

CITTADINANZATTIVA A.P.S.

Financial Statements

and

Notes to the Accounts 2019

Balance Sheet**CITTADINANZATTIVA A.P.S.****Financial Year 2019**

ASSETS	Year 2018	Year 2019
<p>A. RECEIVABLES/MEMBERSHIP DUES</p> <p>B. FIXED ASSETS</p> <p>B.I INTANGIBLE FIXED ASSETS</p> <p>B.I.1 Capitalised software</p> <p>B.I.2 Other intangible fixed assets</p> <p>B.I.3 Provision for the amortisation of intangible fixed assets</p> <p>B.II TANGIBLE FIXED ASSETS</p> <p>B.II.1 Office equipment</p> <p>B.II.2 Provision for the amortisation of tangible fixed assets</p> <p>B.III FINANCIAL ASSETS</p> <p>B.III.1 Shareholdings in other undertakings</p> <p>B.III.2 Provision for the depreciation of shareholdings in other undertakings</p> <p>C. CURRENT ASSETS</p> <p>C.I. INVENTORIES</p> <p>C.II RECEIVABLES</p> <p>C.II.1 Amounts due from customers</p> <p>C.II.2 Amounts due from others</p> <p>of which, amounts due more than 12 months later</p> <p>C.III CURRENT FINANCIAL ASSETS</p> <p>C.IV CASH AND CASH</p>		

<p>EQUIVALENTS</p> <p>C.IV.1 Bank and post office deposits</p> <p>C.IV.2 Cash and other valuables</p> <p>D. ACCRUED INCOME AND PRE-PAID EXPENSES</p> <p>D.1 Pre-paid expenses</p> <p>TOTAL ASSETS</p> <p>LIABILITIES</p> <p>A. NET EQUITY</p> <p>A.I Unregulated assets</p> <p>A.I.1 Result for the current period</p> <p>A.II The Association's endowment fund</p> <p>A.III Regulated assets</p> <p>B. PROVISIONS FOR RISKS AND CHARGES</p> <p>B.I Other provisions</p> <p>C. EMPLOYEE SEVERANCE INDEMNITY</p> <p>C.I Employee severance indemnity</p> <p>D. DEBTS</p> <p>D.I Amounts payable to banks</p> <p>D.I.1 Banks current account overdrawn</p> <p>D.I.2 Banks advances against outstanding invoices</p> <p>D.I.3 Other bank debts</p> <p>D.II Amounts payable to suppliers</p> <p>D.III Amounts payable to employees</p> <p>D.IV Amounts payable to co-workers</p> <p>D.V Tax payables</p> <p>D.VI Amounts payable to social security</p>		
---	--	--

and pension institutions		
D.VII Other debts		
E. ACCRUED EXPENSES AND DEFERRED INCOME		
E.I. Other accrued expenses and deferred income		
TOTAL LIABILITIES		

The operating section of the financial statements

CITTADINANZATTIVA A.P.S.

Financial year 2019

COSTS			PROCEEDS AND REVENUES		
	Year 2019	Year 2018		Year 2019	Year 2018
1) Core activity costs			1) Proceeds and income from core activities		
1.1) Purchases			1.1) From contributions to projects		
1.2) Services			1.2) From contracts with public entities		
1.3) Use of third-party assets			1.3) From private individuals		
1.4) Personnel			1.4) Other proceeds and revenues		
1.5) Amortisation			1.5) From public awareness and information activities		
1.6) Sundry admin. costs			1.6) Corporate donations		
			1.7) VAT proceeds pursuant to Law 398 regarding core		

<p>2) Fund-raising and promotional costs</p> <p>2.1) Individual fund-raising</p> <p>2.2) Corporate fund-raising</p> <p>2.3) Funds from the 5 per mille tax contribution option</p> <p>2.4) Fund-raising through events</p> <p>2.5) Ordinary promotional activity</p> <p>2.6) Personnel</p> <p>3) Supplementary activity costs</p> <p>3.1) Purchases</p> <p>3.2) Services</p> <p>3.3) Use of third-party assets</p> <p>3.4) Personnel</p> <p>3.5) Amortisation</p> <p>3.6) Sundry admin. costs</p> <p>4) Financial and asset management costs</p> <p>4.1) On bank accounts (interest)</p> <p>4.2) Other bank charges</p> <p>4.3) On real estate</p>			<p>activities</p> <p>1.8) Membership dues from local supporters</p> <p>2) Fund-raising proceeds</p> <p>2.1) Cash donations</p> <p>2.2) Donations of goods</p> <p>2.3) Fund-raising through events</p> <p>2.4) Funds from the 5 per mille tax contribution option</p> <p>2.5) Membership fund-raising</p> <p>3) Proceeds and income from supplementary activities</p> <p>3.1) From related activities and/or supplementary commercial operations</p> <p>3.2) From contracts with public entities</p> <p>3.3) From members and associates</p> <p>3.4) From non-members</p> <p>3.5) VAT proceeds pursuant to Law 398 regarding supplementary activities</p> <p>4) Financial and asset management proceeds</p> <p>4.1) From bank accounts</p> <p>4.2) From other financial investments</p> <p>4.3) From real estate</p>		
---	--	--	--	--	--

4.4) On other property			4.4) From other property		
4.5) Extraordinary charges			4.5) Extraordinary proceeds		
5) General support costs					
5.1) Purchases					
5.2) Services					
5.3) Use of third-party assets					
5.4) Personnel					
5.5) Amortisation					
5.6) Other charges					
TOTAL COSTS			TOTAL PROCEEDS		
OPERATING SURPLUS					

Stato Patrimoniale

CITTADINANZATTIVA A.P.S.
Esercizio 2019

ATTIVO	Anno 2019	Anno 2018
A CREDITI/ASSOCIATI PER VERSAMENTO QUOTE	0	0
B IMMOBILIZZAZIONI	69.010,17	80.851,73
B. I IMMOBILIZZAZIONI IMMATERIALI	57.304,59	67.114,46
B. I. 1 Software capitalizzato	192.210,35	192.210,35
B. I. 2 Altre immobilizzazioni immateriali	79.171,91	79.171,91
B. I. 3 Fondi Ammortam. immobili. immateriali	(214.077,67)	(204.267,8)
B. II IMMOBILIZZAZIONI MATERIALI	11.705,58	13.737,27
B. II. 1 Attrezzature uffici	92.916,12	92.916,12
B. II. 2 Fondi Ammort. immobil. materiali	(81.210,54)	(79.178,85)
B. III IMMOBILIZZAZIONI FINANZIARIE	0	0
B. III. 1 Partecipazioni in altre imprese	3.098,75	2.582,28
B. III. 2 Fondo Svalutazione partecipaz. in altre imprese	(3.098,75)	(2.582,28)
C ATTIVO CIRCOLANTE	1.642.746,11	1.383.448,25
C. I RIMANENZE	0	0
C. II CREDITI	1.629.075,61	1.267.335,14
C. II.1 Crediti verso clienti	685.518,96	672.813,46
C. II.2 Crediti verso altri	943.556,65	594.521,68
di cui oltre 12 mesi successivi	13.797,42	13.797,42
C. III ATTIVITA' FINANZIARIE NON IMMOBILIZZAZIONI	0	0
C. IV DISPONIBILITA' LIQUIDE	13.670,50	116.113,11
C. IV.1 Depositi bancari e postali	8.730,68	114.151,34
C. IV.2 Denaro e valori in cassa	4.939,82	1.961,77
D RATEI E RISCONTI ATTIVI	33.700,00	0,00
D.1 Risconti attivi	33.700,00	-
TOTALE ATTIVO	1.745.456,28	1.464.299,98
PASSIVO		
A PATRIMONIO NETTO	50.421,31	48.711,84
A. I Patrimonio libero	1.709,47	437,05
A. I.1 Risultato esercizio corrente	1.709,47	437,05
A. II Fondo di dotazione dell'ente	48.711,84	48.274,79
A. III Patrimonio vincolato	0	0
B FONDI PER RISCHIE ONERI	8.040,29	8.040,29
B. I Altri fondi	8.040,29	8.040,29
C TRATTAMENTO DI FINE RAPPORTO LAVORO SUBORDINATO	356.776,83	346.749,14
C. I Trattamento di fine rapporto dipendenti	356.776,83	346.749,14
D DEBITI	1.075.284,41	1.060.798,71
D. I Debiti verso banche	504.734,37	494.846,38
D. I.1 Banche c/c passivo	89.806,58	-
D. I.2 Banche c/c anticipi	414.927,79	494.846,38
D. I.3 Altri debiti verso banche	-	-
D. II Debiti verso fornitori	239.240,82	270.738,27
D. III Debiti verso personale dipendente	49.213,20	54.803,89
D. IV Debiti verso collaboratori co. pro.	0	0
D. V Debiti tributari	154.730,52	180.951,14
D. VI Debiti verso istituti di previdenza e di sicurezza sociale	24.929,78	22.834,42
D. VII Altri debiti	102.435,72	36.824,61
E RATEI E RISCONTI PASSIVI	254.933,44	-
E. I Altri ratei e risconti passivi	254.933,44	-
TOTALE PASSIVO	1.745.456,28	1.464.299,98

Rendiconto gestionale

CITTADINANZATTIVA A.P.S.
Esercizio 2019

ONERI

PROVENTI E RICAVI

	Anno 2019	Anno 2018		Anno 2019	Anno 2018
1) Oneri da attività tipiche	2.388.254,82	2.069.331,03	1) Proventi e ricavi da attiv.tipiche	2.737.688,21	2.595.916,27
1.1) Acquisti	117.612,07	53.213,71	1.1) Da contributi su progetti	1.687.990,22	2.016.431,08
1.2) Servizi	993.157,86	758.764,73	1.2) Da contratti con enti pubblici	823.949,20	383.375,40
1.3) Godimento beni di terzi	21.666,97	44.539,11	1.3) Da privati	14.880,00	17.310,00
1.4) Personale	1.254.112,96	1.165.500,89	1.4) Altri proventi e ricavi	59.659,00	36.514,77
1.5) Ammortam.enti	-	-	1.5) Da attiv. di sensibilizz./informazione	-	-
1.6) Oneri diversi di gestione	1.704,96	47.312,59	1.6) Donazioni corporate	-	-
			1.7) Proventi IVA L.398 su att. Tipiche	115.149,79	109.800,02
			1.8) Quote associative di adesioni territorio	36.400,00	33.485,00
2) Oneri promozion. e di raccolta fondi	34.431,46	42.099,95	2) Proventi da raccolta fondi	28.640,74	29.439,05
2.1) Raccolta Individui	679,28	923,79	2.1) Donazioni in denaro	1.476,63	1.736,63
2.2) Raccolta Corporate	-	317,49	2.2) Donazioni di beni	-	287,10
2.3) Raccolta 5 per mille	180,22	-	2.3) Raccolta da eventi	-	-
2.4) Raccolta tramite eventi	-	-	2.4) Raccolta da 5 per mille	27.164,11	27.415,32
2.5) Attività ordinaria di promozione	4.137,96	7.858,19	2.5) Raccolta da adesioni territorio	-	-
2.6) Personale	29.434,00	33.000,48			
3) Oneri da attività accessorie	88.747,21	102.929,40	3) Proventi e ricavi da attiv.accessorie	264.214,80	268.034,09
3.1) Acquisti	72.874,66	-	3.1) Da Attività connesse e/o gestioni commerciali accessorie	238.091,80	241.987,90
3.2) Servizi	15.872,55	102.929,40	3.2) Da contratti con enti pubblici	-	-
3.3) Godimento beni di terzi	-	-	3.3) Da soci ed associati	-	-
3.4) Personale	-	-	3.4) Da non soci	-	-
3.5) Ammortam.enti	-	-	3.5) Proventi IVA L.398 su att. Accessorie	26.183,00	26.046,19
3.6) Oneri diversi di gestione	-	-			
4) Oneri finanziari e patrimoniali	69.116,58	49.854,42	4) Proventi finanziari e patrimoniali	74.255,47	6.965,82
4.1) Su rapporti bancari (interessi)	12.998,54	10.241,72	4.1) Da rapporti bancari	-	-
4.2) Altri oneri bancari	16.348,09	19.563,49	4.2) Da altri investimenti finanziari	-	-
4.3) Da patrimonio edilizio	-	-	4.3) Da patrimonio edilizio	-	-
4.4) Da altri beni patrimoniali	-	-	4.4) Da altri beni patrimoniali	-	-
4.5) Oneri straordinari	39.769,95	20.049,21	4.5) Proventi Straordinari	74.255,47	6.965,82
5) Oneri di supporto generale	522.539,68	635.703,38			
5.1) Acquisti	11.871,17	12.637,71			
5.2) Servizi	140.836,76	121.964,75			
5.3) Godimento beni di terzi	73.622,29	90.475,35			
5.4) Personale	271.416,13	237.224,88			
5.5) Ammortam.enti	11.757,97	5.424,44			
5.6) Altri oneri	13.035,36	167.976,25			
TOTALE ONERI	3.103.089,75	2.899.918,18	TOTALE PROVENTI	3.104.799,22	2.900.355,23
AVANZO GESTIONALE	1.709,47	437,05			

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31/12/2019

The present financial statements have been drawn up, where applicable, in compliance with the guidelines issued by the former Third Sector Agency on 11 February 2009, in accordance with Section 3, paragraph 1, letter a) of Prime Ministerial Decree no. 329 of 21 March 2001, and they consist in the balance sheet, the operating section and the present notes to the accounts.

The balance sheet represents the association's assets and liabilities at 31/12/2019, and is subdivided into two opposing sections: Assets and Liabilities. The individual items are listed in order of increasing liquidity.

The assets shown in the Balance Sheet include fixed assets, cash and cash equivalents, and receivables. On the liability side, on the other hand, there is the net equity item "The Association's Endowment Fund" consisting of the algebraic sum of previous years' results, of the provisions and the short/medium/long-term payables which together comprise the remaining debt items.

From a financial viewpoint, the liabilities represent the own funding or external funding that the association needs in order to perform its institutional business activity.

The operating section of the financial statements (this is the name given to the profit and loss account of a non-profit organisation) separates and represents the proceeds and charges for the financial year, and the corresponding items are grouped together into five areas of costs and proceeds on the basis of the activities carried out by the Association, and identified as follows on the basis of the corresponding guidelines:

- Core activities, meaning the institutional activities conducted by the Association on the basis of the guidelines set out in the Statute.
- Promotional and fund-raising activities, comprising all of the activities conducted by the Association in order to obtain grants and donations so as to dispose of the financial resources required for the pursuit of the Association's institutional purposes.
- Supplementary activities, meaning activities other than those of an institutional nature, carried out in addition to the latter in order to guarantee the Association additional financial resources which can help it pursue its institutional purposes.
- Financial and asset management activities that are, nevertheless, instrumental to the pursuit of the Association's institutional purposes.
- Supporting activities, meaning the management and running of the Association that guarantee the basic administrative organisation thereof.

The item 'Proceeds' refers to contributions, donations or fund-raising proceeds, together with revenue from supplementary activities. 'Costs', on the other hand, include all personnel costs, service costs, utilities, rents paid, duties and taxes. In this context, it should be pointed out that for Cittadinanzattiva A.P.S., the VAT paid on invoices received constitutes a cost. The figures shown correspond to the results shown in the regularly kept accounting records, and the format of the operating section of the financial statements, in keeping with the previous year which is perfectly comparable, presents items shown on the basis of a reclassification and grouping of items offering exhaustive, easily comprehensible information.

The annual financial statements drawn up by Cittadinanzattiva A.P.S., in accordance with the guidelines published by the former Third Sector Agency, are designed to monitor the Association's non-profit-making operations, and are organised in such a way as to take due account on the one hand of the pursuit of the organisation's cost-effective, efficacious and efficient management, and on the other hand of the characteristics of the Association which distinguish it from commercial enterprises, such as the ideals it pursues, the total lack of any profit-making aims, the absence of any ownership interest guiding its management, the non-distribution of any operating surpluses, and last but not least, the interest of those third parties concerned in having information on the institutional activities carried out by the Association.

As regards information of a fiscal nature, Cittadinanzattiva A.P.S. only carries out those institutional activities that come within the scope of the Protection of Citizens' Rights, in particular with regard to the Tribunal for Patients' Rights and any cases of healthcare system failures, all of which are clearly non-taxable activities. Commercial activities are of only marginal importance, and are strictly limited and instrumental to the largely prevalent institutional activities of the Association.

In funding its activities, the Association has recourse to fund-raising schemes involving broad negotiations with public entities, private concerns and international organisations. In recent years the effects of the global economic crisis which previously had hit all sectors of the economy worldwide, together with the inevitable negative repercussions on Cittadinanzattiva A.P.S.'s fund-raising activities, have thankfully run their course, as these voluntary contributions are of vital importance to the institutional activities of the Association. In fact, the fund-raising network of loyal supporters has been consolidated over the years, thanks to the high profile of all of Cittadinanzattiva's projects; and the excellent returns, in terms of image, for all of the Association's supporters and financiers, have meant that revenue in 2019 managed to keep pace with that of the previous year, thanks also to the fact that the critical phase of economic recovery in many productive sectors appears over now.

VALUATION CRITERIA, ACCOUNTING PRINCIPLES AND THE ANALYSIS OF FINANCIAL STATEMENT ITEMS

The financial statements have been drawn up in compliance with the guidelines issued by the former Third Sector Agency on 11 February 2009. Valuation was conducted in keeping with the general principles of prudence and competence, and no recourse was had to any departure from application of such criteria, insofar as no exceptional cases arose.

In drawing up the financial statements, the following general principles were complied with:

- the valuation of items was carried out in a prudent manner and with a view to business continuity;
- account was taken of the risks and losses for the year even when such were only discovered after the end of the year.

Events relating to operations are illustrated in the information and details given below in regard to each item set out in the financial statements; the information regards the analysis of individual the items comprising both the balance sheet and the income statement.

BALANCE SHEET**Intangible Fixed Assets**

Intangible fixed assets are recorded at cost, and in 2019 there were no differences from the previous year; they are systematically amortised in relation to their remaining use potential and in accordance with the principles established by tax legislation. The amortisation rates correspond to the duration of the property's lease agreement as far as regards renovation charges, while software is amortised at one-fifth of cost, in accordance with applicable civil and tax legislation. Net intangible fixed assets amount to Euro 57,305 (compared to Euro 67,114 at 31/12/2018), net of amortisation provisions of Euro 214,078.

INTANGIBLE FIXED ASSETS 2019

MAINTENANCE COSTS TO BE AMORTISED	26,063
SOFTWARE	192,210
TRAVEL EXPENSES TO BE AMORTISED	53,109
GROSS INTANGIBLE FIXED ASSETS	271.382
INTANGIBLE FIXED ASSETS AMORTISATION PROVISION	214,078
NET INTANGIBLE FIXED ASSETS	57,305

Tangible Fixed Assets

Tangible fixed assets are also unchanged from the previous year, and consist in the series of instrumental goods that the Association possesses, recorded at their historical cost, and systematically amortised annually on the basis of the rates established by applicable tax legislation. In addition to hardware, the total value of investments is constituted by furniture, fixtures and fittings, and other office equipment used for Cittadinanzattiva's institutional purposes. The amortisation rates applied are 12% in regard to office furniture and furnishings, and 20% in regard to electrical and electronic equipment and computers. Net tangible fixed assets stand at Euro 11,706 (compared to Euro 13,737 at 31/12/2018), after deducting amortisation provisions of Euro 81,210.

TANGIBLE FIXED ASSETS 2019

EQUIPMENT	2.561
SPECIAL INTERNAL SYSTEMS (HEATING/AIR-CONDITIONING)	732
ELECTRONIC MACHINES	56.717

OFFICE FURNITURE	16.952
OTHER TANGIBLE ASSETS TO BE AMORTISED	15.954
GROSS TANGIBLE FIXED ASSETS	92.916
TANGIBLE FIXED ASSETS AMORTISATION PROVISION	81.210
NET TANGIBLE FIXED ASSETS	11.706

Fixed financial assets

There are Financial Assessments with a low degree of liquidity amounting to € 3,099. In consideration of the foregoing, the total amount has been written down by 100% in order to neutralise said amounts among the Association's assets.

It should be noted that those shareholdings recorded in the financial statements are not controlling interests under Articles 2359 ff. of the Italian Civil Code.

Receivables

Current assets mainly consist of the movements of receivables regarding receipts of donations pertaining to preceding financial years, and the recognition of those donations made in 2019 which will not be received until the following year, and this item is clearly up on the previous year's figure. Total current assets amount to 1,642,746 (compared to Euro 1,383,448 at 31/12/2018) and consist of current receivables recorded at the estimated realisable value of Euro 1,629,076 (compared to Euro 1,267,335 at 31/12/2018), represented by receivables for invoices issued, all of a duration of no more than 12 months, amounting to Euro 685,519, and by other receivables amounting to Euro 943,557. The other receivables are composed of amounts due for contributions and donations pertaining to the year, amounting to Euro 849,157, amounts due from certain branches of Cittadinanzattiva amounting to Euro 59,702, and other amounts due mainly related to advances paid on existing employment contracts and on on-going supplies by December 2019, amounting to Euro 20,900. All of the receivables shown represent amounts due within twelve months, with the exception of guarantee deposits paid on office leases and utilities, totalling Euro 13,797 and included in total other receivables.

Cash and cash equivalents

Cash and cash equivalents, represented by various current bank accounts together with a limited quantity of cash held, amount to Euro 13,670 and are significantly down from the previous year (Euro 116,113 at 31/12/2018).

Accrued income and pre-paid expenses

Pre-paid expenses amount to Euro 33,700, compared with zero at 31/12/2018, against the deferral of costs materially sustained during the course of the year but accrued to the following year.

Net equity

The Net Equity of Cittadinanzattiva A.P.S. consists of the sum of the economic results achieved over the course of diverse years' activity, and amounts to Euro 50,421 (compared to Euro 48,712 at 31/12/2018): more specifically, the "unregulated assets" account contains the operating result for 2019 of Euro 1,709, while the "Endowment Fund" comprises the amounts already present at 1 January 2019, deriving from the historical series of profits made.

The level of capitalisation remains good, as are the efforts made to systematically increase this level, with a view to constantly monitoring, and if possible improving, the levels of efficiency/efficacy achieved by the Association in the pursuit of its institutional aims.

Provisions for risks and charges

The provisions for risks and charges amount to Euro 8,040, which is the same as at 31/12/2018, and includes the provision for future charges relating to supplementary pensions.

Employee severance indemnity

This item represents the severance indemnity of the Association's employees, and includes the statutory revaluations accrued annually; at 31/12/2019 it stands at Euro 356,777 (compared to Euro 346,749 at 31/12/2018).

Amounts payable to banks

Borrowing from banks amounts to Euro 504,734, slightly up from the previous year's figure (Euro 494,846 at 31/12/2018). The Association has recourse to bank loans mainly in order to obtain funds in advance against outstanding invoices, which helps it to deal with the volume of current financial expenditure. It should be pointed out that in recent years, Cittadinanzattiva has been exercising closer controls, and implementing targeted measures, in order to improve internal cash flow, thus enabling such financial debts, which are of a rather costly nature, to be gradually reduced. The substantial debts to banks are necessary in order to meet the liquidity requirements of a complex organisation which although it has undertaken a radical review of the efficiency/efficacy criteria applied to its internal processes, can only manage to very gradually reduce a whole series of current expenditure items which unfortunately are not immediately covered by the Association's institutional revenue.

Amounts payable to suppliers

Debts to suppliers amount to Euro 155,417 (compared to Euro 270,738 at 31/12/2018), and are related to supporting activities, services and trading operations strictly connected and functional to the achievement of Cittadinanzattiva's purposes and to the carrying out of its institutional activities. This item also includes payables for "invoices to be received" recognised on an accruals basis at 31/12/2018, and amounting to Euro 83,824.

Tax and social security payables

As regards the amounts due to social security institutions, these total Euro 24,930 (compared to Euro 22,634 at 31/12/2018), and are equal to the payable shown in relation to salaries for December 2019; the amounts due to the revenue agency total Euro 154,731 (compared to Euro 180,951 at 31/12/2017) and regard withholding tax on December's salaries, and on fees to third parties, which has not been paid in full to the revenue agency but which will be settled by the date of submission of the next tax return (Form 770). The overall amount due to the revenue agency

also includes VAT payables amounting to Euro 95,348, which the Association undertakes to settle as the necessary funds become available.

It should be noted that the Association, as regards its marginal commercial operations, has opted for concessional tax treatment under Italian Law no. 398/1991, whereby for the purposes of direct taxation, 3% of its commercial turnover is subject to corporate income tax (IRES) at the ordinary tax rate. As regards VAT, the aforesaid concessional tax system foresees a flat-rate payment of 50% of the VAT shown on the invoices issued, insofar as it is applied, while the remaining 50% represents an additional component of the revenues posted among the core activities or the non-core activities, depending on the nature of the invoices.

Amounts payable to employees and others

This debt item refers to salaries for the final period of the year, paid during the early days of the subsequent year, and amounts to Euro 49,213 (compared to Euro 54,804 at 31/12/2018).

Total payables entered in the financial statements amount to 1,075.284 (compared to Euro 1,060,799 at 31/12/2018), and were thus basically in line with the previous year's figure.

Accrued expenses and deferred income

The item relating to accrued expenses/deferred income amounts to Euro 254,933, compared to zero at 31/12/2018, and concerns in particular the Association's deferred income, that is, revenue materially received in one year but posted to future financial years.

THE OPERATING SECTION OF THE FINANCIAL STATEMENTS

The financial statements for the year 2019 closed with an operating result of Euro 1,709 (compared to Euro 437 at 31/12/2018), after having entered direct taxes for the period comprised solely of corporate income tax (IRES), estimated at Euro 984, but which shall be precisely quantified in the tax returns submitted for the tax year 2019. No regional tax on productive activity (IRAP) has been entered in the financial statements, since no taxable amount for the purposes of calculating said tax is observed.

Revenues and costs are recorded on a prudent, accruals basis. Donations, contributions and other revenue not constituting consideration, are recorded in the operating section of the financial statements (the profit and loss account) of the financial year in which they were collected, or in the year in which entitlement to collection of such acquires legal validity.

Revenue consisting of grants, donations and gifts is generally not correlated to specific institutional activities, but represents in a broader sense a means of support to the Association's mission and founding principles underlying those actions taken.

Should a correlation be discovered between revenue of any kind that does not take the form of consideration (such as donations and contributions) and any specific activities of the non-profit-making Organisation, as a rule such revenue is related to operating costs.

The fundamental purpose of the operating section of the financial statements is to represent the operating result for the year in question, and to illustrate, by means of a comparison of revenue and costs for the period, together with any items recorded on an accruals basis, how this result was obtained. The assessment of operations is based on the contribution of revenue and costs

unrelated to the trade relations characteristic of commercial enterprises, but related to the network of supporters, financiers and benefactors of various kinds who appreciate and encourage the activities promoted by Cittadinanzattiva. The contributions received by Cittadinanzattiva are the funds tied to the exclusive carrying out of its pre-established institutional activities and those secondary activities strictly connected to the latter, and are recorded under the item "Proceeds from core activities" and subdivided into the areas concerned.

Proceeds

Total proceeds amount to Euro 3,104,799 (compared to Euro 2,900,355 at 31/12/2018) and are subdivided into the macro-areas concerned, as follows, depending on their nature:

1) Proceeds and income from core activities	2,737,688
2) Proceeds from fund-raising	28,641
3) Proceeds and income from supplementary activities	264,215
4) Financial and asset management proceeds	74,255
TOTAL PROCEEDS	3,104,799

Proceeds from core activities clearly constitute the largest share of proceeds, and the distinctive aspect of the Association's nature; they comprise the contributions received in support of Cittadinanzattiva's institutional activities, and as such they represent over 88% of total proceeds for the year in question, and amount to a total of Euro 2,737,688 (up significantly from the figure of Euro 2,595,916 at 31/12/2018).

The proceeds from core activities can be further broken down as follows:

Contributions for projects	1,687,950
Contracts with public entities	823,949
Contributions from private citizens	14,880
Other proceeds and income	59,659
VAT proceeds pursuant to Law 398 regarding core activities	115,150
Membership dues from local supporters	36,100
Total proceeds and revenues from core activities	2,737,688

Contributions for projects, together with contracts with public entities, represent total revenue of Euro 2,511,899, that is, nearly all of the funds available.

In addition to proceeds from core activities, there are three other, less significant categories of proceeds and income relating to fund-raising, supplementary activities, and financial and asset management operations.

Fund-raising proceeds include the annual revenue in the form of the 5 per mille contribution indicated and paid by Italian taxpayers on their income tax returns, which amount to Euro 27,164 (compared to Euro 27,415 at 31/12/2018). It should be noted that the contribution in question is recorded in the financial period in which the corresponding amount is certain and objectively determinable, and thus is recognised at the date of actual collection.

Costs

As regards operating costs, they have been reclassified in an identical manner to proceeds, and subdivided into the various areas concerned, as follows:

1) Core activity costs	2,388,255
2) Fund-raising and promotional costs	34,431
3) Supplementary activity costs	88,747
4) Financial and asset management costs	69,117
5) General support costs	522,540
TOTAL COSTS	3,103,090

This method of representing costs is designed to highlight those costs associated with the Association's institutional core activities which represent the bulk of all activities, and then to indicate the costs of secondary activities supporting said core activities. Total costs amount to Euro 3,103,090, and are up from the figure for the previous year (Euro 2,899,918 at 31/12/2018) just like proceeds are.

Core activity costs represent around 77% of total costs.

Purchases	117,612
Services	993,158
Use of third-party assets	21,667
Personnel	1,254,113
Amortisation	-
Sundry administrative costs	1,705
Core activity costs	2,388,255

The two major items among the core activity costs are personnel costs of Euro 1,254,113 (compared to Euro 1,165,500 at 31/12/2018), and the costs of services strictly related to the Association's institutional activities, which amount Euro 993,158 (compared to Euro 758,765 at 31/12/2018). Then there are purchases amounting to Euro 117,612, and charges totalling Euro 21,667 for the rent of the Association's offices.

As regards costs subdivided into the various institutional areas, there are promotional and fund-raising costs of Euro 34,431 (compared to Euro 42,100 at 31/12/2018), supplementary activity costs of Euro 88,747 (compared to Euro 102,929 at 31/12/2018), financial and asset management costs of Euro 69,117 (compared to Euro 49,854 at 31/12/2018), and finally general support costs of Euro 522,540 (compared to Euro 635,703 at 31/12/2018) comprising items of cost relating to the maintenance of the Association's institutional bodies and headquarters, down from the previous year.

To conclude then, operating performance in 2019 in our view confirms the good level of performance witnessed in recent years, with an increasing focus on the search for funding from companies and public entities, through strategies and projects aimed at further extending the

network of financiers and supporters. Therefore, the Association is therefore fully committed to consolidating its level of capitalisation, in order to strengthen self-funding and gradually reduce recourse to costly bank loans.

A further positive note is the efforts made to ensure the optimisation of transparency in the pursuit of the Association's purposes, which are increasingly focused and clearly defined thanks to the Association's growing local presence, and the increasing level of dialogue with the external world aimed at involving as many people as possible who share the Association's goals.

RELEVANT EVENTS THAT HAVE OCCURRED SINCE THE END OF THE FINANCIAL YEAR

The current health emergency linked to the coronavirus pandemic does not appear to have led to a reduction in Cittadinanzattiva A.P.S.'s revenues; however, the trend in donations and contributions from here onwards shall be closely monitored so that any necessary adjustments can be promptly made to guarantee business continuity and the continuity of on-going projects.

The present financial statements have been drawn up on the basis of the accounting principles applicable in the event that "business continuity" is reasonably foreseen, since as the same accounting principles require, the business of the Association is deemed guaranteed at least until 31 December 2020.

In assessing the impact of the Covid-19 emergency on the Association's capacity to continue operating as a going concern, on the basis of the information available at the time of approval of the financial statements, during the second half of the year a possible reduction in contributions is foreseen in regard to the Association's institutional projects, on the part of public and private entities.

From an economic point of view, it is expected that this probable decrease in revenue will be counterbalanced by a reduction in direct costs related to the Association's core activities, and by a reduction in personnel costs resulting from recourse to the Wage Subsidy Fund.

It should be noted that from the moment the health emergency was declared in Italy, Cittadinanzattiva immediately implemented smart-working procedures for its own employees, in compliance with the provisions introduced at national level, in order to guarantee the maximum health protection for all of its employees.

The present Financial Statements are accompanied by the Report of the Board of Statutory Auditors' and the Independent auditors, as required by Sections 30 and 31 of Italian Legislative Decree no. 117/17.

The General Secretary

Antonio Furlano