector, distribution, and services.

As of 31/12/2009 the personnel in force was equal to 22 units (23 on the same date of 2008); both in 2009 and 2008 there was 1 unit on an unpaid permanent leave.

In 2009, AIFO used 1 free-lancer in Italy and 6 free-lancers who went abroad to implement projects in other countries.

As for the value to give to volunteer work, this value is indicated only in the case of co-funded projects. Conversely, the value of the work offered by thousand volunteers who support AIFO in activities ranging between the specialistic type ones, i.e. complex and qualified, and activities of information, education, and fund raising is not shown. The same applies to the work carried out by the members of the Board of Directors, who perform their task with no remuneration as set out by AIFO’s by-laws, according to the traditional full separation between remunerated technical staff and members, who are volunteers.

In 2009 AIFO has borne € 964,440 costs for all AIFO staff members, whereas in 2008 these costs amounted to € 1,014,257.

INFORMATION SHEETS ENCLOSED TO THE FINANCIAL STATEMENT

As usual, some information sheets are enclosed herein; even though – technically speaking - they are not integral part of the Financial Statement, they are deemed to be useful for a better appreciation of AIFO's activities.

Projects completed in 2009 and appropriations as of 31/12/09

OTHER LEPROSIES	PROJECTS	COSTS 2009	APPROPRIATIONS 2010
	HOLY MASSES	1,430	2,255
Total OTHER LEPROSIES		1,430	2,255
INSTITUTIONAL SUPPORT	PROJECTS	COSTS 2009	APPROPRIATIONS 2010
	BRASIL COORDINATION	72,891	106,020
	CHINA SOLIDARITY & SERVICE	4,000	4,000
	INDIA BANGALORE L.S.	58,646	60,154
	ITALY SIHAN	500	250
	ILEP/WHO/MISCELLANEOUS MEETINGS	7,028	9,128
	DESIGN OF NEW PROJECTS	12,966	50,000
Total INSTITUTIONAL SUPPORT		156,031	229,552
EMERGENCY	PROJECT	COSTS 2009	APPROPRIATIONS 2010
	PAKISTAN EARTHQUAKE	824	25,279
	VIETNAM MAAEE EMERGENCY	151,703	99,354
Total EMERGENCY		152,527	124,633
TRAINING	PROJECT	COSTS 2009	APPROPRIATIONS 2010
	INDIA KARIGIRI	1,400	1,400
	INFO MAT AIFO	1,474	292
	LEPROSY REVIEW	1,500	1,500
	HEALTH COOP. NOTEBOOKS	100	202
Total TRAINING		4,474	3,394
CHILDHOOD	PROJECT	COSTS 2009	APPROPRIATIONS 2010
	BRASIL CHILDHOOD GOIAS VELHO	17,000	22,000
	CHINA CHILDHOOD HANDA	19,414	90,000
	COMOROS CHILDHOOD	14,000	10,000
	INDIA CHILDHOOD ASSAM	10,000	-
	INDIA CHILDHOOD LUCKNNOW	5,000	-
	INDIA CHILDHOOD BIDAR	23,400	86,850
	INDIA CHILDHOOD CHAINPUR	19,400	14,000
	INDIA CHILDHOOD NAYEE ASHA	58,500	31,400
	MOZAMBIQUE CHILDHOOD NAMPULA	5,000	5,000
	CONGO D.R. CHILDHOOD GOMA RDC	72,000	472
	VIETNAM CHILDHOOD	-	11,667
Total CHILDHOOD		243,714	270,445
LEPROSY	PROJECT	COSTS 2009	APPROPRIATIONS 2010
	BANGLADESH KHULNA	22,000	5,000
	BRASIL LAGO DO ALEIXO	-	2,500
	BRASIL TOCANTINS MAAEE	326,694	280,826
	BRASIL PARA	35,365	47,622
	BRASIL ACRE	1,422	12,215
	BRASIL BAHIA	11,538	9,443
	BRASIL GOIAS	8,680	11,320
	CHINA YUNNAN MAE	490,183	15,660
	ETHIOPIA GAMBO	8,000	-
	ETHIOPIA BUSHULO	3,000	-

GHANA	P.N.	70,000	-
GREAT BRITAIN	TAG-ILEP	2,496	1,799
GUINEA BISSAU	P.N.	73,009	131,121
INDIA	NALGONDA	2,000	-
INDIA	GUDIVADA/MACHILIPATNAM	15,000	15,000
INDIA	WARANGAL	4,800	-
INDIA	COCHIN IMA	25,000	15,000
INDIA	KUMBAKONAM	15,500	15,500
INDIA	BOMBAY SION	9,000	7,500
INDIA	BOMBAY VIMALA	9,000	7,500
INDIA	SUMANA HALLI	14,000	10,000
INDIA	SHANTHA JEEVA JYOTHI	4,000	-
INDIA	MANDYA LEBBRA/ CBR	29,000	25,000
INDIA	KOLLAPUR	12,000	10,000
INDIA	ASSAM NLEP	15,000	35,000
INDIA	KARNATAKA NLEP	3,000	-
INDIA	ORISSA NLEP	38,000	20,000
INDIA	ANDHARA PRADESH NLEP	6,700	10,000
INDIA	WEST BENGAL NLEP	7,500	-
INDIA	NP NATIONAL LEVEL	17,500	10,000
INDIA	NIDADAVOLE	14,000	10,000
INDIA	SANT CATALD	5,500	5,500
INDIA	MANGALORE	2,850	2,850
INDIA	BELLARY	22,000	15,000
INDONESIA	NAOB REHAB	5,000	5,000
ITALY	LEPROSY	-	1,503
ITALY	LEP/SEM/ITALY	200	4,650
ITALY	S. MARTINO HOSP.GE		
ITALY	IMMIGRANTS	645	738
KENIA	KADEM	69,348	120,736
MADAGASCAR	IMADY	5,000	5,000
MADAGASCAR	ISOANALA	5,000	5,000
MOZAMBIQUE	MANICA IV	77,615	86,413
MOZAMBIQUE	NAMPULA	107,260	221,236
MYANMAR	NONG KANG	1,000	2,000
MYANMAR	ST. THERESA	1,000	5,000
MYANMAR	LOILEM S,J,C,	-	2,000
NICARAGUA	MANAGUA	9,000	9,000
"IDEA LEBBRA"		3,361	1,157
Total LEPROSY		1,608,168	1,200,786

LEPROSY TB	PROJECT	COSTS 2009	APPROPRIATIONS 2010	
	BANGLADESH	DHANJURI	14,000	14,000
	CONGO D.R.	ISANGI	18,000	18,000
	CONGO D.R.	ITURI	8,943	10,167
Total LEPROSY TB		40,943	42,167	

REHABILITATION	PROJECT	COSTS 2009	APPROPRIATIONS 2010	
	BRASIL	SANTAREM CBR	3,000	3,000
	EGYPT	CBR	48,520	20,000
	GUYANA	CBR	15,000	-
	INDIA	CHANDPUR CBR	14,000	-
	INDIA	MALAVALLI CBR	27,000	20,000
	INDIA	MUDHOL KJES RBC	5,000	10,000
	INDIA	WE CARE RBC	11,000	6,000
	INDONESIA	PPCI-DPO	15,000	10,000
	INDONESIA	CBR	45,000	35,000
	KENIA	KOROGOCHO RBC	11,000	20,000
	LAOS	RBC	1	5,215
	LIBERIA	CBR	48,300	13,618
	MONGOLIA	CBR	20,564	34,180
	MONGOLIA	CBR UE	240,737	296,249
	PAKISTAN	PESHAWAR CBR	424	13,116

	TUNISIA	MAE	36,364	91,497
	WHO VULNERABLE GROUPS		68,199	49,278
	VIETNAM	CRB MAE	355,325	236,449
	VIETNAM	CBR	737	6,066
Total REHABILITATION			965,171	869,669
RESEARCH	PROJECT		COSTS 2009	APPROPRIATIONS 2010
	SEROLOGIC LAB. GENOA, ITALY		8,248	- 2,323
	NEW RESEARCH PROJECTS		677	1,449
Total RESEARCH			8,925	- 874
PRIMARY HEALTH CARE	PROJECT		COSTS 2009	APPROPRIATIONS 2010
	BANGLADESH	CHITTAGONG	3,500	3,500
	COMOROS	POMONI	33,024	5,917
	ERITHREA	DIGSA	5,000	-
	GHANA	ULCERA BURULI	5,000	-
	INDIA	BALKHI/HUMNABAD	2,400	4,000
	MADAGASCAR	MORAMANGA	5,000	5,000
	MOZAMBIQUE	CABO DELGADO	14,158	23,850
	CONGO D.R.	KIMBAU	54,997	10,616
	2nd PEOPLES' MEETING		-	779
Total PRIMARY HEALTH CARE			123,079	53,662
DEVELOPMENT	PROJECT		COSTS 2009	APPROPRIATIONS 2010
	CAMEROON	SOCIAL PROGRAMME	15,250	15,000
	INDIA	ASSAM CBR	27,097	34,000
	NEPAL	PRIVATE WATCH	41,120	72,444
	CONGO D.R.	REPRESENTATIVE	78,269	100,701
Total DEVELOPMENT			161,736	222,145
Total PROJECTS			3,466,197	3,017,837
DEV. EDUCATION	PROJECT		COSTS 2009	APPROPRIATIONS 2010
	SCHOOL (COURSES & MEETINGS)		160	2,340
	EDUCATIONAL TRIPS		-	3,000
	SUMMER CAMPS		1,174	-
	EXHIBITIONS		-	500
	MATERIALS		253	9,002
	BASIC TRAINING COURSES		-	15,000
	HUMAN RIGHTS FOR EVERYONE		6,621	-
	REGIONAL VOLUNTEER SERVICE		1,236	338
	MISCELLANEOUS ACTIVITIES		35	365
	ITALY PROJECT GROUP		-	10,496
	GET INFORMED		24	5,746
	DISABILITY & COOP		238	760
	FOLLEREAU DOC. CENTRE		-	829
	CONGRESS		8,944	-
	JOURNAL		68,349	-
	PERSONNEL		40,449	-
	GML TESTIMONIALS		5,678	-
Total DE			133,161	48,376
Total PROJECTS and DE			3,599,358	3,066,213
LEPROSY	LONG-TERM PROJECT			APPROPRIATIONS
LEPROSY	BRASIL	TOCANTINS MAAEE		148,559
REHABILITATION	KENIA	KADEM		361,500
Total	VIETNAM	CRB MAE		81,437
				591,496

OVERALL TOTAL

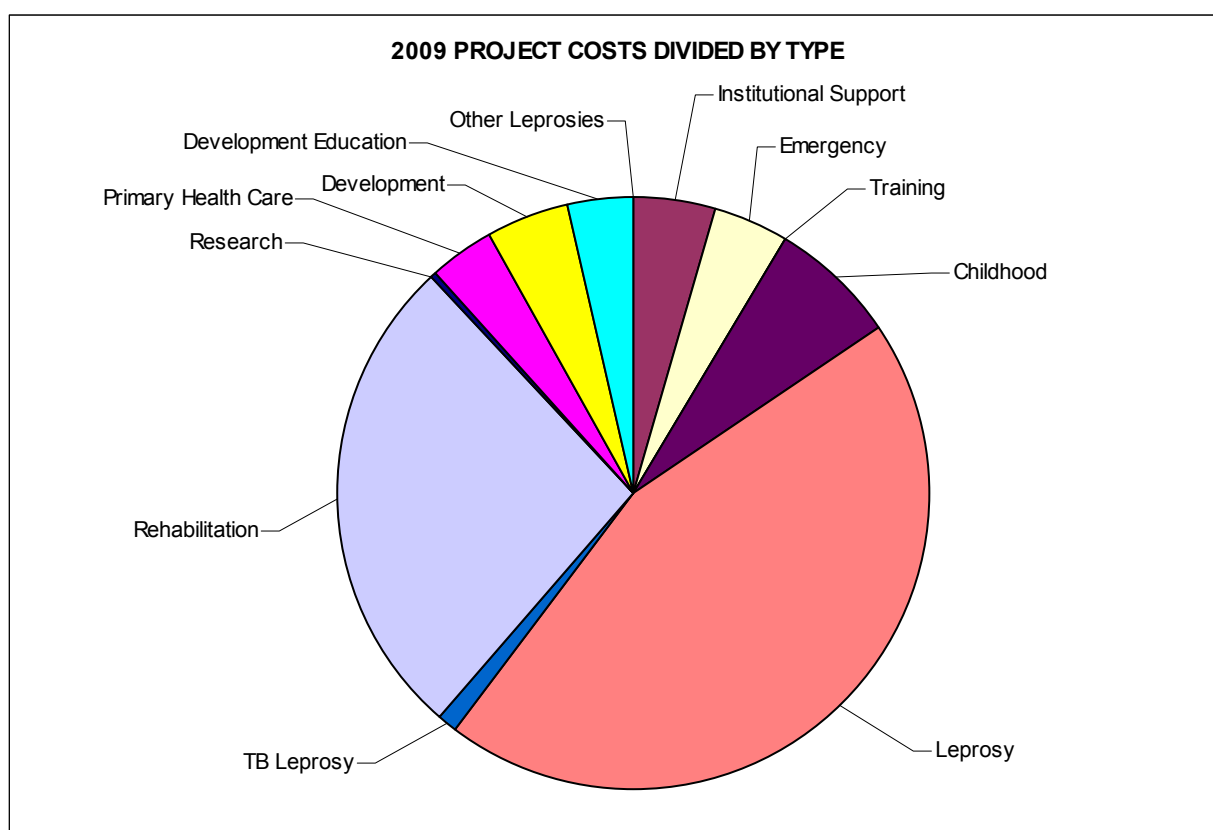
SHORT- & LONG- TERM APPROPRIATIONS

3,657,708



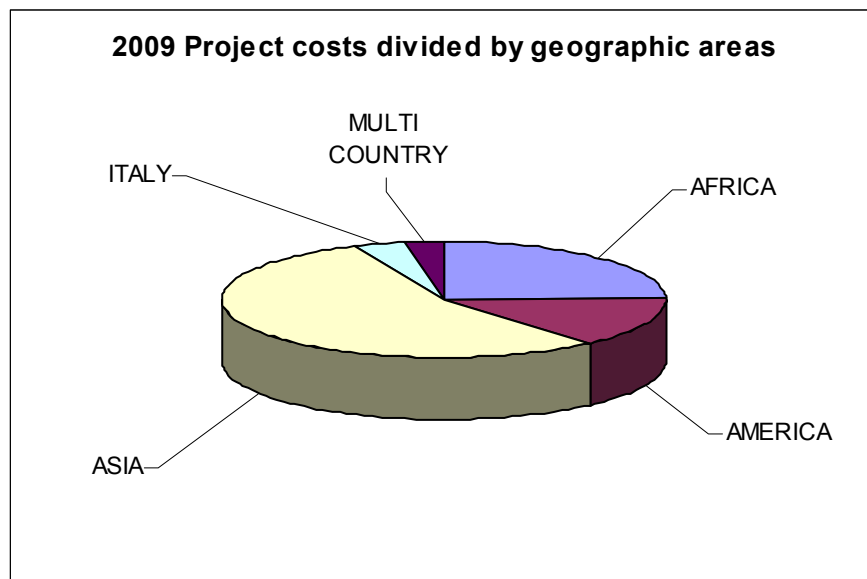
Projects costs divided by type

Year	2008		2009		2010	
Type of intervention	Costs	%	Costs	%	Appropriation	%
Other Leprosies	2.139	0,07%	1.430	0,04%	2.255	0,07%
Institutional Support	107.832	3,39%	156.031	4,33%	229.552	7,49%
Emergency	5.014	0,16%	152.527	4,24%	124.633	4,06%
Training	23.298	0,73%	4.474	0,12%	3.394	0,11%
Childhood	246.200	7,75%	243.714	6,77%	270.445	8,82%
Leprosy	1.004.078	31,59%	1.608.168	44,68%	1.200.786	39,16%
TB - Leprosy	42.000	1,32%	40.943	1,14%	42.167	1,38%
Materials	5.510	0,17%	-	0,00%	-	0,00%
Rehabilitation	1.114.790	35,08%	965.171	26,82%	869.669	28,36%
Research	11.113	0,35%	8.925	0,25%	874	-0,03%
Primary Health Care	200.202	6,30%	123.079	3,42%	53.662	1,75%
Development	189.156	5,95%	161.736	4,49%	222.145	7,24%
Development Education	226.638	7,13%	133.161	3,70%	48.376	1,58%
Total	3.177.970	100,00%	3.599.358	100,00%	3.066.213	100,00%



Project costs divided by geographic areas

Year	2008		2009		2010	
Geographic area	Costs	%	Costs	%	Appropriations	%
Africa	996.690	31,4%	891.057	24,8%	918.401	30,0%
America	352.858	11,1%	500.591	13,9%	503.944	16,4%
Asia	1.544.511	48,6%	1.965.724	54,6%	1.472.835	48,0%
Italy	249.476	7,9%	143.431	4,0%	54.642	1,8%
Multi-country	34.435	1,1%	98.555	2,7%	116.390	3,8%
Total	3.177.970	100,0%	3.599.358	100,0%	3.066.213	100,0%



Translation of the Auditing Company Report

ASSOCIAZIONE ITALIANA AMICI DI RAUL FOLLEREAU

Financial Statement as of 31/12/2009

Report of the Auditing Company

Auditing Company Report

To the Board of Directors of the
Associazione Italiana Amici di Raul Follereau – AIFO

1, We audited the Financial Statement of the Associazione Italiana Amici di Raul Follereau – AIFO, as of 31/12/2009, which includes the Asset and Liability Statement, Management Report, and the Additional Note to the Financial Statement. The Financial Statement was drawn up according to the accounting principles set out in the above mentioned Note. The Directors of the Associazione Italiana Amici di Raoul Follereau – AIFO are responsible for drawing up the Financial Statement. We are responsible for the professional opinion expressed on said Financial Statement; an opinion based on the results of our auditing.

2. The auditing was carried out in compliance with the principles of international auditing. In compliance with said accounting principles, this auditing was planned and carried out with the purpose of acquiring every necessary detail to ascertain if: (i) the Financial Statement is jeopardized by significant errors; and (ii) it is reliable as a whole. The auditing procedure includes the survey, based on sample checks, of the evidence provided to support the totals; it also aims at assessing if the Directors' estimates are reasonable. We deem that the work performed by us provides a reasonable basis on which our professional opinion rests.

As for the auditing on the Financial statement of the preceeding year, details of which are shown for comparative purposes only, reference shall be made to our relevant report issued on May 11 2009.

3. In our opinion, as a whole, the above mentioned Financial Statement reliably represents both the asset and financial situation and the results of the Associazione Italiana Amici di Raoul Follereau – AIFO in the year ended on 31/12/2009, in compliance with the accounting principles indicated in the Additional Note.

Bologna, April 21 2010

Reconta Ernst & Young S.p.A.

Carlo Colletti
(Partner)