

**FINANCIAL STATEMENTS AS OF DECEMBER 31<sup>ST</sup> 2021**

**REPORT OF THE SUPERVISORY BODY**

appointed pursuant to art.30, Legislative Decree of July 3<sup>rd</sup> 2017, n.117

The purpose of the present report is to provide the Assembly of Association Pro Terra Sancta (henceforth, 'Association' or 'PTS') with a report on the results of the fiscal year and the activities carried out by the supervisory body according to its duties defined pursuant to art.30, Legislative Decree of July 3<sup>rd</sup> 2017, n. 117, Third Sector Code (henceforth, 'CTS').

*Foreword*

On June 3<sup>rd</sup>, 2019, the Association adopted its statute according to the provisions of the CTS. Based on art.15 of the new statute, the annual report is drawn up following the guidelines provided by art. 13 of the CTS and, thus, in conformity with the forms adopted by decree n. 39 of March 5<sup>th</sup>, 2020, of the Ministry of Labour and Social Policies (henceforth "MLPS). Although the Association is not enrolled in the Single National Register of the Third Sector, the financial statement was drawn up according to the defined balance sheet formats for Third Sector Entities, in compliance with the provisions of the MLPS in note no. 19740 of December 29<sup>th</sup>, 2021, according to which 'the receptivity of the provisions of Article 13 of the CTS also applies to ONLUS', even in the absence of registration (see MPLS note no. 19740 of December 29<sup>th</sup>, 2021, p. 2).

The Association's financial statement for 2021 is, thus, drawn up according to different balance sheet formats compared with the ones used in the Financial Statements of 2020. The latter was drawn up in conformity with the guidelines provided by the documents issued by the National Council of Chartered Accountants and Accounting Experts and by the Guidelines and schedules for the preparation of the financial statements of non-profit organizations administered by the Agency for Non-profit Bodies - with the consequent impossibility of making immediate comparisons, especially regarding the management account. With this in mind, in this financial statement, the items referring to the year 2020 have been reclassified according to the new scheme adopted.

*1. Summary of the balance sheet data*

The balance sheet submitted for the Assembly's approval shows an operating surplus for the year 2021, amounting to € 57,153. The balance sheet of the Association as of December 31<sup>st</sup> 2021, is summed up in the following values:

<b>BALANCE SHEET</b>	
<b>ASSETS</b>	
<b>FIXED ASSETS</b>	
TANGIBLE FIXED ASSETS	1,122
FINANCIAL FIXED ASSETS	1,725
<b>CURRENT ASSETS</b>	

CREDITS	283
FINANCIAL ACTIVITIES THAT DON NOT CONSTITUTE FIXED ASSETS	500.000
CASH	4,060.188
ACCRUED INCOMES AND PREPAID EXPENSES	2,469
<b>TOTALE ASSETS</b>	<b>4,565.787</b>
<b>LIABILITIES</b>	
NET EQUITY	
ENDOWMENT FUND	43,919
RESTRICTED RESERVES DESTINED BY THIRD PARTIES	1,880.272
RESERVES OR OPERATING PROFIT OR SURPLUSES	2,174.586
SURPLUS/DEFICIT BUDGET	57,153
TOTAL NET EQUITY	4,155.930
EMPLOYMENT TERMINATION INDEMNITY	80,635
TOTAL PAYABLES	329,222
ACCRUED INCOMES AND PREPAID EXPENSES	0
<b>TOTAL LIABILITIES</b>	<b>4,565.787</b>

The income statement for the fiscal year 2021 is summed up in the following values:

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CHARGES AND COSTS		INCOMES AND REVENUES	
CHARGES AND COSTS FROM GENERAL INTEREST ACTIVITIES	9,479,273	INCOMES AND REVENUES FROM GENERAL INTEREST ACTIVITIES	9,792,360
COSTS AND CHARGES FROM FINANCIAL AND CAPITAL ACTIVITIES	11,977	REVENUES, INCOME, AND PROCEEDS FROM FINANCIAL AND CAPITAL ACTIVITIES	8
CHARGES AND COSTS OF GENERAL SUPPORT	273,281	PROCEEDS OF GENERAL SUPPORT	29,316

## 2. Summary of the results of the supervisory activity

The monitoring activity was implemented in conformity with the 'Rules of conduct of the supervisory body of third sector bodies' issued by the National Council of Chartered Accountants and Accounting Experts.

### 2.1. Compliance with the law, the statute, and the principles of proper administration, concerning the provisions of the Legislative Decree of June 8<sup>th</sup>, 2001, n.231

The corporate bodies met and worked in compliance with the provisions of the law and the article of Association regarding summoning, functioning, and exercise of voting rights. The decisions adopted by the corporate bodies are: (1) in compliance with the law and the statute; (2) coherent with the civil, charitable, and social objectives pursued by the Association; (3) not explicitly imprudent or such to definitely threaten the integrity of the assets of the Association. Financial books are properly kept. During the activities, the necessary information related to the general trend of management and new foreseeable evolution were acquired. In the activities performed, sufficient information was also acquired concerning the general performance of operations and the foreseeable

development. The Association adopted an organizational model according to the Legislative Decree of June 8<sup>th</sup>, 2001, n.231, and appointed a supervisory committee comprised of three members whose mandate was renewed on September 23<sup>rd</sup>, 2021. Through its activity, the supervisory committee did not find any criticality concerning the Association's management according to the legislation on bodies' administrative responsibility.

*2.2. Supervision of adequacy and functioning of the organizational set-up, the internal control system, and the administrative and accounting system*

In the light of the activity done, as far as the adequacy of the organizational set-up, the internal control system, and the administrative and accounting system are concerned, no specific observation is made.

*2.3. Observations related to the balance sheet*

As of December 31<sup>st</sup>, 2021, submitted for the Assembly's approval, the balance sheet is composed of the statement of assets and liabilities, the financial statement, and the related explanatory note. Based on the verifications made, no element suggests that the financial statement is not in conformity with the rules regulating the drafting criteria and with the facts and information acknowledged as a result of the fulfilment of the duties of the supervisory body.

*2.4. Monitoring of purposes and corporate reporting*

As certified in the annual report too, monitoring activity on the observance of civil, charitable, and social objectives was carried out. In particular, as a result of the verifications made, it is found that the Association: (1) carried out exclusively or mainly activities of general interest pursuant to art. 5 of the CTS and did not carry out other activities; (2) carried out its activities in accordance with the principle of non-distribution of profits; (3) drew up the annual report in accordance with the guidelines adopted by the Ministry of Labour and Social Policies by Decree of July 4<sup>th</sup>, 2019.

*3. Observations and suggestions on the approval of the financial statement as of December 31<sup>st</sup>, 2020*

It is suggested the Assembly of the Association approve the financial statement as of December 31<sup>st</sup>, 2020, as the administrative body draws it up.

Milan, April 13<sup>th</sup>, 2022

Avv. Federico Pamovio

