



# 2018 REPORT

*Empowering people and communities*





# FINAL BALANCE SHEET

Draft submitted to the Board of Directors at the meeting of 29/04/2019

# 2018





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# 1.

## STATUTORY BODIES

at 29/04/2019

### Board of Directors

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Chairperson: Stefano Aversa  
General Manager: Laura Biancalani  
Vice Chairperson: Veronica Berti  
Director: Alberto Bocelli  
Director: Amos Bocelli

### Board of Auditors

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Chairperson: Franco Martinelli  
Member of the Board: Fabio Gambini  
Member of the Board: Stefano Monti

### Advisory Board

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Mohammed Abdul Latif Jameel  
Antonio Danieli  
Laura Giarre  
Elia La Ferrara  
Muhammad Yunus  
Elena Pirondini







## 2.

# BOARD OF DIRECTORS REPORT

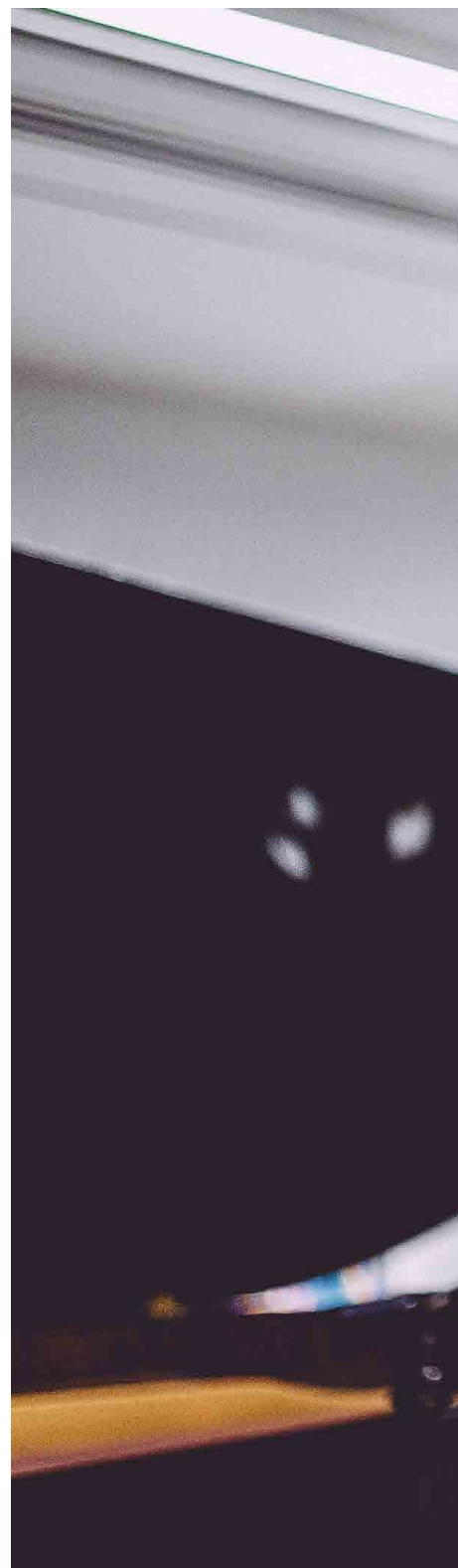
Prepared by the Board of Directors on 29/04/2019

The Board of Directors of the Andrea Bocelli Foundation is pleased to present the report of its activities and the financial statements for the year 2018.

The financial statements were prepared in accordance with the recommendations of the Commission for Non Profit Organisations of the National Council of Certified Chartered Accountants.

The financial statements were drawn up in accordance with the provisions of the Italian Civil Code for companies taking into account the Foundation's special features as well as the principle of transparency, which requires the Foundation to provide information on the procedures by which resources were acquired and used in the individual areas of activity in the year in question.

In relation to the accounting standards applied, please refer to the Notes section of the Financial Statements.





## STRUCTURE OF THE FINANCIAL STATEMENTS FOR 2018

The Financial Statements consist of the Balance Sheet, Income Statement and Notes to the Financial Statements. They also include the directors' report which is divided into two sections:

- a) Mission Report
- b) Economic and Financial Report

## LETTER FROM THE FOUNDER

Dear friends,

Reporting has high priority in any financial statements. Two - plates ("bi - lances" in Latin), revenues in one, expenses in the other. We are therefore in the realm of arithmetic and we are dealing with figures. For my part, I confess that I have never particularly courted them, at least directly, since my school apprenticeship, while I preferred the humanities and a discipline – music – for which mathematics was an instrument and not an end.

However, a great philosopher and mathematician of antiquity, Pythagoras, indeed reminds us that "Number rules the universe". And over two millennia later, another giant of thought, Goethe, broadens the reflection by commenting: "It has been said that figures rule the world. Maybe. But I am sure that figures show us whether it is being ruled well or badly."

While leaving the due and detailed description to the many pages below and to much more skilled staff, I would still like to scroll through the figures of this extended family, the foundation that collects under my name all of your names as well.... The figures summing up the year just ended and the seven years of life of the young and lively Andrea Bocelli Foundation.

There are 5 members of the Board of Directors and 6 employees. ABF has 5 members of the Advisory Board, 8 Country Ambassadors, over 20 consultants and professionals, over 50 international volunteers: that is the team today, a living workshop that in seven years of activity has collected funds for over 26 million Euro. This money has allowed us to implement dozens of projects. Among others, 8 schools (in Italy and Haiti) that guarantee access to education to 3,000 students, training 60 students in the "Voices of Haiti" project, also providing basic health services to 8,000 people in Haiti's poorest areas, distributing drinking water to over 400,000 people, every day, and assisting 800 families through the HIV programme.

Each calendar of the past seven years shows a precise intention, on the path to growth. What matters to us is the achievement, through a systemic approach, of intervention models in education. Haiti – a particularly needy country – is the place where we have indeed shaped and solidified a model of school-community, where the space for education is also a place of reference for the entire community. We are now able to replicate and export this model, obviously with the adaptations required by the individual context.

2018 was a turning point, indeed in this direction. And it has been possible to extend the "Break the Barriers" intervention programme – promoting education, health and social integration – to my beloved Italy as well. Here, we have rebuilt a school near Sarnano and we are building one in Muccia (both severely

damaged in the 2016 earthquake). We have chosen to act in communities where the sense of belonging, of solidarity, of cooperation offered a solid base, able to be leveraged by our projects, aimed at fostering opportunities for growth and development.

In Sarnano, where ABF directly manages 1400 square metres including school, gym and special workshops, our contribution has focused on consistently advancing the concept of school-community. Music is one of the strengths here, building a virtuous circle that starts at school, with its potential and available instruments, involving teachers and communities, and that solely focuses on supporting our young people's growth.

In Muccia, which is subject to a high depopulation risk, and where over 90% of the houses are inhabitable, we have replicated the school model, and extended it to include several school cycles. We have also established innovative school curricula, also based on music and full-time, to attract children from neighbouring municipalities, and obviously to keep the children of Muccia's inhabitant there.

Making both public and private institutions aware of the potential of a concrete and winning model matters to us: we have shown that if there is a will, a beautiful, modern and anti-seismic school can be built in one hundred and fifty days.... Less than six months.

I cannot but mention, speaking of children, who are at the heart and focus of ABF projects, the "Voices of Haiti" choir, embodying one of the educational programmes that the foundation set up in Haiti with the local partner Fondation St Luc, always with a view to boost talent. In 2018, the choir training cycle achieved a conspicuous didactic goal, to the point that our little choristers were able to record two songs from the LP "Si", and then joined yours truly in two events in December in New York, in front of the twenty thousand-strong audience of the Madison Square Garden.

Much more was done, last year, by ABF hence thanks to your support, your time, your trust: from education to empowering, from health projects to activating aid in humanitarian emergencies and natural disasters... Up to the "Challenges" programme which is ongoing, in cooperation with MIT, with the aim of designing a device to increase the autonomy of blind people.

But much more is in the pipeline – in both the foundation's large intervention programmes – and in many cases, already being implemented this year: medium to long-term projects, that will eventually build new opportunities as well as new synergies, with both public and private partners.

There are many challenges to be tackled, therefore: in the world as well as in Italy, starting with the cultural cooperation project with the Municipality of Florence, by building an actual "cultural and social condo" at the extraordinary San Firenze complex, which today

houses the Franco Zeffirelli International Centre for the Performing Arts and which will be our new main seat of operations.

I'll end by reminding you to check our periodic ABF newsletters for updates and detailed information on new and ongoing projects. Many thanks and I look forward to meeting you again in person, along the path that we are still walking together, joining forces to do good.

**Andrea Bocelli**

“ Making both public and private institutions aware of the potential of a concrete and winning model matters to us: we have shown that if there is a will, a beautiful, modern and anti-seismic school can be built in one hundred and fifty days. Less than six months. ”



## 2.1. Mission report

### A. IDENTITY, VALUES AND MISSION

The Andrea Bocelli Foundation was established through a notarial deed by Notary Sergio Napolitano in Pontedera on 12/07/2011, by the will of its sole Founder Andrea Bocelli. In accordance with the Articles of Association, the Foundation may use the English name "Andrea Bocelli Foundation" (ABF).

The Foundation was granted legal status by the Prefecture of Pisa, Italy, on 12/10/2011. Since that date, it has been registered in the Book of Legal Persons, Volume VI, no. 46, at the aforementioned Prefecture of Pisa.

The Andrea Bocelli Foundation was established to leverage the wealth of relationships, that exchange of emotions and bond of trust that Andrea has created over time. It was born of the desire to create a strong relationship with all those people, a circle of individuals who may join forces and resources so that other people, who are experiencing difficulties, are able to find their place beyond all social, cultural or personal limitations.

Over the years and by coming in contact with many national and international situations, Andrea has become aware of the value that a committed, focused activity can have, that does not exhaust resources but targets them to obtain results which, albeit small, are innovative, effective and long lasting.





# Identity

“ It is by faith in love and justice that we are called upon to build a better world than we found, called upon to give back to the world the good that we received, so that even the less fortunate or weaker are given the opportunity of a life full of chances and beauty, and those who deserve it can find true energy and occasions to give the best of themselves. ”

Andrea Bocelli



This is the belief that led to the creation of the Foundation; achieving a living laboratory, a pillar of strength made up of many small players, all connected by passion for music who, from every part of the globe, join to fight extreme poverty in developing countries and accept major challenges in the social field and in scientific research.

This statement represents the Founder's vision, which underlies the development of its mission and is backed by some values identified as essential by the Founder himself and by the Board of Directors.

# Values


**Courage** to believe in small and large changes that we can make to initiate something true; the courage to have and give trust.

**Care** or taking care of the people who are around us, notice their discomfort or their unexpressed strengths.

**Concreteness**, working to provide real, tangible, measurable solutions to the problems we deal with.

**Competence**, a fundamental element so that actions are carried out with responsibility and professionalism hence be useful and effective.

**Cooperation** means establishing positive relationships between donors, the Foundation and the beneficiaries, bringing together will and needs through philanthropic intermediation activities so that anyone, however big or small, can participate and contribute with human, material and financial resources.



The key value that summarizes our 5Cs is TRUST: trust which we inspire, which we ask for, which we give and which we experience.



# Mission:

## Empowering people and communities

The Andrea Bocelli Foundation's core mission is to help people in difficulty, as a result of illness, poverty or social exclusion, by promoting and supporting national and international projects that promote full self-expression and the breaking of barriers.

The Foundation is committed to ensuring every individual and community can express their full potential beyond their limits.

The Board of Directors has decided to carry out the mission through the creation of two Programmes:

The **Break the Barriers Programme** aims to support and promote projects that specifically assist the populations of developing countries, and in any case those situations of poverty, illness, and complex social issues that stunt or reduce the quality of life.

The **Challenges Programme** aims to bring together the best minds to find innovative solutions to help people cope with and overcome the limits imposed by their disability/discomfort. This programme will therefore support projects in the field of scientific/technological research and social innovation.



The Foundation – as a private legal person focusing on the pursuit of social utility purposes – plays a complex role, whose specific feature is to support the planning ability of Private Bodies or national and international Public Institutions, and to act as a catalyst of the existing players and resources through the trust accorded to the Founder by many individuals and institutions.

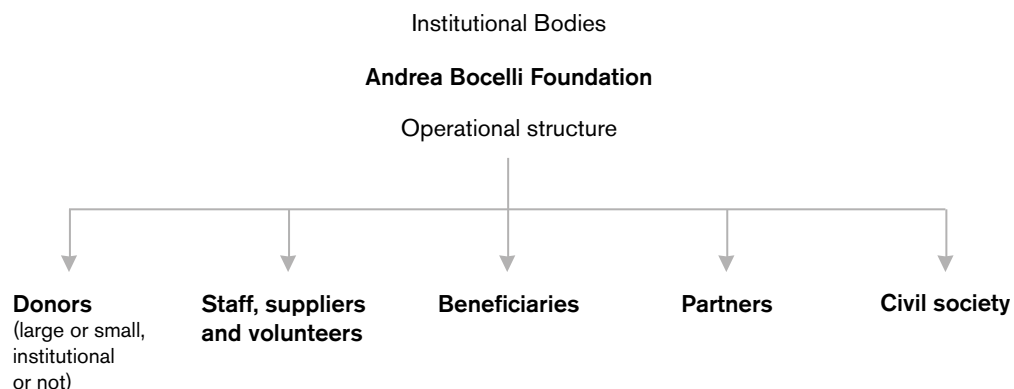
The Foundation's activities can be summarised as follows:



In addition to internal stakeholders (operational structure being established and statutory bodies), the Foundation identifies Third Sector organisations and national and international institutions as its preferential stakeholders, with whom it engages in constant exchange as to the choice of the projects to be funded as well as monitoring and assessing initiatives. However, the importance of the network of partners with whom the Foundation is already establishing relations and initiatives should not be neglected, especially in the start-up stage.

While setting up activities, we have prepared a comprehensive and complex map of stakeholders, consisting of crucial players for the achievement of the mission objectives.

#### MAP OF STAKEHOLDERS





## B. INTERNAL ORGANIZATION

### B1. Governance and activities of the Bodies

According to their respective functions as outlined in the Articles of Association, the Foundation's work is carried out by the following bodies: Board of Directors, Advisory Board and Board of Statutory Auditors.

The **Board of Directors** consists of five members, one of whom serves as Chairperson, and remains in office for three financial years. The first Board of Directors and its Chairperson were appointed at the time of incorporation directly by the Founder. Hence, the term of office of the appointed bodies will expire with the approval of these financial statements.

The powers of the Board pursuant to article 9 of the Articles of Association are as follows:

- define the foundation's general guidelines, within the objectives of the activity referred to in Article 2 of these Articles, and approve the action programmes prepared annually;
- approve the budget and final account;
- approve, where appropriate, the regulations concerning the Foundation's organisation and workings;
- establish membership criteria;
- have the power to deliberate on several categories of Members also in relation to the Foundation's projects, as well as the extent and duration of membership;
- approve, where appropriate, the Regulation for breaking down members by category of activity and membership;
- appoint the Foundation's Chairperson through internal selection on the Founder's proposal;
- appoint the Vice Chairperson through internal selection;
- appoint Advisory Board members;
- appoint, as appropriate, the General Manager, from a selection of people with specific skills and expertise;
- appoint the members of the Board of Auditors;
- approve any changes to the Articles of Association;
- approve the sale and purchase of real estate, the acceptance of donations, either charitable or bequests;
- vote on the proposal to the competent Authority for the dissolution of the Foundation and transfer of the assets. In the latter case, the quorum for deliberation will in any case require qualified majority voting;

- delegate the executive functions of its decisions to the Chairperson or its members, for the purpose of more effective management;
- any other useful activity for the proper functioning and management of the Foundation.

**L'Advisory Board** ex art.17 dello Statuto, è un organo consultivo e di garanzia della Fondazione, ed è composto da un minimo di 3 membri scelti dal CDA fra esperti nei settori di attività della Fondazione.

The **Advisory Board** pursuant to art. 17 of the Articles of Association, is the Foundation's advisory and guarantee body and consists of a minimum of 3 members chosen by the Board among experts in the fields of the Foundation's activities.

In particular, the Advisory Board has the task of:

- designing, developing and assisting the Foundation's strategies and programmes;
- cooperating in defining the Foundation's guidelines and possible areas of development;
- supporting, in an advisory capacity, the Board of Directors in the Foundation's ordinary and extraordinary operations;
- preparing a periodical report on the Foundation's activity, to be submitted to all the Foundation's stakeholders.

It currently consists of 6 members linked to the Foundation's two programmes.

- Prof. Yunus was awarded the Nobel Peace Prize in 2006 for the development of micro-credit with his Grameen Bank; in addition to this, for some time now, he has been spreading his concept of social business as a business model to fight poverty;
- Mr. Mohammed Abdul Latif Jameel, engineer, besides being a successful entrepreneur, has set up many important philanthropic initiatives around the world. In particular, he is a member of the MIT (Massachusetts Technical Institute) Board of Directors and founder of JPAL (Jameel Poverty Action Lab), a world famous institution for assessing the impact of the social policies of governments and international cooperation projects and J-WEL (Jameel World Educational Lab), which promotes excellence and innovation in education.
- Prof. Eliana La Ferrara is a Professor in Development Economics at Bocconi University. Furthermore, she



cooperates with other foreign universities such as MIT and with the World Bank.

- Prof. Laura Giarre is full professor of Electronic Engineering at the University of Modena and Reggio Emilia. Prof. Giarre was the scientific director of ABF's Fifth Sense Project.
- Antonio Danieli, an engineer, Director of the Marino Golinelli Foundation, and former director of the Nomisma Foundation is a member of the Advisory Board. A management engineer, he supports the development of the Foundation's organisation.
- Finally, the last member of the Advisory Board is Dr. Elena Pirondini, currently project coordinator at UNFPA, who is an expert in general coordination and project management.

The **Board of Auditors** pursuant to art. 18 of the Articles of Association is the Foundation's management and organisation controlling body, and takes part, without voting rights, in all the meetings of its bodies. It is chaired by the Chairman of the Board of Auditors.

It consists of three members chosen from among chartered accountants registered in the register of Auditors.

In 2018, the events involving the corporate bodies may be summarised as follows:

#### Meetings of the Board of Directors

- 12/02/2018
- 30/03/2018
- 30/04/2018
- 29/05/2018
- 16/07/2018
- 07/09/2018
- 03/11/2018
- 28/12/2018

During 2018, the Board of Directors met to activate and monitor the initiatives and projects put in place and to be implemented within the current year and in the medium term. Furthermore, the Board of Directors has resolved on: Final balance sheet, review and audit of the mission report and of the achievement of preset objectives, fundraising and investments, activity planning. During the course of 2018, the Chairperson and General Manager operated according to their

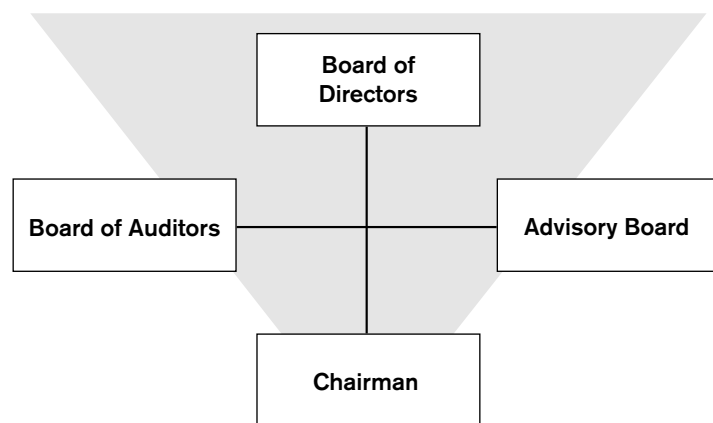
respective responsibilities, as established in order to separate the role and responsibility to steer and approve activities from the executive role.

The Board of Directors consists of five members as set out in art. 13 of the Articles of Association. Furthermore, as of 1 January 2017, two Internal Committees have been set up by the Board of Directors:

1. Human Resources Committee: deals with any recruitment, employee performance appraisals, goal setting and reward system;
2. Internal Audit Committee: performs auditing of organisational procedures and accounts.

The governance and organisation model implemented in 2018, reporting directly to the General Manager, set up six posts to be filled by specific individuals (either in-or outsourced):

- Fundraising
- Marketing & Communication
- Finance & Accounting
- Legal & Compliance
- "Break the Barriers" Programme
- "Challenges" Programme



## B.2 Operational structure

In 2016 it was decided to establish the positions of Chairperson and General Manager in order to separate the role and responsibility to steer and approve activities from the executive role, in order to distinguish the different responsibilities and avoid any potential conflict of interest.

The Chairperson has granted the executive powers to the General Manager, by means of special power of attorney drawn up by the Notary Public Alberto Zetti.

The Foundation, with the resources introduced with the pro bono support by Spencer Stuart in 2016, has acquired skills that enabled it to broaden and consolidate its activities and 2017 was the first full year in which the team was able to fully come to fruition.

In 2018, a junior resource in the fundraising area and a management assistant/office manager were acquired.

The appointed Advisory Board members provided major support in the identification of the development strategy as well as the individual activities and projects to endorse. Many professionals and companies worked on a voluntary basis and offered their pro bono work in order to build the Foundation's organisation.

Collaboration continued with long-term partners such as Fondation St. Luc for the maintenance and development of projects in Haiti, other partnerships were formed and are being established for the development of core activities.

The rest of the operations were supported by a large group of volunteer staff manning the various positions on a regular basis.

Further actions were undertaken to retain volunteers, so that they too may give continuity and support to the Foundation.

With reference to communication, the material was produced by an external agency, and the press office work was also outsourced.

Legal advice is partly pro bono, partly provided by a law firm with which the Foundation has a well-established relationship in order to request opinions and to

thoroughly manage the year's activities in terms of fund raising initiatives as well as international donations.

In addition to that, during 2018, the finance department which is now fully internalised, made use of an external firm for tax compliance and consultancy on tax matters, and an external firm for the management of payroll and other obligations relating to personnel.

For Italian projects, project consultants have been selected and taken on in relation to the individual needs.

A Real Estate Manager has been taken on, who is supporting the Foundation in the preliminary stage and project development, and overseeing property maintenance from time to time.

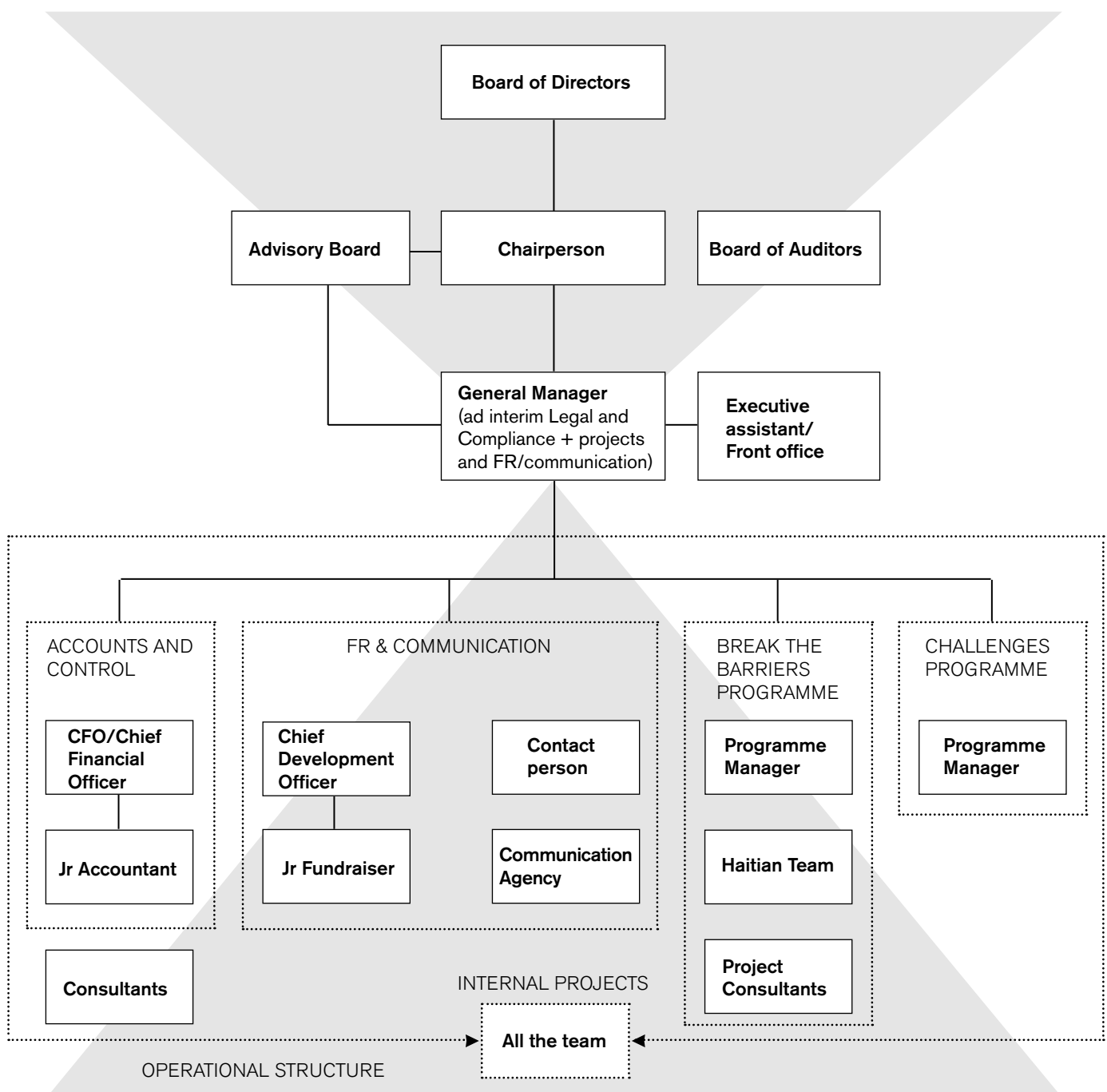
The information system acquired in 2014 to manage donations as well as for management of projects and contacts with stakeholders was used for carrying out and disseminating activities.

A goal that should continue being pursued, in 2019 as well, is setting up a team of employees, associates, external suppliers, volunteers all working together under the same banner: trust, transparency and teamwork.

In early 2019, a Junior Accountant was hired on an apprenticeship contract, while one resource in the fundraising area quit.



The hypothetical organisational structure by roles at the approval date of the financial statements is set out below.



## C. ACTIVITIES: THE PROCESSES

The Andrea Bocelli Foundation has always operated and will continue to operate according to three lines of activity:

1. Support to projects submitted or designed with national and international Institutions or Bodies, which represents the Foundation's core activity;
2. Sundry philanthropic activities, in line with the Founder's vision and values;
3. Direct actions by the Founder;
4. Institutional relationships, opportunities for analysis and actions in partnership, in line with the Foundation's vision and mission.

### The beneficiaries

The resources provided by the Foundation, apart from those used for actions of internal origin referred to in points 2 and 3, may only concern – as required by the Articles of Association – its own initiatives and by Non Profit Organisations and national and international Institutions, and the Foundation shall avoid as much as possible to provide resources directly to natural persons.

### The work process: support to projects

Starting as far back as 2011, even before the establishment of the Foundation, research and analysis was performed on projects falling within the Foundation's programmes and in the Founder's intentions, together with those who were then appointed as members of the Advisory Board. In search of an organisational model that would take into account the impact and motivations of ABF members, since 2015 we have sought to strengthen existing partnerships, in particular with Fondation Saint Luc in Haiti. The partnerships then multiplied in view of the completion and progress of the various projects. The will expressed by the bodies is to work mainly on its own projects to be implemented in partnership with trusted entities who hold the same vision and goals as the Foundation. This will, at least in the medium-term, allow for knowledge of the needs and therefore a focus and results that may otherwise not be possible.



### **The multi-year forecast strategic document (DPP)**

The DPP is a document that sets out the plan for the three-year period following approval. It is a medium-term strategic document that is used to draw up the DPA.

### **The annual forecast strategic document (DPA)**

The DPA is a document planning activities with a special focus on costs, grants for projects and revenues. The Document is approved every year by 30/10.

### **The quarterly report**

The report that is drawn up each quarter is a check of the activities scheduled in the DPA, of the costs and revenues. It updates the DPA situation.

The Foundation operates based on the guidelines dictated in the plan, in most cases updating the DPA to monitor the status of projects, revenues and costs.

### **The search for project models and replicability**

The Foundation operates first and foremost by setting out strategies and projects conducive to implementing its mission.

The projects are often internally developed, and on-site partners are then sought for implementation. One seeks to develop projects that are replicable although adjustments are required by each setting.

### **The grantmaking activity**

Sometimes, if the mission can be implemented by supporting third parties' activities, the Board may decide to support the activities of other entities without managing them directly.

### **Emergency response**

For some years now, a small fund has been accrued within the Foundation, equal to 0.001 of the estimate of the resolution to mainly address the needs of natural persons in special cases. In one year, about twenty cases are dealt with, with two designated volunteers.



## D. CORE ACTIVITIES: OVERALL VIEW

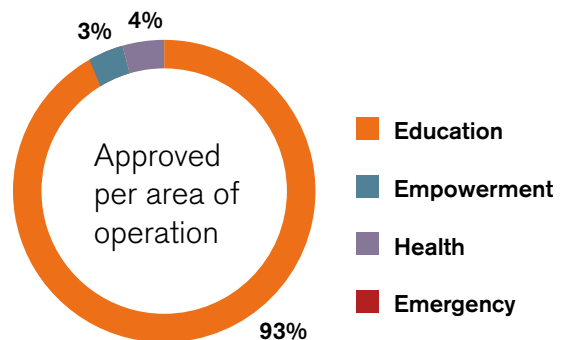
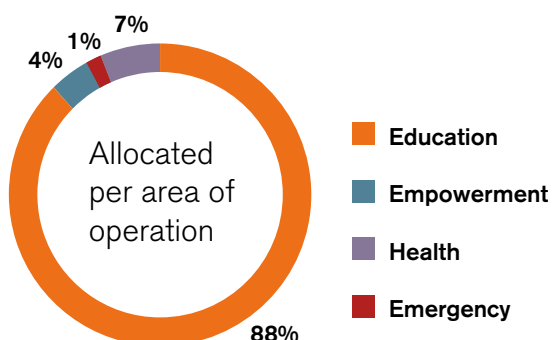
In 2018, the Foundation's work was carried out through three levels of operations:

- support to projects from national and international Agencies and Non Profit Organisations, which represents the Foundation's core activity;
- various philanthropic activities consistent with the Founder's philosophy;
- institutional relationships and partnership initiatives with an Institutional profile or for the promotion of individual projects.

These activities were carried out within the two programmes identified by the Board of Directors in accordance with the vision, mission and values of the Foundation's sole founder: Break the Barriers Programme and Challenges Programme.

The **Break the Barriers Programme** aims to support and promote projects, assisting, in particular, the populations of developing countries, where situations of poverty, illness, malnutrition and complex social issues impair or reduce life expectations.

The Foundation seeks to support actions to promote health, education and social integration, and wishes to do so directly measuring, where possible, the impact of its actions in order to continuously improve it.



The projects supported in 2018 are listed below.

<b>PARTNER</b>	<b>PROJECT</b>	<b>DETAIL PROJECT</b>	<b>AMOUNT APPROVED in euro</b>	<b>AMOUNT DISBURSED in euro</b>
Fondation St. Luc Haiti	Development project	EDU project	57,952	-339,192
Fondation St. Luc Haiti	Running costs	Wheat project	1,851,019	-1,550,914
Fondation St. Luc Haiti	Development project	Empowering specialisation	-	-150,058
Fondation St. Luc Haiti	Development project	Voices of Haiti	302,932	-355,482
Fondation St. Luc Haiti	Running costs	Water truck	142,047	-108,023
Fondation St. Luc Haiti	Running costs	Mobile clinic	-	-118,129
Fondation St. Luc Haiti	Running costs	HIV	205,217	-348,166
Direct ABF and OTB	Development project	Sarnano School	900,000	-3,045,698
Direct ABF	Development project	Muccia School	1,234,000	-313,036
Direct ABF	Development project	Other emergencies	-	-22,637
<b>TOTAL</b>			<b>4,693,166</b>	<b>-6,351,335</b>

The amounts approved and allocated were recorded according to the exchange rates in force on the date of the operation.



The **Challenges Programme** aims to bring together the best minds to find innovative solutions to help people cope with and overcome the limits imposed by their disability/discomfort.

The Foundation therefore supports scientific, technological research projects or innovative and original social actions that allow those who live in a situation of illness or social/economic difficulty to overcome or at least improve their conditions.

We continued the dialogue with MIT for continuation of the 5th Sense project, also in view of setting up a permanent laboratory to deal with assistive technologies in cooperation with some Italian universities. In this stage, the Foundation is working on designing and defining future activities with a series of partners.

<b>PARTNER</b>	<b>PROJECT</b>	<b>AMOUNT APPROVED</b> in euro	<b>AMOUNT ALLOCATED</b> in euro
MIT	5th Sense	0	0

Please find below the total disbursements as at 31/12/2018, broken down by action programs.

<b>PROGRAMME</b>	<b>APPROVED</b> in euro	<b>DISBURSED</b> in euro
Break the Barriers	4,693,166	6,351,335
Challenges	-	-
<b>TOTAL</b>	<b>4,693,166</b>	<b>6,351,335</b>

The amounts approved and allocated were recorded according to the exchange rates in force on the date of the operation.

# ABF project and activities

in Italy and worldwide





# Timeline

**2013**  
June



ABF starts the Wheat project benefiting 1,163 students of the 3 street schools of St. Augustin, Notre Dame du Rosaire, St. Philomene in Haiti.

**2014**  
April



After stabilising the number of students, ABF starts the EDU project to convert the 3 street schools of St. Augustin, Notre Dame du Rosaire, St. Philomene into functional and safe facilities for 1,750 students.

**2015**  
April



ABF inaugurates the first 3 schools, which immediately become the reference point and hub of development and assistance project activities for the Communities.

**2016**  
January



ABF continues working in the Communities with the construction of 2 new schools: Manitane and St. Raphael, located in the towns of Dame Marie and St. Raphael. The number of students reaches a total of 2,550.

**2017**



ABF continues its works in Haiti with intervention programs in the 5 communities, continuing to offer access to education, treatment, water and basic necessities and integrating the projects with elements of medium-long term development.

**2018**



ABF starts implementing its work in Italy for the communities affected by the Central Italy earthquake, applying the model of the experience gained in Haiti, where the school becomes the hub of day-to-day life. A school open to citizens, of today and tomorrow. It also continues working in Haiti with projects that assure continued access to education, care, water and primary goods.



# 7 years of ABF in figures

Focus on the main activities

In 7 years of activity together we have collected over

**26** million  
Euro.

Which has allowed us to implement, among many projects

**8** schools  
in Italy and in Haiti.

To offer

**3.000** students, access  
to education.

And to guarantee to over

**8.000** people, basic health care in the poorest and  
remotest areas of Haiti.

And to distribute to over

**400.000** people, living in slums,  
drinking water every day.

And assist

**800** families  
with the HIV programme.

And train

**60** students in the “Voices of Haiti” project, born to introduce talent as an additional  
element to develop one’s potential and express oneself to the full.

## D1. Break the Barriers programme

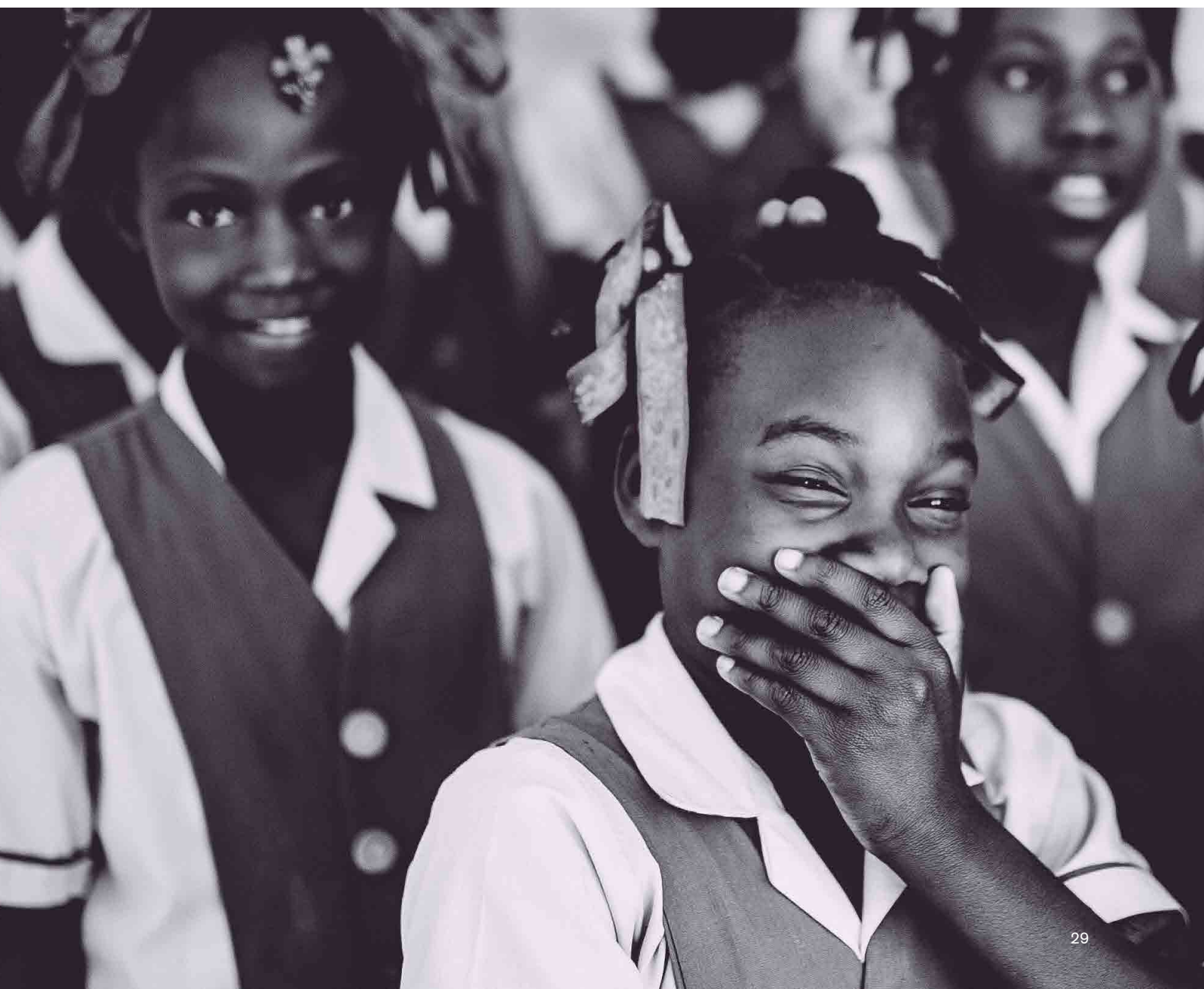


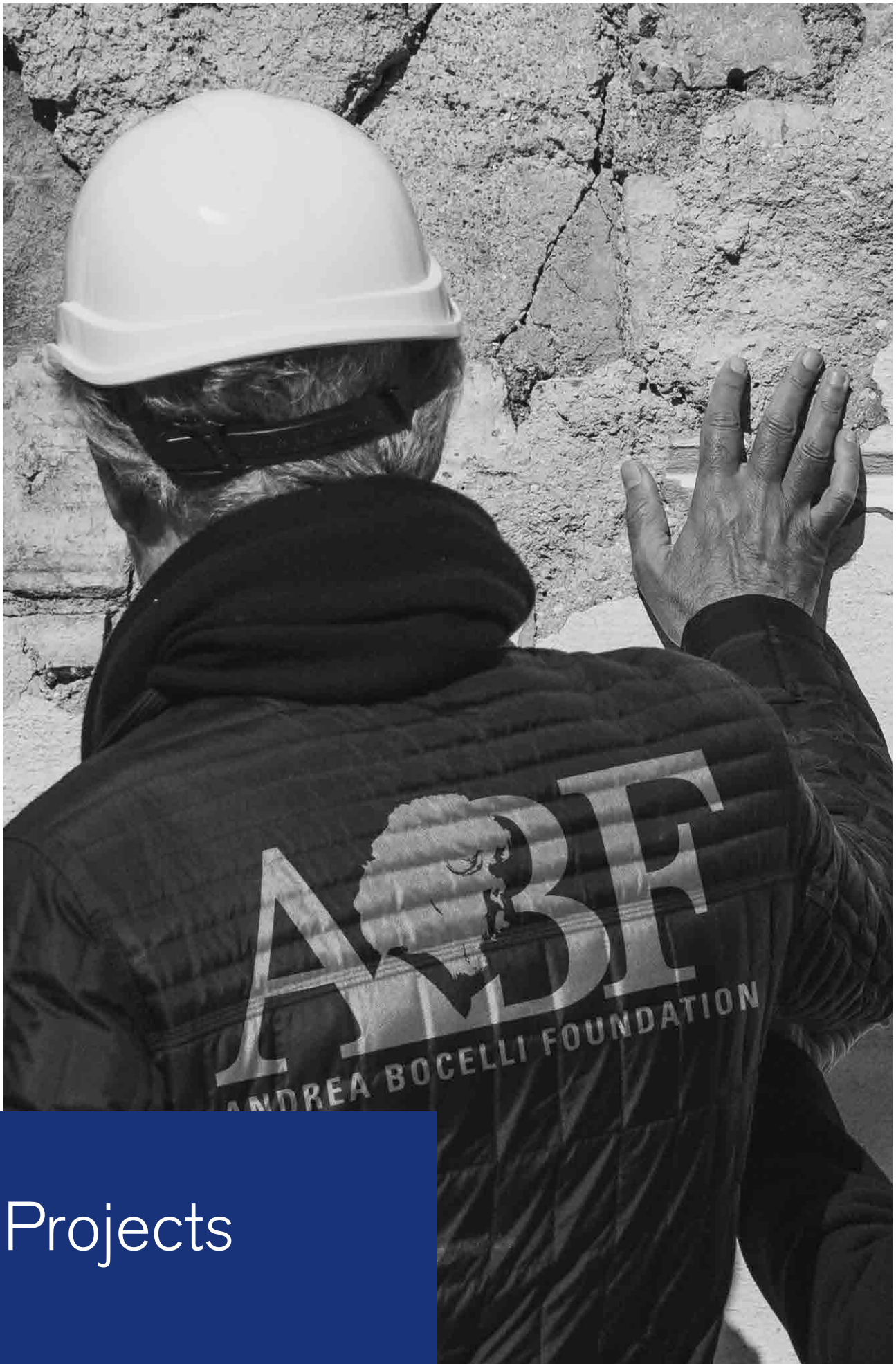
# Break the Barriers

**“Break the Barriers”** aims to support and promote projects assisting weaker population groups in Italy and in developing countries, where situations of poverty, illness, malnutrition and complex social issues impair or reduce life expectations.

The Foundation seeks to promote actions to support health, education and social integration, and wishes to do so while measuring, where possible, the impact of its actions in order to continuously improve them.

Within this programme, for the current year ABF mainly worked in Haiti and started significant work in Italy and Europe as well.





# Projects

## EDUCATIONAL AREA

Investing in human capital:

- opportunity for access to free primary education in PVS, especially in the remotest areas of Haiti;
- higher education opportunities for future leaders who have proven their ability with merit.

## EMPOWERING COMMUNITIES AREA

Offering the opportunity to express the potential of individuals as well as Communities as a key to creating a virtuous circle for socio-economic growth which can lead to self-support in the long term.

## HEALTH AREA EMERGENCY AREA

In its Health and Prevention programs ABF works to take health assistance to remote areas, not reached by local health services. At the same time through seminars and home care ABF works to create new awareness of the importance of taking care of one's body for the growth and development of new generations. With the HIV Program in the capital, it assists 800 families, also at home.

## EMERGENCY AREA

ABF implements timely support actions to deal with humanitarian emergencies and natural persons facing particular difficulties.



PROJECT:

# EDU project / Manitane school

**PARTNER:** Fondation St. Luc - Haiti

**LOCATION:** Dame Marie - Haiti

**PROJECT:** Through the Manitane EDU Project, the Andrea Bocelli Foundation helped to purchase the land and carry out construction for the new building of the Manitane school (400 students) in Dame Marie, which began in March 2016. Hurricane Matthew, which unleashed its fury on Haiti, especially in the south, interrupted the construction work for 6 months in October 2016. The partly built structure hosted over 100 families who had lost their home in the months following the hurricane. In May 2017, construction work resumed, albeit with difficulty due to the interruption of the main roads and consequently the transport of construction materials. On 31 December 2017, two of the 3 project buildings were completed. In June 2018, the Foundation inaugurated the complete facility consisting of two buildings:

- Primary School, a Secondary School section and Teachers' Guest House;
- Nursery School

**DIRECT AND INDIRECT BENEFICIARIES:** Number of inhabitants in the community: 35,000  
Number of children involved: 332 (90 nursery school, 201 primary school, 41 secondary school)  
Number of employees: 9  
Number of teachers: 20  
Number of indirect beneficiaries: 2,000

**OBJECTIVES:** Transform the Manitane street school into an actual, functional and safe facility, open to the community, having appropriate curricula, training programmes for teachers, suitable teaching material, library, computer lab, cafeteria, all for the purpose of raising the level of education to that of national and international standards.

**CONTEXT:** The Ecole Manitane de Dame Marie is located in the city of Dame Marie, Grand'Anse Department. Dame Marie is a very remote area, just like all the other areas of the province, where people's livelihood depends on farming, fishing and animal husbandry. The school where the activities are carried out was founded in 2014. The premises built in school year 2017-2018 hosted 356 students. The courses are organised by age groups according to their curriculum: kindergarten, primary and secondary school.

**ACTIONS:** Through the Manitane EDU project, the Foundation dealt with building the school facility and furnishing it.







PROJECT:

# First Level Secondary School “G. Leopardi” of Sarnano - Central Italy Earthquake Reconstruction

PARTNER: Direct action project

LOCATION: Sarnano (MC) - Italy

PROJECT: The Andrea Bocelli Foundation and Only The Brave Foundation, united by the desire to carry out concrete projects showing solidarity on an international scale, have set themselves the goal of restoring normality to the future of the many young people of Sarnano, a medieval village rich in history, located in the province of Macerata, whose artistic heritage was severely hit by the earthquake.

The Andrea Bocelli Foundation and Only the Brave Foundation therefore decided to join forces for the reconstruction of the “Giacomo Leopardi” Middle School in Sarnano, made unusable by the earthquake that hit Central Italy last summer.

The works were started in agreement with the Extraordinary Commissioner for Reconstruction and the building was gifted on a “turnkey” basis to the local administration on 2 May 2018, 150 days after the start of the works, completing the 1400 square metres of space.

The new facility, built with modern and anti-seismic construction techniques, serves for the 2018-2019 school year 108 middle school students and three Primary School classes while waiting for the new facility to be built.

DIRECT AND INDIRECT BENEFICIARIES: Number of students involved: 150  
Number of inhabitants of Sarnano: 3,268

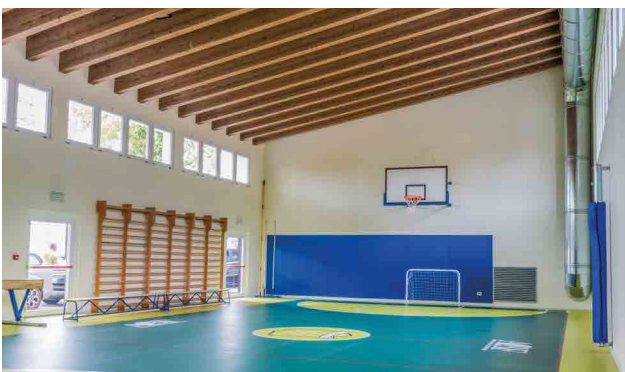
OBJECTIVES:

- Build the new G. Leopardi middle school facility;
- Restore normal teaching activities;
- Return the facility to the Community of Sarnano and its young people.

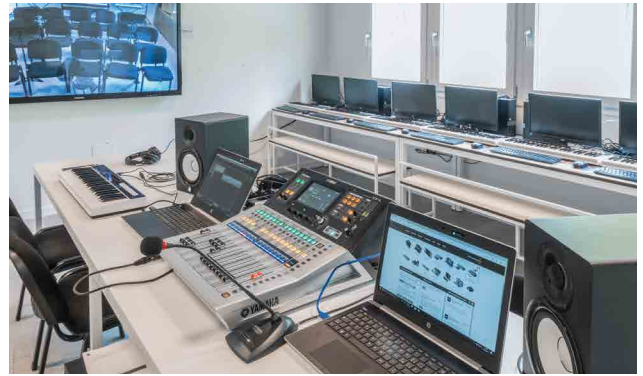
CONTEXT: On 24 August 2016 at 3.36am Central Italy was hit by an earthquake with magnitude of 6.0, which affected the regions of Abruzzo, Lazio, Marche and Umbria. Thousands of people were involved in the event that caused 299 victims, numerous injuries and severe damage to the area. On 26 and 30 October, new violent earthquakes hit central Italy, in particular the border between Umbria and Marche. The earthquake of 30 October, with its magnitude of 6.5 was the strongest in Italy in the last thirty years: the number of people who lost their homes – as well as damage – increased exponentially, but there were no victims.

ACTIONS:

- School reconstruction project;
- Coordination of activities with the Extraordinary Commissioner for Reconstruction;
- Coordination of private and public project partners.







PROJECT:

# Primary and Nursery School “E. De Amicis” of Muccia

**PARTNER:** Direct action project

**LOCATION:** Muccia (MC) - Italy

**PROJECT:** After building the ‘Giacomo Leopardi’ School of Sarnano, in the Macerata area, inaugurated last may, the Foundation undertook a new project in Muccia, in the Marche region, to rebuild the primary and nursery school “E. De Amicis” that had been destroyed by the earthquake swarm that hit Central Italy in 2016 and that has continued tormenting that land since then. The project was developed with students and community according to a participatory procedure. The pre-existing structures were demolished in September-October 2018 thanks to cooperation with the Fire Brigade. The new, final school facility will be gifted “turnkey” to the local administration. In the Municipality, to date, nearly all families live in modular housing units and children attend classes in containers, 95% of homes are unusable, but here, the will to remain in one’s land, the community spirit are strong and go beyond the difficulties of reorganising one’s daily life. That is why ABF has decided to bring an important point of reference such as a school back to this town, to return to students and their families a functional, safe building that offers spaces for aggregation as well as for education.

**DIRECT AND INDIRECT BENEFICIARIES:** Number of students involved: 50  
Number of inhabitants of Muccia: 1,000 approx.

**OBJECTIVES:**

- Building the new primary and nursery school of Muccia;
- Restore normal teaching activities;
- Return a facility for social life to the Community of Muccia and its young people.

**CONTEXT:** On 24 August 2016 at 3.36am Central Italy was hit by an earthquake with magnitude of 6.0, which affected the regions of Abruzzo, Lazio, Marche and Umbria. Thousands of people were involved in the event that caused 299 victims, numerous injuries and severe damage to the area. On 26 and 30 October, new violent earthquakes hit central Italy, in particular the border between Umbria and Marche. The 30 October earthquake – whose magnitude was 6.5 – was the strongest in Italy in the last thirty years. 95% of homes are now unusable. People live in Emergency Housing Units.

**ACTIONS:**

- School reconstruction project;
- Coordination of activities with the Extraordinary Commissioner for Reconstruction;
- Coordination with private and public project partners.







PROJECT:

# W.H.E.A.T project - Haiti

PARTNER: Fondation St. Luc - Haiti

LOCATION: Haiti

**PROJECT:** In a context such as Haiti, the role played by school becomes fundamental: safe places where children can “take refuge” from the dangers of rampant crime and benefit from an education which offers potential emancipation for them and the community itself. Educating children and their families to the concept of school as a chance for emancipation for themselves and the community means engendering awareness that change must go through and for them. Education and respect for its value, reaffirms the dignity of individuals, making them capable to positively impact the choices for their future. Education also means the culture of self respect, respect of one’s own body, in a more responsible approach to sexuality and to STDs. All schools of the ABF-Fondation St. Luc system have the same status as state ones, and they are managed by duly authorised and qualified teachers and personnel. The curriculum is in line with that of public schools and is managed by a central committee, which is responsible for the implementation and monitoring its application in the schools of the various communities. A local committee at each school manages adaptation of the curriculum based on local characteristics and needs and on the level of the students concerned. The Central Committee is in constant dialogue with the local committees, communication which is not only conducive to addressing the specific needs related to education, but also the general conditions in which one operates. All teachers are included in a regular training programme that follows the national curriculum. The 5 schools of St. Augustin, St.Philomene, Notre Dame du Rosaire, St. Raphael and Manitané include equipped classrooms, management offices, library, computer Lab, kitchen, cafeteria, sanitation, playground. Some of the school buildings are equipped with electricity powered by a solar panel system, solar power street lamps, water towers also serving the Community, water purification and distribution system. The ABF schools house the ABF Mobile clinic project, the 3.COM project and meetings with education committees and Community representatives.

**DIRECT AND INDIRECT  
BENEFICIARIES  
(2018/2019  
ACADEMIC YEAR):**

**St. Augustin School**

N. of inhabitants in the community: 50,000  
Number of children involved: 1,005  
(204 nursery, 521 primary, 280 secondary)  
Number of employees: 16  
Number of teachers: 42  
Number of beneficiary families: 850  
Number of indirect beneficiaries: 5,600

**Notre Dame du Rosaire School**

N. of inhabitants in the community: 70,000  
Number of children involved: 431  
(96 nursery, 215 primary, 120 secondary)  
Number of employees: 13  
Number of teachers: 18  
Number of beneficiary families: 300  
Number of indirect beneficiaries: 2,000

**Manitané School**

N. of inhabitants in the community: 35,000  
Number of children involved: 332  
(90 nursery, 201 primary, 41 secondary)  
Number of employees: 11  
Number of teachers: 20  
Number of beneficiary families: 300  
Number of indirect beneficiaries: 2,000

**St. Philomene School**

N. of inhabitants in the community: 53,000  
Number of children involved: 417  
(72 nursery, 262 primary, 83 secondary)  
Number of employees: 12  
Number of teachers: 21  
Number of beneficiary families: 400  
Number of indirect beneficiaries: 2,600

**St. Raphael School**

N. of inhabitants in the community: 50,000  
Number of children involved: 358  
(82 nursery, 207 primary, 69 secondary)  
Number of employees: 6  
Number of teachers: 23  
Number of beneficiary families: 250  
Number of indirect beneficiaries: 1,650

- OBJECTIVES:**
- Maintain continuous access to education for the students living in the 3 communities;
  - Ensure a salary to teachers;
  - Offer a meal to students every day;
  - Improve the level of education of the 3 communities;
  - Offer a safe haven to the community

**CONTEXT: St. Augustin - Abricots**

Abricots is a village located 2 hours by car from Jeremie. Agriculture and fishing are the main sources of livelihood for the families living there. These activities are carried out randomly and thus do not guarantee the appropriate sustenance. The St. Augustin School can enrol up to 950 students coming from nearby villages. On average, each student walks 3 km every morning to get to school. The school facility was built by the Foundation and inaugurated in June 2015. Hurricane Matthew of October 2016 severely damaged the building, which was completely restored in December 2017 after one year of works.

**Notre Dame du Rosaire - Croix-des-Bouquets**

The Notre Dame school is located in the Croix-des-Bouquets district, the artists' quarter of the city of Port-au-Prince. In this district, many families work in the production of items called "Fer Forgé" made from recycled diesel drums. The school facility where the activity is carried out was built by the Foundation and inaugurated in April 2015. At present, the premises can cater for up to 400 students.

**St. Philomene - Kenscoff**

The St. Philomene school is located in Kenscoff, a mountain area approximately a 2 hour drive from Port-au-Prince. Here too, the meagre economic activities such as agriculture above all, are carried out at household level and for mere sustenance. The school facility was built by the Foundation and inaugurated in April 2015. It can cater for up to 400 students. Like the other ABF-Fondation St. Luc schools, the facility offers a computer lab, library, canteen, kitchen, administrative offices and outdoor spaces for games and recreation.

**Manitane - Dame Marie**

The school is located in the city of Dame Marie, Grand'Anse Department. Dame Marie is a very remote area, just like all the other areas of the province, where people work at farming, fishing and animal husbandry. The school where the activities are carried out was founded in 2014. To date, the Foundation is completing, with the EDU Project, a new facility for up to 400 students.

**St. Raphael - Devarenne**

The school is located in the area of Jacmel, in the southern part of Haiti. During the Foundation's first visit in June 2015, the distance from Port-au-Prince was measured as 3 hours by car and 2 1/2 hours of walking in a mountainous area. Devarenne is also an isolated region, just like all the other areas of the province, where farming and animal husbandry are the mainly activities. The school facility where the activities are carried out was founded in 2014. The Foundation has inaugurated the new building designed for up to 400 students.

- ACTIONS:**
- Coverage of annual structure costs for the 5 schools of St. Augustin in Abricots, Jeremie, St. Philomene in Kenscoff, Notre Dame Du Rosaire in Croix-des-Bouquets, Manitane in Dame Marie and St. Raphael in Devarenne.
  - Coverage of annual costs for teaching materials and for daily use such as uniforms, books, stationery, insurance, building maintenance, use of means of transport.
  - Organisation and training for all teachers included in a training programme that follows the national calendar and standard.





PROJECT:

# Voices of Haiti

PARTNER: Fondation St. Luc - Haiti

LOCATION: Port-au-Prince - Haiti

**PROJECT:** Music is the voice of the soul, its strength and beauty are able to open up people's minds and trigger the ability for deep thought. Art and culture are an integral part of human rights. Based on this belief and consistently with these principles, the Andrea Bocelli Foundation with its local partner in Haiti Fondation Saint Luc developed the "Voices of Haiti" project. The choir consists of 60 Haitian children aged between 9 and 15, from the most vulnerable areas of Port au Prince who, thanks to music, are able to escape from violence and poverty, working hard on their potential. Through this experience, conceived from the beginning as a stable and firmly structured educational endeavour, the choristers have the opportunity to increase their talent, while taking advantage of a wealth of opportunities – educational, cultural, existential – potentially valuable for their future. In addition to offering a real opportunity for growth and talent development, a choir is an extraordinary example of teamwork and dialogue in itself. The project involves 60 students selected from among the over 12,500 of the school system, the artistic direction by Maestro Malcolm Merriweather, 2 music teachers of Haitian nationality and 6 supervisors. Practice is every Saturday from 8am to 3pm; time includes a vocal warm-up, singing lesson, stage presence and action and lunch. The choir performs for important celebratory moments, from Easter till the end of school both in Haiti and internationally. Its repertoire is a mixture of Haitian and international folk music. The choir wears blue and red, the Haitian colours. In 2019, 3 years after the start of the pilot project, the first 60 choristers of "Voices of Haiti" will receive a diploma jointly with a scholarship.

**DIRECT AND INDIRECT BENEFICIARIES:** Number of direct beneficiaries: 70  
Number of indirect beneficiaries: 12,500

**OBJECTIVES:**

- Enable free access to artistic activities;
- Promote the expression of talent;
- Work on team building and leadership
- Introduce music as a school subject in the long term;
- Create opportunities for international attention for the Haitian situation and encourage international travel, to promote all-round growth of the young people involved.

**CONTEXT:** All the students come from a disadvantaged economic and social context and, through music, they are able to find a way to consolidate the logics of discipline, cooperation and manage to briefly free themselves of the grip of poverty. Music therefore becomes another way to support social and intellectual development not just of the individual but of the entire community. Through music and the beauty expressed by music, there is the will for international interest to focus again on the conditions in Haiti, celebrating the strength of its colours and people.

**ACTIONS:**

- Musical organisation and artistic direction of the project;
- Support for the expenses of local organisation and of the artists participating in the project;
- Organisation of national/international travel and organization of cultural exchanges and artistic performances.



PROJECT:

# EDU project / Guest House in Manitané

**PARTNER:** Fondation St. Luc - Haiti

**LOCATION:** Dame Marie - Haiti

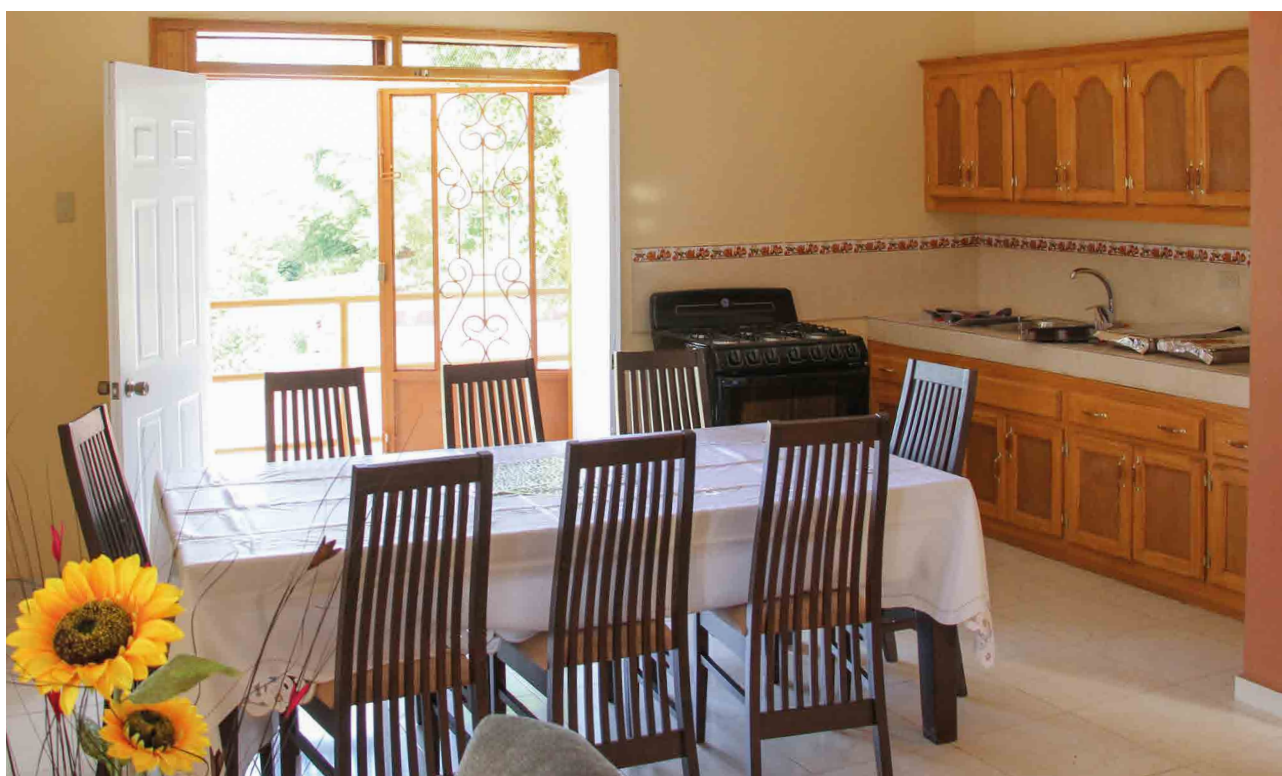
**PROJECT:** Through the EDU project, the Andrea Bocelli Foundation has achieved the construction of a Guest House to host staff, volunteers and supporters of the ABF and Fondation St. Luc team during missions and stays on location. The facility is housed in a designated wing of the Manitané school building and includes: meeting room, kitchen and bedrooms. In June 2018 ABF and Fondation St. Luc inaugurated the Guest House.

**DIRECT AND INDIRECT BENEFICIARIES:** Number of direct beneficiaries: 70  
Number of indirect beneficiaries: 12,500

**OBJECTIVES:** Offer a suitable facility to welcome and host people such as teachers, volunteers, donors, staff members, visitors.

**CONTEXT:** The Guest House is located in the city of Dame Marie, Grand'Anse Department. Dame Marie is a very remote area, just like all the other areas of the province, where people's livelihood depends on farming, fishing and animal husbandry. The school where the activities are carried out was founded in 2014. The premises built in school year 2017-2018 hosted 356 students. The courses are organised by age groups according to their curriculum: kindergarten, primary and secondary school.

**ACTIONS:** ABF has borne the costs for construction of the structure.









PROJECT:

# EDU project / Guest House in St. Raphael

PARTNER: Fondation St. Luc - Haiti

LOCATION: De Varenne - Haiti

PROJECT: Through the EDU project, the Andrea Bocelli Foundation has achieved the construction of a Guest House to host staff, volunteers and supporters of the ABF and Fondation St. Luc team during missions and stays on location. The facility currently houses on a stable basis also some school teachers to support their attendance in view of its geographical position, thus decreasing turnover due to logistics difficulties.

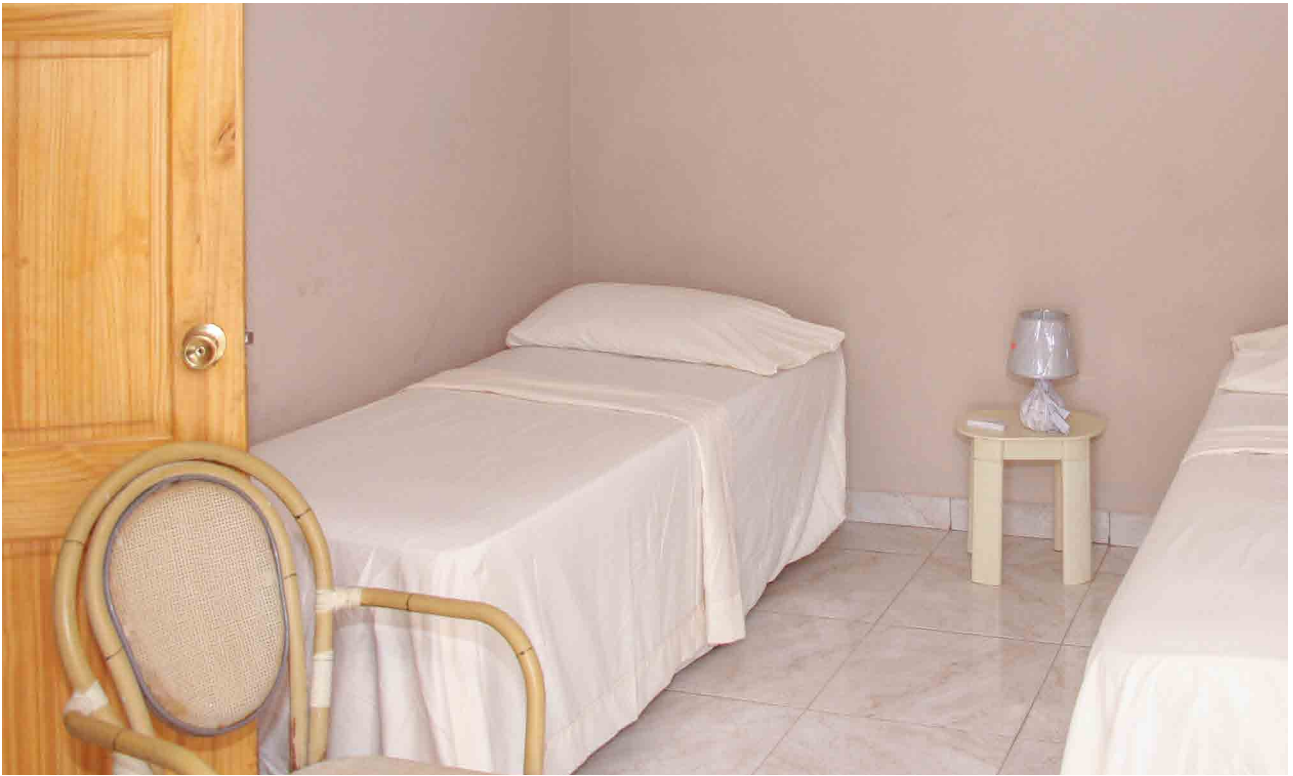
DIRECT AND INDIRECT  
BENEFICIARIES: Number of inhabitants: 50,000

OBJECTIVES: Offer a suitable facility to welcome and host people such as teachers, volunteers, donors, staff members, visitors.

CONTEXT: The St. Raphael school and Guest House is located in De Varenne Grande Riviere, at Jacmel, in the south of Haiti. After the roadworks, it now takes about 3 hours to reach the hamlet from Port-au-Prince by car.  
De Varenne is also an isolated region, as all the other areas of the province where farming and animal breeding represent the main activities being carried out. The school facility where activities are carried out was founded in 2014 and the basic structure where classes were held on the first year was built by the students' parents with local timber and stone.  
In 2015 ABF together with Fondation St Luc initiated works to construct the new school building which to date holds 272 students and was inaugurated in April 2017.  
In 2018 works began to build the new Guest House and perimeter wall.

ACTIONS: ABF has borne the costs for construction of the structure.





PROJECT:

# Water truck

**PARTNER:** Fondation St. Luc - Haiti

**LOCATION:** Cité Soleil - Haiti

**PROJECT:** Since 2013, the Andrea Bocelli Foundation has been supporting distribution of drinking water in the slums of Cité Soleil every day, 3 times a day, 6 days a week with 2 tanker trucks. More specifically, not only does ABF incur the water purchase and distribution costs, but also those of the personnel involved, equipment maintenance (one 6 wheel and one 10 wheel truck) and insurance of the same.

**DIRECT AND INDIRECT BENEFICIARIES:** Number of direct beneficiaries: 400,000  
Number of personnel involved: 11  
Amount of water distributed: 24,000 gallons/day

**OBJECTIVES:**

- Assure free access to water for the families living in the Cité Soleil slums;
- Improve health-sanitation conditions;
- Reduce the transmission of infective diseases;
- Reduce mortality as a result of dehydration in infants and the elderly.

**CONTEXT:** Over 9 million people in Haiti live without access to water. In the capital of Port-au-Prince, many of the main water pipes were destroyed in the 2010 earthquake, as well as many of the wells, which are still dry. Having clean drinking water every day, to be used for cooking and for personal hygiene is essential for survival but also to prevent the spread of diseases, most notably cholera and epidemics related to poor hygiene or lack thereof.

**ACTIONS:**

- Distribution of drinking water in the slums by 6-wheel tanker truck, 6 days a week, 3 times a day;
- Distribution of drinking water in the slums by 10-wheel tanker truck, 6 days a week, 3 times a day;
- Coverage of the annual maintenance costs of the 2 trucks;
- Purchase of water and fuel;
- Annual coverage of wages for employees.









## PROJECT:

# 3.COM

**PARTNER:** Fondation St. Luc - Haiti

**LOCATION:** Abricots, Croix-des-Bouquets, Kenscoff, Haiti

**PROJECT:** Starting with the schools, the intention is to carry out projects that go beyond the school walls to reach the community's most marginalised and needy families.  
The objective of the project is to begin building an actual village for the community – a village where everyone has the opportunity to live a dignified life.  
The ABF-Fondation St. Luc schools built with the EDU project become a real meeting place for the community, a place where there is access to electricity, drinking water, internet connection. In addition, all the students' families benefit from the organised distribution of solar powered lamps which make it possible to study after dark and to lengthen family life. Moreover, the development programme includes implementing farming activities with training and coaching so that they can be a growing source of income for the community.  
The project's objective is to give all families a dignified life and for many that also means having suitable housing. For this, further activities concerned the families of the most disadvantaged students of the community of Laserengue in Abricots and new homes were built.

**DIRECT AND INDIRECT BENEFICIARIES:** Number of inhabitants in the community: 329,031  
Number of families involved: 800

**OBJECTIVES:**

- Empowering each community for their own development and their own well-being;
- Turn schools into a safe haven for the whole community, a kind of public square in which to meet and get essential services;
- Bring water and lighting to the three communities;
- Start a path of economic development of the areas;
- Giving decent housing to the neediest people.

**CONTEXT:** Abricots is a village located 2 hours by car from Jeremie, approximately 9 from the capital. Reaching these places is very difficult due to the total lack of infrastructure and roads. Agriculture and fishing are the main sources of livelihood for the families living there. These activities are carried out randomly and thus do not guarantee the appropriate sustenance. Kenscoff is located in a mountainous area approximately a 2-hour drive from Port-au-Prince. Here too, the meagre economic activities such as agriculture above all, are carried out at household level and for mere sustenance.  
The district of Croix-des-Bouquets is the artists' quarter of the city of Port-au-Prince. In this district, many families work in the production of items called "Fer Forgé" made from recycled diesel drums.

**ACTIONS:** Thanks to the 3.COM project the schools and related community can benefit from:

- Wells and/or water tanks and filtration systems capable of providing drinking water to 10,000 people a day;
- Solar panels for the production of electricity and light at night to consolidate the school as a safe centre for the community;
- 2 solar lights for the 800 families of students to enable them to study at home at night;
- 2 supplies of fertiliser to households and the improvement, through training, of their ability to farm, with the aim of increasing their income and resources;
- Construction of 32 family homes in the Abricots Laserengue community, for the neediest families;
- Computer labs with internet connection.

There have been no resolutions or disbursements for the project in the current year.  
The sheet reports the results achieved.



## PROJECT:

# Empowering health-care professions

Programme for specialised training of Haitian doctors in Italy

**PARTNER:** Fondation St. Luc - Haiti, University of Genova, University of Florence, Gaslini Hospital of Genova, Meyer Paediatric Hospital of Florence.

**LOCATION:** Italy

**PROJECT:** With this project, the Andrea Bocelli Foundation decided to support Haitian doctors in the path to access the specialisation course for surgeons offered by Italian and European universities. In this regard it is necessary to apply with the Ministry of Health for equivalence and recognition of the qualification as doctor together with documentation relating to the authenticated, translated and legalised degrees. The Foundation guarantees, thanks to the involvement of the Ministry of International Cooperation and Foreign Affairs, coverage of all the costs required for the specialisation scholarship. Currently, the first Haitian doctor benefiting from this project is regularly enrolled and attends the first year of specialisation in paediatric surgery at the Meyer Paediatric Hospital.

**DIRECT AND INDIRECT BENEFICIARIES:** Number of direct beneficiaries: 1  
 Number of children in ABF's 5 schools: 2,347  
 Number of inhabitants in the 5 ABF communities: 258,000  
 Number of inhabitants in the Cité Soleil slums: over 400,000  
 Population of Haiti: 9,993,247

**OBJECTIVES:**

- Obtain recognition of degrees in the European Union;
- Offer free access to specialised education;
- Contribute to improving the personnel's skills.

**CONTEXT:** In Haiti, even after obtaining a degree, it is very difficult to access surgical specialisation courses, so much so that the number of actual surgeons is in no way sufficient to meet the demands of such a large and needy population. The surgeons/population ratio may be estimated to be around 1/2,000,000.

**ACTIONS:**

- Cover the scholarship costs as surrogate of the Ministry of Foreign Affairs;
- Cover the travel, board and lodging costs of the direct beneficiary.





## PROGETTO:

# HIV program

**PARTNER:** Saint Damien / Nos Petits Frères et Sœurs (HSD/NPFS) Children's Hospital

**LOCATION:** Tabarre - Haiti

**PROJECT:** Since January 2015 the Foundation has been supporting the hospital's HIV programme, contributing to increase its impact. The programme began in 2005, when the hospital joined the PEPFAR network as one of three pilot centres chosen to extend the management of children exposed to and infected with HIV. The programme has grown steadily given the poor management of HIV mother-to-child transmission prevention programme in the country. In October 2011, the program was strengthened to support infants exposed/infected by the virus as well as pregnant women. To date, in addition to them, the programme assists an average of 750/800 children and adolescents treated with inhibitors and 70 patients in mother-to-child prevention programmes. The programme also offers full assistance, taking into account the burden that HIV/AIDS brings on families. The project is supported by the Foundation thanks to a profitable cooperation with AMFAR and by the U.S. Centre for Disease Control.

**DIRECT AND INDIRECT BENEFICIARIES:** Number of screening patients/month: 1,300 (average on 15,664 screenings for 2017)  
 Number of patients in treatment: 761  
 Number of home visits: 3,514  
 Number of psychological counselling sessions: 2,999  
 Number of participants in support groups: 1,432  
 Number of new patients (from entry to exit) per month: 15-20  
 Number of staff: 40  
 Number of patients in treatment: 800  
 Number of new patients (from entry to exit) per month: 15-20  
 Number of staff: 40

**OBJECTIVES:**

- Continue to provide care services for paediatric HIV patients including patients treated with anti-retroviral drugs;
- Strengthen the mother-to-child prevention programme to take care of pregnant women infected with HIV;
- Follow the infants of mothers with HIV until two years of age;
- Provide psychological, social and economic support services for paediatric patients and their families;
- Implement data management tools and strategies, to monitor patients' quality of life level and to improve monitoring and appraisal of the programme.

**CONTEXT:** The Saint Damien / Nos Petits Frères et Sœurs Hospital (HSD/NPFS) has 150 beds, the various hospital departments other than maternity also include oncology, the tuberculosis clinic, the HIV/AIDS programme and the Community health programme. It is one of the leading paediatric centres in Haiti. The HIV programme has been active since 2005 and every year, 15,000 children are examined by the unit active in the field, 3,000 patients are hospitalised and 2,500 are treated. HSD/NPFS provides free medical care to the neediest families. The children infected with and affected by HIV/AIDS account for 2.5% of the children cared for by clinics and 10% of hospitalised patients.

**ACTIONS:**

- Employees and continuous training;
- Purchase of work equipment;
- Purchase of consumables for the ward;
- Purchase of medicines;
- Generalised tests;
- Home care for patients;
- Contribution to families to ensure treatment continuity;
- Food to ensure proper nutrition to HIV-infected children and their family.



## PROJECT:

**Mobile clinic**

**PARTNER:** Fondation St. Luc - Haiti

**LOCATION:** Abricots, Croix-des-Bouquets, Kenscoff, Dame Marie - Haiti

**PROJECT:** Launched in March 2016, the project is aimed at guaranteeing a screening and healthcare service, on a quarterly basis, by a staff of 3 nurses and 2 doctors at the St. Philomene, St. Augustin, Notre Dame du Rosaire, Manitan schools and since 2017 also St. Raphael. The staff examine all students in the 5 schools, their parents and community members requesting it, screening everyone free of charge for the most common diseases such as hernia, malaria, skin diseases. All children are administered anti-parasitic medicine and vitamins. In addition to the outpatient's clinics, a pharmacy is also set up at the school, where medicines are distributed for the prescribed cure. If serious diseases are discovered during the screening, immediate transfer is possible to the Saint Damien Children's Hospital and/or St. Luc Hospital (for adults), located in Tabarré, Port-au-Prince. The medical staff also conducts training activities with workshops on hygiene, nutrition, sex education to students and their families.

**DIRECT AND INDIRECT BENEFICIARIES:** Number of inhabitants in the areas 258,000  
Number of children involved: 2,347  
Number of staff: 8  
Number of visits: 20

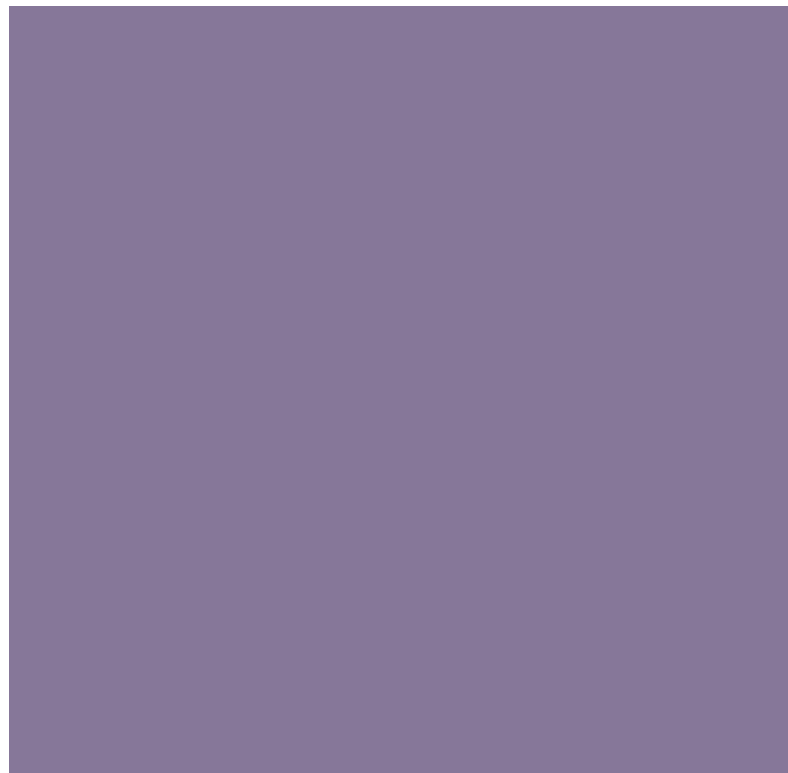
**OBJECTIVES:** Provide medical assistance and care in the schools of the Abricots, Kenscoff, Croix-des-Bouquets and Dame Marie Devarenne communities.

**CONTEXT:** In the communities where the ABF St. Luc schools are located, access to primary goods, education, health care and services is made difficult by the almost total absence of adequate infrastructure. And even when they are present, access to them is hindered due to the impossibility for families to bear the fees requested by the state.

**ACTIONS:**

- Cover doctor and nurse staffing costs;
- Supply of medicines;
- Workshops on hygiene, nutrition, sex education for students and their families;
- Any transport to Saint Damien Children's Hospital and/or St. Luc Hospital.





## D2. Challenges programme



# Challenges

**“Challenges”** operates within the area of scientific and technological research and social innovation, tackling major challenges in terms of both investments and results to be achieved with the aim of allowing anyone experiencing financial or social difficulties to express themselves. The programme aims to bring together the best minds to find innovative solutions to help people cope with and overcome the limits imposed by their disability or discomfort to achieve better quality of life.







# Core Activities









# Crescere tra le righe

Bagnai – May 2018

Alongside the great world publishers and some of the most significant personalities of civil society, ABF, in the person of its founder Maestro Andrea Bocelli, also took part in the tenth edition of "Crescere tra le righe", Growing between the lines, on 25 and 26 May in Borgo La Bagnai, a two-day event (organised by the Permanent Youth - Publishers Observatory chaired by Andrea Ceccherini) anchored by journalists Stefania Pinna and Massimo Gramellini and dedicated to high quality communication in the digital age.

«Believe in yourselves, believe in the future, do not let anyone tell you that there is no hope, that things will not change. The real revolution starts from you»: these were the words of the ABF founder to the audience of young people, after talking about himself, about the value of trust and opportunity. The event was attended by an international audience with world leaders, representatives of the world of media and high quality journalism. The event was also attended by the Editor of The New York Times Dean Baquet, the Editor of The Wall Street Journal Gerard Baker and the Editor of The Washington Post Martin Baron, as well as the news editors of the leading digital platforms worldwide.



# Inaugurations of new ABF projects

In Italy and in Haiti – 2018

CORE  
ACTIVITIES

During 2018 ABF inaugurated 3 new facilities for training and educational activities.

Specifically in Sarnano, in the Marche region, ABF – in partnership with Only the Brave Foundation, inaugurated after 150 days of works the new middle school “G. Leopardi”. A building designed not just for curriculum activities but also to host initiatives and events of the community as a whole.

In Haiti, ABF inaugurated the Manitane school in the Dame Marie community, for over 400 students from nursery school to secondary school.

After a few months of renovation works, the Foundation, with the local partner Fondation St. Luc restored an old neglected building to be used by the Cité Soleil community (the largest slum in Haiti) as a place for access to alphabetisation and vocational training.



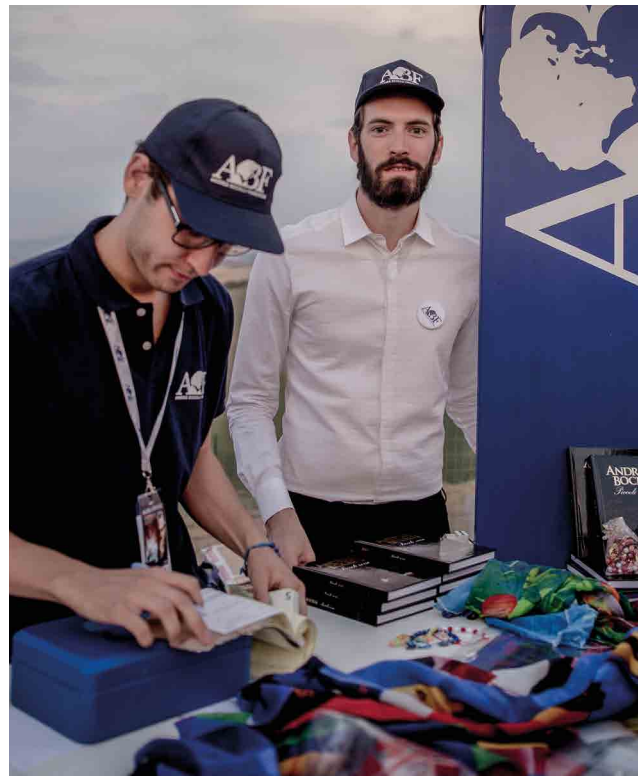


# Occasional Fundraising Teatro del Silenzio

Lajatico – 2018

Again in 2018 ABF took part in the events of Teatro del Silenzio in Lajatico, the birthplace of the founder Maestro Andrea Bocelli. It was an important opportunity for the team and the volunteers from many parts of Italy to share the Foundation's activities and aims with many friends and donors.

Thanks to the contributions collected during the occasional fundraising during the TDS days, the Foundation was able to continue guaranteeing access to education to over 2,600 students of the ABF – Fondation St. Luc schools located in 5 among the poorest and remotest communities in Haiti.



# CFN in Italy 2018 and Solidarity SMS campaign

September 2018

CORE  
ACTIVITIES

Since 2014, the Andrea Bocelli Foundation, along with the Muhammed Ali Parkinson Center, has been a recipient of the Italian edition of Celebrity Fight Night.

The event brings over one hundred millionaires from all over the world to Italy.

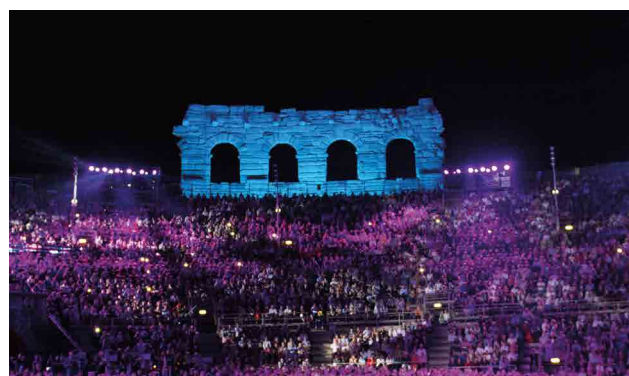
In the 2018 edition, the 5-day charity trip went back to its original seat, Florence, after the guests had been able to enjoy an exclusive experience of Rome in the previous edition.

The sum collected thanks to the many donors taking part in the event, net of expenses, is allocated to activities supporting people in need through the Andrea Bocelli Foundation and the Muhammad Ali Parkinson Center.

In particular, the Andrea Bocelli Foundation earmarked the result of the 2018 edition of the event for the support of education projects in Haiti catering for over 2,550 students of the ABF-Fondation St. Luc schools in Haiti, located in the most remote and poorest areas of the country.

As part of the event, the Foundation organised a Fundraising Campaign through solidarity SMS, linked to the ABF project "Educating to grow" which this year supports the reconstruction of the primary and nursery school of Muccia, in the Marche region, a municipality located on the crater of the second ruinous 2016 seismic swarm.

The campaign began on Sunday, August 26 and peaked during "Andrea Bocelli's Night", in which the ABF founder, Maestro Andrea Bocelli, along with many Italian and international friends from the world of music, cinema, entertainment and sports created a show of music and solidarity inside the largest outdoor amphitheatre in the world, the Arena of Verona, which was broadcast in prime time on Rai Uno on 9 September.





# Voices of Haiti in New York

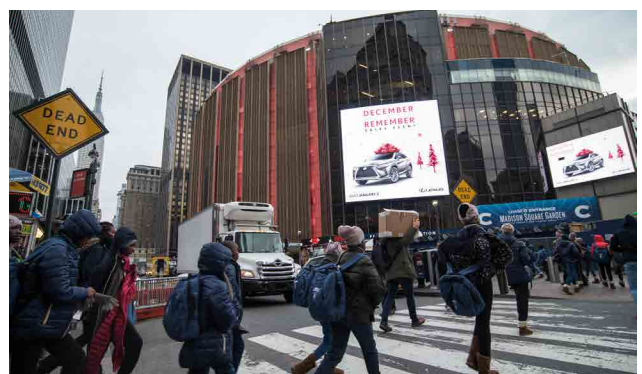
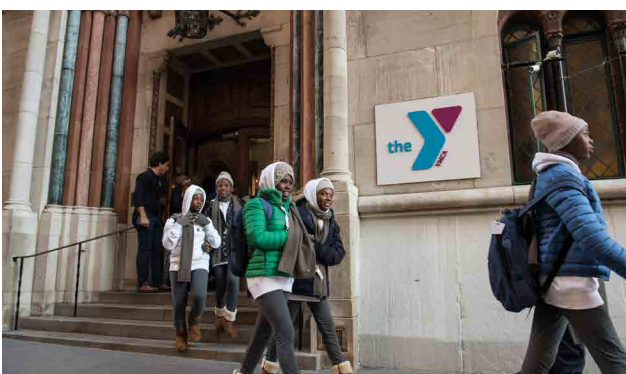
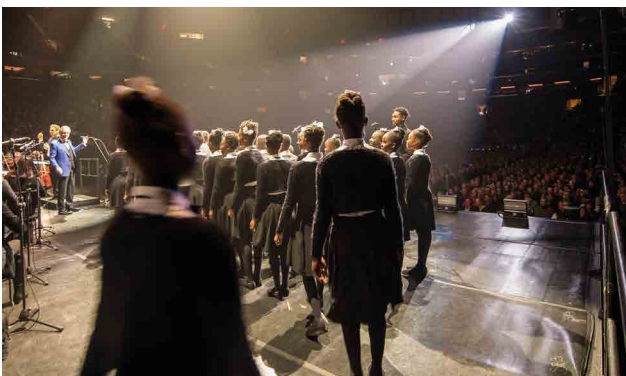
December 2018

Fully consistent with its mission, the Foundation set up a sixty-voice choir in Haiti, called “Voices of Haiti”, selected from amongst over twelve thousand students of schools on the island thanks to the ABF – Fondation St. Luc system. After the “international baptism” in New York in 2016, which saw the choir take part in the “Global Exchange” at the Lincoln Centre at the United Nations Glass Palace, at the Clinton Global Citizen Awards of the Clinton Foundation, in 2017 the choir took part in two important international events alongside the founder Andrea Bocelli and the Foundation.

The talented choristers of “Voices of Haiti” performed at the twelfth edition of the Teatro del Silenzio concert, in Lajatico (PI) singing in Creole, Italian and English. Together with Maestro Bocelli and Maestro Piovani, the choir also took part in the inauguration of the Museum dedicated to Maestro Franco Zeffirelli in Florence and attended the General Audience with pope Francis on 2 August, during which it sang as an offering of gratitude.

In December 2018, a selection of 35 choristers went back to New York to sing alongside Maestro Bocelli during the two concerts at Madison Square Garden. At the same time, the young Haitians were able to have cultural and educational exchanges.

In October 2018 Maestro Bocelli presented the new LP of previously unreleased songs “Si”, with the Voices of Haiti choir cooperating on two songs.



# ABF in USA

Miami and New York - December 2018

## CORE ACTIVITIES

ABF took part, jointly with the founder Maestro Andrea Bocelli in an exclusive dinner party, at the One Island Park Marina of Miami Beach last 6 December. The fundraising event was generously dedicated to supporting ABF and Cleveland Clinic programmes. ABF and the Founder also took part in a fundraising gala, at the Columbus Citizens Foundation of New York on 10 December. During the private dinner party, the Foundation's friends and supporters were gifted with a special musical moment, a Christmas special by the young choristers of "Voices of Haiti".

The funds collected with these events will enable ABF to continue assuring free access to education, health care and art as an additional instrument to express their talent, to over 2,550 students of the ABF schools in Haiti, located in 5 among the poorest and remotest communities of the country, day after day.













## E. THE RESOURCES FOR CORE ACTIVITIES

In 2018, the Foundation received the funds to support and develop its projects from fundraising activities, either direct or mainly organised by third parties and volunteers, as well as from charitable donations by private or corporate donors.

The Foundation operates in the utmost transparency, with published financial statements, available on the internet and certified by the auditing firm KPMG.

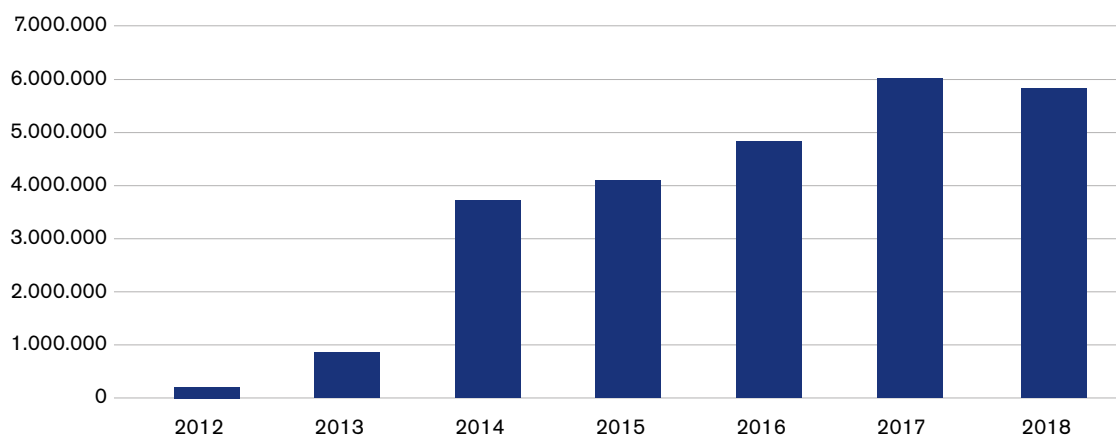
Since its inception in 2011 the Foundation has collected over 26 million Euro.

On the side is a table showing the accounting data for fundraising since the foundation's inception.

YEAR	REVENUES in euro
2012	57,721
2013	826,970
2014	3,882,311
2015	4,138,003
2016	4,958,384
2017	6,008,481
2018*	5,946,378

\*The amount includes revenues from core activities and other revenues.

DONATIONS BY YEAR  
in euro



The data for the compound revenues for the year are shown below.

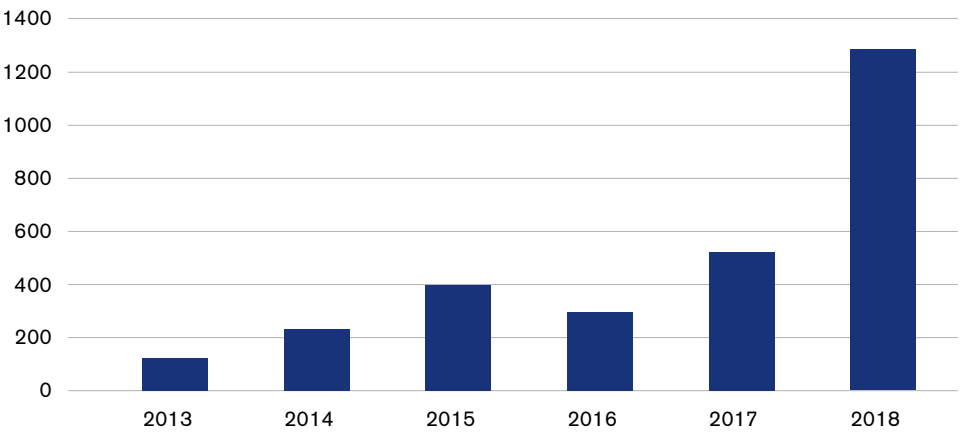
REVENUES	2018 in euro	2017 in euro	CHANGES in euro
Other revenues from core activities	571,518	106,496	465,022
Revenues from core activity and fundraising	5,374,699	5,893,876	-519,178
Revenues from other activities	161	8,109	-7,948
<b>TOTAL</b>	<b>5,946,378</b>	<b>6,008,481</b>	<b>-62,103</b>

### Trend of donations 2013-2018

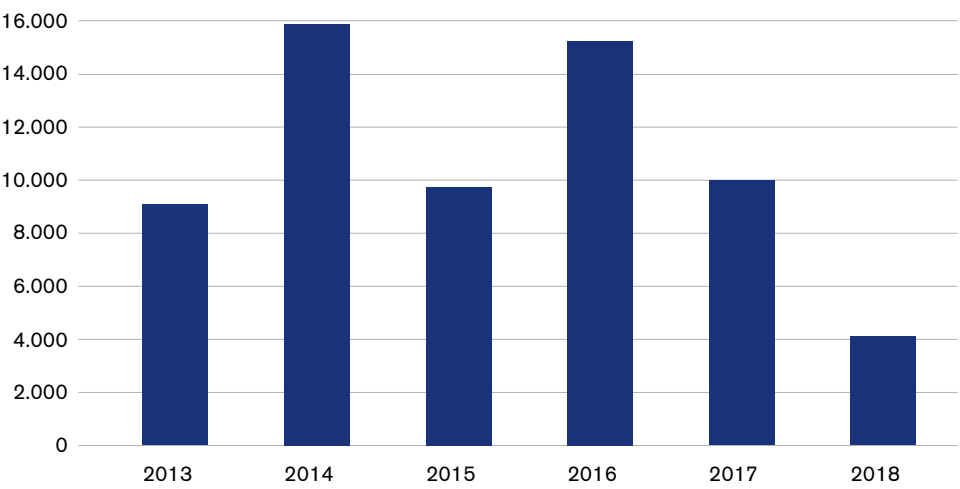
The graph below analyses the trend of donations 2013-2018. These figures are important to understand the dynamic of resource development and analyse the work carried out for the Foundation’s future sustainability. The number of donations increased progressively during the year, while the average donation decreased.

- This means:
- growth of the absolute number of donors;
  - growth of the donors’ turnover rate;
  - decrease of the average donation and broadening base of the donors’ pyramid.

NUMBER OF DONATION  
BY YEAR



AVERAGE DONATION  
in euro

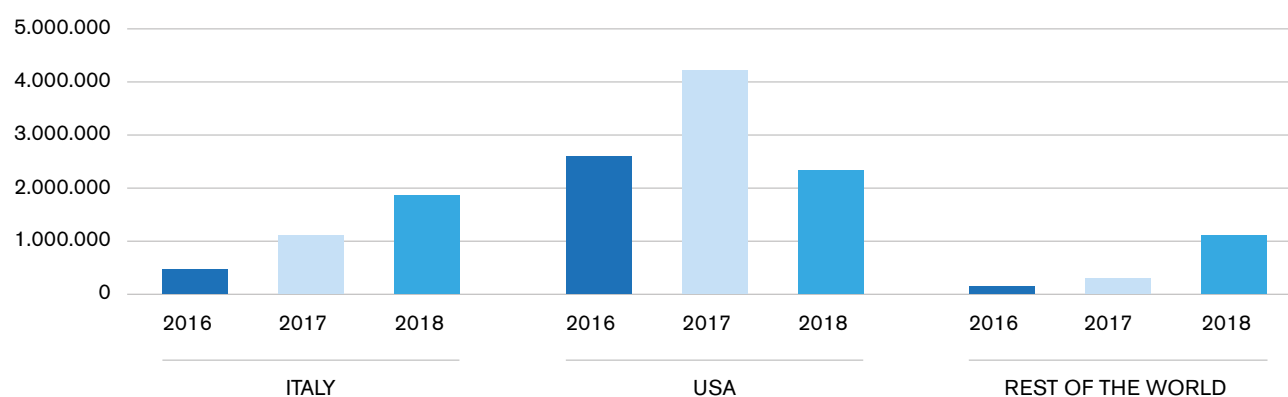




Below is the breakdown of donations by geographical area in 2018 and the 2017-2016 comparison:

GEOGRAPHICAL AREA	2016 in euro	% over total	2017 in euro	% over total	2018 in euro	% over total
Italy	475,375.65	14%	1,128,195	20%	1,911,077.77	36%
USA	2,638,542.40	80%	4,284,963.42	76%	2,321,969.08	43%
Rest of the World	200,608.05	6%	232,705.58	4%	1,141,652.15	21%

From 2017 to 2018 one may notice a significant broadening of Italian donations, concurrently with the start of the significant projects implemented in Italy.



## A. Assets

The Foundation's capital is still the amount provided by the Founder at the time of its establishment: € 100.000.

## B. Revenues from charitable donations and fundraising

Total revenues for 2018 were € 5,946,378, allocated as follows. The following table shows the allocation of donations received in 2018 by donors and the fund raising channel from which the aforementioned contributions were generated.

The donors may in fact choose to tie their donations to one of the foundation's projects or programmes.

### Proceeds from core activities by allocation

DESTINATION	2018 in euro	% INCIDENCE	2017 in euro	% INCIDENCE
<b>Challenges</b>	<b>1,643</b>	<b>0%</b>		<b>3%</b>
EDU project	-	0%	488,246	8%
Wheat project	1,717,123	32%	1,604,179	27%
Voices of Haiti	368,790	7%	307,779	5%
Water truck	75,628	1%	195,806	3%
Mobile clinic	132,618	2%	-	0%
HIV project	-	0%	222,330	4%
Post hurricane Matthew - Reconstruction of schools	-	0%	196,211	3%
Hurricane Matthew - Emergency	37,000	1%	507	0%
ABF Core activities	986,551	18%	2,051,867	35%
Break the Barriers	6,132	0%	39,553	1%
Sarnano school - Central Italy heartquake	1,005,152	19%	787,400	13%
Muccia school - Central Italy heartquake	1,044,061	19%	-	0%
<b>Break the Barriers</b>	<b>5,373,056</b>	<b>100%</b>	<b>5,893,877</b>	<b>100%</b>
<b>TOTAL</b>	<b>5,374,699</b>	<b>100%</b>	<b>5,893,877</b>	<b>100%</b>

The proceeds of the year by collection channel of the funds of origin are set out below.

#### Proceeds from core activities by collection channel

DESTINATION	2018 in euro	% INCIDENCE
ABF events	405,222	8%
Third parties events	1,721,931	33%
5x1000	37,178	1%
Solidarity SMS	252,631	5%
Spontaneous donation	585,486	11%
Campaigns	2,140,195	42%
<b>TOTAL</b>	<b>5,142,644</b>	<b>96%</b>
Donations in kind	232,055	4%
<b>TOTAL</b>	<b>5,374,699</b>	<b>100%</b>

#### B.1. Donations received from Charity Aid Foundation (CAF America)

As of 15/1/2017 the Andrea Bocelli Foundation renewed registration with CAF America.

The CAF America's Eligibility Committee carried out due diligence and has deemed the Foundation eligible to receive donations for a further two years from CAF America, organisation that makes donations worldwide helping organisations, companies and individuals to donate without borders.

In 2017 The Foundation renewed registration, also opening an internal Friends Fund with CAF that makes it easier to also collect small and large sums on line from US citizens.

In 2018, ABF received the following contributions from CAF, which were paid quarterly:

DATES	AMOUNT RECEIVED in euro	AMOUNT RECEIVED in USD
12/01/2018	795	965
05/04/2018	136,071	166,823
01/08/2018	120,675	141,141
12/10/2018	119,021	137,838
15/11/2018	304,256	343,961
13/12/2018	199,635	227,006
20/12/2018	252,642	289,300
<b>TOTAL</b>	<b>1,133,094</b>	<b>1,307,033</b>

#### B.2. Occasional fundraising

Again in 2018, the Foundation carried out occasional fundraising during the Teatro del Silenzio event; net funds collected amounted to Euro 337,489.

For further details concerning the operations, please refer to the reports pursuant to Article 20 of Italian Presidential Decree 600/1973, as amended by art.8 of Italian Legislative Decree 460/1997 annexed to these Financial Statements (Annex no.1).



### B.3. Solidarity SMS

Also in 2018, the Foundation decided to initiate a communication and fundraising campaign through the solidarity SMS tool. The activation period was between 26 August and 11 September 2018, coinciding with the event Celebrity Fight Night in Italy. The campaign was active and promoted by the national broadcasting company Rai Sociale, national and international media.

The service providers of the solidarity number 45580 were the following:

PROVIDER	AMOUNT COMMUNICATED in euro	AMOUNT COLLECTED (by 31/12/2018) in euro	AMOUNT COLLECTED 2019 in euro	ACCRUAL OF THE REVENUE	AMOUNT TO COLLECT in euro	ACCRUAL OF THE REVENUE
Wind	32,251	32,251	0	2018	0	2019
Telecom	177,671	150,523	21,653	2018	5,495	2019
Coop	3,242	3,242	0	2018	0	2019
TWT	60	60	0	2018	0	2019
Vodafone	31,784	31,784	0	2018	0	2019
Fastweb	11,675	11,675	0	2018	0	2019
Tre	6,120	0	0	2018	6,120	2019
Poste Mobile	4,742	0	0	2018	4,742	2019
Convergenze	0	0	0	2018	0	2019
Tiscali	1,691	0	0	2018	1,691	2019
<b>TOTAL SOLIDARITY SMS - 2018</b>	<b>269,236</b>	<b>229,535</b>	<b>21,653</b>		<b>18,048</b>	

## B.4. Donations in kind

Starting from these financial statements, the Foundation has decided to account for contributions in kind (donations in kind) received and that for 2018 are worth a total of 232 thousand Euro.

These contributions refer specifically to the projects "Reconstruction of First Level Secondary School G. Leopardi" of Sarnano and "Voices of Haiti".

Contributions in kind are donations involving assets that contribute to the performance of the core activity, in support of the projects pertaining to the year.

The following table sets out the donations in kind received, broken down by project and by product type. The overall worth of donations in kind for 2018 is 232,000 Euro.

DONATION DATE	CURRENCY	DONATION	NOTES	PROJECT
01/06/2018	euro	Instruments music room	A.S.D. Z3mendi	Sarnano school
26/03/2018	euro	IWB rooms	Rainbow	Sarnano school
27/06/2018	euro	Sofa	Moroso	Sarnano school
20/06/2018	euro	Computer room furniture and computers	Know how solidale	Sarnano school
31/05/2018	euro	Video system Lecture hall	Videoworks	Sarnano school
23/04/2018	euro	Instruments music room	Eko music	Sarnano school
29/11/2018	euro	Children's clothes Voices of Haiti	Calzedonia	Voices of Haiti
29/11/2018	euro	Children's clothes Voices of Haiti	Intimo3	Voices of Haiti
18/12/2018	euro	Children's coats Voices of Haiti	Moncler	Voices of Haiti
28/11/2018	euro	Children's sweatshirts Voices of Haiti	Amoda	Voices of Haiti
19/12/2018	euro	Children's sweatshirts Voices of Haiti	Brave kid	Voices of Haiti
22/11/2018	euro	Children's clothes Voices of Haiti	Miniconf	Voices of Haiti
05/12/2018	euro	Earrings	Vhernier	Educational Italy and Haiti
23/04/2018	euro	Andrea Bocelli portrait	Andrea Poeta	Educational 2018
25/05/2018	euro	Printed material	Eurografica	Sarnano school
24/07/2018	euro	Fitting out catering and dinner parties	Salotti del Gusto	Sarnano school
15/05/2018	euro	Heart jewellery	Giuseppe Battaglini	Educational Italy and Haiti
22/10/2018	euro	Clinical material	Clinica Leonardo	Mobile Clinic
23/07/2018	euro	Child's clothes	Miniconf	Voices of Haiti

## C. Expenses

### C.1. Expenses from core activities

The following table sums up the expenses for setting up and managing the Foundation's projects broken down by the two intervention programmes:

PROGRAMME	APPROVED in euro	DISBURSED in euro
Break the Barriers / Projects	4,693,166	6,351,335
Challenges	0	0
<b>TOTAL</b>	<b>4,693,166</b>	<b>6,351,335</b>

The amounts approved and allocated were recorded according to the exchange rates in force on the date on which they arose.





## C.2. Charges for the performance of the activity

### A) General expenses

The general expenses for performance of the Foundation's activities amounted to Euro 622,777, with an incidence of costs over revenues of 10.5%.

GENERAL EXPENSES	AMOUNT in euro	% INCIDENCE COSTS/ REVENUES
General support expenses	622,777	10,5%
Costs for corporate bodies	0	0%
<b>TOTAL</b>	<b>622,777</b>	<b>10,5%</b>
<b>TOTAL REVENUES</b>	<b>5,946,378</b>	

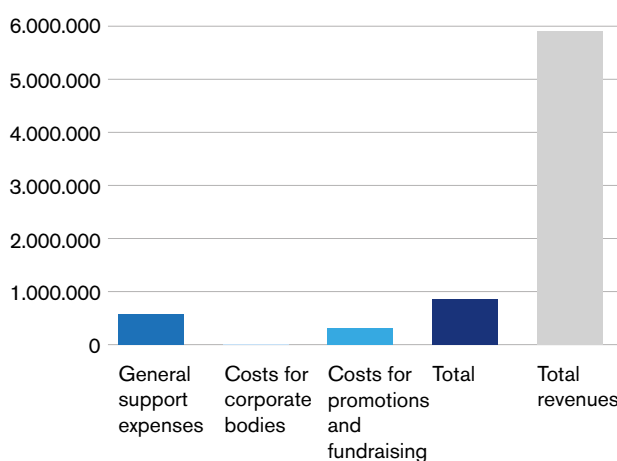
### B) Expenses from fundraising

The general expenses for performance of the Foundation's activities amounted to Euro 234,549, with an incidence of costs over revenues of 3.9%.

EXPENSES FOR PROMOTIONS AND FUNDRAISING	AMOUNT in euro	% INCIDENCE COSTS/ REVENUES
Costs for promotions and fundraising	234,549	3,9%
<b>TOTAL REVENUES</b>	<b>5,946,378</b>	

	AMOUNT in euro	% INCIDENCE COSTS/ REVENUES
<b>Expenses for the performance of activities</b>	<b>857,327</b>	<b>14,7%</b>
General support expenses	622,777	10,7%
Costs for corporate bodies	0	0%
Costs for promotions and fundraising	234,549	3,9%
<b>TOTAL OPERATING EXPENSES</b>	<b>5,831,509</b>	

EXPENSES VS REVENUES FROM CORE ACTIVITIES



## Annex 1

### REPORT OF OCCASIONAL COLLECTION OF FUNDS

**Teatro del Silenzio 2018 | Supported project: Educational Haiti 2018**

<b>REVENUES</b>	<b>AMOUNT</b> in euro
Cash donations	12,275.30
Donations by payments to bank account - 2018	272,736.93
Donations by payments to bank account - 2017	0
Donations by cheque, credit or debit card	93,720
Donations through assets acquired free of charge	9,334.70
Collection from sale of assets purchased against payment	0
Collection from services provided	0
<b>TOTAL REVENUES</b>	<b>388,066.93</b>

<b>EXPENDITURE</b>	<b>AMOUNT</b> in euro
Purchase of assets distributed during the collection event	3,238.30
Stand rental expenses	0
Reimbursement of expenses to volunteers	2,430.70
Promotional expenses for fundraising (publicity, shows and events)	5,438.68
Printing and postal expenses	4,024.48
Utility expenses	1,873
Expenses for other fundraising services	33,572.46
Fees for performances	0
<b>TOTAL COSTS</b>	<b>50,577.62</b>

<b>NET RESULT OF THE COLLECTION</b>	<b>337,489.31</b>
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### 3.

# FINANCIAL STATEMENTS

Ended 31 December 2018

Approved by the Board of Directors on 30 March 2019

## BALANCE SHEET

(data in euro)

ASSETS	2018	2017
A) Receivables from shareholders for payments still due	-	-
B) Fixed assets	44,636	56,105
I. Intangible fixed assets	1,198	2,396
1) Licences	-	-
2) Trademarks and Patents	-	-
3) Other multi-year expenses	1,198	2,396
4) Other	-	-
II. Tangible fixed assets	41,238	51,509
1) General installations	976	1,952
2) Machinery and equipment	560	1,040
3) Furniture	24,590	30,914
4) Electronic machinery	15,112	17,603
5) Other	-	-
III. Financial fixed assets	2,200	2,200
1) Security deposits	2,200	2,200
C) Current assets	7,827,166	8,708,659
I. Inventories	-	-
1) Inventories	-	-
II. Receivables	21,922	217,748
1) Receivables due within 12 months	21,922	217,748
2) Receivables due after 12 months	-	-
III. Financial assets	100,281	100,000
1) Other securities	-	-
IV. Cash and cash equivalents	7,704,963	8,390,911
D) Prepaid expenses and accrued income	4,066	4,693
<b>TOTAL ASSETS</b>	<b>7,875,868</b>	<b>8,769,457</b>



## BALANCE SHEET

(data in euro)

LIABILITIES	2018	2017
<b>A) Net assets</b>	<b>7,247,463</b>	<b>8,511,785</b>
I. Free capital	<b>3,824,001</b>	<b>3,725,934</b>
1) Endowment fund	100,000	100,000
2) Other reserves	-	-
3) Free funds and retained earnings	3,580,384	3,408,075
4) Surplus (deficit) from current operations	143,617	217,859
II. Tied capital	<b>3,423,462</b>	<b>4,785,851</b>
EDU project fund	193,955	130,908
UCLA project fund	36,274	36,274
3.COM fund	87,185	167,975
Wheat fund	1,937,921	2,401,314
Empowering specialisation fund	91	130,149
Voices of Haiti fund	7,450	60,000
Water truck fund	143,854	169,830
Mobile clinic fund	2,158	130,287
HIV fund	550	143,499
Sarnano school fund	84,614	1,410,080
Muccia school fund	920,964	-
Other emergencies fund	8,446	5,533
<b>B) Provisions for risks and future charges</b>	<b>-</b>	<b>-</b>
<b>C) Employee severance indemnity provision</b>	<b>39,828</b>	<b>25,692</b>
1) Employee severance indemnity	39,828	25,692
<b>D) Payables</b>	<b>588,578</b>	<b>231,979</b>
1) Payables due within 12 months	588,578	231,979
2) Payables due after 12 months	-	-
<b>E) Accrued liabilities and deferred income</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>7,875,868</b>	<b>8,769,457</b>

**DIRECTORS' REPORT**

(data in euro)

**2018****2017**

<b>A) Revenues</b>	<b>5,946,378</b>	<b>6,008,481</b>
I. Revenues from core operations	<b>5,374,699</b>	<b>5,893,877</b>
1) Revenues from members and associates	-	43,300
2) Contributions and monetary donations	4,852,834	5,558,049
3) 5x1 000 pre-tax donation	37,178	32,896
4) Other contributions	252,631	259,632
5) Contributions and donations in kind	232,055	-
II. Other revenues	<b>571,679</b>	<b>114,605</b>
1) Other revenues from other core activities and fundraising	571,518	106,496
2) Revenues from other activities	161	8,109
<b>B) Expenses</b>	<b>5,831,509</b>	<b>5,640,867</b>
1) Expenses for core operations	<b>4,974,182</b>	<b>4,845,909</b>
I. Challenges programme	-	-
II. Break the Barriers programme	<b>4,693,166</b>	<b>4,717,359</b>
EDU project	57,952	-
UCLA project	-	-
3.COM	-	-
Wheat project	1,851,019	1,790,413
Empowering specialisation	-	130,000
Voices of Haiti	302,932	431,508
Water truck	142,047	136,940
Mobile clinic	-	119,939
HIV	205,217	-
St. Augustin reconstruction	-	30,976
Elpida	-	-
ABF persons	-	11,234
Hurricane Matthew emergency	-	60,088
ABF motor vehicles	-	-
Cité Soleil vocational centre	-	46,808
Baby house	-	37,050
Sarnano school	900,000	1,894,200
Muccia school	1,234,000	-
Other emergencies	-	28,203
III. Mission expenses	-	-
IV. Purchases intended for projects	<b>232,055</b>	<b>86,759</b>
Expenses relating to donations in kind	232,055	-
V. Services intended for projects	<b>48,961</b>	<b>41,791</b>
2) Expenses for promotions and fundraising	<b>234,549</b>	<b>87,629</b>
3) General support expenses	<b>622,777</b>	<b>707,329</b>
1) Purchases	13,249	8,997
2) Services	174,061	230,104
3) Personnel	389,506	402,575
4) Leases and rentals	29,280	38,713
5) Depreciation and write-downs	16,575	16,879
6) Miscellaneous operating costs	106	10,060

	2018	2017
<b>C) Net financial revenues and expenses</b>	<b>30,923</b>	<b>-135,395</b>
1) Interest income from bank accounts	-	811
2) Revenues from bank deposits	893	-
3) Other financial revenues	-	3
4) Interest payable	-	-
5) Other financial charges	-	-
6) Net effect of exchange gains (losses)	30,030	-136,209
<b>D) Extraordinary income and charges</b>	<b>7,809</b>	<b>-</b>
1) Contingent assets	18,627	-
2) Contingent liabilities	-10,818	-
<b>Earnings before tax</b>	<b>153,601</b>	<b>232,219</b>
Taxes for the period	9,984	14,360
<b>SURPLUS (DEFICIT) FROM OPERATIONS</b>	<b>143,617</b>	<b>217,859</b>

## CASH FLOW STATEMENT OF THE ANDREA BOCELLI FOUNDATION AS AT 31 DECEMBER 2018

(data in euro)

	2018	2017
<b>Surplus for the period</b>	<b>143,617</b>	<b>217,859</b>
Taxes for the period	9,984	14,360
Net financial and bank expenses	10,206	-811
Depreciation	16,575	16,879
+/- other extraordinary expenses	-7,809	-
+/- losses/gains from valuation of current and non-current financial instruments	-	-
Allocation to the provision for risks and charges	-	-
Employee Severance Indemnity increase/(decrease)	14,136	13,691
Decrease/(increase) in accrued income and deferred expenses (pertaining to operations)	627	-68
Increase/(decrease) in accrued charges and deferred income (pertaining to operations)	-	-40
Decrease/(increase) in operating receivables	195,826	-205,048
Increase/(decrease) in operating payables	356,598	34,935
<b>A) Cash generated (absorbed) by operations for the financial year</b>	<b>739,760</b>	<b>91,757</b>
Change in earmarked funds	-1,361,315	381,696
Other equity changes	-45,550	127,090
Other non-monetary changes	-30,030	-30,428
<b>B) Cash absorbed (generated) due to changes in free or tied capital funds</b>	<b>-1,436,895</b>	<b>478,358</b>
Decrease/(increase) in tangible and intangible fixed assets	11,468	16,208
Decrease/(increase) in financial fixed assets	-	-
Decrease/(increase) in current financial instruments	-	-1,500
Decrease/(increase) in financing receivables	-281	-
Decrease/(increase) in accrued income and deferred expenses (pertaining to cash flow management)	-	-
Increase/(decrease) in financing payables	-	-
Increase/(decrease) in accrued charges and deferred income (pertaining to cash flow management)	-	-
Decrease/(increase) in financing receivables	-	-
<b>C) Cash generated (absorbed) by the change in equity elements</b>	<b>11,187</b>	<b>14,708</b>
<b>D) Cash generated (absorbed) by operations (A+B+C)</b>	<b>-685,948</b>	<b>584,823</b>
<b>E) Cash and cash equivalents as at 1/1</b>	<b>8,390,911</b>	<b>7,806,089</b>
<b>Cash and cash equivalents as at 31/12 (D+E)</b>	<b>7,704,963</b>	<b>8,390,911</b>



# REPORT ON OPERATIONS AND NOTES

To the financial statements for the year ended at 31/12/2018

Approved by the Board of Directors on 30 March 2019

The financial year 2018 of the Andrea Bocelli Foundation ended with a positive trend, confirming the growth trends of the last few years.

During 2018 and already in the first quarter of 2019, work continued towards optimisation of internal processes and streamlining the structure, on one hand bolstering core activities and strengthening the Foundation's network of strategic contacts on the other.

Large donors and partnerships with Institutions, Foundations and Companies of high international profile are still crucial for the Foundations' growth and this contributes to ensuring high visibility to consolidated projects as well as to the new ones launched and developed in 2018.

Total income reached Euro 5.9 million in 2018, essentially consistent with 2017, albeit with very different breakdown and trends. The performance is the result of collection of donations and contributions for Euro 5.4 million and other income arising from other core and fundraising activities for Euro 0.6 million.

Expenses for core operations amounted to Euro 5.0 million, with an impact of over 83% on total revenues from core operations (consistent with the previous year), confirming that the use of resources received for purely project-based purposes and therefore linked to the Foundation's core activity is still predominant. Nevertheless, it should be pointed out that the project disbursements for 2018, amounting to Euro 6.3 million, were much higher than the costs, having disbursed over Euro 4 million in the current year for projects resolved and approved at the end of 2017. The 2017 trend as regards expenses from core operations is also

confirmed; in fact core projects linked to education in the Haiti area were confirmed, but the activity in Italy was consolidated at the same time, with the success of the project to rebuild the school in Sarnano (inaugurated in May 2018) and the launch of the reconstruction project of the Muccia primary school and nursery school, confirming the Foundation's will to continue driving the revitalisation and reconstruction effort of the Italian areas hit by the 2016 earthquake. This latter project entails a commitment for 2018 of Euro 1.2 million.

Charges for promotions and fundraising doubled on 2017, reaching Euro 234 thousand due to an increasingly intensive boost in fundraising and communication.

Consolidation of the situation in Italy has in fact required adaptation of institutional and project communication, as well as the development of new fundraising channels dedicated to projects on the national territory.

General support expenses, on the other hand, show a reduction on 2017, at 0.6 million (-12%), due to a structural cost reduction policy to benefit the marketing and fundraising areas.

With regard to financial revenues and charges, there was a positive net effect of exchange rate differences of approximately Euro 30 thousand due to the USD dollar's positive performance during the year.

The operating surplus is therefore equal to Euro 143 thousand, lower than the previous year following the foregoing events.











## 4.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended at 31/12/2018

### Premessa

The Andrea Bocelli Foundation was established in 2011 to help people experiencing difficulties as a result of illness, poverty or social exclusion, by promoting and supporting projects in Italy and in Developing Countries, in particular Haiti, to help break those barriers and encourage the full expression of a person's potential.

The Mission Report is the social report of non-profit organisations, communicating how and to what extent the organisations have achieved their mission, proving their legitimacy and allowing them to gain consensus. The Mission Report of the Andrea Bocelli Foundation presents the Foundation from a strictly corporate point of view as well as being an invaluable communication tool, for third parties interested in taking part in programmes and projects related to the Foundation's specific mission.

The Mission Report also certifies that the Foundation pursued its corporate purpose, operating in compliance with the constraints set by the Articles of Association and laws in force.

The Mission Report is divided into two clearly identifiable, distinct sections:

#### 1) Mission Report.

Includes all "social" reporting related to activities and their effectiveness, identifying the topics and social issues the Foundation deals with.

It presents programmes and projects and relevant results achieved in the year, as well as those planned for the next year.

#### 2) Financial Statements for the Year.

Presents income and financial results for the accounting period of reference, from 1 January to 31 December of each calendar year. Also detail the main account items, to present the economic and financial effects of what is qualitatively presented in the Mission Report.

Financial Statements is also submitted to legal audit by the board of internal auditors and to voluntary accounting audit by KPMG SpA.



### **Drafting criteria**

The financial statements for the year ended as at 31 December 2018 are inspired by the indications of accounting standard 1 for non profit entities and takes into account the recommendations issued by the Italian National Board of Chartered Accountants Non Profit Companies Commission.

The Financial Statements for the year include the Balance Sheet, Directors' Report, Financial Report and these Notes. All figures are expressed in Euros, as required by art. 2423, paragraph 5 of the Italian Civil Code.

### **Directors' Report**

The Directors' Report sets out items by type, as it is considered the form that provides the most significant information. It was prepared in separate sections, suitably adapted to the specific features of the Foundation, to present a clear picture of activities performed and results achieved.

### **Balance Sheet**

The Balance Sheet is presented through a clear distinction between assets and liabilities and, for each assets and liabilities item, the amounts expected to be settled or recovered within or after 12 months from the balance sheet reference date.

### **Criteria applied in the valuation of financial statement items**

The valuation of financial statements items, in compliance with the contents of accounting standard 1 for non-profit organisations and taking into account the recommendations made by the Italian National Council of Chartered Public Accountant Non-profit Commission, was based on general criteria of prudence and accrual, taking into consideration the economic function of the asset and liability items.

Application of the principle of prudence involved the individual valuation of the components of the individual entries or items of assets and liabilities, to avoid offsetting losses that should have been recognised and profits not to be recognised since unrealised.

In accordance with the accrual principle, the effect of transactions and other events was accounted for and allocated to the year which such transactions and events refer to, and not to the year in which the associated cash flows (receipts and payments) are finalised.

The continuity of application of the aforementioned valuation criteria over time is a necessary element to compare the Foundation's financial statements in the various financial periods: the principles used in the previous financial year have been complied with and applied in the preparation of this document. The financial statements have been prepared on the going concern basis of the Foundation's activities.



## Conversion of foreign currency items

Transactions in foreign currencies are converted at the exchange rate in force on the date of the transaction. Monetary items in foreign currency at the balance sheet date are converted into Euro using the closing exchange rate. The exchange rate differences deriving from the conversion are recorded in the income statement and any net profit deriving from the exchange rate adjustment of monetary items in foreign currency is recorded in a special equity reserve, specifically created for separating the exchange effect deriving from the currency transactions made by the Foundation.

## Intangible fixed assets

These are stated at historical purchase cost and adjusted by the accumulated depreciation. They are costs for fees for corporate and notary consultancy services borne by the company during 2011 for incorporation and subsequent amendments to the Articles of Association and the costs of setting up and implementing the websites and the domains belonging to the Foundation, for the development of project and core activities. In accordance with the Board of Auditors, these expenses were considered "Expansion costs" and depreciated using the direct method over a period of five years.

## Tangible fixed assets

Tangible assets in use are entered at historical cost, inclusive of directly attributable additional costs and needed to use the asset for the purpose it was purchased for, and costs borne to use the asset, reduced by trade discounts and cash discounts for a significant amount. If the Foundation is likely to benefit in the future from the cost borne to replace a part of a building, plant and equipment elements and the cost of the element can be reliably calculated, that cost is entered as an increase in the book value of the item it refers to. All other costs are entered in the income statement in the year in which they are borne.

Tangible assets are entered net of relevant accumulated depreciation and any reductions in value, calculated as described below. Depreciation is calculated as constant percentages based on the asset's estimated useful life. This is reviewed every year and any changes are reflected in the statements.

At 31 December 2018 no permanent value losses were entered.

Depreciation percentages of the main tangible fixed assets are:

	ANNUAL RATE
General installations	20%
Equipment	25%
Furniture and furnishings	15%
Electronic equipment and data processing machines	25%

## Receivables

These are entered at their presumable collection value which, being referred to non commercial and tax receivables, is their nominal value.

## Cash and cash equivalents

Cash and cash equivalents include the cash flow figures, that is those figures that meet the requirements of availability on demand or very short-term availability, success or absence of collection costs. They are valued at their nominal value and their use is not subject to restrictions.



## Accruals and deferrals

They were determined on the basis of the accrual period.

For multi-year accruals and deferrals the conditions that led to the original entry were verified, and where necessary, appropriate modifications were carried out.

## Net assets

These are set out based on the availability criterion and the ties its components are subject to.

Net assets were entered at the original nominal value, net of any use.

It consists of:

- Endowment Fund;
- Free Capital, represents the Foundation's "available" capital, to be used based on future indications by Board of Directors;
- Tied Capital, earmarked for the Foundation's core activities, programmes, projects and emergencies, in compliance with specific Board of Directors' resolutions.

Related to that portion of Equity, the financial resources might already have been found (cash or bank) or might still have to be collected through fundraising activities. Tied Capital Funds are used or changed following a Board of Directors' resolution: they increase following the Board's project authorisation resolution and are offset by posting under expenses from core activities; they decrease when the money is allocated against cash or bank amounts being reduced.

## Provisions for risks and charges

Provisions for risks and charges are liabilities having an established nature, certain or likely, the date of occurrence or amount of which cannot be determined. In particular, the provisions for risks represent liabilities of a determined nature and likely existence, the values of which are estimated, while the provisions for charges represent liabilities of a determined nature and certain existence, estimated amount or date of occurrence, connected to commitments already undertaken at the balance sheet date, with the expenditure actually occurring in subsequent financial years.

The Foundation has not noted any potential liabilities as at 31 December 2018, therefore it does not record allocations for risks and charges.

## Employee Severance Indemnity

This represents the actual amount due to employees in accordance with the law and the collective labour agreements, considering all forms of ongoing remuneration.

The employment severance indemnity provision is the total of the individual indemnities due to employees accrued at the financial statements date, net of advances paid, and is equal to what should be paid to employees in case of employment termination on that date.

## Payables

Payables are entered at their nominal value, considered representative of their settlement, adjusted for returns or billing corrections.

## Income taxes

Taxes are allocated according to the accrual principle; therefore, they represent the provisions for taxes to be paid for the year, determined in accordance with current rates and regulations.

Please note that when performing its core activities with the aim of social solidarity, the Andrea Bocelli Foundation does not perform any commercial activities. Therefore, the proceeds resulting from directly connected activities do not form taxable income.

## Recognition of Proceeds

Proceeds from contributions are recognised at the time when they are obtained with certainty, normally identified when the sums of money are transferred or with the formal resolution of the Disbursing Body. However, these proceeds are not accounted for until the Board of Directors has formally accepted the amounts, by an authorisation resolution.

All proceeds from contributions are entered gross of bank charges withheld by the crediting banks, so the kind of item is presented correctly and clear evidence is given of the amounts actually transferred by each donor.

With regard to proceeds not directly deriving from contributions and donations but relating to contractual relationships, specifically the contributions deriving from the solidarity SMS campaigns, the revenue is recorded according to the ordinary accounting accrual criterion, with the recognition of any receivables for amounts established but not yet paid if necessary.

Donations in kind received in the year are entered, proceeds and implicit expenses related to free purchases and services provided free of charge by third parties are recorded at the same time. The amount at which the donation and the relevant expenses are entered correspond to the normal value plus VAT declared by the individual donor in the valuation sheet, which accompanies the donation declaration letter, as per the internal procedure.

Proceeds of a financial nature are recognised on an accruals basis, entering the relevant accruals and deferrals if necessary.



## Recognition of Expenses and Charges

Expenses and charges are entered in the financial statements on an accruals basis, also considering those for the year, even if recognised after it has ended. In particular, please note that the Directors' Report is divided into three cost sections including respectively:

### • Expenses from Core Operations

The following are detailed for each programme and project:

- 1) Money disbursements authorised by the Board of Directors related to projects relating to the period, for which the relevant financial expenditure might have occurred in full or only partially during the year. That item includes expenses arising from amounts intended for projects whose financial disbursement will take place after the financial year. The item results in a counter-item by the increase in the net tied capital funds.
- 2) The costs incurred for missions supporting projects resolved in the period and the purchase of goods, consumables and services used to implement those projects;
- 3) The implicit expenses linked to donations in-kind that impact at an expense level offsetting the related revenue.

### • Charges for promotions and fundraising

The section includes all costs incurred as part of communication efforts to promote Foundation activities and projects decided in the year, as well as all costs related to first contact activities and updating of all private donors, including individuals, companies and foundations.

### • General support expenses

The section includes all the Foundation's general costs, incurred by General Management, personnel costs, all branch management costs, for information systems and any other connected activity.



## Use of estimates and valuations

Drafting the financial statements and relevant notes requires management to make estimates and assumptions that have an effect on the value of potential assets and liabilities at the date of the financial statements.

Final results might differ from said estimates. Estimates may be used to record provisions for risks on receivables, write-downs of assets, depreciation, taxes and other provisions to risk funds. Estimates and relevant assumptions are based on prior experience and on assumptions considered reasonable when the estimates are made. Estimates and assumptions are reviewed periodically. Should the resulting a posteriori values differ from the original estimates, the effects are entered in the income statement when the estimate is amended.





## Management of the exchange rate and liquidity risks

When performing its activities the Foundation is exposed to several market risks, in particular exchange rate fluctuation and liquidity risks.

The fluctuation in exchange rates risk is connected to the collection and disbursement of sums in currencies other than the Euro.

As a matter of fact, the Foundation receives 70% of its funds and disburses 90% of its sums in US dollars although it keeps its accounts in Euro only.

To minimise the exchange risk arising from those flows, the Foundation has had a current account in USD as of 2014, designated for receiving contributions in American dollars and disbursements in the same currency.

The liquidity risk is the risk that the Foundation takes on when the Board of Directors resolves to implement a project for which the funds have not yet been fully or partially collected.

In fact, at that moment the Board undertakes to organise, manage and conduct fund raising to cover and implement the single project resolved.

The Foundation covers that risk thanks to careful, precise planning of fund raising events and opportunities, often connected to the artistic activities of its Founder Maestro, for which a collection budget is set up and approved in advance.

For the recognition of foreign currency items, reference should be made to the above paragraph "Conversion of foreign currency items".



## Events following the balance sheet reference date

No events occurred subsequent to the balance sheet reference date that might have effects on the overall financial, equity and assets situation of the Foundation as at 31 December 2018.



## BALANCE SHEET INFORMATION

### Intangible fixed assets

Net intangible fixed assets amount to a total of 1,198 Euro, down by 1,198 Euro compared to 31 December 2017 due to the period's depreciation. There were no increases during 2018.

### INTANGIBLE FIXED ASSETS

(data in euro)

Description	Gross value as at 31.12.2017	Accumulated depreciation as at 31.12.2017	Reclassifications	Increases for the period	Decreases for the period	Depreciation for the period	Balance as at 31.12.2018
Licences	10,687	-10,687	-	-	-	-	-
Trademarks and patents	1,815	-1,815	-	-	-	-	-
Other multi-year expenses	5,990	-3,594	-	-	-	-1,198	1,198
Other	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>18,492</b>	<b>-16,096</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1,198</b>	<b>1,198</b>

The item includes the residual costs for the creation and implementation of the websites and domains belonging to the Foundation, for the development of project and core activities.

## Tangible fixed assets

Tangible fixed assets amount to a total of Euro 41.2 thousand, down by Euro 10.3 thousand compared to 31 December 2017.

The increases item by Euro 5 thousand includes the investments incurred for the replacement of IT equipment, while the depreciation item amounts to Euro 15.4 thousand.

There were no write-downs of tangible fixed assets in 2018.

## TANGIBLE FIXED ASSETS

(data in euro)

Description	Gross value as at 31.12.2017	Accumulated depreciation as at 31.12.2017	Reclassifications	Increases for the period	Decreases for the period	Depreciation for the period	Balance as at 31.12.2018
General installations	3,904	-1,952	-	-	-	-976	<b>976</b>
Machinery and equipment	3,200	-2,160	-	-	-	-480	<b>560</b>
Furniture	42,162	-11,249	-	-	-	-6,324	<b>24,589</b>
Electronic machinery	32,8787	-15,275	-	5,107	-	-7,597	<b>15,113</b>
Other	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>81,473</b>	<b>-30,636</b>	-	<b>5,107</b>	-	<b>-15,377</b>	<b>41,238</b>

## Receivables

Receivables are entered at their nominal value corresponding to the presumable collection value. The details for the item are set out below:

### RECEIVABLES

(data in euro)

Description	Within 12 months	After 12 months	After 5 years	Total as at 31.12.2018	Total as at 31.12.2017	Changes
For tax receivables	269	-	-	269	6,038	5.769
Advances to suppliers	-	-	-	-	1,744	-1.744
From others	21,653	-	-	21,653	209,966	-188.313
<b>TOTAL</b>	<b>21,922</b>	<b>-</b>	<b>-</b>	<b>21,922</b>	<b>217,748</b>	<b>-195.826</b>

Compared to the previous financial year, the item decreased by over Euro 195 thousand mainly due to the reduction of the receivable from telephone companies in relation to the Solidarity SMS campaign.

In this regard, it should be noted that the 2018 solidarity SMS campaign, active from 26 August to 11 September 2018 in conjunction with the Foundation's participation in the 2018 Celebrity Fight Night in Italy, and the television show at the Arena of Verona, raised approximately Euro 270 thousand, of which:

- 230 thousand collected in 2018 and therefore recorded among the revenues pertaining thereto;
- Euro 22 thousand collected in the first quarter of 2019 and therefore entered as certain income and credit on the 2018 financial year;
- Euro 18 thousand to be collected and therefore prudentially not allocated in the current year.



## Cash and cash equivalents

Cash and cash equivalents amounted to Euro 7.7 million, down by Euro 0.7 million on the previous year. Please note that the item mainly consists of the liquidity held on the Foundation's 4 current accounts, one more than the previous year, due to opening of the new current account in Euro intended for the reconstruction project of the De Amicis primary school and nursery school of Muccia.

The decrease in the overall volume is due to very high disbursements to projects in 2018; in particular, it should be noted that the project concerning the junior high school of Sarnano, which was concluded in the first 5 months of 2018, was almost wholly paid.

### CASH AND CASH EQUIVALENTS

(data in euro)

Description	Balance as at 31.12.2018	Balance as at 31.12.2017	Changes
Bank and postal deposits	7.700.724	8.378.406	-677.681
Balance on pre-paid credit cards	3.192	12.038	-8.846
Cash on hand and other cash equivalents	1.046	468	579
<b>TOTAL</b>	<b>7.704.963</b>	<b>8.390.911</b>	<b>-685.949</b>

Please note that as at 31 December 2018 the Foundation had 4 current accounts:

- 1) Current account in Euro: used for donations collected in Euro and to pay suppliers, employees and the tax administration. As at 31 December 2018, liquid assets in the current account amounted to Euro 6,398,368.
- 2) Current account in USD: used for donations collected in USD, for project disbursements to foreign partners (of which the Saint Luc Foundation represents over 85%) and current payments to foreign suppliers, mainly American, that the Foundation uses when organising missions in Haiti and corporate or fund raising events on American soil. As at 31 December 2018, liquid assets in the current account amounted to USD 950,417,5, that is Euro 830,059.
- 3) Current account in Euro intended for the Central Italy Earthquake Emergency, reconstruction of the Sarnano School: intended for the management of the reconstruction project of the "Giacomo Leopardi" junior high school in the municipality of Sarnano, project which was concluded in May 2018. As at 31 December 2018 cash on the current account was Euro 94,060, residual required to complete the payment of some supplies relating to the project.
- 4) Current account in Euro intended for the Central Italy Earthquake Emergency, rebuilding of the Muccia school: the current account was opened in August 2018 in order to collect donations and make disbursements pertaining to the reconstruction project of the De Amicis primary school and nursery school of Muccia. As at 31 December 2018, liquid assets in the current account amounted to Euro 378,237.



## Net assets

The Foundation's Net Assets amount to a total of Euro 7.2 million, down by Euro 1.3 million on 31 December 2017 due to a combination of the following events:

- Positive operating result for a total of Euro 143 thousand;
- Change to the free funds and retained earnings item for a total of Euro 172 thousand, mainly due to allocation of the positive result for 2017, partially offset by the use of some funds for certain minor projects;
- A decrease for a total of Euro 1.4 million in the tied capital due to the deflation of some project funds allocated mainly over 2017, with particular reference to the G. Leopardi Sarnano Junior High School project, for which a total of Euro 3 million was disbursed in 2018.

## NET ASSETS

(data in euro)

Description	Opening balance	Increases	Utilisation	Other changes	Reclassifications	Closing balance
<b>Free capital</b>	<b>3,508,075</b>	<b>217,860</b>	<b>-45,550</b>	<b>-</b>	<b>-</b>	<b>3,680,384</b>
Endowment fund	100,000	-	-	-	-	100,000
Other reserves	-	-	-	-	-	-
Retained earnings	-	217,860	-	-	827,602	1,045,462
Free funds	3,408,075	-	-45,550	-	-827,602	2,534,922
<b>Tied capital</b>	<b>4,785,851</b>	<b>6,328,946</b>	<b>-6,351,335</b>	<b>-1,340,000</b>	<b>-</b>	<b>3,423,462</b>
<b>NET ASSETS BEFORE THE OPERATING RESULT</b>	<b>8,293,926</b>	<b>6,546,805</b>	<b>-6,396,885</b>	<b>-1,340,000</b>	<b>-</b>	<b>7,103,846</b>

With regard to Tied Capital as already reported in the section concerning the accounting standards used to prepare the financial statements, it is intended for the Foundations' core activities, programmes, projects and emergencies, as per specific Board of Directors' resolutions, and consists of financial resources that:

- might have already been obtained (money in cash or bank)
- or
- might still have to be collected through fundraising activities.

Tied Capital Funds are used or changed on a formal Board of Directors' resolution: they increase following the Board's resolution for project authorisation and are offset by posting under expenses from core activities; they decrease when the money is allocated against cash or bank amounts being reduced.

## NET ASSETS

(data in euro)

Description	Opening balance	Uses for disbursements	Increases for resolutions	Other changes	Reclassifications	Closing balance
EDU project fund	130,908	-339,192	57,952	-	344,288	<b>193,955</b>
UCLA project fund	36,274	-	-	-	-	<b>36,274</b>
3.COM fund - project in support of the Haiti community	167,975	-	-	-	-80,790	<b>87,185</b>
Wheat fund	2,401,314	-1,550,914	1,851,019	-500,000	-263,498	<b>1,937,920</b>
Empowering specialisation fund	130,149	-150,058	20,000	-	-	<b>91</b>
Voices of Haiti fund	60,000	-355,482	387,932	-85,000	-	<b>7,450</b>
Water truck fund	169,830	-108,023	142,047	-60,000	-	<b>143,854</b>
Mobile clinic fund	130,287	-118,129	-	-10,000	-	<b>2,158</b>
HIV fund	143,499	-348,166	220,217	-15,000	-	<b>550</b>
Sarnano school fund	1,410,080	-3,045,698	2,390,231	-670,000	-	<b>84,614</b>
Other emergencies fund	5,533	-22,637	25,550	-	-	<b>8,446</b>
Muccia school fund	-	-313,036	1,234,000	-	-	<b>920,964</b>
<b>TOTAL TIED CAPITAL FUNDS AS AT 31.12.2018</b>	<b>4,785,851</b>	<b>-6,351,335</b>	<b>6,328,947</b>	<b>-1,340,000</b>	<b>-</b>	<b>3,423,463</b>

This shows Euro 6.3 million increases resolved by the Board of Directors and Euro 6.4 million in designated disbursements.

It should also be noted that the item "Other changes" includes the reversal of project funds, which was offset by a revenue in the income statement in the case of funds allocated prior to 2018 or a reduction in project costs for funds approved by the Board in the current year.

It was in fact considered appropriate to adjust the level of the funds in order to give a truthful and correct representation of each tied fund and at the same time evidence the savings made for each project with respect to what was initially budgeted. These lower project costs derive from a combined activity of cost savings and collection of donations in kind, which over the 2018 financial year were particularly significant as regards the project to rebuild the Giacomo Leopardi school in Sarnano.

In this regard, one should mention the donations of educational material for the classrooms, as well as all the material relating to special classrooms for music and science and gym equipment.

It should also be noted that at the beginning of February 2019, the multi-year agreement was renewed with the project partner Foundation St Luc, in order to continue with the ongoing projects for the 2019 financial year.

In particular, for 2019 the Foundation has decided to focus on projects related to education and development of communities around the school system, leaving aside non-mission and emergency-related projects.

In the 2018 financial year, the funds relating to the Wheat (running costs of the 5 schools in Haiti) and Water Truck projects were fully allocated, the annuity and collection of which partially impacted on 2018 and on the following financial year, whilst the funds relating to other projects will be subject to allocation during the 2019 financial year, the collection and implementation of which was initiated following the renewal of the multi-year agreement, that is from February 2019.

As regards the funds intended for the Italian projects, one should note the almost total depletion of the fund intended for the reconstruction project of the School of Sarnano, inaugurated in May 2018, and the establishment of the new fund for the school reconstruction project for the De Amicis primary and nursery school of Muccia, always in the area hit by the 2016 Italian earthquake.



## Payables

They are recorded at their nominal value, considered representative of their discharge value.

Please find the amount of the item below:

### PAYABLES

(data in euro)

Description	Within 12 months	After 12 months	After 5 years	Total	Balance as at 31.12.2017	Changes
Trade payables	437,522	-	-	<b>437,522</b>	69,564	367,958
Invoices to be received	27,725	-	-	<b>27,725</b>	67,992	-40,268
Tax liabilities	17,856	-	-	<b>17,856</b>	28,039	-10,184
Payables due to employ-ees	58,305	-	-	<b>58,305</b>	39,205	19,100
Payables to social secu-rity and welfare agencies	38,204	-	-	<b>38,204</b>	26,406	11,798
Other accounts pay-able	8,967	-	-	<b>8,967</b>	773	8,194
<b>TOTAL</b>	<b>588,578</b>	-	-	<b>588,578</b>	<b>231,980</b>	<b>356,598</b>

Compared to the previous year, the item has increased by Euro 0,4 thousand mainly due to the increase in trade payables and payables due to employees.

Trade payables, amounting to Euro 438 thousand, and invoices to be received, amounting to Euro 28 thousand, include over Euro 290 thousand of payables to the contractor for the project to rebuild the Muccia school and to some professionals working on this project.

Furthermore, it should be noted that the overall increase of the trade payable items, amounting to over Euro 350 thousand compared to 2017, is primarily attributable to a purely financial effect, deriving from the postponement of all payments to suppliers to the first few days of January 2019 (in the previous year most of the balances had been closed by the end of the year).



## INFORMATION ON THE DIRECTORS' REPORT

### Revenues

In the 2018 financial year, revenues were essentially in line with the 2017 financial year, recording a slight decrease, for Euro 62 thousand (-1%).

#### REVENUES

(data in euro)

Revenues	2018	2017	Changes	% Changes
<b>Other revenues from core activities</b>	<b>571,518</b>	<b>106,496</b>	<b>465,022</b>	<b>437%</b>
<b>Revenues from core activity and fundraising</b>	<b>5,374,699</b>	<b>5,893,876</b>	<b>-519,178</b>	<b>-9%</b>
Revenues from members and associates	-	43,300	-43,300	-100%
Contributions and donations	4,852,834	5,558,049	-705,215	-13%
5x1000 pre-tax donation	37,178	32,896	4,283	13%
Contributions in kind	232,055	-	232,055	100%
Other contributions	252,631	259,632	-7,001	-3%
<b>Revenues from other activities</b>	<b>161</b>	<b>8,109</b>	<b>-7,948</b>	<b>-98%</b>
<b>TOTAL</b>	<b>5,946,378</b>	<b>6,008,481</b>	<b>-62,103</b>	<b>-1%</b>

The aforementioned trend stems from a combined effect of the following events:

1) Increase in revenues from core operations for Euro 0.5 million. The reversal of project funds allocated prior to 2018 is included in this item, following recognition of the surplus of these funds. It was in fact considered appropriate to adjust the level of project funds in order to give a truthful and correct representation of each tied fund and at the same time evidence the savings made with respect to what was initially budgeted. These lower project costs are due to a combined activity of cost savings and collection of donations in kind.

2) Reduction in Revenues from Core Activity and fundraising for Euro 0.5 million.

In particular, the Contributions and donations item is reduced by a total of Euro 0.7 million, mainly due to a decrease in donations from events organised by third parties.

Consistent contributions from the 5‰ campaign and the other contributions referring to the solidarity SMS campaign promoted by the Foundation in conjunction with the Celebrity Fight Night 2018 event, which had as a main television event Maestro Bocelli's concert at the Verona Arena.

Furthermore, one should note the inclusion among the revenue items of the Contributions in kind for a total of Euro 232 thousand, mainly related to the reconstruction project of the G. Leopardi junior high school in Sarnano.

For further details regarding the type of donations in kind received in the period, see the section of the mission financial statements concerning revenues from core operations.

This is a new line of revenue that had not been illustrated in previous years as donations in kind represented a non-significant percentage with respect to the total received in cash.

This item includes donations of assets, that is donations involving assets that contribute to the performance of the core activity, in support of the projects pertaining to the year.

The transfer of ownership of the goods coincides with the delivery or shipment thereof and the valuation is determined by the normal value of the goods plus VAT, declared by the individual donor in the valuation sheet which accompanies, as per the internal procedure, the donation declaration letter.

Donations in kind for the year have been entered while recording proceeds and implicit expenses related to free purchases and services provided free of charge by third parties at the same time.



Below is a breakdown of revenues from core activities (contributions and donations) by collection channel and intended project, based on specific indications by each donor and subsequently accepted by the Board of Directors.

In this connection, please note that, as already stated in the section concerning the accounting principles

used to prepare the financial statements, revenues from charitable donations are recognised when they are definitely obtained, normally identified with the transfer of sums or the formal resolution of the Allocating Body. However, these proceeds are not accounted for until the Board of Directors has formally accepted the amounts, by an authorisation resolution.

## PROCEEDS FROM CORE ACTIVITIES BY COLLECTION CHANNEL

(data in euro)

Description	2018		2017		% Change
ABF events	405,222	8%	144,799	2%	180%
Third parties events	1,721,931	33%	3,044,646	52%	-43%
5x1000	37,178	1%	32,896	1%	13%
Solidarity SMS	252,631	5%	259,632	4%	-3%
Spontaneous donation	585,486	11%	708,355	12%	-17%
Campaigns	2,140,195	42%	1,660,249	28%	29%
Donation from founder	-	0%	43,300	1%	-100%
<b>TOTAL</b>	<b>5,142,644</b>	<b>96%</b>	<b>5,893,877</b>	<b>100%</b>	<b>-13%</b>
Donations in kind	232,055	4%	-	-	100%
<b>TOTAL</b>	<b>5,374,699</b>	<b>100%</b>	<b>5,893,877</b>	<b>100%</b>	<b>-9%</b>

## PROCEEDS FROM CORE ACTIVITIES BY INTENDED USE

(data in euro)

Destination	2018		2017	
<b>Challenges</b>	<b>1,643</b>	<b>0%</b>	<b>-</b>	<b>3%</b>
EDU project	-	0%	488,246	8%
Wheat	1,765,916	33%	1,604,179	27%
Voices of Haiti	368,790	7%	307,779	5%
Water truck	75,628	1%	195,806	3%
Mobile clinic	132,618	2%	-	0%
HIV	-	0%	222,330	4%
Post hurricane Matthew reconstruction of schools	-	0%	196,211	3%
Hurricane Matthew emergency	37,000	1%	507	0%
ABF core activities	888,965	17%	2,051,867	35%
Break the Barriers	6,132	0%	39,553	1%
Sarnano school - Central Italy earthquake	1,005,152	19%	787,400	13%
Muccia school - Central Italy earthquake	1,092,854	20%	-	-
<b>Break the Barriers</b>	<b>5,373,056</b>	<b>100%</b>	<b>5,893,877</b>	<b>100%</b>
<b>TOTAL</b>	<b>5,374,699</b>	<b>100%</b>	<b>5,893,877</b>	<b>100%</b>

## Expenses

As widely described in the section concerning the accounting principles, expenses reported in the Directors' Report are broken down into:

- Expenses from Core Operations

For each programme and project they include:

- 1) Amounts resolved by the Board of Directors in reference to projects approved in the year. The item is offset by the increase in the net tied capital funds;
- 2) The costs incurred for missions supporting projects resolved in the period and the purchase of goods, consumables and services used to implement those projects;
- 3) The implicit expenses linked to donations in kind that impact at an expense level offsetting what has been recorded as revenues in kind.

- Charges for promotions and fundraising

The section includes all costs incurred as part of communication efforts to promote Foundation activities and projects decided in the year, as well as all costs related to first contact activities and updating of all private donors, including individuals, companies and foundations.

- General support expenses

The section includes all the Foundation's general costs, incurred by General Management, personnel costs, all branch management costs, for information systems and any other connected activity.



Below are the expenses from core activities linked to projects and those for general support.

## EXPENSES FROM CORE ACTIVITIES LINKED TO PROJECTS

(data in euro)

Destination	2018	% of total core activities expenses	allocated to projects in 2018	2017	Changes
<b>Challenges programme</b>	-	0%	-	-	-
<b>Break the Barriers programme</b>	<b>4,693,166</b>	<b>94%</b>	<b>6,351,335</b>	<b>4,717,359</b>	<b>-24,193</b>
EDU project	57,952	1%	339,192	-	57,952
Wheat project	1,851,019	37%	1,550,914	1,790,413	60,606
Empowering specialisation	-	0%	150,058	130,000	-130,000
Voices of Haiti	302,932	6%	355,482	431,508	-128,577
Water truck	142,047	3%	108,023	136,940	5,107
Mobile clinic	-	0%	118,129	119,939	-119,939
HIV	205,217	4%	348,166	-	205,217
St. Augustin reconstruction	-	0%	-	30,976	-30,976
ABF persons	-	0%	-	11,234	-11,234
Hurricane Matthew emergency	-	0%	-	60,088	-60,088
Cité Soleil vocational centre	-	0%	-	46,808	-46,808
Baby house	-	0%	-	37,050	-37,050
Sarnano school	900,000	18%	3,045,698	1,894,200	-994,200
Muccia School	1,234,000	25%	313,036	-	1,234,000
Other emergencies	-	0%	22,637	28,203	-28,203
<b>Purchases intended for projects</b>	<b>232,055</b>	<b>5%</b>	<b>-</b>	<b>86,759</b>	<b>145,296</b>
<b>Services intended for projects</b>	<b>48,961</b>	<b>1%</b>	<b>-</b>	<b>41,791</b>	<b>7,170</b>
<b>TOTAL</b>	<b>4,974,182</b>	<b>100%</b>	<b>6,351,335</b>	<b>4,845,909</b>	<b>128,273</b>

The total of charges from core activities equal to Euro 5.0 million records an increase of 3% on Euro 4.8 million in the previous year (+ 128 thousand Euro).

The projects and commitments in Haiti are confirmed, however, projects on Italian soil are also simultaneously strengthened, by concluding the project pertaining to the reconstruction of the G. Leopardi junior high school in Sarnano with the inauguration in May 2018 and undertaking a new reconstruction project in the area of the earthquake for the reconstruction of the De Amicis primary and nursery school of Muccia.

Specialisation and support projects to small forms of emergency, sustained by the use of free funds acquired in previous years, are also confirmed and active.

As regards the new Muccia School project, the reconstruction of the E. De Amicis primary and nursery school in the municipality of Muccia is planned, the building was severely damaged by the earthquake of August 2016. The inauguration is scheduled for June 2019.



Expenses for promotions and fundraising amount to a total of Euro 235 thousand, more than doubled on 2017.

This increase arises from the following main activities, started and sustained during the 2018 financial year:

- 1) Strengthening of the main traditional fundraising channels;
- 2) New investment in the Italian and American online channel;
- 3) Logistic expenses relating to the charity auction organised in September 2018, as part of the third-party Celebrity Fight Night event in Italy 2018, auction which raised a total of Euro 920 thousand, of which over 850 pertaining to the 2018 financial year
- 4) Expenses for the organisation and preparation of occasional fundraising at the Teatro del Silenzio in July 2018.

## CHARGES FOR PROMOTIONS AND FUNDRAISING

(data in euro)

	2018	2017	Changes
Purchases	81,638	43,406	38,231
Services	95,859	34,557	61,303
Other general costs	57,053	9,666	47,386
<b>TOTAL</b>	<b>234,549</b>	<b>87,629</b>	<b>146,920</b>

General support expenses amounted to Euro 623 thousand, down by Euro 85 thousand (-12%) on 2017 with savings arising from the reduction of all the main expense lines. In particular, one should note a renegotiation of the main utility contracts and services in order to optimise resources as far as possible. In relation to personnel costs please note that in March 2019, following a settlement agreement between the parties, one of the human resources working in the fundraising area left.

## GENERAL SUPPORT EXPENSES

(data in euro)

	2018	2017	Changes
Purchases	13,249	8,997	4,252
Services	174,061	230,104	-56,043
Personnel	389,506	402,575	-13,069
Leases and rentals	29,280	38,713	-9,433
Depreciation and write-downs	16,575	16,879	-304
Miscellaneous operating costs	106	10,060	-9,954
<b>TOTAL</b>	<b>622,777</b>	<b>707,329</b>	<b>-84,552</b>

## OTHER INFORMATION

There is no other significant information to report during the year.



## 5.

# REPORT OF THE BOARD OF AUDITORS

### ANDREA BOCELLI FOUNDATION

Head office in Via Volterrana, 49 - 56030 Lajatico (Pi)  
Endowment Euro 100,000.00 Fully paid up

### JOINT REPORT OF THE BOARD OF STATUTORY AUDITORS

Dear Directors,

Premise

The Board of Auditors, for the financial year closed as at 31 December 2018, performed the duties required by articles 2403 et seq. of the Italian Civil Code as well as those set forth by article 2409-*bis* of the Italian Civil Code. This joint report contains:

- in section A) the *“Report of the independent auditor pursuant to art. 14 of Italian Legislative Decree 27 January 2010, no.39”*
- in section B) the *“Report pursuant to art. 2429, paragraph 2, of the Italian Civil Code.”*

#### **A) Report of the independent auditor pursuant to art. 14 of Italian Legislative Decree 27 January 2010, no. 39**

##### Auditing report on the financial statements

##### Opinion

We audited the annexed financial statements of the foundation, including the balance sheet as at 31 December 2018, income statement, cash flow statement for the financial year ended on said date and notes to the financial statements.

In our opinion, the financial statements provide a true and fair picture of the financial and equity situation of the foundation as at 31 December 2018, of the economic result and cash flows for the year ended on that date, in compliance with Italian laws regulating drafting criteria.

##### *Basis of the opinion*

We performed the audit in accordance with ISA Italia International Auditing Standards. Our responsibility under these standards is further described in the section *Responsibility of the auditor for auditing the financial statements* of this report. We are independent of the foundation in compliance with the applicable rules and principles on ethics and independence in the Italian legal system for auditing the financial statements.

We believe we have acquired sufficient and appropriate evidence on which to base our opinion

##### Responsibilities of the directors and the Board of Statutory Auditors for the financial statements

The directors are responsible for the preparation of the financial statements that provide a truthful and fair representation in accordance with the Italian regulations governing the drafting criteria and, within the terms established by law, for that part of the internal control deemed necessary for drafting financial statements that do not contain material misstatements due to frauds or unintentional behaviour or events.

The directors are responsible for assessing the foundation's ability to continue operating as a going concern and, in drafting the financial statements, for the appropriateness of the use of the going concern assumption, as well as for adequate disclosure.



The directors use the going concern assumption in the preparation of the financial statements unless they have ascertained that the conditions for the liquidation of the foundation or for discontinuing the operations exist or they have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for supervising, within the terms established by the law, the process of preparing the foundation's financial information.

*Auditor's responsibility for auditing the financial statements.*

Our objectives are the acquisition of a reasonable assurance that the financial statements as a whole do not contain material misstatements, due to fraud or unintentional behaviour or events, and the issue of an audit report that includes our opinion. Reasonable assurance is understood as a high level of certainty which, however, does not guarantee that an audit carried out in accordance with ISA Italia International Auditing Standards will always identify a material misstatement, if any. Misstatements may arise from fraud or unintentional behaviour or events and are considered significant if it can reasonably be expected that they, individually or as a whole, are able to influence the economic decisions made by users on the basis of the financial statements.

As part of the audit conducted in accordance with ISA Italia International Auditing Standards, we have exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

we have identified and assessed the risks of material misstatement in the financial statements due to fraud or unintentional behaviour or events; we have defined and performed audit procedures in response to these risks; we have acquired sufficient and appropriate audit evidence on which to base our opinion. The risk of not identifying a material misstatement due to fraud is higher than the risk of not identifying a material misstatement deriving from unintentional behaviour or events, since fraud can imply the existence of collusion, forging, intentional omission, misleading representations or overriding the internal control; we have acquired a significant understanding of the internal control for auditing purposes in order to define appropriate audit procedures in the circumstances and not to express an opinion on the effectiveness of the foundation's internal control;

we have ascertained the appropriateness of the accounting principles used and the reasonableness of the accounting estimates made by the directors, including the related disclosure;

we have come to a conclusion on the appropriateness of the use by the directors of the going concern assumption and, based on the acquired evidence, on any significant uncertainty regarding events or circumstances that may give rise to significant doubts about the foundation's ability to continue operating as a going entity. In the presence of significant uncertainty, we are obliged to draw attention in the audit report on the related disclosures in the financial statements, that is, should such disclosure be inadequate, to reflect this fact in the formulation of our opinion. Our conclusions are based on the evidence obtained up to the date of this report.

However, subsequent events or circumstances may result in the foundation ceasing to operate as a going concern;

- we assessed the presentation, structure and content of the financial statements as a whole, including the disclosure, and whether the financial statements represent the underlying transactions and events in order to provide an essential and correct representation;
- we notified the managers of governance activities, identified at an appropriate level as required by ISA Italia standards, among other aspects, on the scope and schedule of the audit and the significant findings, including any significant deficiencies in the internal control identified during the course of the audit.

#### Report on other legal provisions and regulations

The directors of the Foundation are responsible for preparing the Foundation's report on operations as at 31 /12/2018, including its consistency with the related annual financial statements and its compliance with the law.

We have carried out the procedures indicated in audit principle SA Italia no. 720B in order to express an opinion on the consistency of the report on operations with the financial statements of the Foundation as at 31/12/2018 and on its compliance with the law, as well as to issue a declaration on any material misstatements.

In our opinion, the report on operations is consistent with the Foundation's financial statements as at 31/12/2018 and with the Report, which was prepared in compliance with the law.

With reference to the declaration pursuant to art. 14, paragraph 2, letter e) of Italian Legislative Decree 27 January 2010 no. 39, issued on the basis of the knowledge and understanding of the undertaking and the relevant context, acquired during the audit, we have nothing to report.

### **B) Report on supervisory activity pursuant to art. 2429, paragraph 2, of the Italian Civil Code.**

During the financial year ended 31 December 2018, our activity was inspired by the provisions of the law and the Rules of Conduct of the Board of Statutory Auditors issued by the National Council of Certified Chartered Accountants, in compliance of which we have carried out successful self-assessment for each member of the Board of Auditors.

#### B1) Supervisory activity pursuant to art. 2403 et seq. of the Italian Civil Code.

We monitored compliance with the law and the articles of association, as well as the principles of good management.

We took part in the meetings of the Board of Directors, related to which, based on available information, we observed no breaches to the law and the articles of association, nor operations that are manifestly risky, hazardous, in potential conflict of interest or that might undermine the integrity of corporate equity.

During meetings, we acquired from the General Manager and from the Finance Manager information on general operations and outlook, as well as on the most significant transactions, by size or characteristics, effected by the foundation and its subsidiaries, and based on information acquired, we have no specific observations to report.

We have acquired knowledge and supervised, within the scope of our responsibilities, the adequacy and operation of the foundation's organisation structure, also by collecting information from department managers, and have no particular comments to make on the matter.

We have acquired knowledge and supervised, within the scope of our responsibilities, the adequacy and operation of the administrative-accounting system, and on the latter's reliability to present management facts correctly, by obtaining information from the department heads and examining company documents, and have no specific comments to make in this connection.

During the year, the board of auditors did not issue any opinions set forth by law. During the supervisory activity described above, no other significant facts were noted that require to be mentioned in this report.

#### B2) Observations on the Financial Statements for the year

To the best of our knowledge, the directors, in preparing the financial statements, did not significantly depart from the rules of law pursuant to article 2423, paragraph 5, of the Italian Civil Code.

Pursuant to art. 2426, no. 5 of the Italian Civil Code, we have consented to recording the significant items under Balance Sheet assets.

The outcome of the statutory audit of the financial statements performed by us are contained in section A) of this report.

#### B3) Remarks and proposals regarding approval of the Financial Statements

Considering the outcome of the activity we carried out, the Board asks the shareholders' meeting to approve the financial statements for the year ended 31 December 2018, as prepared by the Board of Directors.

The board of statutory auditors agrees with the proposal to allocate the operating result by the Directors in the documentation attached to the Financial Statements.

The Board of Statutory Auditors

Franco Martinelli	(Chairman)
Fabio Gambini	(Statutory Auditor)
Stefano Monti	(Statutory Auditor)



## 6.

# INDIPENDENT AUDIT FIRM REPORT



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

### Independent auditors' report

*To the board of directors of  
Andrea Bocelli Foundation*

#### Opinion

We have audited the financial statements of Andrea Bocelli Foundation (the "Foundation"), which comprise the balance sheet as at 31 December 2018, the management report and cash flow statement for the year then ended and notes thereto.

In our opinion, the financial statements give of Andrea Bocelli Foundation as at and for the year ended 31 December 2018 have been prepared, in all material respects, in accordance with the basis of preparation set out in the notes.

#### Basis for opinion

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

#### Emphasis of matter

We draw attention to the basis of preparation of the Foundation's financial statements as at and for the year ended 31 December 2018 described by the directors in the notes. We did not qualify our opinion in this respect.

#### Other matters

This report is not issued pursuant to any legal requirements as the Foundation was not required to subject its 2018 financial statements to a statutory audit pursuant to Legislative decree no. 39/10 and other auditors carried out the audit required by the Foundation's by-laws. 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 or those required by Standard on Auditing (SA Italia) 720B to express an opinion pursuant to article 14.2.e) of Legislative decree no. 39/10.

### ***Responsibilities of the directors of Andrea Bocelli Foundation for the financial statements***

The directors are responsible for the preparation of the financial statements in accordance with the basis of preparation described in the notes and 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.

The directors are 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 directors believe that the conditions for liquidating the Foundation or ceasing operations exist, or have 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 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, 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 directors;
- conclude on the appropriateness of the directors' 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



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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.

We communicate with those charged with governance 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.

Florence, 12 April 2019

KPMG S.p.A.

(signed on the original)

Matteo Balestracci  
Director of Audit







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