

ASSOCIATION PRO TERRA SANCTA

Registered office - Via Matteo Boiardo 16, 00185 Rome
 Operational headquarter - Piazza Sant'Angelo 2, 20121 Milan
 Tax Code 97275880587


**BALANCE SHEET
 1/1 - 31/12**

ASSETS		2022	2021
B) FIXED ASSETS			
I	Intangible fixed assets	-	-
II	Tangible fixed assets		
4)	Facilities	842	1.122
	Total tangible fixed assets	842	1.122
Financial fixed assets, with separate indicatio, for each item of recevables, of the amounts due within one year			
III			
1.a)	Shareholdings in other companies	1.725	1.725
1.b)	Other titles	182.605	-
	Total financial fixed assets	184.330	1.725
	Total fixed assets	185.172	2.847
C) CURRENT ASSET			
II	Credits		
9)	Tax credits	1.744	114
12)	To others	689	169
	Total receivables	2.433	283
III	Financiall activities that do not constitute fixed assets		
2)	Other titles: deposit supporting the management	-	500.000
	Total financial activities	-	500.000
IV	Cash		
1)	Bank and post deposits	2.081.391	4.059.324
3)	Cash and cash at hand	2.104	864
	Total cash	2.083.495	4.060.188
	Total current asset	2.085.928	4.560.471
D) ACCRUALS AND PREPAYMENTS			
		621.977	2.469
	TOTAL ACTIVITY	2.893.077	4.565.787

LIABILITIES		2022	2021
A) NET ASSETS			
I	Endowment Fund	43.919	43.919
II	Tied assets	1.174.064	1.880.272
3)	Restricted reserves destined by third parties	1.174.064	1.880.272
III	Free assets	2.231.740	
1)	Reserves of operating profits or surplus	2.231.739	2.174.586
2)	Other reserves	1	
IV	Surplus/deficit budget	- 727.746	57.153
	Total equity	2.721.977	4.155.930
C) EMPLOYMENT SEVERANCE PAY			
		83.217	80.635
D) DEBTS with separate indication, for each entry, of the amounts due			
1)	Debts payable to banks	322	2.774
7)	Debts payable to suppliers	28.213	271.662
9)	Tax debts	11.105	14.001
10)	Debts payable to social security institutions	17.219	12.720
11)	Debts to employers and collaborators	30.739	27.780
12)	other debts	285	285
	Total debts	87.883	329.222
E) ACCRUALS AND DEFERRED INCOME			
		-	-
	TOTAL LIABILITIES	2.893.077	4.565.787

General Director

Tommaso Saltini

Administrator Officer

Marialuisa Belloni

ASSOCIATION PRO TERRA SANCTA

Registered office - Via Matteo Boiardo 16, 00185 Rome
Operational headquarter - Piazza Sant'Angelo 2, 20121 Milan
Tax Code 97275880587



FINANCIAL STATEMENT
1/1 - 31/12

CHARGES AND COSTS		2022	2021
A	Burden and costs from general interest activities		
A.2	Services:		
	- Contributions to Preservation and Development	3.751.133	2.795.283
	- Contributions to Education projects	2.435.382	2.173.084
	- Contributions to Emergency projects	2.631.369	2.712.552
	- Contributions in support of social-entrepreneurial activities	267.062	253.130
	- Charges for ordinary promotion activities	316.761	1.187.038
A.3	Use of property of third parties	-	-
A.4	Staff	371.994	358.186
A.5	Depreciation	-	-
A.6	Provisions for liabilities and charges	-	-
A.7	Different operating charges	-	-
A.8	Initial surplus	-	-
	Total	9.773.701	9.479.273
D	D) Costs and charges from financial and capital activities		
D.1	On bank relations	17.395	-
	Total	17.395	-
E	Costs and charges of general support		
E.1	Raw, subsidiary materials, materials of consumptions and goods	14.846	0
E.2	Services	90.312	133.744
E.3	Use of property of third parties	15.000	15.000
E.4	Staff	127.475	135.059
E.5	Depreciation	281	281
E.6	Provisions for liabilities and charges		
E.7	Other charges	9.998	1.174
	Total	257.912	285.258
	Total charges and costs	10.049.008	9.764.531

General Director

Tommaso Saltini

INCOME AND REVENUE		2022	2021
A	Revenue, income and proceeds from general interest activities		
A.2	Porceeds from associates for mutual activities		
A.3	Revenues from services and disposals to associates and founders		
A.4	Donations		
	- Contributions from individuals	3.182.454	4.411.241
	- Contributions from legacies	12.059	17.943
A.5	Proceeds from 5 per mille	254.309	223.444
A.6	Contributions from private subjects		
	- Contributions from groups and associations	1.743.657	1.892.987
	- Contributions from private institutions	1.795.113	2.120.781
A.7	Revenue for services and supplies to third parties		
A.8	Contributions from public authorities	2.063.249	872.915
A.9	Proceeds from contracts with public authorities		
A.10	Other revenue, income and proceeds	267.062	253.049
A.11	Final surplus		
	Total	9.317.903	9.792.360
	Surplus/deficit general interest activities (+/-)	- 455.798	313.087
D	D) Revenue, income and proceeds from financial and capital activities		
D.1	On bank relations	70	8
	Total	70	8
	Surplus/deficit financial and capital activities (+/-)	- 17.325	8
E	Proceeds of general support		
E.1	Proceeds from staff		
E.2	Other proceeds of general support:		
	- Other proceeds (tax credits)	3.152	7.180
	- Other proceeds (survival)	137	22.136
	Total	3.289	29.316
	Total income and revenue	9.321.262	9.821.684
	Surplus/deficit budget before taxes (+/-)	- 727.746	57.153
	Taxes		
	Surplus/deficit budget (+/-)	- 727.746	57.153

Administrator Officer

Marialuisa Belloni



PRO TERRA SANCTA ASSOCIATION

NGO – NPO

Registered Office in Via Matteo Boiardo 16, Roma (RM)

Tax Code n. 97275880587

Recognition of Legal Personality Prefecture of Rome of October 19th 2015 at n.1110/2015

MISSION REPORT 2022

Dear members,

The Financial Statement closed on December 31st 2022 of Pro Terra Sancta Association (hereinafter "Association" and/or "proTS") that highlights an operating deficit of € 727,746, has been drawn up in compliance with the schemes offered by Ministerial Decree n. 39 of March 5th 2020, as to what the Third sector's code requires (art. 13), and appropriately adapted to the specificities of the Association.

The following mission reports is composed of:

- General section;
- Explanation of the economic-financial performance of the institution and the arrangements for pursuing statutory objectives;
- Explanation of financial statements captions.

General section

About us

Pro Terra Sancta Association is a Non-Governmental Organization (art. n. 28 L. 49/1987), as per Ministerial Decree n. 2006/337/001504/0 of April, 12th 2006, and is enlisted as an NPO (art. n. 26, clauses 2 and 3, L. 125/2014 and art. n. 17 of the Ministerial Decree n. 113/2015) decree n. 2016/337/00140/4 of April, 4th 2016. In 2019 we provided an update to our Statute as per the Third Sector Code in order to be enlisted in the National Record of the Third Sector, established in November 2021.

The Association is also endowed with legal personality as a result of the recognition by the Prefecture of Rome of 19th October 2015 to the n.1110/2015.

As a non-governmental organization, the Association is enrolled in the registry of non-profit organizations (onlus) of the Lazio region in the "NON-GOVERNMENTAL ORGANIZATIONS before law n. 125 of 2014" sector.

Although the National Record of the Third Sector has already been established, the Association is not registered yet, given the provisions of September, 15th 2020 Ministerial Decree that provides, according to the art. 34 c. 2, that the Revenue Agency shall update the list of organizations registered in the Registry of ONLUS, to the day before the start of the National Record of the Third Sector. Therefore, the Association considers not proceeding with the registration to the National Record of the Third Sector consistent with the unclear regulatory framework before the preparation of the aforementioned list which, on the basis of the press release of March, 29th 2022 of the Ministry of Labor and Social Policies, has been communicated by the Revenue Agency to the National Record of the Third Sector. In this context, it should be considered that art. 34 c.3 of the aforementioned Ministerial Decree specifies that "Each entity included in the list referred to in paragraph 3, for the purposes of finalizing the registration in the National Record of the Third Sector, shall submit, starting from the date of publication referred to in paragraph 2 and until March 31st of the tax period following the authorization of the European Commission referred to in art. 101, paragraph 10 of Legislative Decree No. 117 of July, 3rd 2017, to the office of the National Record of the Third Sector territorially competent, using the forms made available on the Portal of the National Record of the Third Sector, appropriate application".

The Association will therefore proceed in compliance with the aforementioned deadlines.

Finally, it should be noted that Article 9, c. 6, of Decree-Law no. 228/21 provided that the ONLUS registered in the appropriate Registry continue to receive the share of Irpef's "5 per mille", according to the modalities provided for voluntary organizations by July, 23rd 2020 Prime Ministerial Decree until December, 31st 2023 according to art 9 c.4 of DL n.198/22.

We work in areas and for people in developing countries, economically transitioning areas and in all those countries where situations of need or emergencies arise. In particular, we conduct our activities in the Middle East, in the following countries: Syria, Lebanon, Palestine, Israel, Jordan, Egypt and Greece.

We pursue civic, solidarity and social goals by carrying out the following statutory activities (see art. 5 of the Legislative Decree n. 117/2017) in line with the discipline of the ONLUS as per D. Lgs. n.460/97:

- a) development cooperation;
- b) charity;
- c) protection and valorisation of the Cultural Heritage;
- d) defending and rising awareness about Human, Civil, Social and Political Rights;
- e) education and professional training;
- f) organization and management of touristic activities of social, cultural and religious interest;
- g) organization and management of cultural activities;
- h) fair trade, social impacting and ethical finance, micro-credit programs;
- i) long-distance sponsorships.

The mission of pro Terra Sancta Association is to foster bonds between the Holy Land and the world.

Organizational structure and staff

We work in the Middle East along with the Custody of the Holy Land. Our staff in Italy and abroad aim at proposing development actions in the Middle Eastern area and to provide aid to the local population within a perspective of dialogue and peace.

Our staff in Italy is composed of 20 people: 11 employees and 9 collaborators who deal with fundraising activities, communication, project management and administration.

Our staff abroad consists of 30 collaborators (28 local contracts and 2 co.co.pro). Since June 2022, the staff in Jerusalem has been supported by 4 volunteers selected via the Universal Civil Service project promoted by the *Department for Youth Policies and Universal Civil Service* of the Italian government.

7 further volunteers and 1 intern are added.

Furthermore, it should be noted that the Association operates with the close collaboration of Pro Terra Sancta Network APS, registered in the Single National Register of the Third Sector with the 28th November 2022 provision, N°. 8621 Fasc. 8.5/2022/229. Pro Terra Sancta Network APS supports several projects with its contributions.

Fiscal framework of the Association

Pro Terra Sancta Association Onlus does not carry out any activity of commercial nature in fiscal terms; the overall income is determined in accordance with article 143 of DPR 917/86, highlighting that the Association has not received any income subject to declaration in 2022 and therefore no IRES is due. Moreover, the Association benefits from the IRAP exemption of the Lombardy Region pursuant to art. 77 paragraphs 1 and 2 of Regional Law no. 10 of 14 July 2003. In any case, the Association submits the appropriate RW form for the monitoring of current accounts abroad and the payment of the corresponding IVAFE.

Therefore, it should be noted that, as an ONLUS not registered for the 2022 financial year with the National Record of the Third Sector and in the context of the non-operational nature of the tax regulations for ETS, pro Terra Sancta Association Onlus maintains the previous tax regime for ONLUS pursuant to Legislative Decree no. 460/97. In this regard, it must be clarified that ONLUS cannot differentiate, strictly speaking, activities of general interest and other activities, since the subdivision into institutional activities and directly related activities remains valid in substance.

Liberal donations made by subjects who do not have a business income and by business income holders are deductible according to the facilities provided by the regulation in force, in particular the one provided for ETS as per art. 83 paragraphs 1 and 2 of Legislative Decree no. 117/17.

Statutory and Supervisory Bodies

- General Assembly

14 Members.

The Assembly deliberates on the program and the activities of the Association, approves financial statements and appoints members of various corporate bodies. It meets twice or three times a year. In 2022, the Assembly met once and 86% of its members took part in the meeting.

- Board of Directors

Appointed on May 22nd 2018, in office until the approval of 2022's financial statement:

In September 2022, following the designation of Father Francesco Patton as Custodian of the Holy Land and the appointment of the new Discretorium of the Custody of the Holy Land, Father P. Patton

is confirmed as President of the Association once again. Father P. Ibrahim Faltas is appointed as new Custodial Vicar and replaces Dobromir Jaształ as Vice President.

The Board of Directors is responsible for the ordinary and extraordinary administration of the Association and elaborates views and proposals concerning the activities. It meets four or more times a year. In 2022 it met 5 times and more than 95% of its members took part in the meetings.

- President: Francesco Patton
- Vice-President: Ibrahim Faltas
- Advisors: Ibrahim Faltas, Tommaso Saltini, Carla Benelli, Francesco Cassese, Francesco Ielpo
- General Director
Tommaso Saltini, appointed on May 22nd 2018, in office until the approval of 2022's financial statement
- Supervisory Body
Federico Pamovio (appointed on October 29th 2020, in office until the approval of 2024's financial statement). The Supervisory Body monitors the compliance with the law, the Statute and the principles of proper administration by undertaking all roles provided by the law.
- Auditors
Deloitte & Touche S.p.A. (appointed on October 29th 2020, in office until the approval of 2022's financial statement)
- General Secretary
Marco Carrara (appointed on April 27th 2020 until August 2022); from September 2022, while waiting for the Assembly's appointment, the new Secretary of the Custody of the Holy Land Father Alberto Pari takes on the role of Secretary of the Assembly.

Member's remuneration of management and control bodies

General Director: €56,000.00 besides VAT and accessories of law if applicable

Supervisory Body: €1,500.00 besides VAT and accessories of law if applicable

Auditors: 13,000.00 besides VAT and accessories of law if applicable

Supervisory Committee

Libero Buzzi, Giacomo Cardani, Federico Pamovio (appointed on September 23rd 2021 on a three-year position).

The Supervisory Committee is responsible for verifying the compliance with D. Lgs. n.231/01, therefore, the Organizational Model and its requirements.

Council of Supporters

Established in 2013, the Council of Supporters is an advisory body external to the statutory system of the Association; it gathers experienced and professional people who encourage and promote the Association's programs and the projects.

Stakeholders

Our stakeholders are our benefactors for a total amount of 13,814 of which: 13,393 individuals, 390 groups and associations, 18 Private Institutions and 13 Public Institutions.

Further data on our stakeholders are reported as follows:

- 66 Italian suppliers involved in our marketing and promotion campaigns;
- 167 local-based suppliers involved in Projects' development and implementation;
- 51 local-based partners involved in projects' implementation.

Beneficiaries directly involved in our activities and projects are 86,647.

The partition of beneficiaries based on Geographical Areas is the following:

Israel and Palestine: 28,474; Syria: 45,002; Lebanon: 11,387; other countries: 1,784.

Explanation of the economic-financial performance of the institution and the arrangements for pursuing statutory objectives

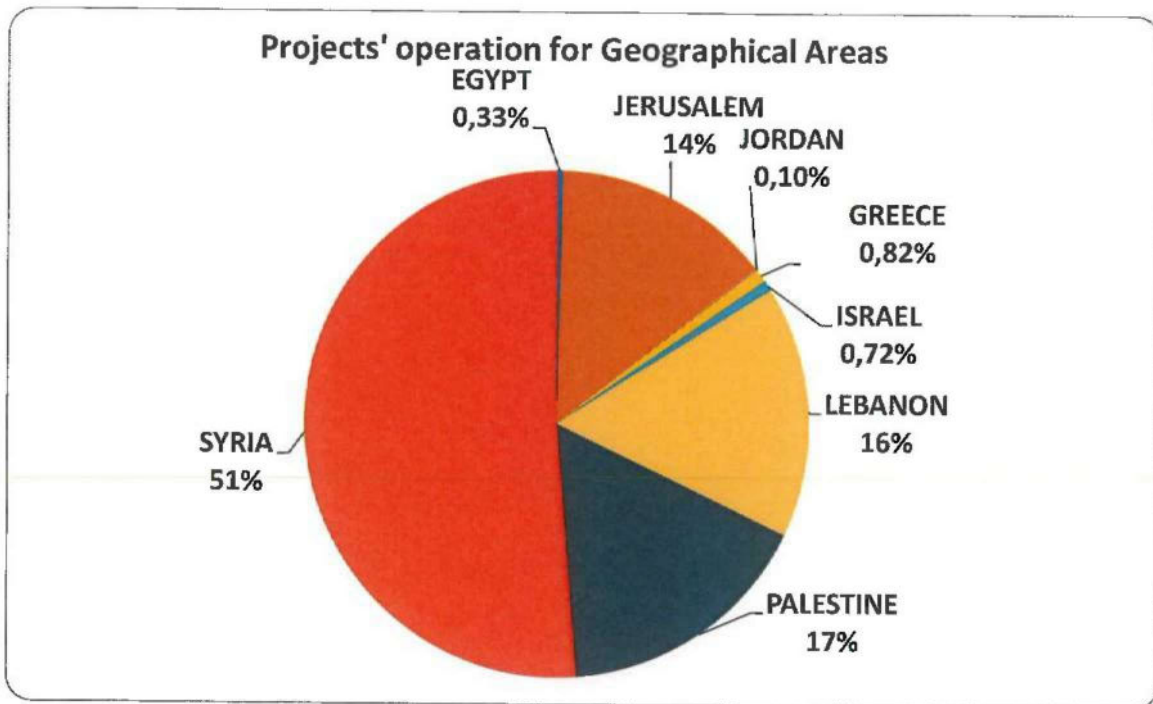
Activities and objectives

Our mission is to foster bonds between the Holy Land and the world.

We are active in the Middle East and support the Franciscan Custody in the following countries:

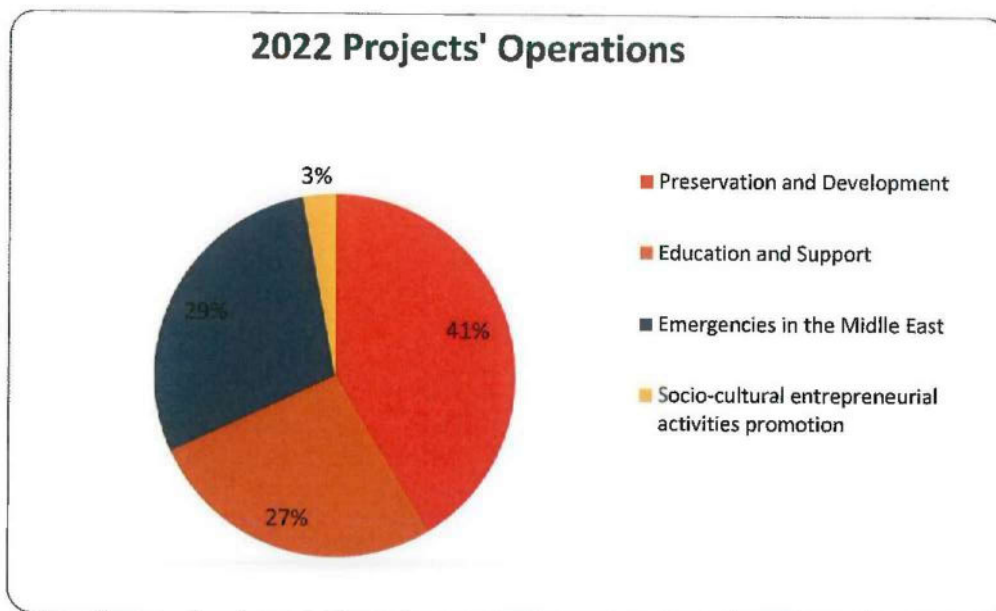
Israel and Palestine	Egypt and Jordan	Syria	Lebanon	Greece
Jerusalem	Amman	Damascus	Beirut	Rhodes
Bethlehem	Mount Nebo	Aleppo	Tripoli	Kos
Betany	Cairo	Latakia	Tiro	
Jericho	Alexandria	Hama	Deir Mimas	
Sebastiya	Port Said	Knaye – Idlib	Harissa	
Gaza	Assiut			
Ramleh				
Nazareth				

How we employ funds in different Geographical Areas is illustrated below.



Our **operation areas** are Emergencies in the Middle East, Education and Support, Preservation and Development, Socio-entrepreneurial activities.

Our projects cover 38% of the operations in the Conservation and Development area, 29% in the Emergency in the Middle East area, 27% in the Education and Support area and 6% in Socio-entrepreneurial activities.



PRESERVATION AND DEVELOPMENT

We contribute to the preserving historical places of the Holy Land to raise awareness of their value by all local communities and tourists. Conservation and enhancement activities provide training opportunities for skilled technicians and artisans. Our initiatives on sustainable tourism and new forms of inclusive

hospitality generate income and work for the most fragile segments of the population (young people, women, disabled people). The enhancement of cultural heritage facilitates and generates ongoing opportunities for the encounter and coexistence of those who live and merge in this land chosen and loved by God. Our activities in 2022 focused on the enhancement of some significant places including: the Terra Sancta Museum with works of the archeology section being almost complete and the restoration of the pieces that will be exhibited in the new under-construction rooms dedicated to Bethlehem, Nazareth, and Jerusalem; conservation and enhancement works of the Convent of Saint John the Baptist in Ain Karem being completed; support to the Franciscan Custody in the management of the restoration project of the floor of the Holy Sepulchre.

Throughout 2022 the restoration of the sanctuary of Saint Anania in Damascus and the renovation of 7 houses in the surrounding area proceeded in order to improve the area from a cultural, religious and tourist point of view.

EMERGENCIES IN THE MIDDLE EAST

In 2022 the intervention of Pro Terra Sancta in response to the humanitarian emergency was concentrated in the Sao Paulo region, especially in Syria and Lebanon, an area where the long-running Syrian conflict, the deep economic and social crisis, the COVID-19 pandemic, and the recent conflict in Ukraine led to a significant inflation which has severely eroded the purchasing power of households, raised unemployment rates progressively, limited drastically the provision of services such as sanitary and electric ones. The result is a deep uncertainty for civilians. The main objective of 2022 was to contrast this insecurity and support the basic needs of the population in order to spread hope and contribute to the (not only economic) development of families and communities in the areas where our projects are implemented.

In particular, our activities concerned medical assistance, distributions of basic necessities (food, medicines, clothes, water, hygiene products, diapers and powdered milk), installation of solar panels and payment of contributions to cover electricity and diesel costs. The main beneficiaries of the emergency activities are identified through the strong presence of Pro Terra Sancta locally, in cooperation with the Franciscan Friars. Particular attention is paid to the inclusion of children, women, people with serious chronic and maternal/infant diseases, disabled and displaced people, and refugees.

EDUCATION AND SUPPORT

Thanks to the collaboration with other charitable organisations in the Holy Land, the Education and Assistance's projects assist the weakest (especially children with disabilities and women in difficulty) and aim to train the new generation of young people by ensuring access to quality education and training opportunities. We are also active in providing medical and health assistance to people who cannot afford essential care. In 2022 we continued to support the centers in which proTS operates in Syria and Lebanon by cooperating with Franciscan Friars. In particular, recreational and educational activities and school recovery as well as psycho-social programs, art-therapy and professional training have been implemented. These activities aim to welcome beneficiaries (especially children and women) into a safe educational environment, help them rediscover their talents and provide them knowledge and skills to meet the challenges of the context in which they live in order to contribute to their social inclusion.

The 2022 year was a deeply intense year for the activities of Pro Terra Sancta in Palestine in the education and assistance fields. The aid for medical emergencies program and assistance to families continued with particular attention to the education of children, also thanks to the distance support program.

The first edition of a new project - entitled WIP (Work In Progress) - has been organized in Lebanon with the aim of concretely contributing to the recovery of the local economy. Through this project, 100 young people aged from 18 to 35 were offered a training course. The top 30 among them developed and presented their business idea before a commission of Italian and Lebanese entrepreneurs and professionals who chose which projects to finance.

SOCIO-ENTREPRENEURIAL ACTIVITIES

We support the creation, development and management of guest houses, workshops and local craft activities; we organize visits, itineraries and sustainable customized trips to support the development of local communities and the preservation of their cultural heritage. In 2022, the activity of guest houses in Jerusalem, Bethlehem, Jericho and Sebastia came back at full speed after the mandatory stop due to the pandemic. On 9th June, 2022, the new Pro Terra Santa headquarters "Dar Al Majus" (the house of the Three Wise Men) in Bethlehem was inaugurated in the presence of the Custodian of the Holy Land and many local authorities. In addition to hosting offices and a guesthouse, in 2022 the building has already been home to several cultural events for tourists and local people.

We support the development of workshops and local crafts such as the creation of mosaics and the production of candles and soaps, tailoring and olive-wood products. We organize ad hoc sustainable visits, itineraries and trips in order to support the development of local communities and the preservation of their cultural heritage. Our actions aim to support both the local population by training courses and job creation and various local social and cultural works.

Economic and financial performance of Pro Terra Sancta

Besides supporting projects, our communication activities aim to inform and keep alive the bond between our supporters and the heart of our mission, the Holy Land: great attention is given to content creation so that the knowledge of the Holy Land and its places (on religious and valuable issues), our activities and projects reach as many as possible.

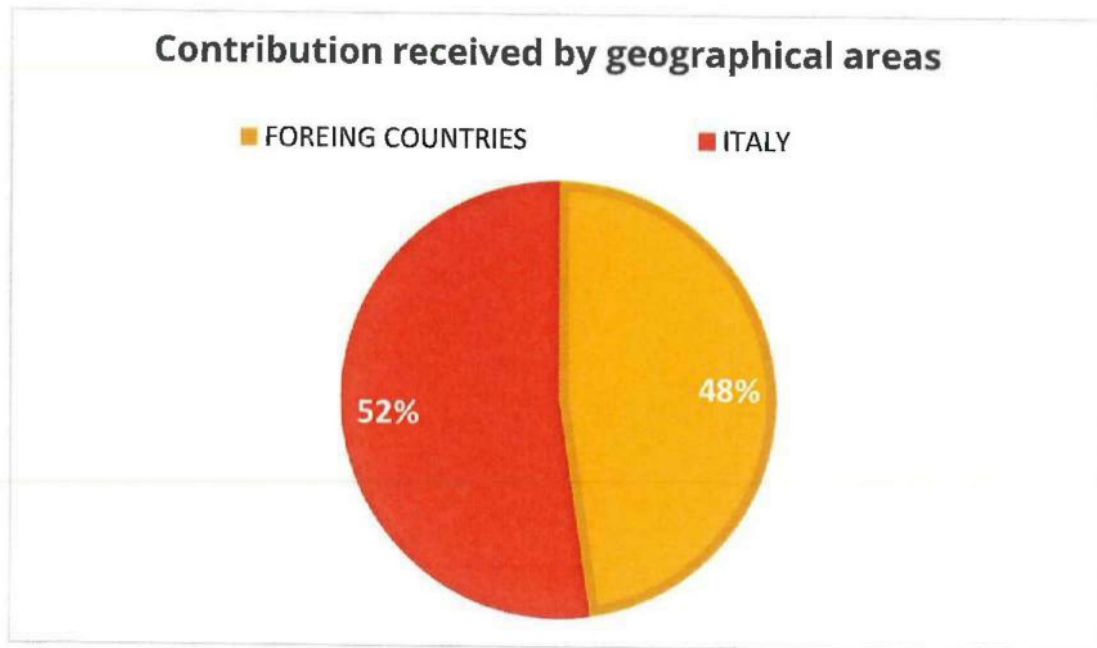
The funds from calls are used according to the guidelines; reporting and documentation activities are carried out in line with the same guidelines.

Spontaneous or in response to communications donations from private donors are allocated according to the bank transfer description; if the donation does not have a specific description, it is distributed according to the needs established in the budget and the annual planning carried out by the Board of Directors. The activities carried out thanks to the contributions and donations are displayed on the Association's website and/or in the communications sent to donors.

In 2022 the total of donations was € 9,317,903.

In 2022 proTS received the contribution of "5 per mille" for the 2021 annuity (€ 254,309 on revenues 2020).

Contributions and donations come from Italy for 52% and foreign countries for 48% (Hungary, Germany, EU, Spain, USA, Hong Kong, Austria, etc.).



Explanation of financial statements captions

Preliminarily, it must be specified that pro Terra Sancta Association, in adherence to the interpretation set forth in Note no. 19740 of the Ministry of Labor and Social Policies, dated December 29th, 2021, as an ONLUS, although not yet registered with the National Record of the Third Sector, proceeds, for the first time, to prepare its financial statements in accordance with the provisions of Article 13 c. 1 and 3 of Legislative Decree no. 117717 and in accordance with the outline of the Decree of the Ministry of Labor and Social Policies dated March 5th, 2020.

However, it should be noted that, as already illustrated above, since ONLUS still have to comply, on a transitional basis, with the specific regulations set forth in Legislative Decree no. 460/97, institutional activities carried out in 2022 are included in Macroclass A) of the Management Accounts, dedicated to the activities of general interest of ETSs, while Macroclass B), dedicated to the various activities of ETSs, should include the so-called directly related activities, which, however, the Association has not carried out.

The Management Report has been drawn up in opposing sections in order to give a clear representation of the activities carried out by pro Terra Sancta Association. The management report scheme highlights the details of the income by origin and the uses divided between activities of general interest and general support activities.

In addition, it should be noted that proTS prepares for the second time for 2022, the Social Report pursuant to art. 14 of Legislative Decree no. 117/2017 according to the Guidelines for entities of the Third Sector referred to in the DM July, 4th 2019.

We submit the balance sheet for the year to the approval of the Members and analytically indicate the evaluation criteria, as well as all the useful and complementary information deemed necessary to give a true and fair representation of the Association's patrimonial and economic situation.

Budgetary principles and valuation criteria

These financial statements refer to the period from January, 1st 2022 to December, 31st 2022 and include the Balance Sheet, the Management Report on Operations and this Mission Report, highlighting a positive operating result of € 727,746.

As provided for in the introduction to the aforementioned Ministerial Decree, the preparation of the financial statements must comply with *"the general clauses, the general principles of the financial statements and the valuation criteria set out, respectively, in articles 2423, 2423 bis and 2426 of the Italian Civil Code and the national accounting standards, insofar as they are compatible with the non-profit nature and with the civic, solidarity and socially useful purposes of Third Sector entities"*. Therefore, these financial statements comply with the rules for recognition and measurement contained in the national accounting standards OIC, as well as the specific rules set out in OIC 35.

The primary recipients of the information in the financial statements are those who provide or intend to provide resources without any expectation of return.

This financial statement corresponds to the underlying accounting records, which have been properly kept and prepared on a going concern basis, in accordance with the principle of neutrality.

Should the effects deriving from the requirements of recognition, measurement, presentation and disclosure be irrelevant in order to provide a true and fair view, they will not be adopted and any non-compliance will be highlighted later in this explanatory note.

It should be noted that:

- a) no exceptional circumstances have arisen that would have necessitated recourse to the exceptions pursuant to paragraph 4 of art. 2423 and paragraph 2 of art. 2423 bis of the Civil Code;
- b) the valuations of the entries were carried out in full compliance with the principle of prudence, taking into account the economic function of the assets and liabilities considered (substantive aspects prevailing over formal ones);
- c) no unrealized income has been recorded at the end of the period and account has been taken of income and charges relating to the period, even if not yet collected or paid at the end of the period;
- d) risks pertaining to the financial year have been considered, even if known after the end of the financial year.

The items in the balance sheet are comparable with those in the previous year's balance sheet, subject to any adjustments that have been made, in particular with regards to the shift from item D1 to item E17 of bank charges and costs of € 11,977.

The valuation criteria used in the recognition of individual balance sheet items are described below:

- Tangible fixed assets refer to costs for materials and equipment and are recorded at cost, net of depreciation. Depreciations charged to the Income Statement are calculated over a period of 5 years;
- Financial fixed assets are recorded at purchase cost, including any ancillary charges;
- Receivables are recorded at their estimated realizable value;
- Cash and cash equivalents are recorded at nominal value;
- Shareholders' equity is recorded at nominal value and is represented by the endowment fund and unrestricted reserves deriving from operating surpluses from previous years and restricted reserves earmarked by third parties as indicated in the new accounting principle OIC 35;
- The reserve for employee severance indemnities, calculated in accordance with current legislation and collective labor contracts, represents the amount due to employees for obligations existing at the end of the period;
- Payables are recorded at nominal value;

- Accruals and deferrals are determined according to the principle of economic and temporal competence in relation with the operating costs and revenues;
- Income is recorded in the financial statements on an accruals basis, bearing in mind the provisions regarding accruals and deferrals, in order to provide a clearer representation in the financial statement in accordance with the principle of matching revenues and costs and taking account of the principle of prudence and in particular with regard to the donations and liberal disbursements received at the actual collection moment or in the one in which the certain right to receive them is acquired. In case of donations subject to apposition of constraints or conditioned, it shall apply what intended by OIC 35 in points going from 18 to 21.
- Costs and charges are divided into costs and charges from general interest activities (institutional activities) and costs and charges of general support, as well as the costs and charges relating to financial and capital assets.

Costs and charges from general interest activities include all costs and charges directly attributable to the Projects supported and implemented by proTS, including the costs of staff employed directly on these activities.

The item Costs and charges from financial and patrimonial activities includes bank charges.

General support costs include structural and personnel costs not attributable to projects (administrative staff).

Balance Sheet

Assets

Fixed assets

Tangible fixed assets consist of the purchase of the multifunction printer at the Milan headquarters for € 1,403, amortized by € 281 in 2022 with an amortization fund of € 561 and a residual value of € 842.

Financial fixed assets of 184,330 Euros consist of a shareholding of € 1,725 in Banca Etica where we have the Association's current accounts, which remains unchanged from the previous year and of investment funds of 182,605 Euros acquired in 2022, with the liquidity generated in the previous year.

Current Assets

Receivables, with additional indication

Tax receivables of € 1,744 consist of tax credits for integrative treatment for employees and similar. While *amounts due from others* of € 689 refer to the payment of airline tickets for € 169 that were cancelled because of COVID 19 and we are waiting for the refund of 2020 and for € 520 concerning a bank cheque to be collected.

Non-immobilized financial assets

Non-immobilized financial assets consist of bank and postal deposits and are divided as follows:

Bank deposits	€ 1,972,129
Post office deposits	€ 109,262
	<hr/>
	€ 2,081,391
Cash equivalents in Milan	€ 2,104
	<hr/>
Total Cash & cash equivalent	€ 2,083,495

The availability of banks are resources that will be used in subsequent financial years for the projects of the Association in the areas of Preservation and Development, Education and Support and Emergencies in the Middle East.

Liability

Net worth equals to € 2,721,977 in 2022 and consists of:

- I. Endowment fund of the institution amounting to €43,919;
- II. Tied assets destined by third parts amounting to €1,174,064; this asset has been established as provision of two institutional projects, as required by the new accounting standard OIC 35 and its balance on 31st December 2022 can be detailed as follows:

- € 1,080,000: concerns a deposit for the "Protecting Palestine: Training of the enhancement of cultural heritage, at the service of academic institutions and the Palestinian community" initiative, AID 012590/07/8 code; this is an initiative funded by AICS (Agency for Italian Development Cooperation), the provisioned share of Euros 1,080,000 covers 60% of the total recognized contribution. The project will last 36 months starting from 27th December 2022, accreditation date of the contribution.

- € 94,074: this is the remaining part of the EU contribution to the U.E. Terra Sancta Museum project received in 2022 that will be used in 2023.

It should be noted that the amount of € 1,880,272, corresponding to the balance of the tied reserve on 31st December 2021, was entirely used for the corresponding projects.

III. Free assets:

-Previous year reserves € 2,231,739;

IV. Deficit for the financial year 2022 amounting to € 727,746.

Employment severance pay: it amounts to € 83,217 and it is coherent to the allowance of severance pay for employees. The Fund on December, 31st 2021 was equal to € 80,635 and was raised of the share gained in 2022 and revalued according to the revaluation coefficient of the severance pay net of the uses due to the retirement of one of our employees in September 2022.

Payables within the next financial year:

V. Payables to banks: € 322 for payments made by credit card still not charged at December 31st, 2022;

VI. Payables to suppliers: € 28,213;

VII. Tax payables: € 11,105 of which: € 10,416 for IRPEF (Italian personal income tax) and € 689 for TFR.

VIII. Payables to Social Security Institutions: € 17,219.

IX. Payables to employees and collaborators: € 30,739 concerning the 14th month salary payment and holidays.

Financial Statement

A. Income and Expense from general interest activities

In 2022 our characteristic income revenue has increased from €9,792,360 in 2021 to €9,317,903 in 2022. The fundraising kept being constant despite the downturn resulting from the shift of donors' attention to emergencies because of the Ukrainian conflict and the consequent energy crisis. This led to a lower inclination for donating.

REVENUES AND CHARGES	2022	%	2022	%
A.4 Donations				
Contributions from individuals	3,182,454	34%	4,411,241	45%
Contributions from legacies	12,059	0%	17,943	0%
A.5 Revenue from 5 per mille	254,309	3%	223,444	2%
A.6 Contributions from private subjects				
Contributions from groups and associations	1,743,657	19%	1,892,987	19%
Contributions from private institutions	1,795,113	19%	2,120,781	22%
A.8 Contributions from public institutions	2,063,249	22%	872,915	9%
A.10 Other revenue, income and proceeds	267,062	3%	253,049	3%
Total	9,317,903	100%	9,792,360	100%

Sources include:

Donations: they include donations from individuals in support of the institutional activities of general interest in our three characteristic areas: conservation and development, education, and emergency. In this entry, bequests are included.

Contributions from the Italian government (5xMille program): € 254,309 in 2022, a small increase from 2021.

Contributions from private subjects: they include donations from private subjects, groups, associations, and private institutions. Most of the private Institutions of 2022 were Cei, Missionzentrale der Franziskaner, Misereor, Franciscan Missions USA and Aiuto alla Chiesa che soffre.

Contributions from Public Institutions: € 2,063,249 with an increase from the previous year.

In 2022 the following accrued public contributions were recorded:

- Cooperation Hungarian State, project for the reconstruction of the Houses in St. Ananias, € 1,623,276;
- the European Union for the Terra Sancta Museum project in Jerusalem, € 291,896;
- AICS for the Hospitable Bethany project, at final approval, € 372;
- AICS in partnership with VIS project "Socio-economic integration of Christian minorities in the Holy Land in Bethlehem, € 44,325;
- Apulia Region for "Pontes" project in Bethlehem in collaboration with association Icaro, € 29,995;
- Germany's Consulate in Ramallah in support of the Bethlehem women's project, € 25,000
- Embassy of Poland in Damascus for Syria emergency € 26,000;
- Italian Institute of Culture, € 16,985 for the Terra Sancta Organ Festival project;
- Contribution for civil service for the year 2022/2023, € 5,400.

In fulfillment of advertising obligations, the contributions collected by public bodies in 2022 will be indicated on the institutional site.

Other revenues and income: income related to the promotion of socio-entrepreneurial activities in Palestine.

Charges from activities of general interest constitute the costs of projects divided into different Project Areas. In particular:

- *Contribution to Conservation and Development:* € 3,751,133 (2021 € 2,795,283).
- *Contribution to Education projects* € 2,435,382 (2021 € 2,173,084).
- *Contribution to Emergency projects:* € 2,631,369 (2020 € 2,712,552).
- *Contributions to socio-entrepreneurial activities:* € 267,062 (2021 € 253,130). This area includes aid to socio-entrepreneurial activities in Sebastia, Nisf-Jubeil, Bethlehem and Jericho.

ALLOCATION PROJECT IMPLEMENTATION		
	2022	%area
PRESERVATION AND DEVELOPMENT		
Preservation and Development of Holy Sites Projects	451,966.67	12.0%
Jerusalem, Terra Sancta Museum	882,480.33	23.5%
Bethlehem, Preservation	418,553.14	11.2%
Syria, restructuring and reconstruction	1,682,385.89	44.9%
Ain Karem	50,000.00	1.3%
Nazareth, Mary's house	5,000.00	0.1%
Jerusalem, Books bridges of peace and libraries	10,053.34	0.3%
Terra Sancta Organ Festival	14,142.93	0.4%
Bethany, preservation and support to the local community	73,750.70	2.0%
Lebanon, Conservation, Mount Nebo and other	162,800.00	4.3%
	3,751,133.00	100.0%
EDUCATION AND SUPPORT		
Education and support activities	65,516.10	2.7%
Jerusalem, charity works	121,000.00	5.0%
Bethlehem, training, medical and social assistance	395,700.35	16.2%
Bethlehem, support to the parish	40,000.00	1.6%
Bethlehem, support to schools	93,532.00	3.8%
Bethlehem, charity works	127,206.36	5.2%
Syria, education and assistance	913,199.26	37.5%
Egypt, assistance to poor families and charity works	30,000.00	1.2%
Greece-Rhodes, assistance to poor families and refugees	74,000.00	3.0%
Lebanon, education	575,228.00	23.6%
	2,435,382.07	100.0%
EMERGENCIES IN THE MIDDLE EAST		
Emergency Centre, Aleppo	1,491,935.78	56.7%
Emergency Centre, Damascus	207,442.14	7.9%
Emergency Centre, Knaye - Yacubie	212,000.00	8.1%
Emergency Centre, Latakia	114,000.00	4.3%
Emergency Lebanon	570,990.80	21.7%
Support to the Christian community in Gaza	35,000.00	1.3%
	2,631,368.72	100.0%
SOCIAL-ENTREPRENEURIAL ACTIVITIES		
Gadgets and artistic products	196,420.75	73.5%
Guest house in Jerusalem, Bethlehem and Sebastia	70,640.94	26.5%
	267,061.69	100.0%

Costs of ordinary activity of projects' promotion: these refer to services for promotion and communication activities with the aim to encourage the granting of donations to support our projects and amount to €316,761 compared to €1,187,341 in 2021; this significant variation is due to the fact that many promotional fundraising activities have been carried out by ProTerraSancta Network.

These costs include:

- Consultancy and DB Fund Raising € 55,230;
- Graphic and typographical services and inserts € 101,122;
- Data acquisition and personal data services € 18,665;
- Digital services € 139,028;
- Advertising spaces € 1,000;
- Web and domains € 1,716.

The cost of personnel employed in general interest activities amounts to €371,994.

The result for section A of the Management Report shows a deficit from general interest activities of €455,798.

D - Income and charges from financial and patrimonial activities

Financial charges of € 17,395 refer to of funds of investment in the balance sheet a depreciation in December, 31st 2022. The proceeds, equal to € 70, include interest incomes on bank accounts. Therefore, financial assets show a deficit of € 17,325.

E - General support income

It includes revenues for tax credit on advertising for € 3,152. Other income contingent assets for € 137 concern approximations and accounting arrangements.

E - General support costs and charges

General costs and charges consist of:

- Raw, subsidiary materials of consumption and goods for € 14,846 which include office equipment expenses and consumption expenses;
- *General expenses* of € 90,312 which include: € 55,615 for office expenses (energy, telephone, database management, insurance, bank expenses) and € 34,697 for professionals.
- *Expenses for accommodation on loan* € 15,000.
- *Personnel expenses:* € 127,475, for administrative staff.
- *Depreciation:* € 281;
- *Other charges:* € 9,998, consisting of membership fees for € 2,828, subscriptions and books for € 960, contingencies for accounting arrangements for € 5,496, taxes on foreign current accounts for € 714.

The result of section E of the Management Report shows a deficit in general support activities of € 254,623.

- *Other charges*: € 9,998, consisting of membership fees for € 2,828, subscriptions and books for € 960, contingencies for accounting arrangements for € 5,496, taxes on foreign current accounts for € 714.

The result of section E of the Management Report shows a deficit in general support activities of € 254,623.

Profit for the year, foreseeable management changes and continuity

As of December, 31st 2022, proTS shows a deficit of € 727,746, which has been brought forward and is already covered by the Surplus from previous years. In 2022, after overcoming the emergency caused by COVID 19 pandemic, the implementation of projects has been reactivated; revenues from fundraising kept being constant despite the downturn resulting from the shift of donors' attention to emergencies because of the Ukrainian conflict and the consequent energy crisis. This led to a greater focus on saving. With the catastrophic earthquake in Syria, the first months of 2023 have brought to the attention of both private and institutional donors; therefore, our commitment is once again directed to the humanitarian emergency. Finally, it should be noted that, at the date of the drawing up of this report, while noting the significant effects of energy price increases and other effects due to the Russian-Ukrainian conflict from February, 20th 2022, on the general economic trend, there is no evidence of significant impacts on uncertainties on business continuity. The Board of Directors, indeed, do not expect problems of continuity based on the economic and financial situation of the Association.

Average number of employees, divided into category and salary difference pursuant to art. 16 of Legislative Decree no. 117/17

With regards to the information on the number of employees, please refer to the above paragraph "organizational structure and staff". It should be noted that the pay difference between employees pursuant to art.16 of Legislative Decree no. 117/17 does not exceed the ratio of one to eight.

Transactions carried out with related parties

For the purposes of the provisions of current regulations, it should be noted that during the year ended December, 31st 2022 no atypical and/or unusual transactions were carried out which, due to their significance and/or relevance, may give rise to doubts regarding the safeguarding of the institution's assets, either with related parties or with parties other than related parties.

Commitments, guarantees and contingent liabilities not shown in the Balance Sheet

There are no commitments on the part of the Association not shown in the Balance Sheet, nor are there any guarantees granted to third parties by the Association itself.

There are no contingent liabilities, understood as liabilities connected with situations already existing at the balance sheet date, but with a pending outcome that will be resolved in the future, the amount of which cannot be determined except on a random and arbitrary basis.

Milan, March 28th 2023



Pro Terra Sancta General Director

Tommaso Maria Saltini

INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

**To the Board of Directors of
Associazione Pro Terra Sancta**

Opinion

We have audited the financial statements of Associazione Pro Terra Sancta (Associazione), which comprise the balance sheet as at December 31, 2022, the statement of income for the year then ended and the sections "General Section" and "Explanation of financial statements captions" included in the mission report. The financial statements have been prepared in accordance with the Italian law governing financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Associazione as at December 31, 2022, in accordance with the accounting principles indicated in the notes to the financial statements governed by the Italian law.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent respect to Associazione in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with notes to the financial statements and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing Associazione's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of Associazione or for the termination of the operations or have no realistic alternative to such choices.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Associazione's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Associazione's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Associazione to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**Opinion pursuant to art. 14, paragraph 2 (e) of Legislative Decree 39/10**

The Board of Directors of Associazione Pro Terra Sancta is responsible for the preparation of the section “Explanation of the economic-financial performance of the institution and arrangements for pursuing statutory objectives” included in the mission report of Associazione Pro Terra Sancta as at December 31, 2022, including its consistency with the related financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the section “Explanation of the economic-financial performance of the institution and arrangements for pursuing statutory objectives” included in the mission report with the financial statements of Associazione Pro Terra Sancta as at December 31, 2022 and on its compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the section “Explanation of the economic-financial performance of the institution and arrangements for pursuing statutory objectives” included in the mission report is consistent with the financial statements of Associazione Pro Terra Sancta as at December 31, 2022 and is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Giovanni Cherubini
Partner

Milan, April 12, 2023

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

ASSOCIATION PRO TERRA SANCTA

Registered office: via Matteo Boiardo, n. 16 - 00185 Rome, Italy
Headquarter:
piazza Sant'Angelo, n. 2 - 20121 Milan, Italy
Tax code: 97275880587

FINANCIAL STATEMENTS AS OF DECEMBER 31ST 2022

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' 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 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 n. 39 of March 5th 2020 of the Ministry of Labour and Social Policies (henceforth "MLPS). Despite the fact that the Association is not enrolled in the Single National Register of the Third Sector, the financial statement was drawn up in accordance with the layouts defined for Third Sector Entities, in compliance with the provisions of the MLPS in note no. 19740 of December 29th, 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 29th, 2021, p. 2). The Financial Statements were also prepared in compliance with OIC 35 Accounting Standard ETS issued by the Italian Accounting Body.

1. Summary of the balance sheet data

The balance sheet was made available to the supervisory body within the statutory deadlines. In accordance with art. 13, co 1, CTS, is composed of the Balance Sheet, Financial Statements and Mission Report.

The balance sheet submitted for the Assembly's approval shows an operating deficit for the year 2022 amounting to € - 727.747. The balance sheet of the Association as of December 31st 2022 is summed up in the following values:

BALANCE SHEET	
ASSETS	
FIXED ASSETS	
TANGIBLE FIXED ASSETS	842
FINANCIAL FIXED ASSETS	1,725
CURRENT ASSETS	

CREDITS	2,433
FINANCIAL ACTIVITIES THAT NOT CONSTITUTE FIXED ASSETS	182,605
CASH & CASH EQUIVALENTS	2,083,495
ACCRUED INCOMES AND PREPAID EXPENSES	621,977
TOTALE ASSETS	2,893,077
LIABILITIES	
NET EQUITY	
ENDOWMENT FUND	43,919
RESTRICTED RESERVES DESTINETED BY THIRD PARTIES	1,174,064
RESERVES OR OPERATING PROFIT OR SURPLUSES	2,231,739
SURPLUS/DEFICIT BUDGET	-727,747
TOTAL NET EQUITY	2,721,977
EMPLOYMENT TERMINATION INDEMNITY	83,271
TOTAL PAYABLES	57,144
ACCRUED INCOMES AND PREPAID EXPENSES	30,739
TOTAL LIABILITIES	2,893,077

The income statement for the fiscal year 2022 is summoned up in the following values:

FINANCIAL STATEMENTS			
CHARGES AND COSTS		INCOMES AND REVENUES	
CHARGES AND COSTS FROM GENERAL INTEREST ACTIVITIES	9,751,693	INCOMES AND REVENUES FROM GENERAL INTEREST ACTIVITIES	9,792,360
COSTS AND CHARGES FROM FINANCIAL AND CAPITAL ACTIVITIES	34,096	REVENUES, INCOME AND PROCEEDS FROM FINANCIAL AND CAPITAL ACTIVITIES	8
CHARGES AND COSTS OF GENERAL SUPPORT	241,212	PROCEEDS OF GENERAL SUPPORT	29,316
TOTAL CHARGES AND COSTS	10,026,947	TOTAL INCOMES AND REVENUES	9,299,200
		DEFICIT	-727,747

1. 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.

The Supervisory body, not having been appointed to carry out the statutory audit of the accounts, carried out the supervisory activities and controls provided for in rule 3.8 of the rules of conduct consisting of an overall synthetic control carried out to verify that the financial statements have been correctly drawn up. The activity carried out was therefore not substantiated in a statutory audit of the accounts. The results of the checks carried out are reported in section 2.3

1.1. 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. In the course of the activities performed, sufficient information was also acquired concerning the general performance of operations and the foreseeable evolution. 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 whose mandate was renewed on September 23rd, 2021. 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.

1.2. 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.

1.3. Observations related to the balance sheet

The balance sheet as of December 31st 2022, 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.

1.4. 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 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 4th, 2019.

2. Observations and suggestions on the approval of the financial statement as of December 31st 2022

By virtue of the foregoing, it is suggested the Assembly of the Association to approve the financial statement as of December 31st 2022, as it is drawn up by the administrative body.

Milan, April 14, 2023

Avv. Federico Pamovio

