

Annual Financial Statements  
at December 31 2012



Slow Food®

SLOW FOOD

**SEDE** Piazza XX Settembre, 5 - BRA

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# Salone Internazionale del Gusto *Urra matre*



CHE CHE  
CAMBIANO  
IL MONDO

25-28

Torino

[www.urramatre.it](http://www.urramatre.it)



## Salone Internazionale del Gusto *Urra matre*



25-28

CHE CHE CAMBIANO IL MONDO

dal 25 ottobre

UNGOTTO  
TORINO

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## Introduction

**Dear Members,**

Your Association defends biodiversity and people’s right to food sovereignty, battling against the standardization of flavors, intensive industrial agriculture and genetic manipulation. It closed the year in a breakeven position. To enable you to better understand the data and the comments in financial statements we are adding a report on the Association’s operational position. The report provides direct information on institutional activities as well as financial information.

## Organization

*International President*

**Carlo Petrini - Italia**

*Vice President*

**Alice Waters – Stati Uniti**

*International Secretary*

**Paolo Di Croce - Italia**

*Executive Committee*

**Roberto Burdese, Paolo Di Croce,  
Ursula Hudson, Joris Lohman,  
Edward Mukiibi, Katherine Deumling**

*International Council Italy*

**Daniela Rubino, Ludovico Roccatello,  
Massimo Bernacchini, Daniele  
Buttignol, Franco Archidiacono**

*Germany:*

**Gisela Bautz, Rupert Ebner,**

	<b>Lotte Heerschop</b>
<i>Switzerland:</i>	<b>Andrea Ries, Josef Helg</b>
<i>Netherlands:</i>	<b>Hans Van Der Molen, Bea Logtenberg</b>
<i>United Kingdom:</i>	<b>Caroline Bennett</b>
<i>Spain:</i>	<b>Alberto Lopez de Ipina</b>
<i>Austria:</i>	<b>Philipp Braun</b>
<i>France:</i>	<b>Melanie Fauconnier</b>
<i>Turkey:</i>	<b>Defne Koryurek</b>
<i>Sweden is entitled to a candidate. However it has not been possible to identify one. In agreement with Swedish coordinators, the Commission reserves the right to nominate someone by the next meeting in June 2013.</i>	
<i>Scandinavian countries (Norway, Sweden, Finland, Denmark, Iceland):</i>	<b>Katrine Klinken</b>
<i>East Europe, Central Asia and Caucasus (Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan):</i>	<b>Natalia Gordetska</b>
<i>Central Europe (Poland, Czech Republic, Slovakia, Slovenia, and Hungary):</i>	<b>Jacek Szklarek</b>
<i>Balkans (Albania, Bosnia, Bulgaria, Croatia, Kosovo, Macedonia, Montenegro, Romania, Serbia):</i>	<b>Dessislava Dimitrova</b>
<i>United States:</i>	<b>Charity Kenyon, Nazli Parvizi, Joel Smith, Matt Jones</b>
<i>Canada:</i>	<b>Sinclair Philip</b>
<i>North Africa (Algeria, Tunisia, Mauritania, Egypt, Libya):</i>	<b>Sara El Sayed</b>
<i>East Africa (Uganda, Tanzania, Rwanda, Democratic Republic of Congo, Ethiopia):</i>	<b>John Kariuki</b>
<i>West Africa (Cape Verde, Senegal, Guinea Bissau, Sierra Leone, Mali, Ivory Coast, Burkina Faso, Benin, Gambia, Ghana, Niger, Nigeria, Chad, Cameroon, Gabon):</i>	<b>Abdon Manga</b>
<i>Southern Africa (Angola, Malawi, Mozambique, South Africa, Madagascar):</i>	



	<b>Herschelle Patricia Milford</b>
<i>Kenya:</i>	<b>Samuel Karanja Muhunju</b>
<i>Marocco:</i>	<b>Lhoussaine El Rhaffari</b>
<i>Mexico and Central America (Mexico, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, Belize ...):</i>	<b>Alfonso Rocha Robles</b>
<i>Caraibi (Cuba, Porto Rico, Repubblica Dominicana, Trinidad e Tobago, Barbados, Giamaica):</i>	<b>Madelaine Vazquez Galvez</b>
<i>Andean Area (Venezuela, Colombia, Ecuador, Peru, Bolivia):</i>	<b>Sabrina Chavez</b>
<i>Southern Area (Argentina, Chile, Paraguay, Uruguay)</i>	<b>Maria Irene Cardoso.</b>
<i>Brazil:</i>	<b>Georges Schneyder</b>
<i>Japan:</i>	<b>Ishida Masayoshi</b>
<i>Indochina and Indian Subcontinent (India, Afghanistan, Pakistan, Nepal, Bhutan, Sri Lanka, Bangladesh, Burma, Thailand, Cambodia, Laos):</i>	<b>Phrang Roy</b>
<i>Far East (Indonesia and Philippines):</i>	<b>Helianti Hilman</b>
<i>South Korea:</i>	<b>Byung Soo Kim</b>
<i>Australia:</i>	<b>Amorelle Dempster</b>
<i>Slow Food Foundation for Biodiversity</i>	<b>Serena Milano</b>
<i>Representative of the University of Gastronomic Sciences</i>	<b>Piercarlo Grimaldi</b>
<i>Board of Auditors</i>	<b>Walter Vilardi, President Italy</b> <b>Davide Barberis Italy</b> <b>Paola Vola Italy;</b> <b>Robert Shaver United States</b>
<i>Board of Trustees</i>	<b>Antonello Del Vecchio, Peter De Garmo,</b> <b>Rafael Pérez, Margarita Nogueira</b> <b>Barbara Hassauer</b>
<i>Audit Company</i>	<b>Deloitte &amp; Touche S.p.A.</b>









## ABOUT SLOW FOOD

Slow Food is a global, non-profit organization with over 100,000 members, volunteers and supporters in 150 countries, 1500 convivia (local chapters), as well as a network of 2000 food communities who practice small-scale and sustainable production of quality foods.

Founded by Carlo Petrini in 1986, Slow Food promotes a vision of food as a source of pleasure, culture, tradition, identity and lifestyle as well as sustenance, with respect for local areas and traditions.

Slow Food's motto is good, clean and fair. These three adjectives define the characteristics that a food must have. 'Good' relates to the sense of pleasure derived from a food's sensory qualities, as well as the complex set of feelings, memories and identity triggered by its emotional impact. 'Clean' means food that has been produced with respect for ecosystems and the environment. 'Fair' food must be made and sold in a socially just way.

### PHILOSOPHY

Slow Food's philosophy interweaves ecology and gastronomy, ethics and pleasure. The association opposes the standardization of taste and culture, and the excessive power of the agrifood industry.

Everybody has a right to pleasure, so it is necessary to defend the cultures, traditions and knowledge that make this pleasure possible.

Our association believes in the concept of neo-gastronomy—recognition of the strong connections between plate, planet, people and culture.

Slow Food's aims are to:

- *Educate people to take pleasure in taste, to appreciate quality food, and understand gastronomic sciences.*
- *Protect biodiversity and the traditional food products associated with it; food cultures that respect ecosystems, the pleasure of food and human quality of life.*
- *Promote a new food model that respects the environment, traditions and cultural identities, one that is able to bring consumers closer to the world of production, creating a virtuous network of international relationships and greater sharing of knowledge.*

### Co-producers

Through our food choices we can all bring about changes in how food is produced. Slow Food prefers to call aware and informed consumers 'co-producers' to highlight their active role as an integral part of the food production process.

### Local Identity

We are committed to protecting traditional and sustainable quality foods. For this reason we take action to defend agrifood and cultural biodiversity. Through maintaining the diversity of regional food and agricultural traditions, the wisdom of

local communities can play a crucial role in protecting ecosystems and promoting sustainable production.

### STRUCTURE

The International Slow Food movement is coordinated by an International Council and led by an Executive Committee.

There are currently 7 National Associations recognized within Slow Food:

- 1986 *Slow Food Italy*;
- 1992 *Slow Food Germany*
- 1993 *Slow Food Switzerland*
- 2000 *Slow Food United States*
- 2004 *Slow Food Japan*
- 2006 *Slow Food United Kingdom*
- 2008 *Slow Food Netherlands*

They independently organize member activities in their countries and are responsible to the Executive Committee.

In the rest of the world the convivia are the movement’s basic organization and they report directly to the Association’s international bodies.

### MEMBERSHIP

Year	2012	2011	2010	2009	2008	2007	2006	2005	2004
Number of active members	80,864	86,844	80,458	88,452	75,552	68,993	63,932	59,994	56,483

The number of members is certified by each National Association or where absent, by the International Association.

Membership details for 2012 according to geographical area:

Geographical Area	No. active members as at 31/12/2012
Europe	60,631
North America and United States	13,522
Asia and Oceania	2,758
Latin America	2,531
Africa	1,273
Middle East	131
<b>Total</b>	<b>80,864</b>

The overall fall in membership by about 6,000 is an aggregate of changes in different geographical areas. While Europe saw the number of members grow by about 2,000 compared to 2011, there was a drop of about 7,000 in North America and the United States. Membership was also down in Asia and Oceania by about 1,000, but balanced by an increase of about 1,000 in Latin America. There was a rise of about 300 in Africa and 70 in the Middle East, with a fall of about 1,000 in East Europe.

## Management Report

### Activities in 2012

Many of the activities carried out in 2012 focused on preparing for the 2012 Salone del Gusto and Terra Madre, which for the first time were combined in a single large event. The international area set up in the Oval pavilion presented an incredible diversity of food products from around the world. It was an impressive showcase for small-scale producers inspired by a good, clean and fair approach to producing food where quality is defined by sensory excellence, environmental sustainability and social justice. Just as the Salone del Gusto and Terra Madre merged together to create the world's most important food event, the Slow Food Association developed increasingly close links with Terra Madre food communities, supporting their efforts and promoting their projects.

This increasingly close collaboration and intermeshing was one of the fundamental features of the sixth International Congress held in Turin at the same time as the Salone del Gusto and Terra Madre. It was attended by 650 delegates from 95 countries (compared to 48 countries represented at the previous Congress in Puebla in 2007) who reflected the grassroots global character of the Slow Food and Terra Madre network rather than the Slow Food Association's official structure. It also highlighted one of Slow Food's main objectives in the coming years, which was raised at the Congress: the creation of 10,000 Slow Food "nodes" around the world, such as convivia or food communities. For the first time, the composition of our Congress represented a broad and diffused global network, expressed not only by the many delegations present but also the diversity of cultures, faiths, individual and collective stories. We believe that Slow Food and Terra Madre can vitalize and reinforce each other, not only as an operational ideal but also in terms of organization and Congress. In 2012 a preparatory Congress document was sent to Slow Food convivia and Terra Madre communities to focus attention on the importance of food and how our multifaceted work—which sees food as a set of values and not only a commodity—can increasingly support continuous practical action at local level, providing strategic underpinning of the fundamental, universal human right to food. Before Congress, the document prompted unprecedented internal and external discussions around the world (all Slow Food and Terra Madre parties were asked to present it to their local areas, discuss it publicly and release it to the media). In the run-up to the Congress, the document was enhanced by stories about every Slow Food convivium and Terra Madre community. It was discussed and endorsed, signaling an even more united network, which is stronger in its internal diversity but definitely able to take practical steps towards ensuring the human right to food in the future.

If we want to describe what Slow Food has become as a global organization, it is more useful and accurate to say that our movement involves a million people around the world, rather than talk about the Association's 100,000 paid-up members. And if we talk about what it is doing at global level, it is more appropriate to highlight the



various actions taken to mobilize public opinion on issues of worldwide relevance, such as food waste, the battle against land grabbing and GMOs.

An example was the campaign *Teller statt Tonne* (On the plate, not in the trash), organized by Slow Food Germany together with the Slow Food Youth Network to raise public awareness of food waste. One of the most important events was held in Munich in August 2012, when 1500 people launched the Good Food March to Brussels by preparing a “protest soup”. Hundreds of kilos of vegetables destined for the trash bin were cooked in enormous pans. The action was accompanied by a declaration on food waste and the connection between food abundance, with overproduction in industrialized countries, and the food crisis in developing countries.

The Good Food March (which terminated in Brussels in September 2012) was an important event with considerable support. It confirmed Slow Food’s commitment to addressing European policies and strengthened constructive links with many other associations such as Friends of the Earth Europe, Arc2020, Birdlife Europe, EEB, IFOAM EU Group, Pesticide Action Network Europe and WWF.

Outside Europe, the Association has also done important work in Latin America. One large event providing high-level visibility was the Rio+20 UN Conference on Sustainable Development held last June in Brazil. It brought together world leaders, activists, students and citizens from around the world to discuss and consider possible alternatives to the way we live. Apart from taking part in official proceedings, with Carlo Petrini one of the speakers at the debate on “Food and Nutrition Security”, Slow Food organized several parallel events which brought the issues addressed at Rio+20 to the general public. Uruguay, which has had to face a serious emergency for many years, organized conferences and seminars to highlight the impact of GMOs on small farmers as well as the health of the environment and consumers. For example, conferences and seminars were organized by the Slow Food Canario convivium in Uruguay (continuing through 2013) to ensure people receive accurate information and have the right to choose what they eat.

GMOs were also the focus of Slow Food USA’s efforts in support of Proposal 37 in California, which aimed to introduce the first law in the United States requiring mandatory labeling of GM foods. In spite of a massive “No” campaign orchestrated by the multinational lobby, the “Yes” vote almost claimed victory with just under 49%: this was a good result, but did not allow people to “vote with their forks” on the future of GM food. Still, it was a valuable experience for the US Association, which, inspired by the efforts of Alice Waters, helped 16 convivia to join the campaign and took charge of the movement in some counties.

For several years the Gardens in Africa project has been a major focus of our efforts. This has now achieved the objective we established at the end of 2010 to set up 1000 Gardens. These community, school and family gardens may only be a drop in the ocean, but we feel they are one of the most effective ways of ensuring that African people can fully recover the deep significance of farming and producing food. As one of the representatives of African communities observed: “Everyone needs food

but more importantly, everyone needs to know how to produce it". The gardens not only enable people to produce food but they help them to produce it well. This links up with other crucial issues for Africa, such as land grabbing, patents on seeds, climate change and an agricultural system which is too often only designed to produce exports.

If we want to look for an image symbolizing the Salone del Gusto and Terra Madre, many will think of the 400 sq.m. African garden in the Oval, the final step in this first phase of our journey. It enabled visitors to the Salone del Gusto and Terra Madre to discover the incredible wealth of African products. You could actually touch a range of leaf vegetables, medicinal herbs and pest control plants, or learn about the ingenious fencing and irrigation systems. The African garden represented all 25 countries involved in the project, not a single specific country, and brought together products and techniques which could not coexist in nature due to their different geographical and seasonal characteristics. But what was most striking was not this fascinating juxtaposition, but the pride of communities in seeing their products and fruit of their work presented in this way. The gardens were also the focus of issues addressed at the sixth International Congress: one of the objectives for the next four years will be to create 10,000 gardens in Africa, making it an even more far-reaching grassroots initiative.

Asia is where the Association is weakest, but 2012 was an important year in establishing a basis for future work and strengthening our presence in strategic areas such as China, India and South Korea.

As for the Terra Madre network, it experienced continued growth in 2012, with informal exchanges, new projects and various meetings, though fewer than in 2011. In addition to the international Terra Madre event in October, there were regional meetings held in Lombardy, Tuscany and the Balkans— an area of increasing strategic interest for the network's development. The fourth Terra Madre day on December 10 was highly successful in its celebration and promotion of local sustainable food. It featured 880 events, a lower number than the previous year, but much better structured and involving more communities.

On the biodiversity front, 2012 saw the launch of 39 new Presidia, bringing the total to almost 400 products from 50 countries worldwide. Some of them, such as Kenema cola (Sierra Leone) have found valuable commercial outlets thanks to the work of the Slow Food Foundation. Cola is used by Baladin to produce its natural cola, an increasingly popular product on the Italian market. There were 83 new products cataloged as part of the Ark of Taste, bringing the number of registered Ark products to 1153. The Ark has been identified as one of the three important strategic objectives in the next four years. The International Congress was keen to concentrate resources on this project, deciding that the number of its products should rise to 10,000 in the next four years.

Within the 4Cities4Dev project, co-financed by the EU, Slow Food International continued to collaborate with the European cities of Riga, Tours, Bilbao and Torino

to define and promote a new model of cooperation based on the positive example of the Presidia. Communication activities were one of the strengths of this project, culminating in three documentaries, one of which—on the millet couscous of Fadiouth island—was honored by inclusion in the Kulinarische Kino program at the 62nd edition of the Berlinale (Berlin Film Festival) in February 2013. Another high profile communication initiative was a traveling exhibition, which was hosted at the Street of Taste Masters event in Riga during August 2012, the Salone del Gusto and Terra Madre in October 2012.

During 2012 the total number of members dropped slightly, falling to just under 81,000 compared to 86,800 at the end of 2011. Of these, 29,718 come from Europe (excluding Italy), 13,522 from North America, 2531 from Latin America, 2758 from Asia and Oceania, 1404 from Africa and the Middle East. But as mentioned earlier, the impact of Slow Food worldwide should be measured using other metrics, such as the 12,000 Slow Food Presidia producers around the world, the food communities, which sent around 3000 delegates to the Salone del Gusto and Terra Madre in Turin, representing thousands of producers involved in our projects at a local level, the children and communities of the Thousand Gardens in Africa and the people participating in our events in various ways. As we have said, we prefer to emphasize, and feel justified in doing so, that Slow Food involves a million people in its activities, rather than just cite the 80,000 paid-up members.

## **Communication**

### **The slowfood.com website**

The [www.slowfood.com](http://www.slowfood.com) website was regularly updated with news and articles on relevant topics and SF activities (around 3 new articles per week). The site receives about 70,000-80,000 visitors per month, particularly from the United States.

### **Section of the website dedicated to fish and fishing**

The website for the Slow Fish campaign has been enhanced and updated—particularly the section on Fishing Heroes—with new stories about fishers, chefs and direct sales points. For the news section, contacts have been made with many people and organizations in the network to provide a better overview of the situation around the world and address a range of issues, such as the rights of the sea, fish stocks and organization of the production chain. A Facebook group was also created to enable the network to communicate with each other and identify urgent issues. The Salone del Gusto/Terra Madre provided a designated meeting room where delegates from around the world (fishers, technical experts, chefs, etc) were able to meet and discuss various topics, particularly on fishing rights, the value chain and fishing in order to produce animal feed. A workshop was held to discuss the FAO guidelines on small-scale fishing. Various gastronomic activities were also organized, including an eat-in with the Youth Network. The first draft of the Slow Fish manifesto was discussed: this work will continue online and during the Slow Fish event. The Slow Fish space was funded by the Lighthouse Foundation.



### **Section of the website dedicated to raw milk**

The section of the site dedicated to the raw milk campaign was extended and renamed “Slow Cheese”. Some of the content and graphics were updated.

### **Campaign against land grabbing**

In 2012 a section of the slowfood.com site was dedicated to land grabbing ([www.slowfood.com/landgrabbing](http://www.slowfood.com/landgrabbing)). It includes a presentation of the phenomenon and actions taken by Slow Food. The site presents the petitions signed by the Association and updates are published according to information from the network.

Land grabbing was also the subject of a cartoon published in 4 languages (Italian, Portuguese, English and French). The publication, illustrated by Ethiopian artist Tamru Yilak Bezabhe, was created to raise awareness of the seizing of land belonging to communities which Slow Food collaborates with in Africa. The cartoon was produced as part of the project “Collaboration between Slow Food and the Piedmont Regional Authority for interventions in sub-Saharan Africa”, promoted by the Piedmont Regional Authority. During the Salone del Gusto and Terra Madre, a conference on the topic was organized and reports collected for the website.

### **Section of the site dedicated to Europe (Slow Europe)**

The Slow Europe section of the slowfood.com site was restructured during the year: it is now more user-friendly and more frequently updated (26 articles published in English during the year). There have also been improvements to the links with other Slow Food and partner sites (ARC2020, the CAP2013 site of the Slow Food Youth Network) using banners and links.

### **Multimedia**

The multimedia section was used as a complement to other articles or as an instrument to tell stories using photographs and short texts. In 2012, 9 photo galleries were published, 7 of which were produced during the Salone.

### **Area for Convivium leaders**

The Convivium Leader Area was updated with 10 news items, 3 new Convivia in Action and new provisional sections for the Congress, Salone del Gusto and Terra Madre, which were useful for distributing materials and documents.

### **Slow Food and Terra Madre electronic newsletter**

Ten issues of the newsletter were published in 2012 and sent out in 8 languages through the platform provided by Contact Lab. The newsletter reaches about 84,000 users.

### **2011 Almanac**

The 2011 Almanac was edited by Slow Food Editore and published in 8 languages. Content was organized in a similar way to the Salone del Gusto and Terra Madre, according to continent and topic. The print version was distributed to all the Terra Madre delegates, with 2500 copies published in English, 1500 copies in Italian, 500 copies in German, 500 copies in French, 300 copies in Spanish and 300 copies in

Portuguese. The browsable electronic format, enhanced with video clips and photo galleries, was put on line in December (with a link in the newsletter). It can be downloaded from [www.slowfood.com](http://www.slowfood.com), as well as various other sites.

### **Membership brochure**

Membership brochures were printed in 2 new languages: Arabic (3000 copies) and Amharic (1500 copies). Versions in existing languages were updated and reprinted (when no longer available): Croat (1500 copies), French (10,000 copies), English (40,000 copies), Russian (3,000 copies), Spanish (10,000 copies), German (5,000 copies).

### **FOUR CITIES FOR DEV – European project on Africa and Europe**

Communication is an important part of this project. A scientific committee of university academics and researchers from CISA0 and CSA, Turin University, was involved in preparing a document describing Slow Food's approach to international cooperation for development. A first draft was presented in Turin at the project's first workshop, organized by the City of Torino (lead partner), at the beginning of November 2011. A second workshop was organized by the City of Torino in May 2012. The final version of the research document was discussed at a third workshop held on June 5, 2012 and then at a conference at the Salone del Gusto and Terra Madre on October 28, 2012.

A traveling exhibition was organized and visited four events organized by the partner cities: Euro Gusto in Tours, November 2011; AlGusto in Bilbao, December 2011; Street of Taste Masters in Riga, August 2012; the Salone del Gusto and Terra Madre, October 2012. A second photographic exhibition "Foods that change the world" was prepared and set up in Piazza Carignano, Turin in the month before the Salone del Gusto and Terra Madre opened in order to raise public awareness of the main topics of the project.

The communication materials linked to the project include three documentaries filmed in Kenya (Yoghurt Presidium), Ethiopia (Coffee Presidium) and Senegal (Millet Couscous Presidium). They were presented at Eurogusto (Kenya), AlGusto (Ethiopia) and the Salone del Gusto and Terra Madre (Senegal). The documentary on Pokot yoghurt also achieved the honor of selection for the Kulinarische Kino program at the 62nd Berlinale (Berlin Film Festival) in February 2013. A full-length film is being prepared containing three short features brought together, which will also be presented at film festivals. The video work is carried out by Francesco Amato and Stefano Scarafia (Bodà);

Printed material available as online downloads have been prepared in Italian and in English. They include a guide to responsible consumption to highlight the fact that our everyday choices can have a decisive impact on global systems; a 'wheel of the seasons' to relearn how to eat in tune with the seasons; and the booklet "Around the World in 80 Slow Food Projects", which presents a range of food communities from around the world to enable Slow Food's approach to cooperation to be more widely known and discussed.

## **SOCIAL NETWORKS**

### **Youtube**

The Slow Food International Youtube page has been constantly updated and enhanced with videos in different languages, mainly English. To increase visibility, more links have been created to video material from other online communication instruments (e.g. electronic version of the Almanac, newsletters, websites).

### **Facebook**

The Facebook page <https://www.facebook.com/slowfoodinternational?ref=hl> achieved 20,000 likes in December 2012, almost two years from its creation. With nearly one post per day, Slow Food events have been followed with the help of photos, interviews and links to articles. Other issues being addressed by the Association have also been highlighted, creating closer relations with the website. The week with most visitors was when the Salone del Gusto and Terra Madre event was held. In 2012 Facebook enabled relations between Slow Food International, SF national bodies, convivia and partners to be strengthened.

### **Twitter**

In 2012 Twitter was managed by different people and somewhat irregularly. In spite of this, the number of followers increased from 3000 to 7000. Of all the instruments at our disposal, Twitter is definitely the one that should be targeted more decisively.

## **TASTE EDUCATION**

Work continued with the Italian Education Office on preparing the international education manifesto and a manual of good practices. The manual was published in five languages: Italian, English, French, Spanish and German (Italian and English also in printed form, other languages only in an electronic version). It was distributed to delegates at the Congress and put online in December (link in newsletter).

### **Press relations**

Since 2011 the press office has sent a weekly international press service to those in charge of communication in various countries, Council members and Slow Food members who request it, as well as UNISG communication officers, colleagues and staff.

A new updated Slow Food Overview Press Kit has also been created (press material for foreign journalists who do not know us), which is designed for international use and can be downloaded from the website [slowfood.com](http://slowfood.com).

The host of activities in 2012 included the following:

- Press release on the 1000 Gardens in Africa, which also involved significant coordination with Slow Food USA due to their fundraising communication on the project;
- Management of interviews during trips by Carlo Petrini/ Paolo Di Croce (Madrid, Liege Scotland, Finland, Stuttgart, Canada, Poland, Oxford, Cologne, Kenya);



- for Petrini's conference in Brussels with EU Commissioners Dacian Ciolos and John Dalli: announcement, interview management and press conference;
- press communication for Petrini's conference at the UN on Indigenous People;
- press communication for Petrini's attendance at Rio+20, coordination with Slow Food Brazil and interview management;
- communication and organization for journalists at Good Food March and Petrini's conference at European Parliament, coordination with ARC 2020; invitation correspondents and participation, at Alberese, for meeting on Alliance between Chefs and Slow Food Presidia;
- coordination with Slow Food Switzerland and Coop for launch of Presidia logo.

In the case of the Salone del Gusto and Terra Madre, there were press releases sent out almost every week from July to between 50 and 100 countries to promote various aspects of the event (e.g. events requiring booking, the various international areas—Balkans, Asia, Africa, Latin America, EU, USA Germany and UK, the International Congress, issues examined and speakers at conferences). This intense work resulted in an impressive response in foreign media: 231 articles in daily papers, magazines and websites around the world, with excellent coverage particularly in the US, France, Germany, Brazil, Mexico, Spain, Turkey, South Korea.

Relations were established with some media outlets for (future) collaboration: Prazeres da Mesa (Brazil); AFP – RelaxNews; Nigrizia.

### **Terra Madre – Activities 2012**

As mentioned, Terra Madre activities in 2012 were mainly focused on the Salone del Gusto and Terra Madre event. Hosted in the Oval together with the Presidia and international commercial exhibitors, the food communities from around the world illustrated the wealth of our global food heritage with their products, cultures and diversity. It ranged through Latin America, represented by its three large agroecological areas, to Asia, with its infinite varieties of rice, millet and spices, from the food treasures hidden in the Balkans to African biodiversity, magically displayed in the large garden created in the center of the Oval to celebrate the achievement of a Thousand Gardens in Africa... the food communities' vitality, inventiveness, culture, resilience and farsighted vision were on display throughout the Oval and Lingotto. The powerful integration is the main reason for the expansion of the event, which exceeded 220,000 visitors in 2012 and welcomed over 1500 journalists.

In addition to the international Terra Madre meeting, three regional meetings took place in 2012, in Lombardy, Tuscany and the Balkans. The fourth Terra Madre day—held on December 10 to celebrate and promote local sustainable food—was also highly successful with 880 events (a lower number than previous years, but much better structured and involving more communities).

Communication

During 2012 the [www.terramadre.org](http://www.terramadre.org) and [www.slowfood.com/terramadreday](http://www.slowfood.com/terramadreday) websites were updated in eight languages to collect personal accounts, proposals and ideas from the Terra Madre network. The address [www.slowfood.com/](http://www.slowfood.com/)

terramadreday provided access to downloadable graphics (logos etc.) for the event and files for printing posters, banners, pins, cards and T shirts.

The agreement between the Terra Madre Foundation and the Italian publisher of Lonely Planet guides was renewed. As part of this collaboration a section dedicated to Terra Madre food communities entitled “The products of the Earth” was prepared for the Italian versions of some guides. This section sometimes includes a presentation, photos and contacts for selected communities.

In preparation for the international meeting of food communities in Turin, a CD-ROM was produced for all the delegates, containing a presentation in Italian and English of all the participating communities, together with graphics for the Terra Madre Day to be held several weeks later. The CD-ROM was handed out to delegates in a bag which also contained a map of the event, useful information, a notepad with pencil and the Almanac, the Association’s annual publication available in eight languages.

## THE DEFENSE OF BIODIVERSITY

### Activities in 2012

On the biodiversity front, 2012 saw the launch of 39 new Presidia, bringing the total to almost 400 products from 50 countries around the world. Some of them, such as Kenema cola (Sierra Leone) have found valuable commercial outlets thanks to the work of the Slow Food Foundation. Cola is used by Baladin to produce its natural cola, an increasingly popular product on the Italian market. There were 83 new products cataloged as part of the Ark of Taste, bringing the number of registered Ark products to 1153. The Ark has emerged as one of the three important strategic objectives in the next four years. The International Congress was keen to focus resources on this project, deciding that the number of its products should rise to 10,000 in the next four years.

### The Ark of Taste

In 2012 83 new products from 20 countries were cataloged and included in the Ark, bringing the total number of registered Ark products to 1153. Ten new products were nominated from Argentina, such as Cuaresmillo Peach, which was formerly used in the north west of the country to make fragrant jams: this small fruit is now disappearing under the pressure of more productive industrial varieties. Thirteen new products were nominated from Spain, such as the delicate Trumfera Tomato or the Tiurana Bitxo Pepper, which has survived thanks to people who preserved the seeds after their village of Tiurana was evacuated in the 1990s to make way for an artificial lake. Another five products were identified in Mexico, such as Chilhuacle Pepper, essential for making black mole sauce. The United Kingdom has provided six new products such as Shetland Sheep and Aylesbury Duck. Other products have been nominated from Austria and Bhutan, China and Turkey.

But the most important thing, as the Slow Food International Congress stressed, is

recognizing the crucial importance of biodiversity. Congress vigorously relaunched the Ark of Taste project as a fundamental instrument in the life of the Association. It is planned to mobilize convivia, producers and local communities towards achieving an ambitious objective: 10,000 Ark products in the next four years. “The defense of products has always been one of the founding principles of Slow Food activities” said Carlo Petrini. “the first Presidia evolved from the Ark of Taste and in turn the Presidia have been the inspiration for other projects. It is increasingly urgent to increase the number of products selected for the Ark. If the Association loses focus, it risks losing its reason for existence”.

### **The Presidia**

During 2012 39 new Presidia were launched and on December 31 2012, there were 393 active Presidia, distributed as follows: 28 in Africa; 2 in the Middle East; 34 in the Americas; 9 in Asia; 1 in Oceania; 95 in Europe, excluding Italy; 224 in Italy.

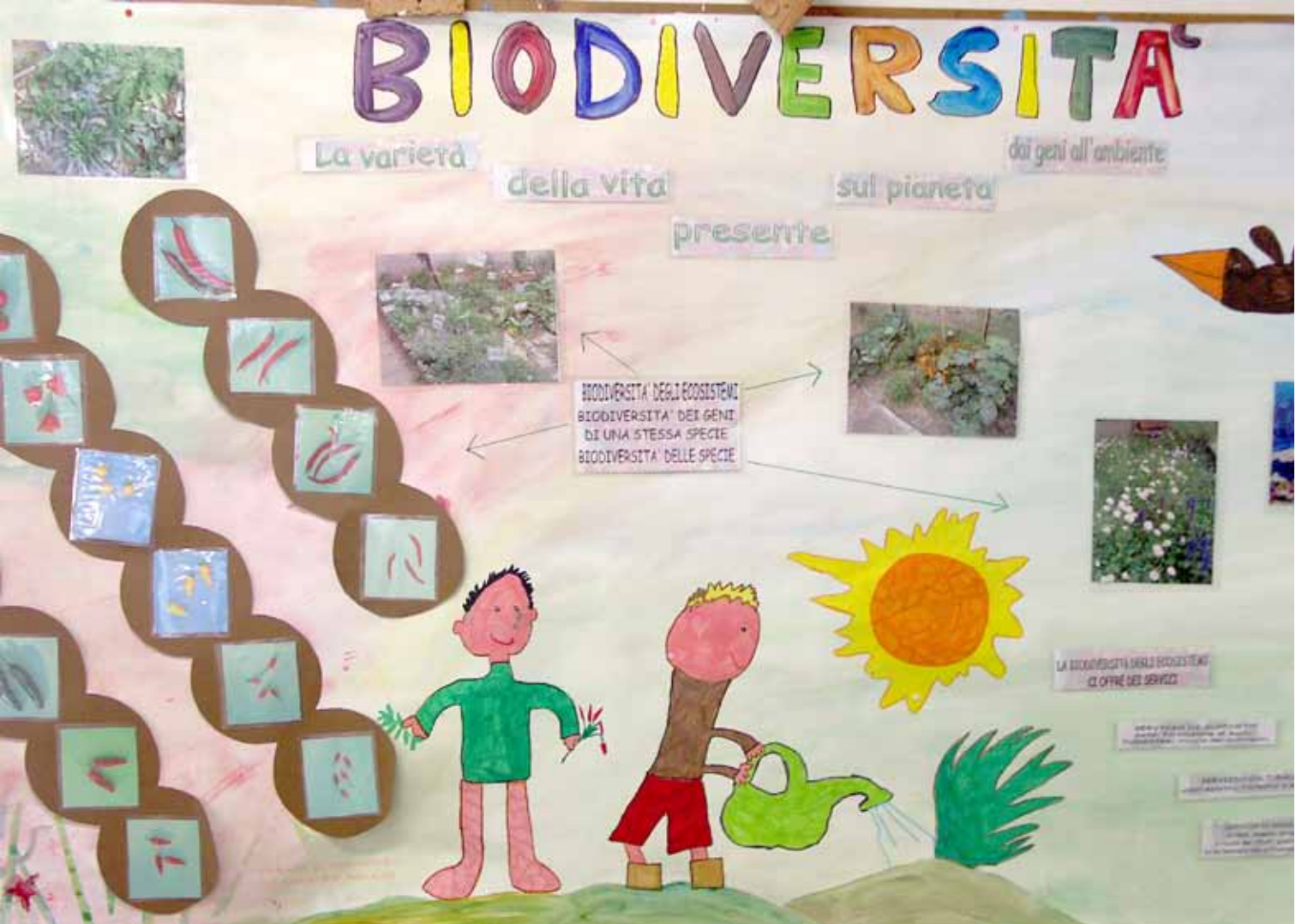
On December 31, 2011, there were 364 active Presidia, 24 in Africa, 2 in the Middle East, 33 in the Americas, 8 in Asia, 1 in Oceania and 296 in Europe.

One of the most interesting initiatives in 2012 was an analysis of the sustainability of 47 of the 269 European Presidia (which included Presidia in neighboring countries due to join shortly such as Croatia, potential candidates such as Bosnia Herzegovina and ones where there is close cooperation such as Georgia and Armenia). This was carried out by the Slow Food Foundation in collaboration with the University of Palermo. The analysis of each Presidium in the sample was based on around 50 indicators (52 for vegetable products, 51 for annual breeds and 54 for transformed products), a sufficiently high number to describe the complexity of the Presidium system, but sufficiently limited to allow easy application. This work provided an objective evaluation of our projects on sociocultural, environmental and economic scales.

Another important undertaking was the narrative label project. This involves providing additional information beyond the legal requirements, containing details of the producers, farms, plant varieties or animal breeds, farming and processing methods, animal welfare, and areas of origin. Slow Food feels that the quality of a food product is best expressed in terms of a narrative, starting from the product origins and including the cultivation and transformation techniques, methods of preservation, sensory and nutritional qualities. Only a narrative can restore real value to a product.

Progress has also been made in the Alliance between chefs and Slow Food Presidia. An important meeting to review the situation was held in Alberese on April 2-3, 2012. In addition to 100 producers from 63 Slow Food Presidia and 73 chefs, chefs from the Netherlands also attended and on their return home decided to launch the project in the Netherlands to highlight the need to defend biodiversity and support sustainable, local agriculture. The Dutch Alliance currently involves four restaurants (Merkelbach, Pianeta Terra, Osteria italiana Al Baccaro and Caffè Toscanini), which regularly use Dutch Presidia products (such as Texel sheep cheese and OesterScheldt lobster) as well as international products such as Salina





capers (Italy), Huehuetenango Highlands coffee (Guatemala) and Mananara vanilla (Madagascar). While the Dutch Alliance is looking for further partners, chefs from other countries in Europe are preparing to start the project in Switzerland, France, and Austria. One of the first countries to officially launch the project in 2013 will be Morocco. Around 40 Moroccan chefs will cook Presidia products and food from the farming communities belonging to the Maroc Taswiq network.

The websites [www.foundationslowfood.it](http://www.foundationslowfood.it) and [www.slowfoodfoundation.org](http://www.slowfoodfoundation.org), in Italian and in English, were totally renewed in February 2011.

### **The Earth Markets**

Launched in 2006, the Earth Markets are a network of farmers' markets created according to guidelines following the Slow Food philosophy. The markets are collectively managed meeting places where local producers present quality products directly to consumers at fair prices, while guaranteeing environmentally sustainable production methods. They also preserve the food culture of local communities and help to defend biodiversity.

The project is under the technical supervision of the Slow Food Foundation, which specifies the rules, provides work and communication tools, together with support for the opening of international Earth Markets.

In 2012 Italian Earth Markets were opened in Anagni (Fr), Anguillara Sabazia (Rome), Fiuggi (Fr), Padernello (Bs) and Reggio Emilia, while the Mercatale di Montevarchi left the network. The total number of Italian markets in the network rose from 15 to 19. Four Earth Markets have been started up outside Italy during 2012: the Old Farmers' Market—Mercado Agrícola Natural in San Juan, Puerto Rico; the market of Foça in Turkey; a second market in Beirut, Lebanon and the Mumbai Organic Farmers' Market in India.

In addition to 19 markets in Italy, there are now also 8 Earth Markets in 7 other countries (Austria, Bulgaria, India, Israel, Lebanon, United States and Turkey).

## **International Education**

### **Activities in 2012**

In 2012 the international Manifesto for education was backed up by a Manual of Good Practices describing the principles and adding practical methods and examples. The manual illustrates practical actions and aims to help people to apply the ideas set out in the Manifesto.

Education was a particularly important issue at events and public occasions. The meetings at Rio de Janeiro for Rio + 20, in Germany for Teller statt Tonne, many of the activities planned for the 4Cities4Dev project, and the Gardens in Africa, were good opportunities for presenting Slow Food's approach to food and taste education, for both children and adults.

Out of many examples, two from the USA and Venezuela are described below.

The Lowry Elementary School garden in Denver, USA has been created in a recently

developed area whose residents have a range of incomes and ethnic backgrounds. In the surrounding area there are single-family houses, row houses and two temporary residential complexes funded by public authorities and managed by the Colorado Coalition for the Homeless. About 39% of the pupils enrolled are entitled to meals that are free or subsidized by federal authorities, a typical indicator of poverty. In 2012, Lowry celebrated the success of the school, hosting Arne Duncan, the US Secretary of Education and Slow Food Denver, which is obviously proud to be one of the main partners of the school garden project.

In Venezuela, the Slow Food Miranda convivium launched the project *Mejorando la merienda escolar* (improving the school snack) with help from the NGO Edepa, providing information on the importance of eating good, clean and fair food and their value. This information will then be communicated round the family circle, magnifying the positive impact. Supported by funds raised by Slow Food at the last Salone del Gusto and Terra Madre event, the work to improve the nutritional value of school food can become a strategic way of recovering food traditions. The initiative is particularly intended for rural schools attended by poor children. It is hoped this will help to improve diets in the rural areas of the country where national food programs have difficulty in making headway.

### **The future**

The future objectives of Slow Food International were established by the International Congress held in Turin in October. There are three of them, all with a common denominator: the number 10,000. Sparked by the positive reactions from delegates, Slow Food and Terra Madre have resolved to achieve the following goals in the next four years: to set up 10,000 gardens in Africa, to include 10,000 new products in the Ark of Taste as a symbol of what we are supporting when we talk about defending biodiversity, and to reach 10,000 convivia and communities worldwide.

These objectives may seem distant and possibly unrealistic, but the Salone del Gusto and Terra Madre generated massive hope and determination in everyone who attended. The same sense of resolve was evident at meetings of the Executive Committee in early 2013, where there was, for example, great enthusiasm from the United States for the Ark project, African willingness to take charge, also economically, for the Gardens project, while delegates from Slow Food Netherlands and Germany are jointly developing strategies to make the Association stronger and more united in Northern Europe.

There is a long way to go and it will not be easy, but we can harness considerable energy and find many projects where it can be put to good use. For example, training courses on biodiversity will be started this year to enable Slow Food leaders at international level to more effectively address Slow Food issues. As Carlo Petrini says: "Anyone who saw what happened in Turin from October 24 to 29 knows that we can do it, and that we will do it with a smile and willing attitude".

A vital contribution will come from the Slow Food Youth Network, which reorganized



in 2012, allowing fresh dynamism and ideas for our projects. Young people have been very creative and passionate in presenting our issues. They have, for example, organized events on food waste, showing their ability to adopt new angles for people who are not familiar with Slow Food. The “Schnippeldisko” or “Disco Soup” initiative involves cooking food discarded by supermarkets with a background of music. It has been highly successful and replicated elsewhere. We are sure that many other events and communication initiatives will be organized in the near future.

## Financial Report

### A - The Financial Condition of the Association

The general economic situation has had a significant effect on the decisions of both public and private actors. Compared to most other organizations operating in the same area, the Slow Food Association has seen a proportionately smaller reduction in its activities and funding. The year 2012 saw a continuation of developments in 2011 with reconfirmation of EU funding for the Operating Grant, and a project where Slow Food plays an important role relative to 3 other European partners. This highlights that Slow Food can play an increasingly important role in influencing the direction of food and agricultural policies in Europe.

The Foundation’s capital and reserves stand at € 402,891 made up as follows:

- Social Fund € 25,807
- Restricted reserve € 80,000
- Other reserve € 80,000
- Legal Reserve € 199,845
- Surplus brought forward € 2,726
- Surplus in financial year € 14,513

Given the position shown above, in 2012 the Foundation closed the activities of some projects started in 2011 and launched new projects based on both public and private contributions. On examining the assets side of the balance sheet, it can be seen that the overall value of fixed assets and receivables did not change greatly from 2011, but there were significant shifts in the value of liquid funds and prepaid expenses. While total receivables did not change significantly compared to 2011, there was a large variation in the constituent items. As can be seen in the statements, receivables from supporters fell by about 50% since almost all National Boards paid their annual contributions within the financial year. However, there was a sharp increase in receivables from others, since the contribution to be paid by the Terra Madre Foundation to Slow Food rose by € 250,000 compared to 2011, reaching € 700,000.

Liquid funds increased sharply, rising from € 184,276 in 2011 to € 243,618 in 2012. This increase is due to payment of an advance of about € 260,000 on the € 414,000 Operating Grant, together with other advance and final payments during the year. There was a rise of € 268,999 in prepaid expenses compared to 2011, relating to deferment of € 270,000 for settlement of previous pension and social security contribution positions. The deferment is due to allocation of the payment over the 4 years which constitute the Association’s financial period.

Provisions for liabilities and charges increased by € 254,159 due to allocation of € 360,000 to provisions for future charges for settlement of pension and social security positions from previous years. There was also use of € 75,000 from previous allocations to the Congress fund.

During 2012 the Association’s exposure to bank debt increased due to the Association’s financial cycle not matching its ongoing needs to finance activities and projects. Some payments expected by the end of the year were not made and it was therefore necessary to use lines of credit.

Debts to suppliers remained almost unchanged compared to 2011. Finally the fall of about € 45,000 in accrued expenses relates to deferment of payment for a project only partially implemented in 2012, which will be mostly completed in 2013.

**B) - Review of Operations**

1) General: income and expenses  
Income for the 2012 financial year was € 2,978,935 compared to € 2,582,985 in the previous year.

**BREAKDOWN OF INCOME 2012**

DESCRIPTION	2012	2011	CHANGE	CHANGE %
INCOME FROM MEMBERSHIP FEES	1.107.396	1.074.684	32.712	3%
REVENUE FROM PROJECTS	814.138	795.821	18.317	2%
OTHER INCOME	1.057.401	712.480	344.921	48%
TOTAL INCOME	2.978.935	2.582.985	395.950	15%

## Breakdown of Income 2012



There is thus an overall increase of 15% in total income compared to the previous year..

We can analyze this increase more closely by examining the changes in the following individual items

Compared to 2011, receipts from membership fees rose by € 32,000. There was no change in the share of fees paid annually by National Boards to Slow Food, except for Japan which in 2012 paid € 15,000 to Slow Food as its pre-tsunami contribution. There was also no significant change in the item “Revenue from projects” compared to 2011. The only new source of revenue was from the Ford Foundation which made a contribution of € 119,000, but this increase was partly offset by the almost total disappearance of income from other projects compared to 2011.

However the item “Other Income” rose by € 381,164 or 48%, due to an increase of € 250,000 in the annual contribution made by the Terra Madre Foundation to Slow Food for the use of services. There was also an increase of € 40,000 in the contribution from Compagnia di San Paolo as well as a significant rise in other income.

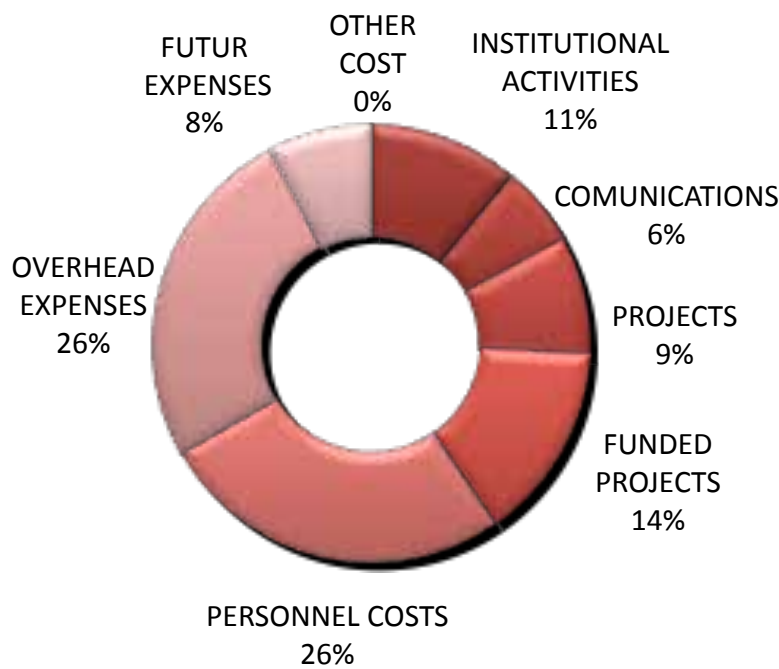
The rise of € 80,000 in other income is mainly due to the utilization of € 75,000 from the Congress Fund which had a direct effect on 2012 income.

Operating expenses totaled € 2,928,452 in 2012 compared to € 2,505,403 in 2011 and were made up as follows:

BREAKDOWN OF EXPENSES 2012

DESCRIPTION	2012	2011	CHANGE	CHANGE %
INSTITUTIONAL ACTIVITIES	321.433	325.669	-4.236	-1%
COMMUNICATION	177.113	180.640	-3.527	-2%
PROJECTS	258.958	345.938	-86.980	-25%
FUNDED PROJECTS	424.761	249.465	175.296	70%
PERSONNEL COSTS	771.385	663.034	108.351	16%
OVERHEAD EXPENSES	753.803	683.734	70.069	10%
BANK EXPENSES	221.000	36.000	185.000	514%
FUTURE E PENDING FUNDS	-	20.923	-20.923	-100%
TOTAL EXPENSES	2.928.452	2.505.403	423.049	17%

Breakdown of Expenses 2012



While the figures at first sight show that total expenses in 2012 increased by 17% compared to 2011, this should be seen in the light of increasing revenues. When the individual items are examined we see that expenses for institutional activities remained unchanged from 2011, considering the fact that the International



Congress was hosted by Slow Food Italy.

The costs of communication were around € 177,000, again remaining practically unchanged compared to 2011.

The costs of projects fell by 25% to around € 87,000 due to reduced costs for the biodiversity project and reduced costs for the Youth for Movement, this is partly offset by the Brazil project, which incurred costs totaling € 30,000.

Funded projects include a new project financed by the Ford Foundation where Slow Food played an important role in developing the Association in Latin America; this project incurred costs of € 94,000.

There have also been three projects which were funded by the EU in addition to the Operating Grant, the most important was completion of the 4Cities4Devs project which incurred costs of € 228,000 against revenue of € 160,000.

Other projects incurring costs covered by direct funding were the IFAD project and the Lighthouse Foundation project, whose costs together amounted to about € 100,000.

Personnel costs increased by about € 110,000 since additional staff had to be hired for the Terra Madre event.

Overhead costs rose by 10% or € 70,069 compared to 2011, this was mainly due to two subitems: General Services and IT Services..

There was a decrease in costs of bank services (bank expenses and charges) and residual other expenses.

Finally “Future expenditure funds” went from € 36,000 in 2011—made up of € 20,000 allocated to the bad debt provision and € 16,000 allocated to the bad debt provision for participating interests—up to € 221,000, made up of € 115,000 allocated to the bad debt provision, € 90,000 as a share of the € 360,000 fund to settle the pension and social security positions from previous years and € 16,000 to the bad debt provision for participating interests.

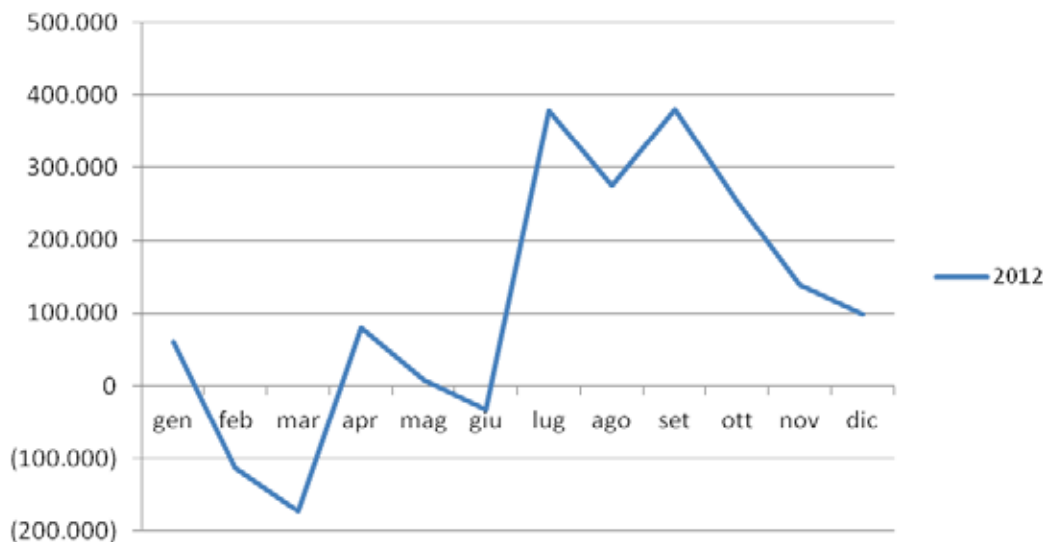
### **3) Significant events occurring after the statement date**

There have been no significant events after statement date that have adversely affected the financial results.

### **Financial Management**

In accordance with the provisions of Art. 2428 n. 6 bis of the Italian Civil Code, we state that in carrying out its activity the Association is exposed to market risks through changes to interest rates and exchange rates.

### Financial position during 2012



During 2012 the Association's financial state was characterized by a sharp difference between the two six-month periods.

As can be seen in the graph above, during the first six months the financial position tended to be in negative territory, mainly due to operational expenditure exceeding income. This meant that the Association had to use lines of bank credit to finance its activities, particularly during February and March. The upturn in April was a result of receiving € 400,000 from the Terra Madre Foundation. However the second six-month period showed an average liquidity level of about € 180,000: the easier financial situation made operational management less difficult.

Liquidity improved as a result of several large payments made from June onwards: € 85,000 was received from Compagnia San Paolo and in July the Association received about € 620,000 from the EU (Operating Grant project), Compagnia di San Paolo and Slow Food Usa.

Set against this income there was operational expenditure of € 200,000 in July. September also registered large positive balances, with € 250,000 income against € 150,000 expenditure. However from October to December income did not completely cover operational expenditure and financial balances fell, though the Association still had liquid assets available.

Looking at indicators, we can see that the current ratio is at about 1, as is the liquidity ratio, showing that financial resources can fund operational expenditure. The coverage of fixed assets ratio is around 2, a sign that fixed assets are covered by investments made.

If we examine receivables and payables turnover, both have improved significantly compared to 2011, though the outlook is very uncertain.

#### 4) Supervision and control

Auditing compliance with statutory and regulatory requirements is carried out by the Board of Auditors, which was renewed at the Congress in October 2012. It is currently consists of the following:

<i>Walter Vilardi</i>	<i>President;</i>
<i>Davide Barberis</i>	<i>Regular Auditor;</i>
<i>Paola Vola</i>	<i>Regular Auditor;</i>
<i>Robert Shaver</i>	<i>Regular Auditor;</i>
<i>Vladimiro Rambladi</i>	<i>Alternate Auditor;</i>
<i>Stefano la Placa</i>	<i>Alternate Auditor;</i>

Since 2011, auditing of the accounts and certification of financial statements has been carried out by the audit company Deloitte&Touche.

#### C) Conclusions

The 2012 financial year closed with a surplus in line with the Association's statutory principles, assets appropriate for the activities and projects to be implemented, and a financial position able to ensure that these activities can be carried out.

However we face a situation of increasing difficulty and concern at achieving an optimal financial cycle with regard to the Association's activities and assets.

You are invited to approve the financial statements for the year ending December 31, 2012 comprising the Balance Sheet with the following final results:

<b>ASSETS</b>	<b>€ 1,935,915</b>
<b>LIABILITIES</b>	<b>€ 1,921,402</b>
<b>SURPLUS</b>	<b>€ 14,513</b>

together with the Statement of Operating Income and Expenses, and the Notes to the Financial Statements; the surplus of € 14,513 created in the financial year is carried forward.

Bra, May 24, 2013

**Carlo Petrini**  
International President



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FINANCIAL STATEMENTS

Balance Sheet Assets (ex Art. 2424 Italian Civil Code)	2012	2011
<b>A) SUBSCRIBED CAPITAL, UNPAID</b>	-	-
Called up	-	-
Uncalled	-	-
<b>B) FIXED ASSETS</b>	<b>132.112</b>	<b>149.285</b>
<b>I - Intangible fixed assets</b>	<b>13.035</b>	<b>29.773</b>
1) Start-up and expansion costs	-	-
2) Research, development and advertising expenditure	-	-
3) Industrial patent rights and intellectual property rights	4.005	15.204
4) Concessions, licences, trademarks and similar rights	306	613
5) Goodwill	-	-
6) Assets under construction and advances	-	-
7) Other intangible fixed assets	8.724	13.956
<b>II - Tangible fixed assets</b>	<b>36.164</b>	<b>20.600</b>
1) Land and buildings	-	-
2) Plant and machinery	-	-
3) Industrial and commercial equipment	2.436	3.480
4) Other fixed assets	33.728	17.120
5) Construction in progress and advances		
<b>III - Financial fixed assets</b>	<b>82.912</b>	<b>98.912</b>
1) Investments in:	-	-
a) Subsidiary companies	-	-
b) Associated companies	-	-
c) Parent companies	-	-
d) Other bodies	80.000	96.000
2) Receivables:	2.912	2.912
a) From subsidiary companies	-	-
b) From associated companies	-	-
c) From parent companies	-	-
d) From other parties	2.912	2.912
3) Other securities	-	-
4) Own shares	-	-
<b>C) CURRENT ASSETS</b>	<b>1.531.231</b>	<b>1.418.693</b>
<b>I - Inventories</b>	<b>0</b>	<b>0</b>



1) Raw, ancillary and consumable materials	-	-
2) Work in progress and semi-finished products	-	-
3) Contract work in progress	-	-
4) Finished products and goods for resale	-	-
5) Advances	-	-
<b>II - Receivables</b>	<b>1.285.011</b>	<b>1.234.417</b>
1) From supporters	176.808	353.960
due within 12 months	176.808	353.960
due beyond 12 months	-	-
2) From subsidiary companies	-	-
3) From associated companies	-	-
4) From founders	-	-
4a) Tax credits	29.845	25.516
4b) Tax advances	-	-
5) From third parties	1.078.357	854.941
due within 12 months	1.078.357	854.941
due beyond 12 months	-	-
<b>III - Financial assets not held as fixed assets</b>	<b>0</b>	<b>0</b>
1) Investments in subsidiary companies	-	-
2) Investments in associated companies	-	-
3) Investments in parent companies	-	-
4) Other investments	-	-
5) Own shares	-	-
6) Other securities	-	-
<b>IV - Liquid assets</b>	<b>246.220</b>	<b>184.276</b>
1) Bank and post-office deposits	243.618	182.191
2) Checks	772	265
3) Cash and cash equivalents	1.830	1.820
<b>D) ACCRUALS AND DEFERRALS</b>	<b>272.573</b>	<b>3.574</b>
Accrued income	-	-
Accrued operating income	-	-
Accrued non-operating income	-	-
Prepaid expenses	-	-
Prepaid operating expenses	272.573	3.574
Prepaid non-operating expenses	-	-
Discount on loans	-	-
<b>TOTAL ASSETS</b>	<b>1.935.915</b>	<b>1.571.552</b>

<b>BALANCE SHEET LIABILITIES (ex Art. 2424 Italian Civil Code)</b>	<b>2012</b>	<b>2011</b>
<b>A) CAPITAL AND RESERVES</b>	<b>402.891</b>	<b>388.379</b>
I - Capital (Social fund)	25.807	25.807
II - Free capital	-	-
III - Restricted assets	80.000	160.000
IV - Legal reserve	199.845	199.647
V- Treasury share reserve	-	-
VI - Statutory reserve	-	-
VII - Other reserves	80.000	
VIII - Surplus (deficit) brought forward	2.726	199
IX - Surplus (deficit) for financial year	14.513	2.726
<b>B) PROVISIONS FOR LIABILITIES AND CHARGES</b>	<b>374.081</b>	<b>119.921</b>
1) For pensions and similar obligations	-	-
2) For taxes, including deferred taxes	-	-
3) Other reserves	374.080	119.921
<b>C) EMPLOYEE SEVERANCE INDEMNITY RESERVE</b>	<b>185.350</b>	<b>149.328</b>
<b>D) PAYABLES</b>	<b>947.455</b>	<b>843.924</b>
1) Bonds	-	-
2) Convertible bonds	-	-
3) Payable to members for funding	-	-
4) Borrowings from banks	147.634	73.847
5) Payable to other financing sources	-	-
6) Advances	-	-
7) Payables due to suppliers	354.444	371.005
8) Notes payable	-	-
9) Payables to subsidiary companies	-	-
10) Payables to associated companies	-	-
11) Payables to parent companies	-	-
12) Tax payables	64.963	60.678
13) Payables to social security institutions	37.617	31.057
14) Other payables	342.798	307.337
<b>E) ACCRUALS AND DEFERRALS</b>	<b>26.138</b>	<b>70.000</b>
Accrued liabilities		
Accrued operating liabilities		
Accrued non-operating liabilities	-	-
Deferred income	-	-
Deferred operating income	26.138	70.000
Deferred non-operating income	-	-
Premium on loans	-	-
<b>TOTAL LIABILITIES</b>	<b>1.935.915</b>	<b>1.571.552</b>

<b>STATEMENT OF OPERATING INCOME AND EXPENSES</b>	<b>2012</b>	<b>2011</b>
<b>A) Value of production</b>	<b>2.978.935</b>	<b>2.582.985</b>
1) Revenues from institutional activity	2.883.063	2.531.151
2) Change to work in progress, semi-finished and finished products inventories	-	-
3) Changes to contract work in progress	-	-
4) Additions to internally produced fixed assets	-	-
5) Other income and revenues	95.872	51.834
<b>B) Cost of production</b>	<b>2.928.452</b>	<b>2.505.403</b>
6) Raw, ancillary and consumable materials and goods for resale	46.929	56.984
7) Services	1.499.692	1.439.678
8) Leases and rentals	78.750	61.700
9) Personnel costs	850.205	675.778
a) Wages and salaries	614.219	489.495
b) Social security contributions	181.916	142.155
c) Severance indemnities	41.282	36.746
d) Pensions and similar obligations	-	-
e) Other costs	12.787	7.382
10) Amortization, depreciation and writedowns	138.712	41.633
a) Amortization of intangible fixed assets	16.737	17.695
b) Depreciation of tangible fixed assets	6.974	3.938
c) Writedowns of fixed assets	-	-
d) Writedown of receivables included in current assets and liquid assets	115.000	20.000
11) Changes to inventories of raw, ancillary and consumable materials and goods	-	-
12) Provisions for risks	-	-
13) Other provisions	90.000	
14) Sundry operating expenses	224.164	229.630
Difference between value and cost of production (A - B)	50.483	77.582
<b>C) Financial income and charges</b>	<b>-608</b>	<b>-8.042</b>
15) Income from equity investments	-	-
16) Other financial income	1.427	356
a) From receivables held as fixed assets	-	-
b) From securities held as fixed assets other than equity investments	-	-
c) From securities included as current assets other than equity investments	-	-
d) Other income	-	-
17) Interest and other financial expenses	2.212	6.604
17a) Foreign exchange gains and losses	177	-1.794



<b>D) Value adjustments to financial assets</b>	<b>-16.000</b>	<b>-16.000</b>
18) Revaluations of	-	-
a) Equity investments	-	-
b) Financial fixed assets other than equity investments	-	-
c) Securities included as current assets other than equity investments	-	-
19) Writedowns of	-16.000	-16.000
a) Equity investments	-16.000	-16.000
b) Financial fixed assets other than equity investments	-	-
c) Securities included as current assets other than equity investments		
<b>E) Extraordinary income and expenses</b>	<b>16.300</b>	<b>-21.380</b>
20) Income	39.805	2.958
21) Expenses	23.505	24.338
<b>Result before tax ( A - B +- C +- D +- E)</b>	<b>50.175</b>	<b>32.160</b>
22) Current, deferred and advance income tax for the year	35.662	29.434
<b>23) Surplus (deficit) for the financial year</b>	<b>14.513</b>	<b>2.726</b>

## CONTENT AND FORMAT OF THE FINANCIAL STATEMENTS

The financial statements for the year ending December 31, 2012 have been prepared in accordance with the provisions of articles 2423 et seq. of the Italian Civil Code insofar as they are applicable to non-profit entities. In particular the general provisions regarding the structure of financial statements (art. 2423 of the Italian Civil Code), their reporting principles (art. 2423 bis) and the valuation criteria specified for individual items (art. 2426) have been observed, without application of any of the derogations provided for under art. 2423, para. 4, of the Italian Civil Code. The Balance Sheet and Statement of Operating Income and Expenses have been drawn up in accordance with the requirements of the Civil Code in the version subsequent to the changes made by legislative decree 17 January 2003 n. 6. The financial statements for the year ended 31 December 2012 have been drawn up with values stated in euro. The financial statements also comply with the principles established by the Commission for Non-profit Organizations of the Consiglio Nazionale Dottori Commercialisti (Italian National Council of Accountants), and published by the relevant professional accounting bodies, aiming to ensure a truthful and correct representation of the financial and operational position is given. The financial statements, consisting of the Balance Sheet, Statement of Operating Income and Expenses and the Notes to the Financial Statements, correspond to the results of the accounting records and conform to the reporting principles and valuation criteria as required by articles 2423-bis and 2426 of the Italian Civil Code. No extraordinary events have arisen which require application of the derogations provided for under articles 2423 fourth para. and 2423-bis second para. of the Italian Civil Code.



Data have been presented to show comparisons with the previous year and comments on the main changes are given in the Notes to the Statements.

The Balance Sheet shows individual items in order of liquidity, as required by the format adopted.

The Statement of Operating Income and Expenses gives information on how the Foundation's resources have been acquired and used in the period, according to operating areas and projects.

The values presented in the Balance Sheet statements are reported in either units or thousands of euro, while in the subsequent comments on items, values are reported in euro.

A summary is given below on the valuation criteria, the accounting principles and the reporting principles used for the statements.

## **SIGNIFICANT EVENTS OCCURRING AFTER THE STATEMENT DATE**

Art. 2423 bis n. 4) states that financial statements must consider liabilities and losses accrued in the financial period, even if discovered after the end of the period. Events of this type are subject to being reported in these statements for 2012.

In accordance with art. 2428 n. 5 para. 2, it is declared that no events of financial significance have occurred subsequent to the end of the financial period.

## **RELATIONS WITH ASSOCIATED PARTIES**

In accordance with Legislative Decree 32/2007 and observing the principle of transparency required by Art.2391 bis of the Italian Civil Code, relations with the following associated parties are reported below:

- *Slow Food Foundation for Biodiversity*
- *Terra Madre Foundation*

Relations with the Slow Food Foundation for Biodiversity involve an annual contribution which Slow Food pays to the Foundation to support its activities. There were also advances for travel expenses by Slow Food staff providing professional service, governed by an agreement for the development of some of the Foundation's institutional activities.

Relations with the Terra Madre Foundation are governed by a convention stipulated each year between the two legal bodies concerning the use of the Slow Food organizational structure by the Terra Madre Foundation. In 2012 the Foundation made a payment of € 700,000 to Slow Food.

## VALUATION CRITERIA, REPORTING AND DRAFTING PRINCIPLES

The financial statements have been prepared in conformity with the recommendations of the Commission for Non-profit Organizations of the Consiglio Nazionale Dottori Commercialisti (Italian National Council of Accountants) and accounting principles as they apply to non-profit organizations.

The Financial Statements at December 31, 2012 have been prepared applying the same valuation criteria, reporting and drafting principles adopted in the previous financial year.

Items in the statements have been valued prudently and, in cases required by law, with the agreement of the Board of Auditors. Account has been taken of income and expenses received or paid in the financial period, independently of the date of receipt or payment. Liabilities and losses of the period are also included, even if only discovered after the end of the reporting period.

Different elements included under various items in the financial statements have been considered separately for the purposes of valuation.

Asset items destined for long-term use have been recorded as fixed assets. The criteria used for classifying items have not been modified.

Improvements and revisions have been made to the presentation of the financial statements over time, which have enabled them to meet the standards of international best practices. This also allows comparisons to be made with other typical non-profit organizations by using financial indicators, while following the recommendations of the Commission for Non-profit Organizations. The valuation criteria and accounting principles adopted for the main items are described below.

## BALANCE SHEET ASSETS

### B) Fixed Assets

#### I - Intangible fixed assets

These are entered at cost of purchase, including all accessory charges and VAT, systematically amortized at constant rates for the period of their expected future utility, and reported net of cumulative amortization applied over previous years. This is directly attributed to individual items, with a rate of 10% for trademarks, 33.33% for software, and 20% for other intangibles.

Where provided for by the Italian Civil Code, the cost of intangible fixed assets extending over multiple years is shown as assets in the balance sheet with the agreement of the Board of Auditors, and is amortized over the residual term.

In particular, industrial patent rights and intellectual property rights are amortized



according to their presumed duration of use, in any case not greater than that fixed by the licensing contract. Intangibles whose value at balance sheet date is significantly less than the residual cost to be amortized are entered at the lower value; this is not continued if in subsequent financial periods the reasons for the adjustment disappear.

The residual value of intangible fixed assets is written down in the event of lasting impairment of value and reversed if the reasons for the adjustment disappear, net of applicable amortization.

## **II -Tangible fixed assets**

These are entered at cost of purchase net of depreciation, including all accessory charges and VAT.

The depreciation rates charged to the income statement have been calculated, the use, purpose and economic/technical life of the goods defined, according to the residual possibility of use, using a rate of 12% for furniture and fittings, while electronic equipment is depreciated at a higher rate of 20%, due to the faster loss of value and obsolescence.

The residual value of tangible fixed assets is written down in the event of lasting impairment of value and reversed if the reasons for the adjustment disappear, net of applicable depreciation.

## **III - Financial fixed assets**

These consist of participating interests/endowment reserves in other organizations, acquired as long-term investments and, as such, they are valued at their acquisition cost. Financial fixed assets also include collateral deposits.

# **C) Current Assets**

## **I - Stock**

There is no left-over stock

## **II - Receivables**

These are entered according to their presumed value of realization, with provision where necessary for the risk of bad debts.

Receivables from national or international institutional bodies for projects in progress or already implemented, are entered according to the corresponding total expenses incurred at December 31, 2012.

Receivables in foreign currency are recorded according to the exchange rate on the date when the relevant operations were carried out; gains or losses due to valuations of foreign currency entries at the end of the financial year have been appropriately credited and debited to the financial year.

**IV - Liquid assets**

Liquid assets in bank and post-office deposits and as cash and cash equivalents are shown at their nominal value at December 31, 2012.

**D) Accrued Income and Prepaid Expenses**

These are calculated on an accrual basis and following the matching principle.

## **BALANCE SHEET LIABILITIES**

**A) Capital and Reserves****I- Capital (Social fund)**

Capital (or the social fund) is entered at nominal value and is the value established when founding the Association.

**III- Restricted reserve**

Refers to the value of Slow Food's participating interests in the Terra Madre Foundation and Foundation for Biodiversity.

The residual value of the participating interests following annual allocations of € 16,000 made since 2008, is € 80,000.

**IV- Legal reserve**

The value of the surplus/loss generated during financial years prior to 2011.

**VIII- Surplus (Deficit) brought forward**

The value of the surplus achieved during 2011.

**IX- Surplus(Deficit) in financial year**

The value of the operating surplus achieved during 2012.

**B) Provisions for Liabilities and Charges**

These are allocated to cover certain or probable losses or payables, whose amount or contingent date cannot be determined at the end of the financial year.

Potential liabilities have been shown in the statements and entered in the reserves as they are considered probable and the amount of the charge can be reasonably estimated.

**C) Employee Severance Indemnity**

This is what is owed to employees at the end of the financial period according to current regulations and employment contracts, and is shown net of advance payments. This liability is subject to revaluation using parameters published by the Italian National Institute of Statistics (ISTAT).

**D) Payables**

Payables are recorded at their nominal value, which is considered representative of their discharge value.

“Payables due to suppliers”, apart from being the value of payables for invoices received, cover the value of invoices to be received for services rendered and orders delivered which have not been invoiced by December 31, 2012.

“Tax payables” cover the direct taxes in the financial year, consisting of IRAP (Regional Business Tax) calculated on the cost of personnel.

“Payables to social security institutions” cover the value of social charges for employees, scholarship holders and collaborators working on a continuous coordinated basis, which are due but unpaid at December 31, 2012. This also covers payables to the Italian Treasury Fund for employee severance indemnities (TFR) which are due but unpaid at December 31, 2012, for all employees who have elected to pay their employee severance indemnity to the Italian Social Security Institute (INPS).

“Other payables” cover remaining payables not included in previous items. This includes payables to employees of the Association for accrued liabilities according to current regulations and collective employment contracts, including the value of accrued holidays not taken by December 31, 2011, as well as payables to other bodies for projects carried out during 2012.

**E) Accrued Liabilities and Deferred Income**

These are calculated on an accrual basis and following the matching principle.

## **STATEMENT OF OPERATING INCOME AND EXPENSES**

**Income**

This is the income at December 31 2012 from institutional activities, fundraising, financial and investment revenue and extraordinary income from relevant operating areas. Entries are recorded according to the matching principle.

**Expenses**

Expenses include costs incurred by the Association in the relevant period for carrying out its activities. These expenses are recorded according to the matching principle and shown according to their operating area.







NOTES TO THE FINANCIAL STATEMENTS

BALANCE SHEET ASSETS

B) Fixed Assets – Movements in Fixed Assets (art.2427)

I - Intangible fixed assets

The value of intangible fixed assets is € 13,035 compared to € 29,773 in the previous financial year. No purchases were made during the year.

DESCRIPTION	HISTORIC COST	PURCHASE	DIVESTITURE	AMORT. FUND AT 31/12/2011	AMORT. 2012	AMORT. FUND AT 31/12/2012	RE-SIDUAL VALUE
Software	36,473	0	0	21,269	11,199	32,468	4,005
Concessions, licenses, trademarks and similar rights	919	0	0	306	306	613	306
Other	26,160	0	0	12,204	5,232	17,436	8,724
Total	63,552	0	0	33,779	16,737	50,517	13,035

II - Tangible fixed assets

The value of tangible fixed assets is € 36,164 compared to € 20,600 in the previous financial year. Purchases made during the year included Macbooks for carrying out activities. The item ‘Industrial and commercial assets’ includes an air conditioning system.

DESCRIPTION	HISTORIC COST	PURCHASE	DIVESTITURE	AMORT. FUND AT 31/12/2011	AMORT. 2012	AMORT. FUND AT 31/12/2012	RE-SIDUAL VALUE
Industrial and commercial equipment	3,480	1,044	0	522	522	1,044	2,436
Furniture and furnishings	7,158	2,687	0	1,829	859	2,687	4,470

Office equip- ment	16,097	18,816	0	3,785	5,593	9,378	29,257
Total	16,735	22,538	0	6,135	6,974	13,109	36,164

### III - Financial fixed assets

1) The items “Participating interests” refers to the two interests which Slow Food has in the Terra Madre Foundation and the Slow Food Foundation for Biodiversity; in both cases Slow Food made the investments when they were founded.

DESCRIPTION	HISTORIC COST	PUR-CHASE	DIVES-TITURE	AMORT. FUND AT 31/12/2011	AMORT. 2012	AMORT. FUND AT 31/12/2012	RE-SIDUAL VALUE
Participating interest in Terra Madre Foundation	150,000	0	0	60,000	15,000	75,000	75,000
Participat- ing interest in Slow Food Foundation for Biodiver- sity	10,000	0	0	4,000	1,000	5,000	5,000
Bad debt provision, participating interest *		0	0	(64,000)	(16,000)	(80,000)	(80,000)
Total	160,000	0	0	(64,000)	(16,000)	(80,000)	80,000

\* With reference to art.2423 of the Italian Civil Code and following the principle of prudence, it is considered appropriate to allocate to the “Bad debt provision, participating interest” a sum of 10% of the value of the interest, corresponding to € 16,000

2) The item “Receivables from others” covers security deposits for leasing the of-  
fice in Piazza XX settembre and vehicles from Axus, both items referring to the 2010  
financial year.

DESCRIPTION	PREVIOUS YEAR	DEPOSIT IN YEAR	FINAL VALUE
Security deposits to Axus for vehicle rental	2,112	0	2,112

Security deposit for offices in Piazza XX settembre	800	0	800
<b>Security deposits to Axus for vehicle rental</b>	<b>2,912</b>	<b>0</b>	<b>2,912</b>

### C) Current Assets

Current assets for 2012 total € 1,531,231 compared to € 1,418,693 in 2011.  
 The items in this area are exclusively receivables and liquid funds.

### II - Receivables

Receivables total € 1,285,011 compared to € 1,234,417 last year, details are shown in the table below.  
 In accordance with Art.2427 para. 6 of the Italian Civil Code, the due date of receivables detailed below is declared to be exclusively within the 12 months.

	DESCRIPTION	NOMINAL VALUE	BAD DEBT PROVISION	NET VALUE
1	Receivables from customers	690	-	690
2	Receivables from Slow Food convivia	70,836	-	70,836
3	Receivables from National Associations	268,821	(165,118)	103,703
4	Receivables from tax authorities	29,845	-	29,845
5	Receivables from others	1,078,357	-	1,078,357
	<b>TOTAL</b>	<b>1,450,129</b>	<b>(165,118)</b>	<b>1,285,011</b>

#### 1) Receivables from customers

In accordance with Art.2423, 2423 bis, accounting principles and the recommendations of the Commission for Non-Profit Organizations of the Consiglio Nazionale dei Dottori Commercialisti (Italian National Council of Accountants) it has been decided to assess receivables from customers exclusively from:

- private companies based on a written agreement signed by the parties and paid by 30/04/2013

This item totals € 690 and covers receivables both from Italian organizations (Banca Etruria € 600) and non-Italian organizations (Bilbao Exhibition Centre € 90).

**2) Receivables from Slow Food convivia**

This item totals € 70,836 compared to € 66,259 last year and covers receivables which convivium leaders in countries where Slow Food is present have to pay the Association, based on receipts from membership fees in their area.

**3) Receivables from National Associations**

This item covers receivables due to Slow Food from National Associations; as specified by Art. 2423 of the Italian Civil Code, these receivables have been assessed on the basis of a written agreement signed by the parties at the beginning of 2012.

The total amount for this item, net of the bad debt provision for receivables, is € 103,703 compared to € 297,115 in the previous year.

Details of receivables due from various National Associations are given below.

NATIONAL ASSOCIATION	AMOUNT AT 31/12/2012	AMOUNT AT 31/12/2011
SLOW FOOD USA *	133,172	158,172
SLOW FOOD ITALY	80,000	160,000
SLOW FOOD FRANCE	0	39,220
SLOW FOOD UK	30,000	0
SLOW FOOD NETHERLANDS	750	0
SLOW FOOD SWITZERLAND	0	4,061
SLOW FOOD GERMANY	20,000	30,000
SLOW FOOD JAPAN	4,900	15,000
TOTALE CREDITI	268,821	431,545
PROVISION FOR BAD DEBTS	(165,118)	(94,338)
NET TOTAL	103,703	337,207

[\*] The amount receivable from SFUSA is composed of the second installment for 2010, totaling € 75,000, with the remaining amount being receivables for 2008 and 2007. The reduction of € 25,000 since 2011 is due to writing off € 25,000 debt from 2003.

Writing off the debt was decided at the Executive Committee meeting held at Pollenzo on April 20 and 21, 2013, utilizing the bad debt provision.

All the other receivables existing in 2012 are exclusively for 2012.

Provision for bad debts - movements

PROVISION FOR BAD DEBTS 2011	USE IN YEAR	ALLOCATION IN YEAR	PROVISION FOR BAD DEBTS 2012
114,338	64,220	115,000	165,118
144,338	64,220	115,000	165,118

On evaluating policy options it was agreed together with the Board of Auditors and audit company (Deloitte) to allocate € 115,000 to cover receivables from Slow Food USA for 2008, 2009 and 2010 and cover the receivables of € 30,000 for 2012 due from Slow Food UK, which will not be able to completely honor its debts because of internal problems.

During the financial year the provision for bad debts was utilized to write off € 64,220 of debt due as follows:

- € 39,220 due from Slow Food France;
- € 25,000 due from Slow Food USA;

4) Receivables from tax authorities

Tax repayments are due for advance payment of IRAP (Regional Business Tax) 2012 of € 29,193, for advance payment of IRES (Corporation Tax) of € 241 and tax receivable on employee severance indemnity of € 411, making total tax receivables of € 29,845.

5) Receivables from others

This item totals € 1,078,357, with the most significant items being contributions receivable of € 371,489 and an amount receivable from the Terra Madre Foundation of € 694,439.

Details of contributions receivable

FINANCING BODY	PROJECT	AMOUNT AT 31/12/2012
ALCOTRA	ITALY-FRANCE CROSS-BORDER COLLABORATION PROGRAM "PROMOTERROIR"	22,073
COMPAGNIA SANPAOLO	COFINANCING OF EU GRANT PROJECT	85,000
LIGHTHOUSE FOUNDATION	PROJECT TO SUPPORT FISHERMEN ON ROBINSON CRUSOE ISLAND	63,118



EUROPEAN COMMISSION	OPERATING GRANT	165,784
WALLACE GENETICS	AGREEMENT 2012	28,514
SLOW FOOD SAPMI	AGREEMENT 2012	7,000
RECEIVABLE		371,489

The amount receivable from the Terra Madre Foundation refers to the € 694,439 stated in the contribution agreement drawn up on 3/10/2011, and signed by the President of the Terra Madre Foundation.

IV - Liquid funds

Liquid funds total € 246,220 compared to € 184,276 in the previous financial year. They are composed of € 243,618 in bank accounts, € 772 checks and € 1,830 cash; These funds are not tied up and earn interest at market rates.

D) Accruals and Deferrals

These total € 272,573 compared to € 3,574 al December 31, 2011. This change is due to the deferment of € 270,000 to settle pension and social security contributions from previous years The deferred charge is split over the 4 years of the Association’s financial period.

BALANCE SHEET LIABILITIES

A) Capital and Reserves

Capital and reserves on December 31, 2012 totaled € 402,891 and are made up as shown below

DESCRIPTION	INITIAL BALANCE	OPERATING SURPLUS/ DEFICIT	INCREASE/ DECREASE	OTHER MOVE- MENTS	FINAL BALANCE
Social fund	25,807	0	0	0	25,807
Restricted reserve	80,000	0	0	0	80,000
Legal reserves	199,647	0	0	0	199,647
Other reserves	80.000				80.000
Surplus brought forward	2,925	0	0	0	2,925
Operating surplus/ deficit	0	14,513	0	0	14,513
Total	388,379	14,513	0	0	402,891

In accordance with Art.2427 Italian Civil Code, para 7-bis, information regarding individual items making up Capital and Reserves is given below.

### **I - Social fund**

The sum of € 25,807 is fully paid up and is the contribution made by the founding members when establishing the Association. It has not been changed during the year.

### **II - Restricted reserve**

This item is made up of € 75,000 from the Reserve for the participating interest in the Terra Madre Foundation and € 5,000 from the participating interest in the Slow Food Foundation for Biodiversity. The classification was made in accordance with the principle of prudence and in conformity with the recommendations of the Commission for Non-profit Organizations of the Consiglio Nazionale Dottori Commercialisti (Italian National Council of Accountants).

### **III - Legal reserve**

This totals € 199,646, with 199,646 referring to operating balances before 2010, while the increase of € 199 during 2010 is the allocation of the surplus achieved in 2010 as decided by the International Committee.

### **IV - Other reserve**

This item includes € 75,000 Write-down of reserve participation in the Terra Madre Foundation and € 5,000 from participating in the Slow Food Foundation for Biodiversity.

### **VIII - Surplus brought forward**

The surplus brought forward is € 2,925 and is due to the surplus achieved during 2011.

## **B) Provisions for Liabilities and Charges**

The total for this item is € 374,080 compared to € 119,921 in 2011. The entire amount is made up as follows:

• <i>Environmental disaster emergency fund</i>	€ 3,304
• <i>Chile fundraising fund</i>	€ 10,776
• <i>Contribution charges fund</i>	€ 360,000

a) *Environmental disaster emergency fund*: this was created in 2008 by various parties concerned about environmental protection with an initial balance of € 20,385. From 2009 to 2012 a sum of € 15,081 was used to cover the costs of projects to support communities affected by flooding in Tabasco.

As at December 31, 2012 the final amount in the fund is € 3,304.

b) *Chile fundraising fund*: during 2010 € 17,427 was raised for the population on Robinson Crusoe Island following the ecological disaster. During 2011 and 2012 the sum of € 6,651 was used, and suitable projects are being studied to receive the remaining amount.

c) *Contribution charges fund*: the fund totals € 360,000 and was needed to settle pension and social security positions from previous years as decided by the Executive Committee on February 2-3 2013.

C) Employee Severance Indemnity

Provision for employee severance indemnity was € 185,350 compared to € 149,328 last year. During the year there have been seven payments for discontinued employment totaling € 7,428 plus substitute taxes of € 543. In addition there has been a credit of € 2,710 due to the transfer of one employee from Slow Food to the Terra Madre Foundation.

DESCRIPTION	INITIAL BALANCE	PAYMENT	ALLOCATION	FINAL BALANCE
Employee severance indemnity (TFR)	149,328	7,971	43,993	185,350
TOTAL	149,328	7,971	43,993	185,350

As at 31/12/2012 there were 30 employees registered in the Single Employment Register (Libro Unico del Lavoro).

D) Payables

Payables total € 948,205 compared to € 843,942 in the previous year. In accordance with Art 2427, point 6 of the Italian Civil Code, we declare that all payables described below are due within 12 months. Also in accordance with the article of the Italian Civil Code cited above, we declare that no part of the amount payable is pledged as collateral security. Details of changes and components of individual items are reported in the table below:

DESCRIPTION	INITIAL BALANCE	FINAL BALANCE	CHANGE
Payables due to banks	73,847	147,634	73,787
Payables due to suppliers	371,005	355,194	15,811

Payables due to tax authorities	60,678	64,963	4,285
Payables due to pensions and social security authorities	31,057	37,617	6,560
Other payables	307,337	342,798	35,461
<b>TOTAL</b>	<b>843,924</b>	<b>948,205</b>	<b>104,281</b>

In accordance with Art.2427 of the Italian Civil Code we show payables according to geographical area below:

DESCRIPTION	ITALY	REST OF WORLD	TOTAL
Payables due to banks	147,634	0	147,634
Payables due to suppliers	346,423	8,771	355,194
Payables due to tax authorities	64,963	0	64,963
Payables due to pensions and social security authorities	37,617	0	37,617
Other payables	342,798	0	342,798
<b>TOTAL</b>	<b>939,434</b>	<b>8,771</b>	<b>948,205</b>

Other payables

The following table shows other payables, totaling € 342,798.

DESCRIPTION	INITIAL BALANCE
Payables due to convivium leaders	79,957
Slow Food Italy	58,253
Payables to employees for deferred compensation	57,891
Payables due to the Foundation for Biodiversity	56,908
Payables due to employees	36,573
Slow Food Editore srl	20,081
Sundry payables	13,885
Payables due to collaborators	11,741
Employee credit card	5,192
Advances to employees	2,310
<b>TOTAL</b>	<b>342,798</b>







- *Payables due to the Foundation for Biodiversity are the contribution paid by Slow Food every year. For 2012 the President's Committee decided to grant a contribution of € 150,000*

### E) Accruals and Deferrals

Accruals and deferrals exclusively refer to a € 26,128 write-off of revenue from Wallace Genetics paid in November 2012..

It was decided to only allocate a 1 month portion of revenue for 2012 since also only one twelfth of the costs were incurred The remaining revenue has been deferred.

## INCOME AND EXPENSES (Operating Statement)

The Review of Operations contains further details of changes to main items in the Statement of Income and Expenses. In the tables presented below only the composition of items and the changes in the 2012 financial year compared to 2011 are shown.

In accordance with Art.2423 of the Italian Civil Code, costs, expenses, revenues and income have been entered on an accrual basis.

### A) INCOME

Total income in 2012 was € 2,978,935, made up as follows:

- € 1,107,399            *Income from member activities*
- € 1,775,664            *Miscellaneous income from institutional activities*
- € 95,872                *Other revenue and income.*

#### 1) Income from institutional activities

##### a) Income from Member Activities

Revenue and income from member activities was € 1,107,399 in the 2012 financial year compared to € 1,074,684 in 2011. This was made up as shown in the following table:

INCOME FROM MEMBER ACTIVITIES	AMOUNT 2012	AMOUNT 2011	CHANGE
Receipts from membership fees through convivium	133,111	146,161	(13,050)
Receipts from membership fes not through convivium	170,284	127,268	43,016

Slow Food Italy	320,000	320,000	0
Slow Food USA	175,000	175,000	0
Slow Food Germany	145,000	145,000	0
Slow Food UK	60,000	60,000	0
Slow Food Switzerland	45,000	45,000	0
Slow Food Netherlands	44,000	44,000	0
Slow Food Japan	15,000	0	15,000
Other revenue	0	18,000	(18,000)
<b>TOTAL</b>	<b>1,107,399</b>	<b>1,074,684</b>	<b>26,966</b>

During 2012 Slow Food concluded agreements with individual National Boards specifying the size of annual contributions to Slow Food. The table above shows details of contributions paid by individual National Associations.

**b) Miscellaneous income from institutional activities**

DESCRIPTION	AMOUNT 2012
Contribution from the Terra Madre Foundation	700,000
EU Grant	414,460
EU 4Cities4Dev	160,489
Compagnia di San Paolo	170,000
Ford Foundation	119,190
IFAD	70,000
Lighthouse Foundation	50,000
Sponsorization and Donations	87,583
<b>TOTAL</b>	<b>1,775,664</b>

Statement of reconciliation with the income statement:

- € 1,107,399 Income from member activities
  - € 1,775,664 Miscellaneous income from institutional activities
- € 2.883.063 Total Income from institutional activities**

**5) Other revenue and income**

Other revenue and income totaled € 95,872 and mainly consisted of the utilization of € 75,000 from the Congress Fund allocated in 2008 and 2009. This was done since the Slow Food Congress, held on the occasion of the Salone del Gusto and Terra

Madre during October 2012, was hosted by Slow Food Italy, and as the intended use no longer applied, it was considered appropriate, with the agreement of the Board of Auditors, to utilize the fund as operating income.

The remaining € 20,872 was miscellaneous income not attributable to institutional activities.

### B) EXPENSES

Expenses refer to all supplies of any kind and for any purpose which are required to perform the Association’s activities.

Unlike income, all expenses are exclusively attributable to institutional activities.

## Expenses of institutional activities

Details of operating expenses

DESCRIPTION	2012	2011
Raw materials, consumables and goods	46,929	56,984
Services	1,499,692	1,439,678
Use of third party goods	78,750	61,700
Wages and salaries	614,219	489,495
Social charges	181,916	142,155
Employment severance indemnity	41,282	36,746
Other personal provisions	12,787	7,382
Amortizations and write-downs	23,711	21,633
Write-down receivables	115,000	20,000
Other provisions	90,000	0
Sundry operating expenses	224,164	229,630
<b>TOTAL</b>	<b>2,928,452</b>	<b>2,505,403</b>

### 6 Costs for raw materials, consumables and goods

The sum of € 46,929 covers all costs incurred for the purchase of goods used to carry out institutional activities. All entries are at incurred cost

### 7 Costs for services

This covers all the costs of purchasing services required to carry out institutional activities. The item is entered at incurred cost and totals € 1,499,692 compared to € 1,439,678 in the previous year.

Details for individual items according to type are as follows.

TYPE OF SERVICE	AMOUNT
Travel and visits	300,897
Collaboration for projects	342,433
Planning, printing and setup costs	188,701
Consultancy	243,842
Staff transfers	50,598
Shipping costs	46,994
Utilities	36,695
Maintenance and cleaning	13,628
Banking services	12,433
Insurance	11,531
IT assistance	6,789
Other services	245,151
TOTAL	1,499,692

1) Operating costs include all costs required for running operations, such as printing, planning and shipping costs. They also include all costs for actions needed to develop and monitor institutional activities. These costs relate to transferred staff, refunds for travel and flights.

3) Costs for collaboration and consultancy refer to contracts current during the year. Appointments were made to perform collaboration and consultancy work connected to the development and implementation of activities such as Presidia, the performance of routine activities, the management, development and accounting of various projects.

4) Costs of utilities and structure refer to all the costs incurred in running head office.

5) Costs connected to other services refer to overhead costs (general, IT, administrative) and sundry costs.

**8- Expenses for the use of third party goods**

The item comprises the costs incurred to benefit from the use of third party goods. The total amount for the year is € 78,750 compared to € 61,700 in the previous year.

This item was made up as follows:

- Real estate rental                    € 31,244
- Vehicle rental                        € 25,552
- Equipment rental                    € 10,411
- Housing rental                        € 11,543

### 9 Personnel costs

Personnel costs for 2012 totaled € 850,204 compared to € 675,778 in the previous year, and cover entire staff costs subdivided as follows:

- wages and salaries € 614,219
- social security costs € 181,916
- employee severance indemnity € 41,282
- other costs € 12,787

### Composition of staff

In accordance with Art.2427 para 15 of the Italian Civil Code, we report the following information regarding the numbers of staff according to category.

CATEGORY	2012	2011
Senior executives	0	0
Managerial staff	1	1
Staff employees	29	33
Trainees	0	0
Personale distaccato	50.598	

## Fees for directors

It should be noted that no fees are paid to directors.

### 10 Provision for bad debts

After evaluating the receivables as at 31/12/2012, with regard to their age and risk of non-repayment, it was considered necessary to make additional provisions for bad debts of €.115,000.

### 13 Other provisions

The allocation of € 90,000 was due as the first of 4 (totaling € 360,000) needed to settle pension and social security positions from previous years, as decided by the Executive Committee on February 2-3, 2013.

### 14 Sundry operating expenses

The amounts reported here refer to costs not directly attributable to revenue-generating activities. The total amount in 2012 was € 224,164 compared to € 229,630 in the previous year.



DESCRIPTION	AMOUNT
Fines and out-of-pocket expenses	1,222
Gifts with individual value under € 50.00	681
EU Intra 12	3,339
Sundry taxes	2,903
Penalties	747
Subscriptions to books, newspapers, magazines	150
Revenue stamps	266
Allowances for rounding down	556
Donations (*)	214,300
TOTAL	224,164

(\*) donations comprise the € 150,000 direct contribution to the Slow Food Foundation for Biodiversity, with the remaining € 64,300 donated as contributions to various convivia around the world according to agreements.

**16) Other financial income**

Financial income refers to interest earned from deposits in bank current accounts. The total amount is € 1,472.

**17) Interest payable and other financial charges**

This item covers interest payable on loans and other financial charges. The amount is € 2,212, with an additional exchange rate gain of € 177.

**D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS**

**19) Write-down for participatory interests**

The sum of € 16,000 refers to the write-down provisions for participatory interests, corresponding to 10% of the total participating interest. This provision was made following the principle of prudence and was not allocated to the Restricted Reserve of Capital and Reserves.

**E) EXTRAORDINARY INCOME AND EXPENSES****20) Income**

The item “Extraordinary Income” totals € 39,805 and is exclusively composed of extraordinary income due to cost savings after closing some convivia and conclusion of a fundraising agreement with Slow Food USA which generated savings of € 25,000.

**21) Expenses**

The item “Extraordinary Expenses” totals € 23,505 and is composed of extraordinary expenses from various items: costs of € 3,505 and € 20,033 as a result of concluding an agreement with Slow Food Editore, where Slow Food took over debts from Slow Food France dating back to 2007.

**22) Income taxes for financial year (current, deferred and prepaid)**

Current income taxes for the financial year total € 35,662 due to IRAP (Regional Business Tax) and IRES (Corporate Income Tax) calculated as required by law for nonprofit organizations..

## OTHER INFORMATION

### Other information to supplement the contents of these Notes

Art. 2423, para. 3, of the Italian Civil Code: the information required by specific provisions of the law is sufficient to give a true and correct representation of the company's financial position and the operating income and expenses for the financial year.

Art. 2423 bis, para. 2, of the Italian Civil Code: the valuation criteria adopted during the year have not been changed compared to those adopted in the course of the previous financial year.

Art. 2423 ter, para. 5, of the Italian Civil Code: the items listed in the financial statements are comparable to those used in the previous financial year.

Art. 2424, para. 2, of the Italian Civil Code: the assets and liabilities in the balance sheet fall under the items for which they are entered.

Art. 2426, n. 1, of the Italian Civil Code: financial charges have not been capitalized.

Art. 2426, n. 2, of the Italian Civil Code: the depreciation and amortization criteria for tangible and intangible assets and the coefficients applied are the same as those used in the previous financial year.

Art. 2427, n. 6, of the Italian Civil Code: there are no payables or receivables of residual duration greater than 5 years, nor any payables secured by guarantees on assets.

Art. 2427, n. 8, of the Italian Civil Code: during the financial year no financial charge has been attributed to values entered in the balance sheet assets.

\_ \*\_ \*\_ \*\_ \*\_

These financial statements, consisting of Balance Sheet, Statement of Operating Income and Expenses, and Note to the Statements, represent the financial position and operating results in the financial year and correspond to the results of the accounting records.

**Carlo Petrini**  
*President of Slow Food*











## **SLOW FOOD**

**Legal address in Bra (Cuneo), Piazza XX Settembre 5**

**Tax Code 91019770048**

\* \* \*

### **REPORT OF THE BOARD OF STATUTORY AUDITORS**

**on the Financial Statements of the Administrative Period ended December 31, 2012**

**prepared on the basis of**

**activities provided for in Article 32 of the bylaws and paragraph 2 of art. 2429 of the Civil Code**

**Dear Council Members,**

this report has been approved jointly and in good time for its filing with the headquarter of the Association prior to the convening of the Council.

The exposure of the report has characteristics different from those adopted in the annual report for the previous year, having taken care to ensure that no new legislation is exchanged to modify existing law.

In particular, it highlighted the activity of the Board of Statutory Auditors concerning the disclosures required by paragraph 2 of the art. 2429 of the Civil Code:

- on the results of the fiscal year;
- on the activities carried out in the performance of duties imposed by the regulations;
- on the comments and proposals regarding the financial statements, with particular reference to the possible use by the Executive Committee of the derogation referred to in the fourth paragraph of Art. 2423 of the Civil Code;
- on the results of the controls formalized in this report accompanying the financial statements on

the Administrative Period ended December 31, 2012.

### **Term of the Board of Statutory Auditors**

The Board of Statutory Auditors, in its current composition, is in charge from 29 October 2012 and therefore the activities of the board are temporally related from that date.

Of these meetings were drafted the minutes duly signed by unanimous consent.

### **Profit for the year**

The net result determined by the Executive Committee for the Administrative Period ended December 31, 2012 shows a profit of Euro 14,513.

This result, as explained in the notes, is the substantial financial and economic equilibrium that has characterized the Administrative Period. There are not, however, highlighted further observations, as the Board of Statutory Auditors considers that what is illustrated by the delegated body in the management report and in the notes might be sufficiently exhaustive.

As was noted during the accesses made at the headquarters of the Association where the activity of control and verification were held, the net result has been established in the achievement of the Association bylaws object and in compliance with its guidelines.

No further explanation is therefore necessary in addition to what has already been illustrated by the Executive Committee in their notes.

### **Activities carried out**

During the regular meetings the Board of Statutory Auditors had knowledge of the evolution of the Association activities, in order to identify their economic and financial impact on the operating result and the integrity of the Equity.

With this information the board then regularly checked and assessed the adequacy of the organizational and functional structure of the Association and of any changes with respect to the requirements requested by the operational activities.

During board meetings, the Statutory Auditors have exchanged information with the management

of the Association and, pursuant to art. 2409 septies of the Civil Code, even with the external Auditors, and give note that the relationships with those involved in associative structure, whether they are managers of the association that employees or external consultants, were generally inspired by the mutual cooperation, in accordance with the roles assigned to each, in order to provide for the conscious and comprehensive flow of information required by the regulations.

The Board of Statutory Auditors, in relation to strategic decisions taken by the Executive Committee, is satisfied that such choices have taken place in accordance with the laws for the lawful pursuit of the Association object, present in the current by-laws, and in accordance with the principles of economic efficiency, consistent and compatible with the resources that the Association has.

The Board of Statutory Auditors has therefore expend the required efforts to explain the tasks and obligations of the management and the associative structure in the exercise of their mandate.

In this regard, it is confirmed that, given the constant presence of the Secretary General and the administrative structure at the headquarters, the information required by the fifth paragraph of art. 2381 of the Civil Code has been provided with periodicity even higher than the set minimum of six months, either during the scheduled audits of the Board of Statutory Auditors than at the meeting of the Executive Committee: as a consequence, the authorized bodies, in substance, as respected their obligation under that provision.

In conclusion, as was noted at during the activity, the Board of Statutory Auditors can states that:

- the decisions taken by the President, the Executive Committee, the Secretary General and the administrative structure were in compliance with the law and the articles of association and were not manifestly imprudent or likely to compromise substantially the Equity of the Association;
- have been given enough information about the general performance of the activities and its outlook, and on the most significant transactions of size or nature, carried out by the Association;

- the operations carried out, with particular reference to those with related parties, were also in compliance with the law and the bylaws and not manifestly imprudent or in contrast with the resolutions passed by Congress or compromise substantially the integrity of the Equity of the Association;
- there is no comment on the appropriateness of the organizational structure of the Association, nor on the adequacy of the administrative and accounting system, and the reliability of the latter in correctly representing management activities;
- the board has shared the following decisions taken by the Executive Committee:
  - a. to prepare the budget of the Association on the basis of the new four-year program of activities approved by Congress in October 2012 and the reasonable possibility of finding the related financial resources,
  - b. to redefine and formalize the correct separation of the functions of operational management from that of administration, finance and internal control, identifying the human resources dedicated in order to make effective monitoring and assessment of the capacity and sustainability of expenditure in accordance with the financial resources reasonably available,
  - c. to initiate new methods and models of access to financial resources which in due time will make the Association more and more independent from the contributions of public bodies;
- in the course of supervision, as described above, there were no further significant events that would require to be mentioned in this report;
- the board has not requested to intervene for omissions of delegated bodies pursuant to art. 2406 of the Civil Code;
- had been not received complaints pursuant to art. 2408 of the Civil Code;
- had been not filed complaints pursuant to paragraph 7 of art.2409 of the Civil Code.

#### **Comments and proposals regarding the financial statements and its approval**



Financial statements of the Administrative Period ended December 31, 2012 include the balance sheet, the income statement, the notes and the management report, pursuant to art. 2428 of the Civil Code.

Those documents were submitted to the Board of Statutory Auditors in good time so that they could be filed within the terms at the headquarters of the Association accompanied by this report. It was therefore examined the financial statements, on which are provided the following additional information:

- criteria for the evaluation of the assets and liabilities have been checked and were not different from those adopted in previous accounting periods, resulting also in accordance with the provisions of art. 2426 of the Civil Code;
- attention was paid to the setting given to the financial statements, their compliance with the law, for what concerns the formation and structure, and in this regard we have no observations which should be mentioned in this report;
- in the management report is given extensive information on the social dimension of management and on the activities carried out during the year in accordance with the provisions of the act address N° 11 of Third Sector Agency and Recommendation N° 3 of Non Profit Entities Commission of CNDCEC in the field of mission report;
- delegated body, in preparing the financial statements, did not depart from the rules of law pursuant to the fourth paragraph of Art. 2423 of the Civil Code;
- has been verified that the financial statements corresponds to the facts and information that we obtained in the course of fulfilling the duties typical of the Board of Statutory Auditors and in this regard are not highlighted further comments;
- pursuant to the fifth paragraph of art. 2426 of the Civil Code has been expressed, in previous years by the previous Board of Statutory Auditors, consensus on the registration in the balance sheet of immaterial costs for long-term use;

- the items in foreign currencies have been accounted for at the exchange rates prevailing at the date when were made related transactions and gains or losses arising from the valuation of foreign currencies at the end of the year, have been respectively credited or debited for competence during the year;
- on the proposal of the delegated body regarding the allocation of net income, the Board of Statutory Auditors has nothing to observe.

### Conclusions

The Board of Statutory Auditors, as far as it is concerned, taken note of the clean opinion, without reserve, expressed on 14 May 2013 by the external auditor carrying out the voluntary audit of the accounts, as stated in the document received by the Executive Committee, believes there are no reasons to prevent the approval from your side of financial statements for the Administrative Period ended December 31, 2012, as it has been drawn up and as has been proposed by the Executive Committee.

Bra, May 27, 2013

### THE BOARD OF STATUTORY AUDITORS



(Walter Vilardi)

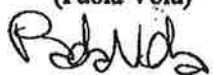


(David Barberis)



(Robert Shaver)

(Paola Vola)



## AUDITORS' REPORT

### To the Executive Committee of ASSOCIAZIONE SLOW FOOD

1. We have audited the financial statements of Associazione Slow Food (here in after the "Associazione") as of December 31, 2012. These financial statements prepared in accordance with the accounting principles included in the notes to the financial statements are the responsibility of the Executive Committee of the Associazione. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards issued by the Italian Accounting Profession (CNDCEC) and recommended by Consob. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Executive Committee, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the prior year's financial statements, the balances of which are presented for comparative purposes, reference should be made to our auditors' report issued on June 15, 2012.

3. In our opinion, the financial statements give a true and fair view of the financial position of Associazione Slow Food as of December 31, 2012, and of the results of its operations for the year then ended in accordance with the accounting principles and valuation criteria included in the notes to the financial statements.

DELOITTE & TOUCHE S.p.A.

Signed by  
Eugenio Puddu  
Partner

Turin, May 14 2013

*This report has been translated into the English language solely for the convenience of international readers.*



SLOW FOOD