

THE BRITISH CHAMBER OF COMMERCE FOR ITALY (INCORPORATED)
REPORT OF THE COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2022

Members of the Council are regarded as Directors for the purposes of the Companies Act.

The Councillors have the pleasure of submitting the Report and Accounts of The British Chamber of Commerce for Italy (the 'Chamber') for the year ended 31 December 2022.

Principal activities

The Chamber is a private, non-profit organisation whose mission is to assist and encourage the development of trade and investment between the United Kingdom and Italy and to support and promote the interests of its members' commercial activities.

Founded in Genoa in 1904, the Chamber's head office is based in Milan and regional branches are operative throughout Italy. The Chamber is a UK corporation limited by guarantee and is registered as a foreign chamber in Italia with the Ministero dello Sviluppo Economico (Albo delle Camere di Commercio Italo-Estere o Estere in Italia or "Albo delle Camere Miste"). The Chamber is also registered as a branch of the UK corporation with the Italian Registry of Companies (Registro delle Imprese).

At year end, the Chamber had a total of 178 fully paid-up members, excluding ELCS, (2021 – 212), representing a wide range of British, Italian and International companies as well as individuals.

In 2022 the Chamber partnered with supporting companies to hold a variety of live and on-line events. We organized two successful Gala events in September and Christmas. In September we held the fifth of our annual British Chamber Business Excellence Awards showcasing outstanding companies who are leading the way in business in Italy. The event was held in the unique location of the Chiostrì di Sant'Eustorgio in Milan and we awarded seven outstanding companies recognized by their peers as leaders in the categories of:

- Sustainable Innovation
- Diversity, Equity and Inclusion
- Social Responsibility
- Internationalisation
- Sustainability Assurance
- Digitalisation
- Product Excellence

We are grateful to the Members who committed to sponsor these Awards.

The first part of the year's programming included the Star Chamber meeting with Corrado Passera, the Welcome Back Aperitif and the presentation of the new two year strategy of the DE&I working Group. The programming for the first part of the year was impacted by the fourth Covid wave. In the Spring, we held two very successful Brexit conferences in Florence and Naples as well as an online event relating to the subject of Working from Home – Beyond the Pandemic. During the year we also engaged our membership on seminars and meetings on various topics including the ESG with CBRE GWS, the online Renaissance meetings on Human Sustainable Development and on data-driven society with COLT Technology. The Chamber also continued with its program of aperitifs and golf days.

The pandemic emergency continued to have an impact on our English Language Consulting Services (ELCS). The service relies primarily on the annual subscriptions paid by foreign English language schools. Due to the pandemic, all these schools were forced to suspend their activities

and many have failed to reopen. Also, the demand for such language services has yet to return to pre-Covid levels.

Councillors

Since our last Annual General Meeting in June 2022, a number of changes were made to the composition of the Council.

At the AGM in June, Britta Martina Weber and Massimo Di Terlizzi joined the Council while Paule Ansolgeage Abascal resigned from Council.

In December 2022, Victoria Rowlands resigned from Council.

In February 2023, Rossella Bellini replaced Francesco Fantini as representative of our sponsoring sustaining member Barclays and Matthew Cook, an existing Council member since 2021, was appointed Vice President.

Massimo Di Terlizzi was appointed as representative of the new sponsoring sustaining member, Pirola Pennutto Zei.

We would like to thank all the retiring councillors for their contributions and, in particular, Victoria Rowlands for the hard work, support and insight that she provided over a number of years that she was a councillor.

Finally, we would like to thank all existing Councillors who continued to support the Chamber throughout 2022 and we welcome the contribution of our new councillors and their willingness to help guide the future of the Chamber.

Staff

Our thanks as ever go to Aaron Pugliesi, the Chamber's Secretary General and the Chamber's staff, Maria Rosa Allegra, Maria Luisa Fantoni and Margherita Ferretti. We would also thank the interns who worked with us during the year.

Financial review

The net result of activities for 2022 is a deficit for the year of €13,505. This compares with a deficit in 2021 of €11,499. The deficit for 2022 has resulted in a decrease in the accumulated fund from €38,643 at the end of 2021 to €25,138 at the end of 2022.

The main factors contributing to the deficit for 2022 are:

1. Membership subscriptions increased from €224,338 in 2021 to €248,007 in 2022. However, this increase partially due to improved collection, also included €15,000 that was recovered during the year from a prior sponsoring sustaining member for membership fees relating to 2020.
2. Gross revenues on events decreased from €96,720 in 2021 to €70,083 in 2022. Net revenues (gross event revenues less direct costs) decreased from €50,563 in 2021 to €28,601 in 2022. While the revenues from the Chamber Business Excellence Awards were satisfactory, revenues from other events activities were below expectations.
3. ELCS (English Language Consulting Services) saw an increase in gross revenues to €12,909 in 2022 compared to €4,165 in 2021. However, the level of activity remains well below pre-pandemic levels and is expected to remain so in 2023. The net deficit from this service (gross revenues less direct costs) decreased from €10,774 in 2021 to €2,979 in 2022.
4. Staff costs were stable in 2022. The addition of a new staff member at the end of 2021 was offset by the departure of another staff member in June 2022.

5. Professional services increased in 2022 to €25,862 from €18,752 in 2021 due to increased legal costs associated with a legal dispute.
6. Other costs related to office operations remained stable compared with the prior year.

Our liquidity remains satisfactory at €213,399 at the end of 2022 as compared to €208,819 at the end of 2021. However, the balance at the end of 2022 benefits from the collection of a portion of membership subscriptions for 2023 in December 2022. Accordingly, on a comparable basis with the prior year, when there was no such advance collection, liquidity at December 31, 2022 is lower by €35,000 as compared with December 31, 2021. The decrease is due in part to the payment of employee severance indemnity (TFR) to a member of staff that resigned in the year and in part to lower event revenues.

The year 2023 to date suggests that our results will be in line with 2022. However, the Council is cognizant that continuing losses are unsustainable in the medium term and that there is a need to increase membership subscriptions and revenues from events and other activities in order to make the Chamber economically sustainable. To this end the Executive Committee is in the process of developing a new business strategy for the Chamber.

Directors

The directors for the whole or part of the year were:

Steven Sprague

John J. Law

Matthew P. Cook

Paule Ansolgeaga Abascal

Andrea Chilese

Victoria Rowlands

Francesco Fantini

Cristiano Cominotto

Roberto Franchini

Mariateresa Giussani

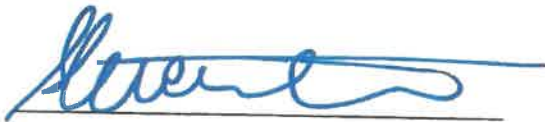
Richard A. Hamilton

Britta Martina Weber

Massimo Di Terlizzi

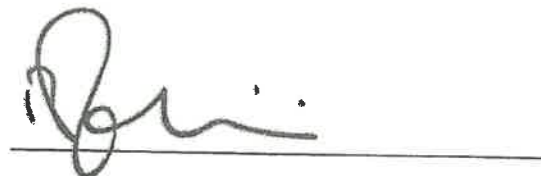
Rosella Bellini

On behalf of the Council,



Steven Sprague

President



Roberto Franchini

Treasurer

Milan, 13 June 2022