

## REPORT ATTACHED TO 2017 FINANCIAL STATEMENT

Dear members,

The Governing Council of the Amici di Adwa Association desires to present to you 2017 management through the final balance and a summary of the most important events related to association activities last year.

### Association activities

The events with members and volunteers for 2017 were the usual friendly moments such as the Dinner for sponsors, for whom we are attaching the summary, and specific moments for volunteers in the healthcare sector who collaborate with the Hospital project.

Throughout the summer, a Summer Camp was organized at Adwa where a dozen of young people from Cento, Finale Emilia, Milan, Turin, Padova and Rome, coordinated by Simona Frabetti, entertained the oratory.

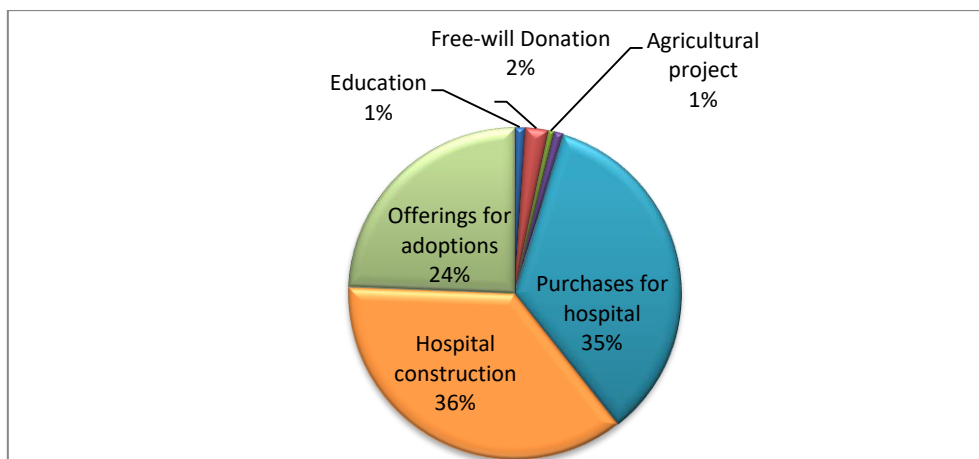
A group of 7 young people, followed by the TV2000 television crew, was added to these numbers and made the docu-reality "Oh my god 2.0", telling of their experience in mission at summer camps with children.

### Fund raising

Donations received by the association in 2017 were collectively substantially more than the previous year. This especially due to the funds collected for the hospital, including among others, a significant contribution of 1.25 Million € from the doctor and entrepreneur Ercole Lucchini, who has also significantly supported the project for some time, with other substantial donations given directly to Kidane Merhet.

Here below a summary of donations received divided by project.

| Donations                 |           |           |
|---------------------------|-----------|-----------|
|                           | Year 2017 | Year 2016 |
| Child sponsorship project | 527,713   | 549,442   |
| Free-will Donations       | 47,749    | 56,726    |
| Healthcare project        | 1,537,018 | 177,073   |
| Education project         | 21,511    | 6,537     |
| Agricultural project      | 12,838    | 10,800    |
| Other                     | -         | 3,401     |
| Total                     | 2,146,929 | 803,978   |



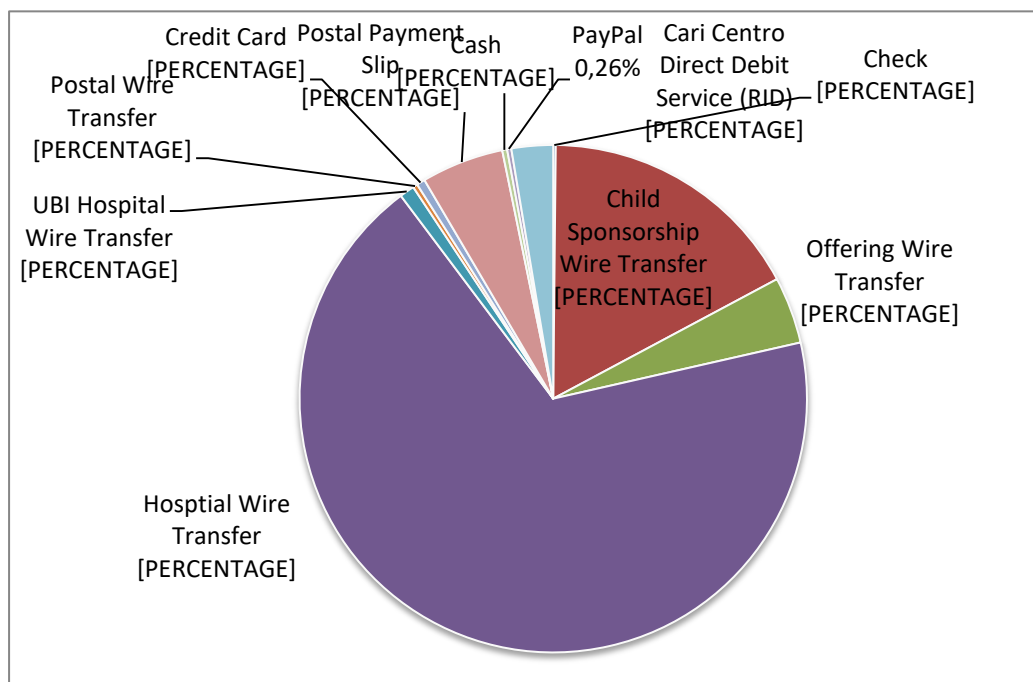
Throughout the year **219 new donors for projects** were acquired (an increase compared to 2016) and **45 new sponsors**, the income for **child sponsorship** have decreased slightly, but the number of active sponsorships is mostly stable, equal to **1708** (n. 1715 in 2016).

As explained previously, the donations increase was mainly related to the hospital project, while for other projects the amounts are mostly stable.

There is also a slight increase in income related to the allocation of **5x1000 IRPEF Income Tax** to support non-profit organizations **(+ 4%)**. The amount collected in 2016 (related to financial year 2014) has been used up completely to purchase an Ultrasound system and a deposit for the C Arch, equipment that is necessary for the activities of the new Adwa hospital. The 5x1000 amount for year 2015 was accredited in August and this contributed to settling the C Arch purchase.

For 30% donations are from Emilia Romagna (excluding the 1.25 Million € donation from Lucchini coming from the Lombardy Region), but other Italian regions (in order Lombardy Piedmont, Lazio, Veneto) contribute significantly thanks to contact with the missionaries, volunteers or other active local groups.

The wire transfer is still the most used system, even in recurring mode. The on-line donation is still not used very much.



The estate bequest procedure mentioned in the last summary has reached an advanced phase, it should be perfected within a few months.

### The association administration office

Even for 2017 Carolina Paltrinieri, an important connection with the volunteer doctors, has consulted the association.

In the spring, Mariella Moschetta, an undergraduate Communication student in Ferrara, completed a 300-hour internship at our office, handling communications, web site updating, managing and organizing the Adwa Friends Dinner.

Throughout the Summer Samuele Govoni, student at the "Cervolani" Classical High School in Cento, completed a trainee internship period at the administration office as a "School-work alternating project".

As far as the team, Lucia Cerritelli beginning in May 2017 replaced the employee Anna Govoni throughout her maternity and parental leave period.

The administrative office has activated itself in order to upgrade data structure and management to EU Regulation 2016/679, known as **GDPR** (General Data Protection Regulation) – related to the protection of natural persons concerning the **treatment and free circulation of personal data**.

In December the governing council approved opening a new checking account, with favorable conditions for the Voluntary sector, at the UBI Bank branch in Cento (FE), as the place for donations destined to the Adwa Hospital, in view of future fund raising activities, it has been decided that a nationally important bank channel that is very actively working with non-profits was important, the Cassa di Risparmio di Cento however remains central to Association activities.

In 2018 it will be the 20 year anniversary for the Association and there are various suitable activities planned for that date, and they will be communicated in the next weeks.

When also considering that the first hospital (Health Center) is expected within the year, it has been decided to start specific activities aimed at increasing fund raising; as a result, this has increased the group of contacts and donors. For this reason, we will require specific *fund raising* consulting, and will invest - in a focused measure and mode - as necessary for an effective and long lasting fund raising campaign.

### **A Hospital for Adwa project**

Throughout 2017 the administration, healthcare and management control managers have used worked in situ designing the appearance and structure of the first wing that will become operational as a Health Center. The start-up costs as well as local personnel, machinery and consumables costs etc... have been estimated. The arrangement of services, systems, clinics and the first 27 beds have been planned along with Italian volunteer doctors (from A.S.P.O.S. and A.M.O.A.) as well implementing a good internet connection for computerized medical reports thanks to A.P.O.F.

A legal form has been identified that would allow the Health Center to operate as an implementation of the Ethiopian Catholic Church, tax exempt and not having a risk of confiscation on the part of the State, setting aside the initial idea of founding a private “PLC” company.

The direct fund raising for the Kidane Mehret has however been affected by a stop that has suspended the construction site. Even the procedure for obtaining government authorizations as been blocked by the Ethiopian political scene, which has been resolved only recently (April 2018).

There is a strong desire to start the Health Center by the end of 2018 or the first month of 2019.

### **Main Financial statement items**

Against the donations received, monetary funds for 2,194 thousand € were sent, of which 600 thousand for sponsorships and more than 1.5 million for the Hospital. In addition materials (healthcare and various) were purchased and sent for 9,500 €, and machinery for the Hospital for 140,300 €.

In order to facilitate quick opening of the first section of the hospital, more funds than the amount raised were sent, drawing from the available liquidity.

In total **costs for the facility and personnel** for the Adwa Amici association in 2017 total 70 thousand € (against the 76,000 of 2016), equal to **3.2%** of the funds raised.

The fund raising costs, including those incurred by nun Laura Giotto, total 21,300 €, are substantially identical to those from the previous year, and equal to **1.0%** of proceeds.

The ancillary expenses for **implementing projects** (22 thousand € - 1% of funds collected) include healthcare costs for Ethiopian patients and consulting by Carolina Paltrinieri for the Hospital Project.

The 2017 Financial statement therefore closes with a deficit of **€ 248,392.16** with **total income** equal to **€ 2,211,244.86** and **expenses** of **€ 2,459,637.02**.

Attached to the following report:

- Summary of funds raised 06/10/2017

Dear Members, based on what has been explained and attached, we request approval of this Final Balance for 2017, the Budget for 2018 and the following report regarding management of 2017, deliberating coverage of the deficit at 12/31/2017 of €248,392.16, using the carryover surplus from previous years.

*Cento, 28 April 2018*

Friends of Adwa Onlus  
*The President*  
*Carlo Farnè*

A handwritten signature in black ink, appearing to read 'C. Farnè', is written over a horizontal line.