

ASSOCIATION PRO TERRA SANCTA

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FINANCIAL STATEMENTS AS OF DECEMBER 31ST 2020

REPORT OF THE SUPERVISORY BODY

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

The purpose of the present report is to provide the Assembly of Association Pro Terra Sancta (henceforth, 'Association') 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 3rd 2017, n. 117, Third Sector Code (henceforth, 'CTS').

Foreword

On June 3rd 2019 the Association adapted its statute according to the provisions of the CTS. Basing 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 of March 5th 2020 of the Ministry of Labour and Social Policies. However, the requirement to draft the annual report in accordance with Ministry's guidelines takes effect from the fiscal year 2021. The Association's balance sheet of 2020 is, thus, drawn up – as already done in the previous years – 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 organisations' issued by the Agency for Non-profit Bodies.

1. Summary of the balance sheet data

The balance sheet submitted for the Assembly's approval shows an operating surplus for the year 2020 amounting to € 268,557. The balance sheet of the Association as of December 31st 2020 is summed up in the following values:

BALANCE SHEET	
ASSETS	
FIXED ASSETS	
INVESTMENTS	1,725.00
CURRENT ASSETS	
RECEIVABLES WITHIN THE NEXT FINANCIAL YEAR	4,028.00
DEPOSITS IN SUPPORTING OPERATING ACTIVITIES	500,000.00
BANK DEPOSIT FOR PROJECT IMPLEMENTATION	2,009,518.00
ACCRUED INCOMES AND PREPAID EXPENSES	219,989.00
TOTAL ASSETS	2,735,260.00
LIABILITIES	
NET EQUITY	
ENDOWMENT FUND	43,919.00
RESERVES OF PREVIOUS YEAR	1,906,029.00
OPERATING SURPLUS	268,557.00
TOTAL NET EQUITY	2,218,505.00
EMPLOYMENT TERMINATION INDEMNITY	68,756.00
TOTAL PAYABLES	228,628.00
DEFERRED INCOME	219,371.00
TOTAL LIABILITIES	2,735,260.00

The income statement for the fiscal year 2020 is summed up in the following values:

PROFIT & LOSS	
SOURCES	
TOTAL REVENUES FROM ORDINARY ACTIVITIES	8,948,869.00
ALLOCATIONS	
TOTAL COSTS FROM ORDINARY ACTIVITIES	-8,136,467
TOTAL OPERATING EXPENSES	-543,845
OPERATING SURPLUS	268,557.00

2. Summary of the results of the supervisory activity

The supervisory body was appointed on last October 29th. Therefore, verifications related to the financial statement as of December 31st 2020 were carried out mainly in the light of the results of the activities done by the previous supervisory body and by the firm appointed for the auditing activities. 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, with reference to the provisions of Legislative Decree of June 8th 2001, n. 231

The corporate bodies met and worked in compliance with the provisions of the law and the statute as regards to convocation, 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. The Association adopted an organisational, management and monitoring model pursuant to Legislative Decree of June 8th 2001, n. 231, and appointed a supervisory committee composed of three members. Through its activity, the supervisory committee did not find any criticality with regards to the Association’s management according to the legislation on bodies’ administrative responsibility.

2.2. Supervision of adequacy and functioning of the organisational 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 organisational set-up, the internal control system and the administrative and accounting system is concerned, no specific observation is made.

2.3. Observations related to the balance sheet

As explained in the foreword, the Association drew up the annual report basing on the guidelines provided in the documents issued by the National Council of Chartered Accountants and Accounting Experts and in the ‘Guidelines and schedules for the preparation of the financial statements of non-profit organisations’ issued by the Agency

for Non-profit Bodies and appropriately adapted to the specificities of the Association. The balance sheet as of December 31st 2020, submitted for the Assembly's approval, is composed of the statement of assets and liabilities, the financial statement and the related explanatory note. On the basis of 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, a 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 other activities in compliance with the provisions of art. 6 of the CTS; (2) carried out fundraising activities in accordance with the principles of truth, transparency and fairness in the relation with its supporters; (3) carried out its activities in accordance with the principle of non-distribution of profits; (4) drew up the annual report in accordance with the guidelines adopted by the Ministry of Labour and Social Policies by Decree of July 4th 2019.

3. Observations and suggestions on the approval of the financial statement as of December 31st 2020

By virtue of the foregoing, it is suggested the Assembly of the Association to approve the financial statement as of December 31st 2020, as it is drawn up by the administrative body.

Milan, April 22, 2021

Avv. Federico Pamovio

