



(Translation from the Italian original which remains the definitive version)

# **Eureka Institute for Translational Medicine ETS**

**Financial statements as at and for the year ended  
31 December 2023**

(with report of the auditors thereon)

KPMG S.p.A.

June 28<sup>th</sup>, 2024



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**(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)**

## Independent auditors' report

*To the president of  
Eureka Institute for Translational Medicine ETS*

### Opinion

We have audited the financial statements of Eureka Institute for Translational Medicine ETS (the "foundation"), which comprise the balance sheet as at 31 December 2023, the statement of activities for the year then ended and the report on activities.

In our opinion, the financial statements give a true and fair view of the financial position of Eureka Institute for Translational Medicine ETS as at 31 December 2023 and of its financial performance for the year then ended in accordance with the Italian regulations governing their preparation.

### Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report. We are independent of the foundation in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Other matters

This report is not issued pursuant to any legal requirements as the foundation was not required to subject its 2023 financial statements to a statutory audit pursuant to Legislative decree no. 39/10. Accordingly, we did not carry out the audit procedures required by Standard on Auditing (SA Italia) 250B to check that the foundation's accounts were regularly kept.

### Responsibilities of the foundation's president for the financial statements

The president is responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian regulations governing their preparation and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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The president is responsible for assessing the foundation's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the president believes that the conditions for liquidating the foundation or ceasing operations exist, or has no realistic alternative but to do so.

### ***Auditors' 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 auditors' 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 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 ISA Italia, we exercise professional judgement and maintain professional scepticism 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 the foundation's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the president;
- conclude on the appropriateness of the president'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 the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the foundation 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.



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We communicate with those charged with governance, identified at the appropriate level 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.

Catania, 28<sup>th</sup> June 2024

KPMG S.p.A.

(signed on the original)

Giovanni Giuseppe Coci  
Director of Audit

**EUREKA INSTITUTE FOR TRANSLATIONAL MEDICINE ETS.**

Tax code: 01552570895

Registered with the Italian register of non-profit bodies

Registered office in VIA NECROPOLI GROTTICELLE 17/A - 96100 SYRACUSE (SR)

**Balance sheet as at 31 December 2023 and  
statement of activities for the year then ended**

<b>Assets</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
<b>A) Membership fees or capital proceeds to be received</b>		
<b>B) Fixed assets</b>		
<i>I. Intangible fixed assets</i>		
1) Start-up and capital costs		
2) Development costs		
3) Industrial patents and intellectual property rights	5,081	6,729
4) Concessions, licences, trademarks and similar rights		
5) Goodwill		
6) Assets under development and payments on account		
7) Other		
Total	5,081	6,729
<i>II. Tangible fixed assets</i>		
1) Land and buildings		
2) Plant and machinery		
3) Equipment		
4) Other assets		
5) Assets under construction and payments on account		
Total		
<i>III. Financial fixed assets</i>		
1) Equity investments:		
a) Subsidiaries		
b) Associates		
c) Other		
2) Financial receivables		
a) From subsidiaries		
- due within one year		
- due after one year		
b) From associates		
- due within one year		
- due after one year		
c) From other non-profit bodies		
- due within one year		
- due after one year		
d) From others		
- due within one year		
- due after one year		
3) Other securities		

Total

---

**Total fixed assets**

5,081

6,729

**C) Current assets**

*I. Inventory*

- 1) Raw materials, consumables and supplies
- 2) Work in progress and semi-finished products
- 3) Contract work in progress
- 4) Finished goods
- 5) Payments on account

Total

---

*II. Receivables*

- 1) Trade receivables and receivables from users
    - due within one year
    - due after one year
- 

- 2) From members and the founder
    - due within one year
    - due after one year
- 

- 3) From public bodies
    - due within one year
    - due after one year
- 

- 4) Contributions from private parties
    - due within one year
    - due after one year
- 

- 5) From bodies of the same network
    - due within one year
    - due after one year
- 

- 6) From other non-profit bodies
    - due within one year
    - due after one year
- 

- 7) From subsidiaries
    - due within one year
    - due after one year
- 

- 8) From associates
    - due within one year
    - due after one year
- 

- 9) Tax receivables
    - due within one year
    - due after one year
- 

- 10) 5 *per mille* contributions
    - due within one year
    - due after one year
- 

- 11) Deferred tax assets

- 12) From others
  - due within one year

- due after one year

Total

*III. Current financial assets*

- 1) Investments in subsidiaries
- 2) Investments in associates
- 3) Other securities

Total

*IV. Liquid funds*

- 1) Bank and postal accounts
- 2) Cheques on hand
- 3) Cash-in-hand and cash equivalents

559,145

469,704

559,145

469,704

**Total current assets**

**559,145**

**469,704**

**D) Prepayments and accrued income**

**2,915**

**2,745**

**Total assets**

**567,141**

**479,178**

**Balance sheet liabilities**

**31/12/2023**

**31/12/2022**

**A) Net worth**

*I. Endowment capital*

30,000

30,000

*II. Restricted net worth*

- Statutory reserves
- Reserves restricted by the foundation's bodies
- Reserves restricted by third parties

*III. Unrestricted net worth*

- Income- or surplus-related reserves
- Other reserves

377,066

661,789

1

377,067

661,789

*IV. IV. Surplus (shortfall) for the year*

93,609

(284,722)

**Total**

**500,676**

**407,067**

**B) Provisions for risks and charges**

- 1) Pension and similar provisions
- 2) Tax provision, including deferred tax liabilities
- 3) Other provisions

**Total**

**C) Employees' leaving entitlement**

**D) Payables**

*1) Bank loans and borrowings*

- due within one year
- due after one year

*2) Other loans and borrowings*

- due within one year

- due after one year		
<b>3) Loans and borrowings from members and the founder</b>		
- due within one year		
- due after one year		
<b>4) Payable to bodies from the same network of associations</b>		
- due within one year		
- due after one year		
<b>5) Conditional donations</b>		
- due within one year		
- due after one year		
<b>6) Payments on account</b>		
- due within one year		
- due after one year		
<b>7) Trade payables</b>		
- due within one year	10,913	15,968
- due after one year		
	<u>10,913</u>	<u>15,968</u>
<b>8) Payable to subsidiaries and associates</b>		
- due within one year		
- due after one year		
<b>9) Tax payables</b>		
- due within one year	216	2,271
- due after one year		
	<u>216</u>	<u>2,271</u>
<b>10) Social security charges payable</b>		
- due within one year		
- due after one year		
<b>11) Employees and consultants</b>		
- due within one year		
- due after one year		
<b>12) Other payables</b>		
- due within one year		
- due after one year		
<b>Total</b>	<b>11,129</b>	<b>18,239</b>
<b>E) Accrued expenses and deferred income</b>	<b>55,336</b>	<b>53,872</b>
<b>Total liabilities</b>	<b>567,141</b>	<b>479,178</b>

## Statement of activities

<b>A) Costs and expenses for general interest activities</b>	<b>2023</b>	<b>2022</b>	<b>A) Revenues, annuities and income from general interest activities</b>	<b>2023</b>	<b>2022</b>
1) Raw materials, consumables, supplies and goods	2,342	1,330	1) Membership fees and capital proceeds	428,316	349,169
2) Services	400,631	632,082	2) Income from members for mutual activities		
3) Use of third party assets	17,537	32,494	3) Revenues from services and sales to members and the founder		
4) Personnel expenses			4) Donations	73,749	31,972
5) Amortisation and depreciation	1,648	1,512	5) Income from 5 <i>per mille</i> contributions		
5bis) Write-downs of tangible and intangible fixed assets			6) Contributions from private parties		
6) Provisions for risks and charges			7) Revenues from services and sales to third parties		
7) Other operating costs	144	4,230	8) Government grants		
8) Opening inventory			9) Income from contracts with public bodies		
9) Accruals to reserves restricted by the foundation's bodies			10) Other revenues, annuities and income	2,278	1
10) Use of reserves restricted by the foundation's bodies			11) Closing inventory		
Total	422,302	671,648	Total	504,343	381,142
			Surplus/shortfall from general interest activities (+/-)	82,041	(290,506)
<b>B) Costs and expenses for other activities</b>	<b>2023</b>	<b>2022</b>	<b>B) Revenues, annuities and income from other activities</b>	<b>2023</b>	<b>2022</b>
1) Raw materials, consumables, supplies and goods			1) Revenues from services and sales to members and the founder		
2) Services			2) Contributions from private parties		
3) Use of third party assets			3) Revenues from services and sales to third parties	12,000	6,000
4) Personnel expenses			4) Government grants		
5) Amortisation and depreciation			5) Income from contracts with public bodies		
5bis) Write-downs of tangible and intangible fixed assets			6) Other revenues, annuities and income		
6) Provisions for risks and charges			7) Closing inventory		
7) Other operating costs					
8) Opening inventory					
Total			Total	12,000	6,000
			Surplus from other activities (+/-)	12,000	6,000
<b>C) Costs and expenses for fundraising activities</b>	<b>2023</b>	<b>2022</b>	<b>C) Revenues, annuities and income from fundraising activities</b>	<b>2023</b>	<b>2022</b>
1) Regular fundraising costs			1) Proceeds from regular fundraising		
2) Occasional fundraising costs			2) Proceeds from occasional fundraising		
3) Other expenses			3) Other income		
Total			Total		
			Surplus/shortfall from fundraising activities (+/-)		
<b>D) Costs and expenses on financing and investing activities</b>	<b>2023</b>	<b>2022</b>	<b>D) Revenues, annuities and income from financing and investing activities</b>	<b>2023</b>	<b>2022</b>
1) Bank interest expense			1) Bank interest income		

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2) Interest on loans			2) From other investments		
3) On real estate portfolio			3) From real estate portfolio		
4) On other assets			4) From other assets		
5) Provisions for risks and charges			5) Other income		
6) Other expenses					
Total			Total		
			Surplus/shortfall from financial income and charges (+/-)		
<b>E) General support costs</b>	<b>2023</b>	<b>2022</b>	<b>E) Income from general support activities</b>	<b>2023</b>	<b>2022</b>
1) Raw materials, consumables, supplies and goods			1) Income from personnel secondment		
2) Services			2) Other income from general support activities		
3) Use of third party assets					
4) Personnel expenses					
5) Amortisation and depreciation					
5bis) Write-downs of tangible and intangible fixed assets					
6) Provisions for risks and charges					
7) Other expenses					
8) Accruals to reserves restricted by the foundation's bodies					
9) Use of reserves restricted by the foundation's bodies					
Total			Total		
<b>Total costs and expenses</b>	<b>422,302</b>	<b>671,648</b>	<b>Total income and expenses</b>	<b>516,343</b>	<b>387,142</b>
			Pre-tax surplus/shortfall (+/-)	94,041	(284,506)
			Income taxes	432	216
			Surplus/shortfall for the year (+/-)	93,609	(284,722)
<b>Unrealised costs</b>	<b>2023</b>	<b>2022</b>	<b>Unrealised income</b>	<b>2023</b>	<b>2022</b>
1) for general interest activities			1) from general interest activities		
2) for other activities			2) from other activities		
Total			Total		

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## EUREKA INSTITUTE FOR TRANSLATIONAL MEDICINE ETS.

Registered office in VIA NECROPOLI GROTTICELLE 17/A - 96100 SYRACUSE (SR)  
Endowment capital: €30,000 fully paid-up

Registered with the ITALIAN REGISTER OF NON-PROFIT BODIES

### Financial statements as at and for the year ended 31 December 2023 Report on activities

#### **Report on activities, general section**

Eureka Institute for Translational Medicine (“Eureka” or the “foundation”) is non-partisan and is not aligned with any trade unions. It is a non-profit organisation established to pursue civic, solidarity and social benefit goals. It mainly carries out the activities referred to in article 5.d/g/h/i of Legislative decree no. 117/2017, as subsequently amended, specifically, scientific research and training. The main purpose therefore is to develop and support all study and research activities in the biomedical field, particularly that of translational medicine (“TM”). The goal of TM is to advance an idea - a molecular medicine concept - through to development in a clinical setting in order to create new treatments for diseases. It encompasses several specialist areas: from molecular medicine to the development and protection of discoveries, the identification and use of resources, the design of pre-clinical studies for the development and validation of a concept, with the end goal of developing new treatments for human diseases.

The foundation’s activities take place in the education and research sector.

**Educational activities** take place by harnessing and adapting technologies (including the internet), and adopting different approaches depending on the goals and needs. Like those of research, the educational activities take place at local, regional and global level. They include various educational initiatives, including the programme offered each year in Syracuse or within Eureka’s global footprint, as well as conferences or single- or multi-themed courses, which can also be delivered online. A Master of International Translational medicine (MTM) is the keystone-course of these activities.

**Research activities** span the foundation’s international footprint, with members collaborating on joint projects and across seniority levels, from the exchange of ideas, reagents and protocols through to fully integrated cooperation. The free movement of people at all levels - professors and students - is strongly encouraged and facilitated.

The foundation is supported by contributions received under the agreements signed with public and private bodies, particularly universities.

The foundation’s goal is to transparently and efficiently identify, attract, distribute and administer funds, resources and support for research, education and creating a network of excellence in the field of translational medicine.

## **General information on the foundation**

Eureka Institute for Translational Medicine was set up in 2008 in Italy as a non-profit organisation. This enabled the development of a network of academic and industry partners, faculty and alumni capable of expanding the teaching and practice of TM.

Over the recent decades, Eureka has continued to focus on initiating collaborative TM programmes that address unmet patient needs. To accomplish this, Eureka leverages its members and coalesces their immense potential into a network of people with a shared vision: to develop TM in order to address unmet medical needs.

On 30 July 2021, the Eureka association became a foundation, with effect from the date of its registration in the new Italian register of non-profit bodies on the basis of the Sicily Regional decree no. 39 of 25 January 2022, notified on 31 January 2022.

In order to achieve this shared vision, Eureka's strategies are based on three pillars:

- **Education** - TM training courses for medical professionals.
- **Building community** - expanding a network of TM professionals which is fully equipped to promote the development of actual TM studies.
- **Research** - developing a group of new TM professionals who work together to bridge the current gaps and provide tutoring in TM research.

## **Mission and general interest activities**

### **Registered offices and activities**

The primary location for the activities is Syracuse where an annual international training event is organised as per article 3 of the foundation's by-laws. Any other locations are identified as necessary on the basis of the agreements with the partners with which the courses are organised.

#### **Master of International Translational Medicine (MITM)**

Eureka and Duke-NUS Medical School have partnered to develop a part-time master's degree course for seven students which was launched in 2023.

#### **Seasonal School**

Eureka is considering launching a TM course in Europe similar to the one held in Arizona in 2022.

#### **Eureka International Certificate Course in TM (ICC\_TM)**

ICC\_TM is Eureka's signature annual event which trains TM medical professionals from all over the world.

Eureka's annual ICC\_TM course was held from 15 to 21 October 2023 in Syracuse, with the participation of its partners and attended by 32 students.

#### **International Certificate Course in Translational FinMed (ICC\_TFM)**

After the success of the ICC\_TFM course in 2023, the foundation is considering repeating it in 2024.

#### **Cancer Research UK Eureka Virtual School (CRUK)**

Eureka, CRUK (Cancer Research UK) and the Toronto University are developing a course to be launched in 2025.

### **Summer certification courses**

From 2 to 7 July 2023, Eureka and the University Medical Centre Utrecht (UMCU) jointly organised an annual TM certificate course for 29 students in Utrecht, the Netherlands.

### **Eureka Monsoon Certificate Course**

From 20 to 24 November 2023, Eureka and SingHealth Duke-NUS Academic Medical Centre (SHDN) jointly organised the annual TM certificate course for 29 students in Singapore.

### **Eureka's mentoring programme**

The Eureka Mentorship programme was initially piloted in 2019 as part of the Pathway project developed for translational scientists. The project's goal is to bring together mentors and students and to create an environment that fosters the possibility of successful partnerships. To do this, mentors and mentees are assigned to each other after an online course to prepare both parties. A personal portfolio integrated into the online courses to guide professional development can be used as preparation before beginning a mentorship session.

Eureka's current pilot mentoring programme uses a programme updated in 2023 and involves the participants both of the Utrecht 2023 summer certificate course and the October 2023 ICC\_TM.

## **Listing in the Italian register of non-profit bodies and tax regime applied**

The foundation has been listed in the ITALIAN REGISTER OF NON-PROFIT BODIES in the OTHER NON-PROFIT BODIES section since 2022.

### **Direct taxes**

The flat tax regime is applied to the small amount of the foundation's activities that qualify as commercial (article 145 of Presidential decree no. 917/1996).

### **VAT**

The foundation has a VAT code because, when carrying out its institutional activities, parties other than supporters/partners may ask to take part in the training courses (even though these requests only account for a small proportion of all attendees) that the foundation organises for its supporters free of charge. In these cases, the foundation issues an invoice duly applying output VAT. On a prudent basis, the foundation does not treat the input VAT paid on its purchases as offsettable against the output VAT as it relates to the institutional rather than commercial side of its activities.

## **Members, the founder and the activities carried out for them**

### **Member participation in the life of the foundation**

The foundation was formed through the transformation of the association of the same name. Accordingly, the foundation's founder is the former association which ceased to exist on the incorporation of the foundation.

All expiring partnerships were renewed in 2023 and the Global South project is being developed, through which we expect to include bodies and students located in developing countries among the recipients of our training activities.

## **Basis of presentation**

These financial statements:

- are the second prepared by the foundation, which came into existence with its listing in the Italian register of non-profit organisations on the basis of Sicily Regional decree no. 39 of 25 January 2022, notified on 31 January 2022;
- have been prepared in compliance with article 13.1/3 of Legislative decree no. 117 of 3 July 2017 (the “non-profit sector code” or the “code”).

Pursuant to article 13 of the code, these financial statements comprise a balance sheet, a statement of activities showing the foundation’s income and expenses, and this report which discusses the financial statement captions, the financial performance and how the foundation pursues the goals established in its by-laws.

Pursuant to the decree issued by the Ministry of labour and social policies on 5 March 2020 and reiterated by the Italian reporting standard (“OIC”) 35, issued in February 2022, the financial reporting by non-profit bodies shall comply with the general provisions, the general financial statements principles and the accounting policies respectively set out in articles 2423, 2423-bis and 2426 of the Italian Civil Code and the OIC, as they are compatible with the absence of a for-profit purpose and with the civic and solidarity and social benefit goals of non-profit bodies.

Accordingly, these financial statements comply with the recognition and measurement rules of the OIC, with the exception of the specific requirements of OIC 35, as described in the report on activities prepared pursuant to the aforesaid ministerial decree and which forms an integral part of these financial statements. The figures included in the financial statements are rounded to whole Euros.

The report on activities provides the disclosures on the balance sheet and statement of activities captions following the order in which they are presented in financial statements. It describes the financial performance and how the foundation is managed and pursues the goals established in its by-laws.

## **Basis of preparation**

(Articles 2423 and 2423-bis of the Italian Civil Code)

The captions have been measured in accordance with the general principles of prudence and accruals on a going-concern basis.

Under the prudence principle, the foundation measures the individual assets and liabilities separately, in order to avoid offsetting losses that should be recognised against unrealised profits that should not be recognised.

In accordance with accruals-based accounting, the foundation recognises the effects of transactions in the year to which the transaction relates rather than that in which the associated collections and payments occur. Continuity of the accounting policies applied is necessary for the comparability of financial statements from year to year.

Captions have been recognised and presented in accordance with the substance over form principle.

## **Exceptional events pursuant to article 2423.5 of the Italian Civil Code**

None.

## **Changes in accounting policies**

None.

## **Correction of material errors**

None.

## **Comparability and adaptation**

None.

## **Accounting policies**

(Article 2426.1 of the Italian Civil Code)

### ***Fixed assets***

#### ***Intangible fixed assets***

These include software used by the foundation to manage bookings of its training courses.

Intangible fixed assets are recognised at acquisition cost, including related costs, and are shown net of any write-downs and the accumulated amortisation charged to the individual captions on a straight-line basis over the ordinary life of five years.

Amortisation begins when the asset becomes available for use. The amortisation pattern depends on how the related benefits are expected to flow to the foundation. The amortisation rate is the ordinary rate (20%) applied on a pro-rata basis where necessary.

### **Receivables**

Receivables are rights to receive fixed or determinable amounts of cash or its equivalent, or assets/services having an equivalent value, from customers or other third parties at identified or identifiable due dates.

Receivables have been recognised at their nominal amount rather than at amortised cost because the effects of the application of the latter method are immaterial for the purposes of giving a true and fair view, as is generally the case for current receivables.

Receivables are recognised at their estimated realisable value, by writing down their carrying amount through the provision for bad debts, in order to provide for any risk of impairment. The foundation considers specific indicators based on past trends and any other useful information about a probable impairment. The write-downs are estimated on an individual basis for significant receivables and collectively for the others, by calculating the expected impairment losses at the reporting date.

### **Liquid funds**

These are the positive balances of bank and postal accounts and cheques, as well as the cash-in-hand and cash equivalents at year end. Bank and postal accounts and cheques are recognised at their estimated realisable value, cash and revenue stamps at their nominal amount, while foreign currency is translated into Euros at the closing rate.

## **Payables**

Payables have been recognised at their nominal value rather than at amortised cost because the effects of the application of the latter method are immaterial for the purposes of giving a true and fair view, as is generally the case for current payables.

## **Prepayments and accrued income, accrued expenses and deferred income**

Accrued income and expenses are respectively portions of income and expenses pertaining to the year but that will be collected/paid in subsequent years.

Prepayments and deferred income are respectively portions of expenses and income collected/paid during the year or in previous years but pertaining to one or more subsequent years.

Accordingly, these captions comprise only portions of expenses and income relating to two or more years, whose amount varies on a time or economic accruals basis.

At each year end, the foundation analyses the conditions underlying their initial recognition and makes any necessary adjustments. Specifically, the balance of accrued income varies not only over time, but also based on its expected realisable value, whereas that of prepayments is based on the existence of future economic benefits matching the deferred costs.

## **Unilateral transactions**

Pursuant to OIC 35, assets arising from unilateral transactions, i.e., those for which no goods or services are provided in return (e.g., donations, *5 per mille* contributions, fundraising, contributions, etc.) are recognised at fair value at their date of acquisition. Pursuant to OIC 35.10, a balancing entry is recognised under income in the statement of activities.

Although contributions made by partners to the foundation are unilateral, as the underlying arrangement cannot be defined as bilateral contracts, this does not mean that Eureka can arbitrarily dispose of the funds received, as the amounts must be allocated to the pursuit of the foundation's purposes established in its by-laws. In this respect, in order to achieve its institutional goals, the foundation may invite partners and other professionals to participate in the foundation's training sessions. Considering that such meetings often take place (at least once a year) where Eureka is based (in Syracuse, Italy, as per the foundation's by-laws), so as not to burden the supporting partners with costs that are related to the foundation, the latter covers their expenses.

In one specific case (agreement with KKH), at the express desire of the partners, the amounts received by Eureka as a contribution towards the achievement of the institutional goals funded the development of a web portal for the UCAN (Understanding Childhood (Chronic) Ailments Network) project.

## **Fair value measurement**

Since the foundation solely carries out cash transactions, which can be measured objectively, there is not need to measure their fair value. Assets are recognised at fair value when it can be measured reliably.

Assets acquired for a symbolic value compared to their actual market value are recognised in line with the requirements for unilateral transactions.

Inventory items received free of charge during the year may be recognised at fair value at year end, rather than at their fair value on initial recognition.

## **Government grants**

Government grants related to income are recognised in accordance with OIC 35.25.

## **Membership fees and capital proceeds**

Membership fees or capital proceeds to be received from members or the founder are recognised under caption A) Membership fees or capital proceeds to be received.

Membership fees or capital proceeds received during the year are recognised in:

- a) net worth in caption A1) Endowment capital when they relate to the foundation's initial endowment;
- b) the statement of activities in caption A1) Membership fees and capital proceeds, in the other cases, unless available evidence shows that the nature of the transaction is to strengthen the foundation's net worth (e.g., recapitalisation).

Membership fees and capital proceeds are recognised in the statement of activities in the year they are received or due.

## **Restricted reserves and payables for conditional donations**

There are no restricted reserves, nor are they required to be set up.

## **Provisions for risks and charges**

Provisions for risks and charges are recognised to cover specific liabilities that are certain or probable, but whose amount or due date is unknown at the reporting date. Specifically, provisions for risks relate to specific liabilities whose occurrence is probable and amount estimated, while provisions for charges relate to specific liabilities, whose occurrence is certain and amount or due date estimated, that arise from obligations already taken on at the reporting date but which will be paid in subsequent years.

Accruals to provisions for risks and charges are primarily recognised in the statement of activity section to which the transaction relates, privileging the classification of costs by nature. The amount of the accruals to the provisions is based on the best estimate of costs, including the legal expenses, at each reporting date and is not discounted.

If the measurement of the accruals gives a range of values, the accrual represents the best possible estimate between the upper and lower thresholds of the range.

The provisions are subsequently used directly and solely for those costs and liabilities for which they were originally set up. If they are not sufficient or are redundant, the shortfall or surplus is recognised in the statement of activity in line with the original accrual.

## **Income taxes**

Current income taxes are calculated on the basis of a realistic forecast of the tax base under the relevant tax legislation and applying the enacted tax rates at the reporting date.

Deferred tax assets and liabilities are calculated on the accumulated amount of all temporary differences between the carrying amounts of assets and liabilities and their tax base that will reverse in subsequent years. Deferred tax assets and liabilities are recognised when the temporary differences arise and are calculated at the tax rates that will be applicable in the year in which the temporary differences reverse, if they have already been established at the reporting date, otherwise at the enacted tax rates at the reporting date.

Deferred tax assets arising from deductible temporary differences and tax losses carried forward are recognised and maintained only if the foundation is reasonably certain that it will have tax bases or available taxable temporary differences greater than the amount of the deductible temporary differences that will reverse in the relevant years.

**Costs and charges/revenues, annuities and income**

Costs and charges/revenues, annuities and income are classified in the statement of activities by nature depending on the activity to which they relate:

- a) costs and charges/revenues, annuities and income from general interest activities, defined by the ministerial decree as costs and income items arising from the performance of the general interest activities referred to in article 5 of Legislative decree no. 117 of 2 August 2017 as amended, irrespective of whether they have been carried out on a commercial or non-commercial basis;
- b) costs and charges/revenues, annuities and income from other activities, defined by the ministerial decree as costs and income items arising from the performance of the other activities referred to in article 6 of Legislative decree no. 117 of 2 August 2017 as amended, irrespective of whether they have been carried out on a commercial or non-commercial basis;
- c) costs and charges/revenues, annuities and income from fundraising activities, defined by the ministerial decree as costs and income items arising from the performance of the occasional and regular fundraising activities referred to in article 7 of Legislative decree no. 117 of 2 August 2017 as amended;
- d) costs and charges/revenues, annuities and income from financing and investing activities, defined by the ministerial decree as costs and income items arising from fundraising and interest-bearing investments, mainly related to the management of real estate assets, where such activities are not general interest activities as per article 5 of Legislative decree no. 117 of 2 August 2017 as amended. For general interest activities, the related income is recognised under section A of the statement of activities;
- e) costs and charges and income from general support activities that are considered costs and income items but which do not fall under the other areas.

Income is also classified in the statement of activities under the most appropriate caption (e.g., donations, *5 per mille* contributions, fundraising, etc.).

**Notional costs and income**

None.

**Translation of foreign currency amounts**

None.

**Commitments, guarantees and contingent liabilities**

None.

## **Balance sheet assets**

### **A) Membership fees or capital proceeds to be received**

### **B) Fixed assets**

*(Point 4 of Form C attached to the Ministerial decree of 5 March 2020)*

*Changes in fixed assets, specifying for each caption: cost; any contributions received; previous revaluations; amortisation/depreciation and write-downs; acquisitions, reclassifications from one caption to another; sales of the year; revaluations; amortisation/depreciation and write-downs of the year; total revaluations of fixed assets at year end*

### **I-Intangible fixed assets**

#### **Changes in intangible fixed assets**

	<b>Industrial patents and intellectual property rights</b>	<b>Total intangible fixed assets</b>
<b>Opening balance</b>		
<b>Changes of the year</b>		
Amortisation	1,648	1,648
Total changes	(1,648)	(1,648)
<b>Closing balance</b>		
Cost	8,241	8,241
Amortisation (Accumulated amortisation)	3,160	3,160
Carrying amount	5,081	5,081

### **C) Current assets**

### **IV-Liquid funds**

Liquid funds total €559,145, representing the cash-in-hand and cash equivalents at the reporting date.

### **D) Prepayments and accrued income**

*(Point 7 of Form C attached to the Ministerial decree of 5 March 2020) – breakdown of prepayments and accrued income*

Prepayments and accrued income total €2,915 and include income and expenses that refer to a year before or after that in which they are collected or paid; they are recognised on an accruals basis regardless of when the related income or expense relating to two or more years is cashed or paid.

The accounting policies and foreign currency translation criteria adopted for these items are described earlier in this report.

There are no prepayments or accrued income pertaining to periods exceeding five years.

This caption may be analysed as follows:

**Accrued income**

Bank charges €147

**Prepayments**

Third-party services (IT, telecommunications, etc.) €2,768

**Balance sheet liabilities**

**A) Net worth**

**Changes in net worth**

*(Point 8 of Form C attached to the Ministerial decree of 5 March 2020)*

The changes in the restricted and unrestricted portions of net worth are set out below:

	Opening balance	Allocation of the surplus/coverage of the shortfall for the previous year	Other changes			Surplus for the year	Closing balance
			Increases	Decreases	Reclassifications		
Endowment capital	30,000						30,000
<b>Restricted net worth</b>							
Statutory reserves							
Reserves restricted by the foundation's bodies							
Reserves restricted by third parties							
Total restricted net worth							
<b>Unrestricted net worth</b>							
Income- or surplus-related reserves	661,789			284,722			377,066
Other reserves							1
Total unrestricted net worth	661,789			284,722			377,067
Surplus/shortfall for the year	(284,722)			(284,722)		93,609	93,609
<b>Total net worth</b>	407,067					93,609	500,676

At their meeting convened to approve the 2022 financial statements, the members resolved to cover the shortfall for 2022 with the surplus generated in previous years.

## Origin, possible use, nature and duration of the restrictions on net worth

Net worth can be analysed by origin, possible use, the nature and duration of any restrictions and their utilisation in previous years as follows:

	Amount	Origin/ nature	Possible use	Available portion	Restricted portion			Use in the past three years	
					Amount	Nature of the restriction	Duration	To cover shortfalls	Other
Endowment capital	30,000								
<b>Restricted net worth</b>									
Statutory reserves									
Reserves restricted by the foundation's bodies									
Reserves restricted by third parties									
Total restricted net worth									
<b>Unrestricted net worth</b>									
Income- or surplus- related reserves	377,066								
Other reserves	1								
Total unrestricted net worth	377,067								
Surplus for the year	93,609								
<b>Total net worth</b>	500,676								

## D) Payables

### Maturity

Payables may be broken down by maturity bracket as follows (article 2427.1.6 of the Italian Civil Code):

*(Point 6 of Form C attached to the Ministerial decree of 5 March 2020) – payables due after five years and payables collateralised by company assets, specifying the nature of the collateral*

	Due within one year	Due after one year	Due after five years
Bank loans and borrowings			
Other loans and borrowings			
Loans and borrowings from members and the founder			
Payables to bodies of the same network			
Conditional donations			
Payments on account			
Trade payables	10,913		
Payable to subsidiaries and associates			
Tax payables	216		
Social security charges payable			
Employees and consultants			
Other payables			
<b>Total payables</b>	<b>11,129</b>		

Payables are recognised at their nominal amount.

Tax payables includes only the liabilities for certain taxes of a known amount.

They relate exclusively to IRES.

### Accrued expenses and deferred income

*(Point 7 of Form C attached to the Ministerial decree of 5 March 2020) – breakdown of accrued expenses and deferred income*

This caption may be analysed as follows (article 2427.1.7 of the Italian Civil Code).

It includes the prepayments and accruals recognised on an accruals basis.

The accounting policies and foreign currency translation criteria adopted for this caption are described earlier in this report.

There are no accrued expenses or deferred income pertaining to periods exceeding five years.

This caption may be analysed as follows:

#### Accrued expenses

Services and consulting, invoices to be received €15,446

#### Deferred income

Deferred membership fees/partner contributions €39,891

## **Statement of activities**

*(Point 11 of Form C attached to the Ministerial decree of 5 March 2020) – analysis of the main statement of activities captions, grouped by category, showing the exceptional individual revenue and cost items*

OIC 35 - the aim of this disclosure is to enable financial statements users to assess the foundations' performance, net of non-recurring items of an exceptional amount or impact on the surplus/shortfall for the year.

The main cost caption is services, which come to €400,631.

The main items under services (accounting for over 85% of the total costs for services) are:

- €171,925 for travel, food and accommodation related to the events organised by the foundation;

- €80,566 for management consulting services;

- €88,567 for IT and consulting services for the management of the foundation's marketing and website.

Revenues are solely comprised of the various contributions and membership fees received by the foundation.

Donations include contributions of €73,749 received from the KK WOMEN'S AND CHILDREN Hospital for a specific project mentioned in the "Unilateral transactions" section.

The foundation does not have any employees and does not avail of volunteers as per article 17.1 of the non-profit sector code.

*(Point 9 of Form C attached to the Ministerial decree of 5 March 2020) – expenses and reinvestment of funds or contributions received for specific purposes*

The following information on deferred taxation is provided pursuant to article 2427.1.14 of the Italian Civil Code:

### **Deferred taxation**

None.

## **Fees to the board of directors, the board of statutory auditors and the independent auditors**

*(Point 14 of Form C attached to the Ministerial decree of 5 March 2020) – fees due to the board of directors, the board of statutory auditors and the independent auditors*

	<b>Board of directors</b>	<b>Board of statutory auditors</b>	<b>Independent auditors</b>
Fees	0	5,200	5,713

The board of directors is comprised of Salvatore Albani and Berent Prakken, who have carried out and continue to carry out their activities for the foundation free of charge. The only amounts they receive relate to the reimbursement of travel expenses incurred in the foundation's interest.

## Proposal to allocate the surplus or to cover the shortfall

*(Point 17 of Form C attached to the Ministerial decree of 5 March 2020) – proposal for the allocation of the surplus, stating any restrictions on its partial or full use, or to cover the shortfall*

We propose you allocate the surplus for the year to increase the surplus generated by activities carried out in the years before Eureka's transformation into a foundation.

## The foundation's financial performance and how it pursues the goals set out in its by-laws

### The foundation's financial position and financial performance

*(Point 18 of Form C attached to the Ministerial decree dated 5 March 2020) – the foundation's financial position and financial performance (if material, including financial and non-financial indicators, as well as a description of the main risks and uncertainties; disclosure of relationships with other bodies and with any network of associations)*

During 2023, the foundation continued its in-person training and information activities, while developing new partnerships and projects to be launched in 2024. The structure of the foundation's management costs is simple. They mostly comprise technical consulting services (including the collaborations with Karen Lutrick and Inga Scibilia), travel and transfer costs (the Eureka network lecturers come from all over the world and offer their services to the foundation completely free of charge), rental costs for the venue in Syracuse used to host the annual meeting and services costs (mostly IT), which ensure the visibility of our foundation, its continuation and increasing recognition (<https://eurekainstitute.org/>).

	2023	2022	Change	Change %
<b>Costs and expenses</b>	<b>422,302.89</b>	<b>671,648.00</b>	<b>(249,345.11)</b>	<b>(37)</b>
<b>A) Costs and expenses for general interest activities</b>	<b>422,302.89</b>	<b>671,648.00</b>	<b>(249,345.11)</b>	<b>(37)</b>
A.1) Raw materials, consumables, supplies and goods	2,341.78	1,330.13	1,011.65	76
A.1.1) Purchases	-	1,330.13	(1,330.13)	(100)
A.1.13) Advertising material	2,341.78	-	2,341.78	100
A.2) Services	400,631.30	632,081.89	(231,450.59)	(36)
A.2.6) Industrial services	-	800.00	(800.00)	(100)
A.2.16) Technical consulting services	80,566.10	168,981.95	(88,415.85)	(52)
A.2.17.3) Fees for term-contract work directly related to the activities	250.00	3,250.00	(3,000.00)	(92)
A.2.20.1) Statutory auditors' fees	10,913.00	10,200.00	713.00	6
A.2.34) Commercial consulting services	7,248.47	-	7,248.47	100
A.2.43.2) Accounting, payroll and tax returns	38,796.00	37,210.00	1,586.00	4
A.2.51) Postal costs	-	78.66	(78.66)	(100)
A.2.52) Bank fees	2,353.73	2,864.61	(510.88)	(17)
A.2.53.1) Sundry insurance	12.36	11.33	1.03	9
A.2.55) Entertainment costs	-	172.64	(172.64)	(100)

	2023	2022	Change	Change %
A.2.59) Travel (train, plane, car, etc.)	73,770.17	115,640.66	(41,870.49)	(36)
A.2.61) Food and accommodation	98,154.47	174,846.08	(76,691.61)	(43)
A.2.64.1) Other	88,567.00	118,025.96	(29,458.96)	(24)
A.3) Use of third-party assets	17,537.49	32,494.05	(14,956.56)	(46)
A.3.a.1) Rentals and leases	17,537.49	32,272.01	(14,734.52)	(45)
A.3.e) Other	-	222.04	(222.04)	(100)
A.5) Amortisation and depreciation	1,648.22	1,512.00	136.22	9
A.5.a) Amortisation of intangible fixed assets	1,648.22	1,512.00	136.22	9
A.5.a.3) Amortisation of patents and intellectual property rights	1,648.22	1,512.00	136.22	9
A.7) Other operating costs	144.10	4,229.56	(4,085.46)	(96)
A.7.3) Stamp duties	75.10	100.00	(24.90)	(24)
A.7.12.1) Other taxes and duties	61.00	191.00	(130.00)	(68)
A.7.24) Prior year expense	8.00	3,938.56	(3,930.56)	(99)
<b>Revenues, annuities and income</b>	<b>516,343.87</b>	<b>387,141.54</b>	<b>129,202.33</b>	<b>33</b>
<b>A) Revenues, annuities and income from general interest activities</b>	<b>504,343.87</b>	<b>381,141.54</b>	<b>123,202.33</b>	<b>32</b>
A.1) Membership fees and capital proceeds	428,316.47	349,169.10	79,147.37	22
A.1.a) Membership fees	428,316.47	349,169.10	79,147.37	22
A.4) Donations	73,749.25	31,972.44	41,776.81	130
A.4.b) Donations from non-members	73,749.25	31,972.44	41,776.81	130
A.10) Other revenues, annuities and income	2,278.15	-	2,278.15	100
A.10.19.2) Untaxable prior year income	2,278.15	-	2,278.15	100
Surplus/shortfall from general interest activities	82,040.98	(290,506.00)	372,546.98	(128)
<b>B) Revenues, annuities and income from other activities</b>	<b>12,000.00</b>	<b>6,000.00</b>	<b>6,000.00</b>	<b>100</b>
B.3) Revenues from services and sales to third parties	12,000.00	6,000.00	6,000.00	100
B.3.a) Revenues from services and sales to third parties	12,000.00	6,000.00	6,000.00	100
<b>Surplus from other activities</b>	<b>12,000.00</b>	<b>6,000.00</b>	<b>6,000.00</b>	<b>100</b>
Pre-tax surplus/shortfall	94,040.98	(284,506.00)	378,546.98	(133)
Income taxes	432.00	216.00	216.00	100
a) Current taxes	432.00	216.00	216.00	100
<b>Surplus/shortfall for the year</b>	<b>93,608.98</b>	<b>(284,722.00)</b>	<b>378,330.98</b>	

### **Outlook and expected financial soundness**

In order to become an increasingly authoritative and credible scientific contributor to the medical sector, the foundation is constantly striving to increase the number of its partners. Eureka can also rely both on its current resources and, in the event of a shortfall, on the substantial surplus from the former association that was transferred to the foundation.

### **Details on how the goals set out in the by-laws will be pursued, with specific reference to the general interest activities**

The foundation will pursue the goals set out in the by-law by following three main general interest areas:

- **Education** - TM training courses for medical professionals.
- **Building community** - expanding the network of TM professionals.
- **Research** - building a group of new TM professionals to bridge the gaps in the sector and provide tutoring in TM research.

### **The contribution of other activities to the pursuit of the foundation's mission and their non-core and instrumental nature**

The foundation currently concentrates its mission on the main activities (TM training and dissemination). It does not currently pursue other or non-core activities.

### **Statement of compliance**

The undersigned, Salvatore Albani, born in Syracuse on 30 August 1960, aware of the criminal liability under article 76 of Presidential decree no. 445/2000 in the event of false or misleading statements made pursuant to article 47 of the same decree, states that these financial statements are consistent with the original version lodged at the foundation's registered office.