

2014 Report



2014

Financial Statements

**Approved by the Board of Directors in the
meeting dated 28.Apr.2015**

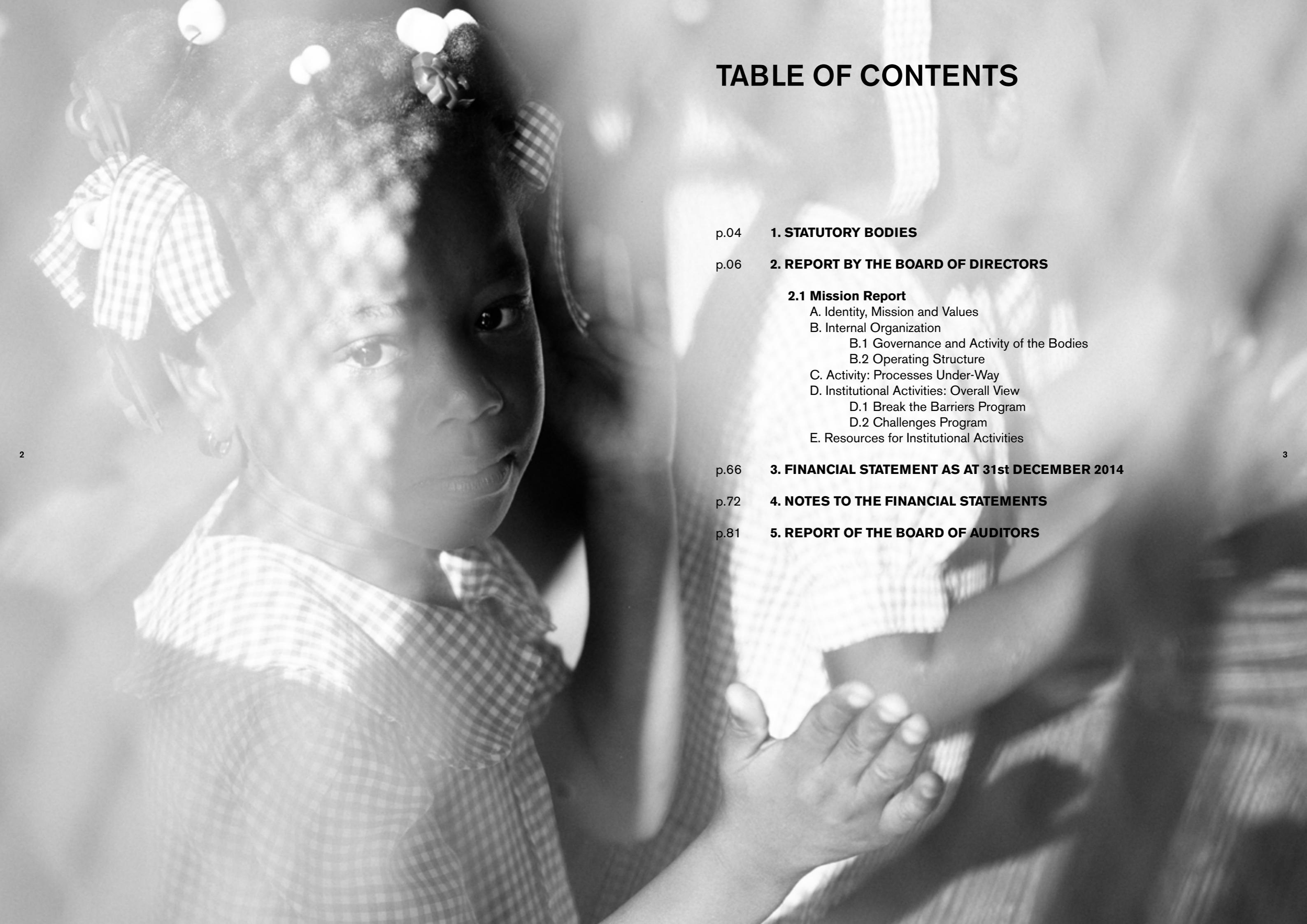


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1. STATUTORY BODIES

BOARD OF DIRECTORS	
President	Laura Biancalani
Deputy President	Veronica Berti
Counsellor	Alberto Bocelli



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BOARD OF AUDITORS	
Chairman	Franco Martinelli
	Fabio Gambini Stefano Monti

ADVISORY BOARD	
Mohammed Abdul Latif Jameel	
Antonio Danieli	
Laura Giarrè	
Eliana La Ferrara	
Muhammad Yunus	

Structure of the financial statements for the 2014 financial period

The financial statements consist of the Balance Sheet, Income Statement and Explanatory Notes. It is also accompanied by the directors' report which is divided into two sections:

A) MISSION REPORT

B) ECONOMIC AND FINANCIAL REPORT



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2. REPORT OF THE BOARD OF DIRECTORS

Prepared by the Board of Directors on 28.04.2015

The Board of Directors for the Andrea Bocelli Foundation is pleased to present the report of its activities and the financial statements for 2014. The financial statements were prepared in accordance with the provisions of the Italian Civil Code for companies taking into account the features which

Non-Profit Organizations 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 features which

distinguish the foundation as well as the principle of transparency, which requires the Foundation to inform you about the procedures for which resources were acquired and used in the individual management areas in the year of reference.

Letter from the Founder

Dear friends,

Here I am, once again, wrapping up an exceptional year spent together. In 2014 I ran the usual, and by now customary, marathon along the heavens and theatres of this, our shared, wonderful earthly home. Numerous meetings, numerous stages and numerous intense moments ... However, what makes me even prouder, what leaves me even more excited, impressed and passionate, is the ABF, and that which the formidable team together with you - of the foundation, the motor, the heart: extraordinary volunteers and supporters - have been able to build.

Before making any other considerations, I would like to express my deep and affectionate gratitude to all the wonderful people who have chosen to be part of that living workshop in which the Andrea Bocelli Foundation is personified and finds its main positive and driving force.

Again, in 2014, the crucial words of our mission and the ethical baggage which sustains us have been transmuted forcefully into concrete actions: from an open and generous concept towards our neighbours, that can and must embrace the whole world, to that of dignity. Dignity is a fundamental thing that can be seen in the smallest of gestures: from a hot shower for the homeless in Rome, to water-trucks which the ABF brings to the slums of Haiti.

Dear friends, it happens rarely that we look back and enumerate the results, because the mind, heart and arms of ABF are entirely focused on the present and the future: tirelessly projected towards the evolution of the projects and solving problems, which inevitably punctuate every utopia that becomes reality.

Furthermore, I believe it is worth, at least once a year, to stop for a moment ... I believe that this is the appropriate forum to draw conclusions not only monetary ones, and to remember the salient points of the past ABF year: twelve months of passion, illuminated by the smiles of those who have received and those that, through their giving, in their own way, have received even more. For this purpose, the text, numbers and insights follow this brief but affectionate greeting.

By thanking you again, I would like to remind you all that if we join forces, no dream is impossible, I take my leave by briefly recalling two words that have been

placed at the centre of this year's World Economic Forum debate in Davos: "trust" and "opportunity." I was particularly impressed and excited, because they are the cornerstones on which I have been able to build my life, because they are semantically crucial for each of us, in the balance of the family, of affections, of interpersonal relationships. Fundamental words, therefore, also for people and nations, which are not faceless, emotionless, abstract entities but are made up of a multiplicity of individuals, of individuals, wonderful potential.

When it comes to these two words: "Trust and opportunity," I think of my parents, their courage in teaching me from the onset to be brave. I remember the stubborn expression of their great love, through a childhood full of stimuli and values, I think of them and those who were close to me, giving me an unbreakable trust - far from obvious - in my talents. Trust that has fertilized the land of opportunity, welcoming them and making them germinate.

Without this food for the soul, without trust, I would never have had the opportunity to have achieved the dream which I am fortunate to have turned into reality: to be able to live with and for music and thus woo its beauty every day.

I therefore tried in practice, to give what I had received to my neighbour, giving in turn my "trust and opportunity": two words that sum up the values of ABF, expressing its DNA. "Trust" that is expressed in the mission of empowerment pursued by the communities of Haiti but also in our country, and "opportunity", through scientific research, at the highest level, in the willingness to allow anyone who experiences economic or social difficulties to express themselves.

I conclude by thanking each and every one of you: for the trust you have expressed in me and in this extraordinary work called ABF, for the great opportunities for growth that, thanks to your support, you have donated to the Foundation.

Andrea



Letter from the President

Dear friends,

What we leave behind is a year full of meaning and results for us. If 2013 was the year when the potential of ABF was truly understood, 2014 was the year in which we looked firmly to the future working on team and actions.

Increasingly we realized the importance of having people and institutions that looked in the same direction, that were close to us on this journey, who, while sharing our spirit and values, would join us in this great adventure. A team can be defined as such only when dialogue and action follow the same direction, when the other people's effort becomes my own, when success is shared.

When I think of this, I also think about our project partners Fondation St. Luc in Haiti, MIT in Boston, the Apostolic Charities and UNHCR. With each of them in dialogue and teamwork we have found the same tenacity, will and transparency which in ABF we try to pass on and implement every day.

As a result of this teamwork we have been able to implement even more coordinated actions, especially in

Haiti, where, precisely in 2014, we tried to build long-term project conditions that we hope will contribute to a more significant impact on the people there.

Therefore, let me share some of the concrete results of our work: the conversion of 3 street schools into safe and functional school facilities (Haiti), 1,183 children welcomed daily with free education and meals in the 3 schools of St. Augustin, Notre Dame du Rosaire and St. Philomene (Haiti), 18 billion liters of water distributed in the slum of Cite Soleil (Haiti), 316 families assisted with basic necessities in refugee camps (Iraq), 80 homeless people every day make use of showers (Rome), the researchers towards the creation of a prototype device for autonomy for the blind.

Moreover, through dialogue we have found the key to fully understand and provide concrete answers to the need, the real one, the everyday one, the one that saves a life as well as offering the possibility of being able to pronounce the word future.

However, the dialogue is also a comparison which leads to personal growth as well as that of the

community and it is from here that we started to think about the development activities (3.COM Project, water, electricity, internet service, agricultural development) that, since the beginning of 2015 we have implemented, in particular, in the three communities of Abricot, Croix des Bouquets and Kenscoff and which now represent the home of ABF in Haiti.

Thus I extend my thanks to all ABF people, our Founder, his family, all the volunteers, those who have come to see us even to just say hello, thanks for believing in this great project, thanks for your support, thanks for every contribution that you have so generously offered.

I would like to leave you by remembering the words of Mother Teresa, "We know only too well that what we are doing is nothing more than a drop in the ocean. But if the drop were not there, the ocean would be missing something."

Laura



2.1. Mission report

A. IDENTITY, MISSION, VALUES

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

The Foundation was granted legal status by the Prefecture of Pisa, Italy, on 12/Oct/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 enhance the value of relationships, the exchange of emotions, that bond of trust that Andrea has created over time; it was born from the desire to create a strong relationship with people, a circle of individuals that can join their strengths and resources so that other people, who find themselves in difficulty, can assert themselves beyond all limits, socially, culturally or personally. Over the years and confronting with many national and international realities, 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, even if small, are innovative, effective and long lasting.



Vision

"It is by faith in love and justice that we are called to build a better world than we found, called to give back to the world the good that we had, so that even the less fortunate or weaker can be given the opportunity of a lifetime 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 moved to the creation of the Foundation; making a living laboratory, a support column made up of many small players connected by a passion for music which, from every part of the globe, join together against extreme poverty in developing countries and in accepting major challenges in the social scenario and scientific research. This statement represents the Founder's vision, which forms the basis for the development of its mission and is backed by some of the values identified by the Founder himself and by the Board of Directors as essential.

Values

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

Care or taking care of people that are around us, noticing their discomfort or their unexpressed strength.

Concreteness, working to provide real, tangible, measurable solutions to the problems we are faced with.

Competence, a fundamental element so that action can be carried out with responsibility and professionalism

and is therefore useful and effective.

Cooperation it means to establish positive relationships between donors, the Foundation and beneficiaries, bring together needs and wants through humanitarian collaborative activities, so that anyone, big or small, can participate and contribute with human, material and economic resources

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



Mission

Our mission is to empower people and communities in situations of poverty, illiteracy, distress due to illness and social exclusion by promoting and supporting national and international projects that promote the overcoming of these barriers and the expression of their full potential.

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

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

- Break the Barriers - FIGHTING POVERTY operates to support and promote projects that help the weaker classes of the population in Italy and in Developing Countries in which conditions of poverty, illnesses, malnutrition and complex social situations nullify or reduce their expectations of life.

The Foundation aims at promoting intervention in favour of health, education and social integration and wants to do so by measuring, as far as possible, the effects of its intervention with the objective of constant improvement.

- Challenges operates in the field of scientific and technological research and social innovation and aims at welcoming important challenges in terms of investments to be made as well as results to be achieved, in a desire to allow all of those with economic or social difficulties to succeed in expressing themselves.

This program wants to bring together the best minds to find innovative solutions to help people cope with and overcome limitations imposed by their disability/discomfort and contribute to improving the living conditions of many people.

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The Foundation, as a private legal person orientated towards the pursuit of social utility purposes, plays a complex role, whose peculiarity is to give support to the planning capacity of Private Bodies or national and international public institutions, and to act as a catalyst of the existing actors and resources through the trust which is granted to the Founder by many individuals and institutions.

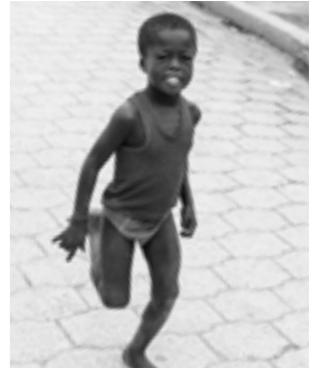
The Foundation's activities can be summarized as the following:



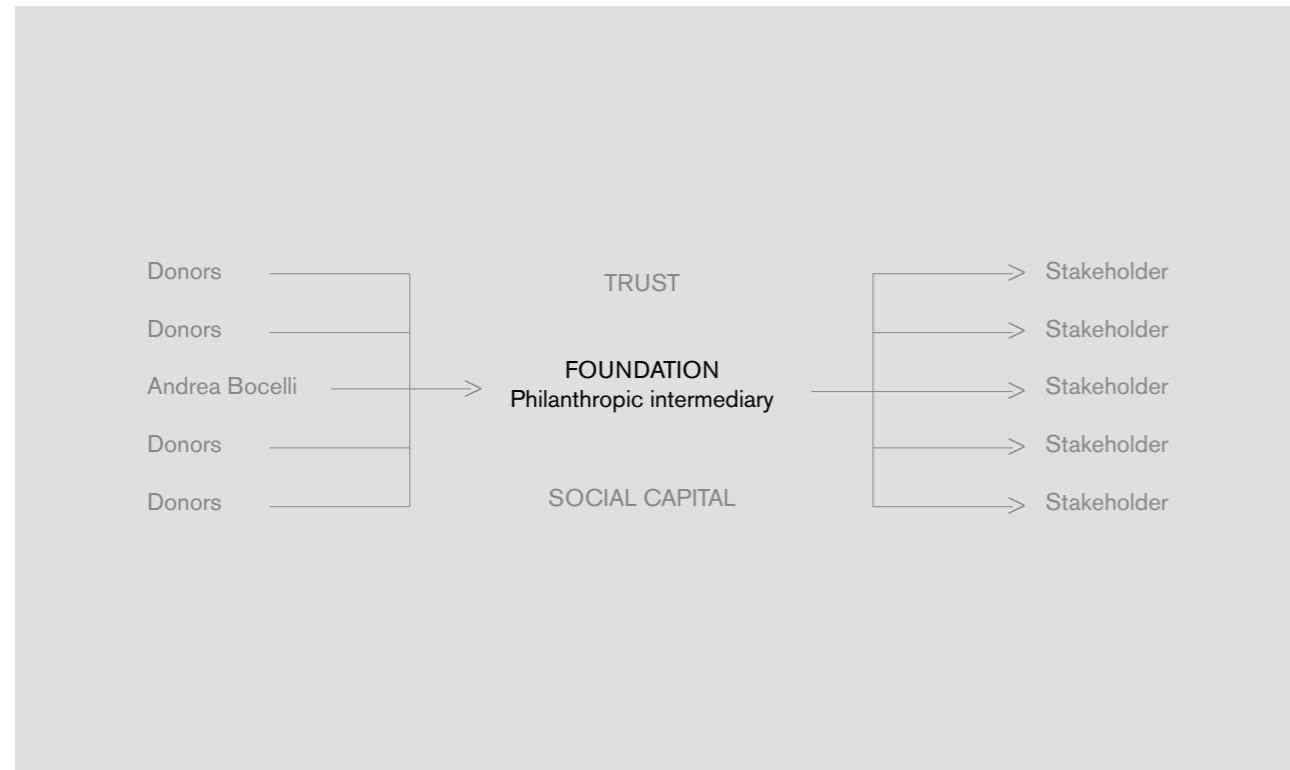
In addition to internal stakeholders (operational structure being established and statutory bodies), the Foundation identifies in Third Sector organizations and national and international institutions its stakeholders with whom it constantly communicates

and confronts as to the choice of the projects to finance as well as monitoring and evaluating initiatives, never forgetting, however, the importance of the network of partners with whom the Foundation is already establishing relations and initiatives, especially in the

start-up phase. While setting up the Foundation and identifying its activities, we have prepared a composite and complex map of stakeholders, consisting of crucial players for the achievement of the mission objectives.



Map of stakeholders



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B. INTERNAL ORGANISATION

B1. Governance and Activities of the Bodies

According to their 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 Auditors.

The Board of Directors is made up of 3 to 5 members, one of whom serves as President, and holds office for three financial years. The first Board of Directors and its President were appointed at the time of incorporation directly by the Founder. Hence, with approval of these financial statements the appointed bodies will reach expiry.

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 programs prepared annually;
- Approve the budget and final account;
- Approve, where appropriate, the regulation relative to the organization and functioning of the Foundation;
- Establish the membership criteria;
- Have the power to deliberate on more categories of Members also in relation to the Foundation projects, as well as the extent and duration of participation;
- Approve, where appropriate, the Regulation for the breakdown of participants by category of activity and participation;
- Appoint the Foundation's President through internal selection on the Founder's proposal;
- Appoint the Deputy President through internal selection;
- Appoint Advisory Board members;
- Appoint, as appropriate, the Director General, from a selection of people with specific skills and expertise;
- Appoint the members of the Board of Auditor;
- Approve any statutory changes;
- Approve the sale and purchase of any real estate, the acceptance of donations, either charitable or related to inheritance;
- Vote on the proposal to the competent Authority for the dissolution of the Foundation and the transfer of the assets. In the latter case, the quorum for deliberation will in any case require a qualified majority voting;
- Delegate the executive functions of its decisions to the President or its members, for the purpose of better management effectiveness;
- Any other useful activity for the proper functioning and management of the Foundation.

The Advisory Board pursuant to art.17 of the Articles of Association, is the Foundation's advisory and guarantee body and is composed 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:

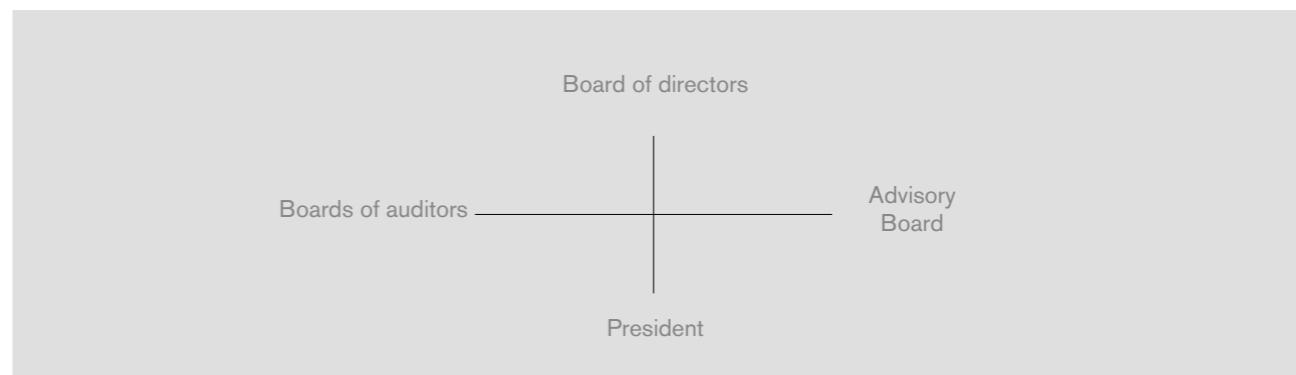
- Studying, developing and assisting the Foundation's strategies and programs;
- Work together to define the Foundation's guidelines and possible areas of development;
- To support, in an advisory capacity, the Board of Directors in the Foundation's ordinary and extraordinary management;
- Prepare a periodic report on the Foundation's activity, to be submitted to all the Foundation's stakeholders.

It is currently composed of 5 members linked to the Foundation's two programs.

Prof. Yunus, Mr. Jameel Latif and Prof. La Ferrara, are connected to the program concerning the fight against Poverty.

- In 2006 Prof. Yunus was awarded the Nobel Peace Prize for the development of micro-credit with 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;
- Mohammed Abdul Latif Jameel, besides being a successful entrepreneur, supports many important philanthropic initiatives around the world. In particular, he is an MIT (Massachusetts Institute of Technology) Board of Directors member and founder of JPAL (Jameel Poverty Action Lab), a world famous institution for the impact assessment of social politics of governments and international cooperation projects and with whose collaboration in 2013 we created the workshop in Boston;
- Prof. Eliana La Ferrara is a Professor in Development Economics at Bocconi University. Furthermore, she collaborates with other foreign Universities such as MIT and World Bank.
- The Challenges Program, on the other hand, is covered by Prof. Laura Giarrè who is a Control System Professor at the University of Palermo. Prof. Giarrè is the scientific director of ABF's Fifth Sense Project.
- Finally, the last member of the Advisory Board is Mr. Antonio Danieli, an engineer who is currently the Golinelli Marino Foundation Director, and former director of the Nomisma Foundation. A management engineer, he supports the Foundation's organizational development.

The Board of Auditors, pursuant to art.18 of the Articles of Association, is the controlling body of the Foundation's management and organization, participating, without voting rights, in all the meetings of the bodies. It is chaired by the Chairman of the Board of Auditors. It consists of 3 members chosen from among chartered accountants enrolled in the register of Auditors.



In 2014, the events of the corporate bodies can be summarized as the following:

Board of directors meetings dates

- 01/Apr/2014
- 28/Apr/2014
- 05/Jul/2014
- 26/Jul/2014
- 02/Aug/2014
- 24/Oct/2014
- 11/Nov/2014
- 04/Dec/2014

During 2014, the Foundation's bodies were renewed in accordance with the procedure laid down by the Articles of Association. Subject to appointment and approval of individual members by the founder, all the body

members were confirmed for their first term.

The members of the Advisory Board were involved in individual areas of interest to study and determine operational guidelines.

A priority for 2015 will be organizing the bodies' activities in the best possible way as they represent the Foundation's strategic driving force and determine its development.

The Board of Directors,

in fact, will meet at least 4 times a year to decide

on: Financial Statements; review and verification of the mission report, and the achievement of pre-set objectives, fundraising and investments, activity

programming. An expansion of the Advisory Body will be prepared possibly changing the Articles of Association and, jointly with the formation of a Scientific Committee of Honour composed of distinguished members, the 3 work groups (as yet not formalised) will be set up to provide operational support to the decisions of the Board of Directors in 3 areas:

- Institutional Activity: selection, monitoring, project evaluation;
- Fundraising and Development activities;
- Support in the field of investment, finance and taxation.







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B.2 Operational structure

The operational powers were entrusted to the Board of Directors with resolution dated 25/Jul/2011 to the President, with the operational support of the Counsellor, Alberto Bocelli.

The Advisory Board's appointed members provided major support in the identification of the development strategy as well as the individual activities and projects to endorse.

Professionals and companies worked on a voluntary basis and offered their pro bono work both for the establishment of the Foundation's organization and its institutional activity.

In July 2014, the Foundation transformed the contract with the employee hired in 2012 into an open-ended employment contract, in addition creating a trainee project with a young person in the area. The rest of the operations were supported by a well versed group of voluntary staff.

A secretariat and external relations office open to the public every working day was established. With reference to communication, material has been produced by an external agency and press office work has also been outsourced.

In addition to this, the accounts are maintained by an external office that also provides for the drafting of the financial statements, in compliance with tax obligations, consulting on tax matters.

The support of a law and notary firm were also required for the charity auction carried out in September 2014.

Projects are followed by the President and body members, with the support of the secretariat and a group of volunteers.

The objective for 2014 as mentioned in the 2014 Programming Document, was to adapt the operational

structure to the activity and the position reached by the Foundation.

The acquisition of professional skills in the administration and fundraising sectors are necessary for the creation of a team able to lend support in order to develop a fundraising plan and a multi-year plan of activities and fundraising.

In this context, specific selections were held in 2014 both directly by the Foundation as well as by specialist agencies responsible for this purpose.

Actions were undertaken to retain volunteers, so that they as well may give continuity and support to the Foundation.

The first traineeship has been included in the Foundation alongside employees for the development of a dedicated Information System.

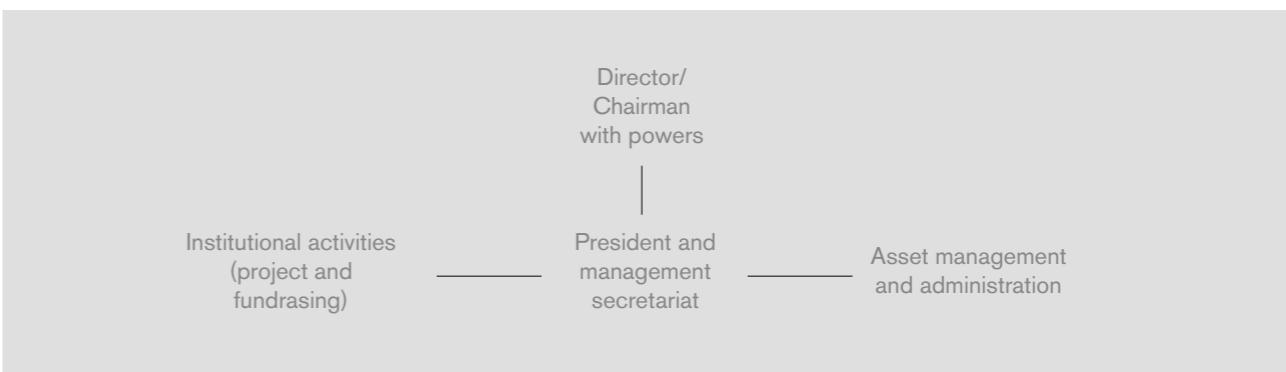
New training workshops in collaboration with universities in order to give opportunities to young people from the Area where the Foundation is located will be evaluated for the future.

An information system will be purchased for the management of donations as well as the management of projects and contacts with stakeholders.

A crucial goal to be pursued has been, and will be again, in 2015 the creation of a team made up of employees, collaborators, external suppliers, volunteers having as a common denominator the target of working together: trust, transparency and teamwork.

Below, the hypothetical organizational structure for the functions to be realized for 2015.

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C. ACTIVITY: PROCESSES UNDER-WAY

The Andrea Bocelli Foundation has so far operated and will operate according to three methods:

1. Support for projects submitted by or designed with national and international institutions or bodies, an activity which represents the Foundation's core;
2. Philanthropic activity in various capacities, in line with the Founder's vision and values;
3. Institutional relationships, opportunities for analysis and actions in partnership initiatives in line with the Foundation's vision and mission.

Parties eligible for financing

The resources provided by the Foundation, apart from those used for actions of internal origin referred to in points 2 and 3, may only relate to, as required by the Articles, Non-Profit Organizations and national and international institutions, as the Foundation is not allowed to provide resources directly to individuals.

The work process: support for projects

Already in 2011, even before the establishment of the Foundation and together with those who were then appointed as members of the Advisory board, research and analysis had been performed on projects included in the Foundation's programs and in the Founder's intentions.

The projects were selected and one of these, that was

considered to be very important, was chosen as the first project to be undertaken which also continued during the whole of 2015: The Fifth Sense Project.

In the search for an organizational model that takes into account the impact and motivations of ABF members, we tried to strengthen partnerships in 2014, in particular with Fondation Saint Luc in Haiti, MIT in Boston, UNHCR and Apostolic Charities.

The will expressed by the bodies is to work in partnership with trusted individuals who hold the same vision and goals as the Foundation. This will, at least in the mid-term, allow for knowledge of the needs and therefore a focus and results that may otherwise not be possible

Following the Strategic Plan and the setting of objectives and the annual budget, the responsibility of which is divided jointly between the Board of Directors and the Advisory Board, the receipt, investigation and evaluation of the projects took place throughout the year. The Board of Directors has decided on a quarterly basis which projects to support in line with the Foundation's mission. An important aspect of the workflow, which will be increasingly implemented, will be the measurement and assessment of the projects effects as against the objectives that are proposed

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STRATEGIC LEVEL	OPERATIONS	2013												2014												RESPONSIBILITY	
		OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC											
Strategic plan	Objectives/Budget	▲																								Board of Directors + Advisory Board	
Project selection	Grants applications	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	Operational structure Advisory Board	
	Investigation evaluation	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■		
	Board of Director periodic report	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■		
Project decision	Deliberations	▲		▲				▲		▲			▲		▲		▲		▲		▲		▲		▲		Board of Directors
Project monitoring	Financial statement evaluation	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	Operational structure Advisory Board	



D. INSTITUTIONAL ACTIVITIES: OVERALL VIEW

In 2014, the Foundation's work was completed through three levels of operation:

- Support for projects from national and international organizations and Non-Profit Organizations, which represents the Foundation's core activity;
- Various philanthropic activities consistent with the Founder's philosophy;
- Institutional relationships, in-depth analysis and partnership actions in initiatives with an Institutional profile.

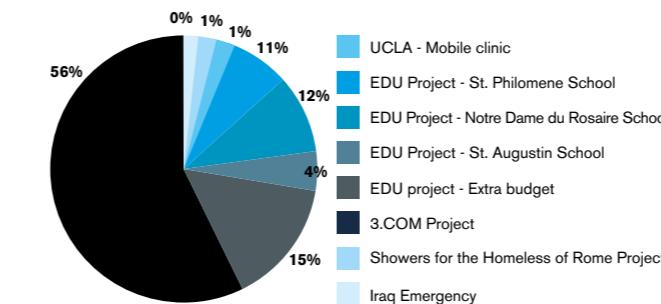
These actions were carried out within the two programs identified by the Board of Directors in accordance with the vision, mission and values of the Foundation's sole founder:

The Break the Barriers Program aims to support and promote projects, assisting, in particular, the populations of developing countries, and in any case, those situations of poverty, illness, and complex social problems that invalidate or reduce the quality of life. The Foundation wants to support actions to promote health, education and social integration, and wants to do this directly measuring, where possible, the impact of its actions in order to continuously improve it.

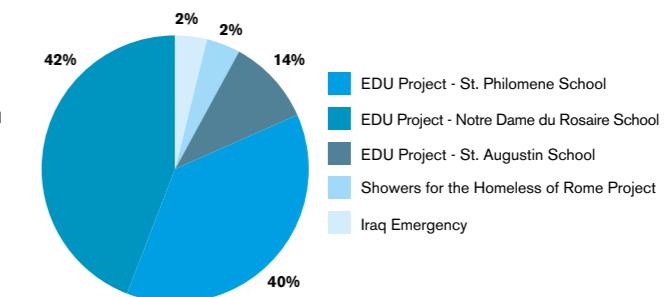
The projects supported in 2014 are shown below:



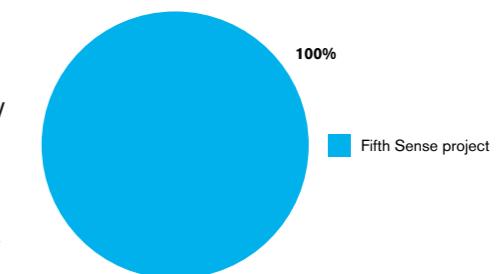
**Amount approved
Break The Barriers program**



**Amount allocated
Break The Barriers program**



**Amount allocated
Programma Challenges**



The Challenges Program 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 supports therefore scientific research projects, innovative and original technological or social actions that allow people experiencing illness or social/economic difficulty to overcome or at least improve their conditions.

The projects supported in 2014 are shown in the table below.

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PARTNER	PROJECT	AMOUNT APPROVED in euro	AMOUNT ALLOCATED in euro	DATE RESOLVED
UCLA	Mobile Clinic	€ 36.273,94		28/Oct/2013
Fondation Saint Luc. Haiti	EDU Project - St. Philomene School	€ 296.656,27	€ 296.656,27	01/Apr/2014
Fondation Saint Luc. Haiti	EDU Project - Notre Dame du Rosaire School	€ 311.438,19	€ 311.438,19	01/Apr/2014
Fondation Saint Luc. Haiti	EDU Project - St. Augustin School	€ 102.023,04	€ 102.023,04	01/Apr/2014
Fondation Saint Luc. Haiti	Extra budget - EDU Project	€ 410.957,09		31/Dec/2014
Fondation Saint Luc. Haiti	3.COM	€ 1.506.493,76		31/Dec/2014
Apostolic Charity	Showers for the Homeless of Rome Project	€ 15.000,00	€ 15.000,00	05/Jul/2014
UNHCR	Iraq Emergency	€ 15.000,00	€ 15.000,00	05/Jul/2014
TOTAL		€ 2.693.842,29	€ 740.117,50	

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

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PARTNER	PROJECT	AMOUNT APPROVED in euro	AMOUNT ALLOCATED in euro	DATE RESOLVED
MIT	Fifth Sense Project		€ 90.684,86	28/Oct/2013
TOTAL			€ 90.684,86	

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

Total disbursements as of 31/Dec/2014 divided into action programs are as follows.

PROGRAM	AMOUNT APPROVED in euro	AMOUNT ALLOCATED in euro
Challenges Program		€ 90.684,86
Break The Barriers Program	€ 2.693.842,29	€ 740.117,50
TOTAL	€ 2.693.842,29	€ 830.802,36

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



D1. BREAK THE BARRIERS Program



The “**BREAK THE BARRIERS Program - Fight against poverty**” aims to support and promote projects assisting weaker groups in the Italian and developing country population, where situations of poverty, illness, and malnutrition and complex social problems invalidate or reduce the quality of life.

The Foundation wants to promote actions to support health, education and social integration, and wants to do this directly by measuring, where possible, the impact of its actions in order to continuously improve them.

ABF in this program for the year in progress worked predominately in Haiti.



PROJECT:

EDU project/ Saint Philomene School

PARTNER: Fondation Saint Luc - Haiti

LOCATION: Kenscoff - Haiti

PROJECT: The Andrea Bocelli Foundation, through the EDU Project, supports the transformation of the St. Philomene School (a street school with 240 students) in Kenscoff in a secure and functional facility.

DIRECT AND
INDIRECT
BENEFICIARIES: Number of Inhabitants in the Community: 54.809
Number of Children involved: 240
Number of Employees: 17
Number of Teachers: 9
Number of Indirect Beneficiaries: 2.160

OBJECTIVES: Transform the St. Philomene street school into a real functional and secure facility, with updated learning programs, training programs for teachers, appropriate teaching material, library, computer lab, cafeteria, all raising the level of education to that of national and international standards.

CONTEXT: The St. Philomene Kenscoff school is located in the mountain area approximately 2 hours drive from Port-au-Prince. Here as well, the meagre economic activities, such as agriculture above all, are practized at the household level and intended for mere sustenance. The school structure in which the activity is pursued until June 2014 is a real street school without a foundation and built (thanks to the WHEAT 2013 project) with poor materials such as wood and sheet metal. Classes are organized by age and curriculum. All educational programs are coordinated by a Saint Luc central school committee. Each school has its own director who organizes the curriculum in consultation with teachers and requests their compliance therewith.

ABF ACTIONS: Through the EDU project, the Foundation built a three storey facility able to host up to approximately 400 children.



PROJECT:

EDU project/ Notre Dame du Rosaire School

PARTNER: Fondation Saint Luc - Haiti

LOCATION: Croix-des-Bouquets - Haiti

PROJECT: The Andrea Bocelli Foundation through the EDU Project supports the transformation of the street school Notre Dame School (320 students) in Croix-des-Bouquets in a secure and functional facility.

DIRECT AND
INDIRECT
BENEFICIARIES: Number of Inhabitants in the Community: 238.222
Number of Children Involved: 320
Number of Employees: 17
Number of Teachers: 9
Number of Indirect Beneficiaries: 1.440

OBJECTIVES: Transform the Notre Dame du Rosaire street school into a real functional and secure facility, with updated learning programs, training programs for teachers, appropriate teaching material, library, computer lab, cafeteria, all raising the level of education to that of national and international standards.

CONTEXT: The Notre Dame du Rosaire school is located in the district of Croix-des-Bouquets, the iron-working craftsmen district of the city of Port-au-Prince. In this district, many families are engaged in the production of items called "Fer forgé" and made from recycled diesel barrels. The school facility in which the activity takes place was founded in 2004. To date, the spaces (subject of the WHEAT project 2013) were rented and welcomed 288 students. Classes are organized by age and curriculum. All educational programs are coordinated by a Saint Luc central school committee. Each school has its own director who organizes the curriculum in consultation with teachers and requests their compliance therewith.

ABF ACTIONS: Through the EDU project, the Foundation built a facility able to host up to approximately 400 children.

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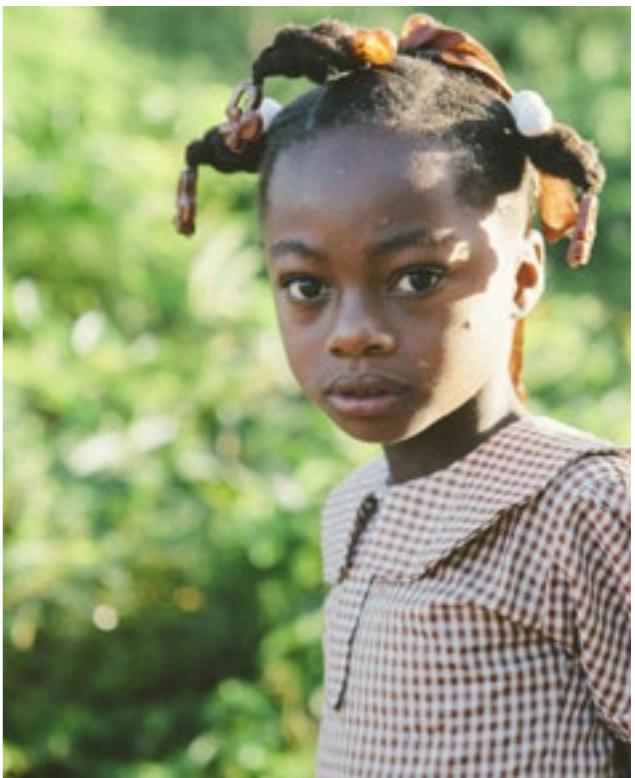


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PROJECT:

EDU project/ Saint Augustin School

PARTNER:	Fondation Saint Luc - Haiti
LOCATION:	Abricots, Jeremie District - Haiti
PROJECT:	The Foundation through the EDU Project supports the construction of the St. Augustin School (600 students) in Abricots, Jeremie.
DIRECT AND INDIRECT BENEFICIARIES:	Number of Inhabitants in the Community: 36.000 Number of Children Involved: 600 Number of Employees: 34 Number of Teachers: 21 Number of Indirect Beneficiaries: 5.697
OBJECTIVES:	Transform the Saint Augustin street school into a real functional and secure facility, with updated learning programs, training programs for teachers, appropriate teaching material, library, computer lab, cafeteria, all raising the level of education to that of national and international standards..
CONTEXT:	Abricots is a village located 2 hours by car from Jeremie, approximately 9 from the capital. Reaching these places is very difficult as a result of 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 supply for sustenance. St. Augustin school has 600 students from nearby villages. On average, each student walks 3 km every morning to get to school. The school structure is still today only partially completed and some of the classes are merged to maximize the use of available space, there are approximately 60 students in one classroom.
ABF ACTIONS:	Through the EDU project the Foundation built a facility able to host up to approximately 700 children.
AMOUNT ALLOCATED:	The project for 2014 was totally financed in 2013.



PROJECT:

Water truck

ANDREA BOCELLI

PARTNER: Fondation Saint Luc - Haiti

LOCATION: Cité Soleil

PROJECT: Since 2013, the Andrea Bocelli Foundation has been supporting the distribution of drinking water in the slums of Cité Soleil every day, 3 times a day, 6 days a week. Having established the effectiveness and actual need since 2014, the Foundation has decided to double its commitment with a second truck.

Specifically the ABF supports not only the costs of purchase and distribution of the water, but also those of the personnel involved, equipment maintenance (one 6 wheel and one 10 wheel truck) and insurance of the same.

OBJECTIVES: • Allow the families in the Cité Soleil slums free access to water;
• Improve hygiene-sanitary conditions;
• Reduce the transmission of infective diseases;
• Reduce mortality as a result of dehydration in infants and the elderly.

CONTEXT: A recent UNICEF report established that 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. In addition, many of the wells are currently dry. Having clean water to drink every day, to be used for cooking and to take care of 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.

ABF 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 annual maintenance costs of the two trucks;
• Purchase of water and fuel;
• Annual coverage of wages.

AMOUNT The project for 2014 was totally financed in 2013.
ALLOCATED:



PROJECT:

W.H.E.A.T project Haiti 2013/2014

Water Health Education Action Time

LOCATION: Haiti

PROJECT: St. Philomene, Notre Dame du Rosaire and St. Augustin schools fall within the "outreach" project and to enable their activities, the Andrea Bocelli Foundation decided to support the costs of wages and insurance for the teachers and staff for one year. Alongside this, in order to stabilise student attendance, the Foundation decided to also support the project for the distribution of pasta to families as an incentive. Also as part of the W.H.E.A.T. project, the Foundation has set up, for one year, a tanker truck for the distribution of water in the slums.

DIRECT AND INDIRECT EDUCATION & FOOD DISTRIBUTION

St. Augustin School

Number of Inhabitants of the Area: 36.000
Number of Children Involved: 600
Number of Employees: 34
Number of Teachers: 21
Number of Indirect Beneficiaries: 5.697

Notre Dame du Rosaire School

Number of Inhabitants of the Area: 238.222
Number of Children Involved: 320
Number of Employees: 17
Number of Teachers: 9
Number of Indirect Beneficiaries: 1.440

OBJECTIVES:

- Increase the level of education among the poorest families in Haiti;
- Spreading the culture of education as the key to redemption for their lives;
- To reduce infant mortality by ensuring not only an education but also one meal a day for the 1,183 students, through the school.

CONTEXT:

St. Augustin - Abricots

Abricot 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 supply for sustenance. St. Augustin school has 600 students from nearby villages. On average, each student walks 3 km every morning to get to school. The school structure is only partially completed and some of the classes are merged to maximize the use of available space, there are approximately 60 students in one classroom.

Notre Dame du Rosaire - Croix-des-Bouquets

The Notre Dame school is located in the district of Croix du Bouquet, the artists' quarter of the city of Port-au-Prince. In this district, many families are engaged in the production of items called "Fer forgé" and made from recycled diesel barrels. The school facility in which the activity takes place was founded in 2004. To today, the spaces used by students are rented and host 288 students. Classes are organised by age and curriculum. All educational programs are coordinated by a school committee that precisely performs a coordinating function. Each school has its own director who organizes the curriculum in consultation with teachers and requests their compliance therewith.

St. Philomene - Kenscoff

The St. Philomene Kenscoff school is located in the mountain area approximately 2 hours drive from Port-au-Prince. Here as well the meagre economic activities, such as agriculture above all, are practised at the household level and intended for mere sustenance. The school structure in which the activity is pursued until June 2014 is a real street school without a foundation and built with poor materials such as wood and sheet metal. Classes are organized by age and curriculum. All educational programs are coordinated by a school committee that precisely performs a coordinating function. Each school has its own director who then organises the curriculum in consultation with teachers and requests their compliance therewith.

ABF ACTIONS:

- Coverage of the annual costs of the structure of the three street schools: St. Augustin (655 children) in Abricots, Jeremie, St. Philomene (240 children) in Kenscoff, Notre Dame Du Rosaire (288 children) in Croix-des-Bouquets;
- Distribution of 4 kg pasta packages to the families.



PROJECT:

3.COM



PARTNER: Fondation Saint Luc - Haiti

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

PROJECT: Starting with the schools to carry out projects that go beyond the walls of the buildings and reach the most marginalised and needy families in the community to ensure that every individual can find reference points in the institutions and in people to allow them to have a dignified life and a decent job in a better environment.

DIRECT AND INDIRECT BENEFICIARIES: Number of Inhabitants in the Community: 329.031
Number of Families Involved: 800

OBJECTIVES: Empower each community for their own development and their own well-being, believing that the schools can be a real benchmark for the entire community

CONTEXT: Abricots is a village located 2 hours by car from Jeremie, approximately 9 hours from the capital. Reaching these places is very difficult due to a 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 supply for sustenance. Kenscoff is located in the mountain area approximately 2 hours drive from Port-au-Prince. Here too the meagre economic activities, such as agriculture above all, are practised at the household level and intended for mere sustenance. The district of Croix-des-Bouquet, is the artists' district of the city of Port-au-Prince. In this district, many families are engaged in the production of items called "Fer forgé" and made from recycled diesel barrels.

ABF 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 per day;
- Solar panels for the production of electric power and light at night to consolidate the school as a safe centre of the community;
- Two solar lights for the 800 families of students to allow the possibility of learning at home at night;
- Two supplies of fertiliser to households and the improvement, through training of their ability to cultivate, with the aim of increasing their income and resources;
- Emergency grant of US \$ 500 for each family of the respective students in our three schools for the renovation of their homes allowing them a more dignified level of life.



PROJECT:

Iraq Emergency

PARTNER: UNHCR

LOCATION: Refugee camps that welcome Iraqi refugees

PROJECT: Thanks to the relationship with UNHCR (the United Nations Refugee Agency), the Foundation decided to support the purchase of basic necessities such as thermal blankets and jerry cans to carry water. The refugee camps are home to millions of Iraqi refugees in addition to promoting the help from others.

DIRECT AND
INDIRECT
BENEFICIARIES:
Number of Families Supported: 316
Number of Jerry Cans for Water: 800
Number of Thermal Blankets: 316

OBJECTIVES:
• Ensure access to basic requirements, in particular water;
• Ensure adequate first asylum assistance to the families.

CONTEXT:
In Iraq, due to the violent conflict that erupted in September 2014, one of the worst humanitarian crises of the past 20 years is occurring. In December 2014, to the almost two million Iraqis forced to flee their homes and villages, were added 228,000 fleeing Syrians, who crossed Turkey to reach safety in Iraqi Kurdistan. Every day between 300-500 people pass the border to reach the North of Iraq from Kobane.

ABF ACTIONS: Purchase of thermal blankets and jerry cans to carry water.



PROJECT:

Showers for the homeless

PARTNER:	Office of Papal Charities
LOCATION:	Vatican City and Rome
PROJECT:	The Foundation contributed to the construction of showers located at the loggia of St. Peter's Square in Rome and made available to the homeless in the city for free use of 6 days a week.
DIRECT AND INDIRECT BENEFICIARIES:	Number of Homeless in Rome: 238.222 Average Number of Daily Services: 80 Number of Hours Open: 12
OBJECTIVES:	<ul style="list-style-type: none">• Giving homeless people free basic services to take care of themselves with dignity.• Reduce the transmission of diseases due to poor hygiene.
CONTEXT:	More and more people, even after the economic crisis of recent years, have found themselves living on the streets or in makeshift accommodation. Canteen and reception services are available to them but not personal care facilities. Often simply to buy or eat a meal within public places they are refused entry due to their poor hygiene and cleanliness. Thus, the idea to offer them free showers and barber services in order to ensure personnel physical and moral integrity.
ABF ACTIONS:	Construction of areas for respectability for the homeless under the colonnade of St. Peter's Square and in other parishes of Rome.

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D2. CHALLENGES Program



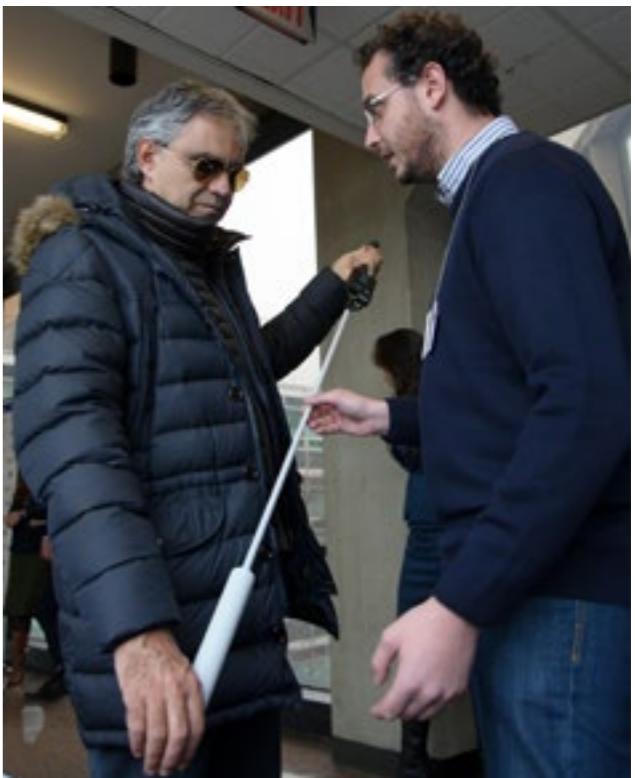
The “**CHALLENGES**” program operates within the area of scientific and technological research and social innovation, accepting major challenges in terms of both investments and results to be achieved in the willingness to allow anyone who experiences economic or social difficulties to express themselves.

The Program 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 a better quality of life.

PROJECT:

MIT Fifth Sense

PARTNER:	Massachusetts Institute of Technology
LOCATION:	Cambridge, Boston
PROJECT:	The autonomy of the blind always depends on the constant assistance of a person, an animal or cane that inadvertently affects both their social life and inclusion in the world of work, limiting and refraining them from complete integration.
DIRECT AND INDIRECT BENEFICIARIES:	Researchers and the blind involved Prof. Seth Teller, Prof. Daniela Rus, Prof. Anantha Chandrasakan and the group of MIT researchers including Nick Wang, Nathan J Ickes, Jordan Allspaw, Dongsuk Jeon, Rahul Kumar Namdev, William Li, Paul Parravano, Prof. Laura Giarrè. Direct and indirect beneficiaries The national and international blind community when the prototype will become usable, as use thereof will ensure an increase in their autonomy with a high social impact in terms of greater integration in the social and working context. The scientific community, for the scientific development of the system.
OBJECTIVES:	Wearable intelligent perception system with high resolution tactile display aimed at increasing the independence of the blind.
CONTEXT:	The idea is to develop systems that allow the safe navigation, or ensure the blind person can walk autonomously avoiding obstacles. The blind person with the aid of a wearable system can receive information by means of vibrations which inform him/her of the presence of obstacles. The use of computer vision algorithms, robotics systems and the use of new miniaturised and wearable technologies, in this second phase, moves from the prototype developed over the previous two years, to a system that is lightweight, wearable and autonomous and which does not require a computer carried in a backpack. The purpose is to create a non-invasive system also from a social acceptance view point, while maintaining the same level of performance.
ABF ACTIONS:	The ABF working with a multidisciplinary team of CSAIL (Computer Science and Artificial Intelligence Laboratory) researchers and scientists at MIT (Massachusetts Institute of Technology) has identified thematic areas of particular importance for the development of assistance technology for the blind. These research areas that include safe navigation and user interface are the points on which the work in 2014 was focused.



Institutional activities

FUNDRAISING INITIATIVE TEATRO DEL SILENZIO

Lajatico - July 2014

The Foundation organized a fundraising campaign for the Teatro del Silenzio (TDS) 2014 edition, aimed at supporting the EDU project for Haiti.

With approximately 45 volunteers and two dedicated workstations, the ABF was present at the two evenings presenting their activities and initiatives to concert guests. The occasion was also important to report



SECOND ABF VOLUNTEER'S DAY

Forte dei Marmi - October 2014

The Foundation organized the second day dedicated to the volunteers who, each year, decide to donate time and their work to the Foundation. The Founder and the President took the opportunity to thank everyone for their valuable contribution in supporting the activities of the organization and for the belief in a common path. On this day, Maestro Bocelli and his family welcomed many volunteers who came from all over Italy and



further afield, to their home in Forte dei Marmi. The day was also attended by the Almoner of His Holiness, His Excellency Konrad Krajewski who also offered all those present a wonderful moment for reflection.

CFN ITALY 2014

The Andrea Bocelli Foundation along with the Muhammed Ali Parkinson Centre is the recipient of the first all-Italian edition of the Celebrity Fight Night (CFN). The Foundation has chosen to dedicate a new, challenging project to this important opportunity to raise funds, the 3.COM project dedicated to Haiti, a country where the Foundation has worked since its inception. In particular, under the action program Break the Barriers the ABF carries out activities on



the Caribbean island aimed at the empowerment of people and communities. The day was attended by representatives from the Andrea Bocelli Foundation and some volunteers took the opportunity to share the Foundation's mission and projects with guests. Within the main evening held at Palazzo Vecchio on September 6th, the ABF organized a charity auction whose funds have been allocated to the 3.COM project.



UNCA AWARD

Andrea Bocelli and his wife Veronica Berti were honoured in New York on December 16th, during the 2014 UNCA Awards, an event that confers prestigious awards to journalists who have recounted with excellence the activities of the United Nations around the world during the year. Andrea and Veronica received the "UNCA Global Citizens of the Year" award for their continued commitment to the Andrea Bocelli Foundation which, since 2011, works to ensure that people and communities living each day in difficulty due to illness, poverty or social marginalization, in developing countries but also in Italy, can express themselves to the best of their ability building projects that have a significant and immediate impact. The President of the ABF Foundation Laura Biancalani collected this award together with the Founder. The evening was attended by United Nations officials, including UN Secretary-General Ban Ki-moon, diplomats and journalists from around the world. During the event Sting and his wife Trudie Styler were also awarded the "UNCA Global Advocates of the



Year" award. UNCA, founded in 1948, is a Non-Profit Organization that represents more than 250 journalists from around the world, covering the activities of the United Nations at its headquarters in New York City. Among the previous winners are former US President Bill Clinton, Sir Richard Branson, Angelina Jolie, Ted Turner, Jeffrey Sachs, Nicholas Cage, Mira Sorvino, John Prendergast, Raymond G. Chambers with Professor Awa Marie Coll-Seck, Forest Whitaker and Governor Arnold Schwarzenegger.



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E. RESOURCES FOR INSTITUTIONAL ACTIVITIES

In 2014 the Foundation received part of the funds to support and develop its own projects from fundraising activities, direct or mainly organized by third parties and volunteers, as well as charitable donations from private and institutional donors.

A. Assets

The Foundation's assets are those provided by the Founder on the Foundation's establishment, € 100,000,00. In addition, the founder has made a donation of € 300,000,00 to cover overhead costs and the implementation thereof.

B. Revenue from charitable donations and fundraising

Charitable donations for 2014 are € 3.882.311,00 allocated as follows:

DESTINATION	AMOUNT in euro	INCIDENCE
BTB Program	€ 2.815.964,97	72%
Challenges Program	€ 100.846,92	3%
Institutional activity	€ 292.275,92	7%
Non-binding donations	€ 373.223,00	10%
Donations from members and associates	€ 300.000,00	8%
TOTAL	€ 3.882.311,00	100%



The following table shows the allocation of contributions from donors. In fact, they may choose to tie their donations to one of the Foundation's projects or programs.

	DESTINAZIONE	IMPORTO in euro
1	BTB Program	€ 2.815.964,97
1.a	Private Donations	€ 35.137,05
1.b	EDU Project	€ 71.632,63
1.1.b	EDU Project - St. Augustin	€ 289.197,25
1.2.b	EDU Project - St. Philomene	€ 401.163,16
1.3.b	EDU Project - Notre Dame du Rosaire	€ 465.622,35
1.c	3.COM	€ 1.536.905,93
1.d	Water Truck - 2015/2016	€ 16.306,60
2	Donations 5x1000 - 2011	€ 17.295,18
3	Challenges Program	€ 100.846,92
4	Institutional Activity	€ 292.275,92
5	Non-binding donations	€ 373.223,00
	TOTAL	€ 3.599.605,99



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

The Andrea Bocelli Foundation, with effect from 14/01/2013 to 14/01/2015, after a due diligence carried out by the CAF America's Eligibility Committee, has been deemed eligible to receive donations from CAF America, an organisation that allocates donations worldwide, thus helping organisations, companies and individuals to donate without borders.

In 2014 the Foundation received the following donations from CAF America.

DATE SENT FROM CAF	AMOUNT in USD	AMOUNT in euro	PURPOSE OF THE SUBSIDY	
16/04/2014	\$ 45.962,93	€ 33.210,21	Institutional Activity (supporting activity programs)	Destined to the EDU Project - St. Philomene
28/05/2013	\$ 333.247,30	€ 244.980,74	Institutional Activity (supporting activity programs)	To be allocated to projects
31/07/2013	\$ 249.809,60	€ 200.248,18	Institutional Activity (supporting activity programs)	Destined to the EDU Project
TOTAL	\$ 629.019,83	€ 478.439,19		

B.2. Occasional fundraising collection

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Again in 2014, the Foundation carried out occasional fundraising during the Teatro del Silenzio event; net funds collected amounted to € 9.178,717.

In addition, the Foundation organised the Celebrity Fight Night Foundation event, a charity auction directed at event guests with a net revenue of € 666.850,85.

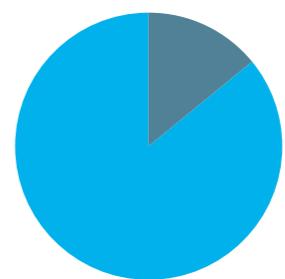
For further details concerning the operations refer to reports pursuant to Article 20 of the Presidential Decree 600/1973 as amended by Article 8 of Legislative Decree 460/1997 annexed to these Financial Statements (Annex n.1).



C. Charges from contingencies

PROGRAM	AMOUNT APPROVED in euro	AMOUNT ALLOCATED in euro
Challenges	€ 90.685,00	
Break the Barriers	€ 2.693.842,29	€ 774.996,00
TOTAL	€ 2.693.842,29	€ 865.681,00

Amount resolved for the programs



Challenges Program
Break The Barriers Program

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



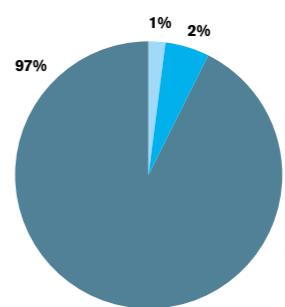
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D. Charges for the performance of the activity as at 31/Dec/2014

Total charges for the performance of the activity of the Foundation were 124.226,00, of which for:

ACTIVITY CHARGES AS AT 31/Dec/2014	
Total charges for general support	€ 93.814,00
Body costs	€ 0,00
Costs for promotions and fundraising	€ 30.412,00
TOTAL	€ 124.226,00
Revenue from charitable donations and fundraising	€ 3.882.311,00

Cost incidence on activity revenue



Total charges for general support
Costs for promotions and fundraising
Revenue from charitable donations and fundraising

The Board of Directors resolved that the operating surplus of Euro 2.884.255,00 be allocated as the following: Project EDU St. Philomene €104.507,00; Project EDU Notre Dame du Rosaire € 86.794,00; Project EDU St. Augustin €186.421,00; Project EDU € 33.235,00; Project UCLA € 36.274,00; Project 3.COM € 1.506.494,00; Project Water Truck €16.307,00; uncommitted funds available to the institutional activities € 914.223,00.



ANNEX 1



www.andreabocellifoundation.org

Headquarter: Via Volterrana 49, Lajatico (Pisa) Italia | Tax Code n: 90049390504
Registration in the Book of Legal Person, Prefecture of Pisa: Volume VI, n.246

OCCASIONAL FUNDRAISING COLLECTION STATEMENT

Teatro del Silenzio 2014 | Supported project: EDU Project

REVENUE		EXPENSES	
Cash donations	€ 4.521,24	Purchase of assets distributed during the collection event	€ 963,333
Donations through contributions to the bank account		Stand rental expenses	
Donations through contributions to the postal account		Reimbursement of expenses to volunteers	
Collection for the sale of assets acquired gratuitously		Promotional expenses for fundraising (publicity, events)	
Collection for the sale of assets acquired on a payment basis	€ 6.067,00	Printing and postal expenses	€ 403,880
Collection for services provided		Utility expenses	
TOTAL REVENUE	€ 10.588,24	Expenses for other services	€ 42,31
		Payments for the performance of events	
		TOTAL EXPENSES	€ 1.409,523
		NET RESULT OF THE COLLECTION	€ 9.178,717
		BALANCE	-

Article 8 of Legislative Decree 460/97 introduced a legal obligation for non-commercial entities, to individually and analytically report on the financial operations connected with the activity carried out at the public collection of funds, in a "special and separate report" (within four months from financial year close). Please note that tax exemption of the funds collected occurs on the condition that it is an event, awareness campaign, etc.).

Charity auction - September 7th, 2014 | Supported project: 3.COM Haiti

REVENUE		EXPENSES	
Cash Donations		Purchase of Assets Distributed During the Collection Event	€ 811,30
Donations Through Contributions to Bank Account		Stand rental Expenses	
Donations Through Contributions to Postal Account		Reimbursement of Expenses to Volunteers	
Collection for the Sale of Assets Acquired Gratuitously		Promotional Expenses for Fundraising (Publicity, Events)	
Collection for the Sale of Assets Acquired on a Payment Basis	€ 697.263,02	Printing and Postal Expenses	€ 298,72
Collection for Services Provided		Utility Expenses	
TOTAL REVENUE	€ 697.263,02	Expenses for Other Services	
		1- Legal and Notary Consultancy	€ 25.720,32
		2- Travel Expenses	€ 661,00
		3- Goods Shipment Expenses	€ 2.520,82
		4- Goods Insurance Expenses	€ 400,01
		TOTAL EXPENSES	€ 30.412,17
		NET RESULT OF THE COLLECTION	€ 666.850,85
		BALANCE	-

Article 8 of Legislative Decree 460/97 introduced a legal obligation for non-commercial entities, to individually and analytically report on the financial operations connected with the activity carried out at the public collection of funds, in a "special and separate report" (within four months from financial year close). Please note that tax exemption of the funds collected occurs on the condition that it is an event, awareness campaign, etc.).



3. FINANCIAL STATEMENTS

as at 31/12/2014

BALANCE SHEET ASSETS		31/12/2014	31/12/2013
A) Receivables from shareholders for payments still due (of which already called up)			
B) Fixed assets			
I. Intangible assets	9.125		
- (Amortisation)	(3.042)		
- (Write-downs)			
	6.083		
II. Tangible assets	17.512		
- (Amortisation)	(3.457)		
- (Write-downs)			
	14.055		
III. Financial			
- (Write-downs)			
	5.503		
Total Fixed Assets	20.138		5.503
C) Current Assets			
I. Inventories			
II. Receivables			
- within 12 months			
- over 12 months	1.166		
	793		
III. Financial assets not held as fixed assets			
IV. Cash and Cash Equivalents			
	3.672.967		1.340.670
Total current assets	3.674.133		1.341.463
D) Accruals and deferrals			
	547		472
Total current assets	3.694.818		1.347.438

BALANCE SHEET LIABILITIES		31/12/2014	31/12/2013
A) Net assets			
I. Capital		100.000	100.000
II. Share premium reserve			
III. Revaluation reserve			
IV. Legal reserve			
V. Statutory reserves			
VI. Reserve for treasury shares (held in portfolio)			
VII. Other reserves			
- Extraordinary or optional reserve			
- Treasury share acquisition reserve			
- Reserve for departures pursuant to art.2423 of the Italian Civil Code			
- Reserve for parent company shares (interests)			
- Non-distributable reserve for revaluation of equity investments			
- Payments in capital increase account			
- Payments in future capital increase account			
- Payments in capital account			
- Payments to cover losses			
- Share capital reduction reserve			
- Merger surplus reserve			
- Reserve for gains on foreign currency translations			
- Capital grants provision (art. 55 Consolidation Law)			
- Deferred gain tax reserve			
- Reserves for grants (Law no. 576/1975)			
- Provisions of capital gains provided by art. 2 Law no. 168/1992			
- Supplementary pension provision pursuant to Legislative Decree No. 124/1993			
- Non distributable reserve pursuant to art. 2426			
- EURO translation reserve			
- Tax amnesty reserve			
- Euro rounding off reserve		(1)	
- Other...			
VIII. Retained earnings (accumulated losses)		(1)	
IX. Operating profit		684.445	399.283
IX. Operating loss		2.884.255	835.652
Advance dividends		0	0
Partial coverage of the loss for the year		0	0
Total net assets		3.668.699	1.334.937
B) Provisions for risks and charges			
C) Employee severance indemnities		4.056	2.131
D) Payables			
- within 12 months		22.063	10.370
- over 12 months			
Total liabilities		3.694.818	1.347.438



MANAGEMENT STATEMENT	31/12/2014	31/12/2013	Operating result before tax	2.885.039	837.015
1) Revenue from members or associates			22) Current, deferred and prepaid income taxes for the financial period		
1) Revenue from members or associates	300.000		a) Current taxes	784	1.363
2) From project contributions	3.209.088	902.380			
3) Other Revenue	373.223	302.604			
	<hr/> 3.882.311	<hr/> 1.204.984			
Total revenues from contingencies	3.882.311	1.204.984	Positive operating result	2.884.255	835.652
4) Financial income and assets					
1) From Bank deposits	3.110	3.397			
2) From other activities	689	229			
	<hr/> 3.799	<hr/> 3.626			
Total revenue and financial charges	3.799	3.626			
5) Extraordinary income					
1) From other activities		1.793			
		<hr/> 1.793			
Total extraordinary income		1.793			
1) Charges from ordinary operations					
1) Challenges Program					
1.a) Workshop Challenges					
1.b) MIT 5th Sense Project					
	90.685	20.767			
2) Break the Barriers Program					
2.a) Syria Emergency Project					
2.b) Haiti Wheat Project					
2.c) Workshop Break the Barries					
2.d) Iraq Emergency Project	15.000	10.000			
2.e) Apostolic Charities Project	15.000	257.337			
2.f) EDU Project – Notre Dame	311.438	17.750			
2.g) EDU Project – Saint Philomene	296.656				
2.h) EDU Project – Saint Augustin	102.023				
3) Mission expenses	34.879				
	<hr/> 865.681	<hr/> 305.854			
Total charges from ordinary operations	865.681	305.854			
2) Charges for promotions and fundraising					
1) Ordinary promotion activity		7.437			
2) Ordinary promotion activity auction 2014	30.412				
	<hr/> 30.412	<hr/> 7.437			
Total charges for promotions and fundraising	30.412	7.437			
5) Extraordinary income					
1) From financial activities	11.039				
2) From other activities	125				
	<hr/> 11.164				
Total charges for extraordinary income	11.164				
6) Charges for general support					
1) For raw materials, consumables and merchandise	3.800	2.450			
2) For services	45.978	19.259			
3) For the use of third party assets					
4) For personnel					
a) Salaries and wages	28.093	25.651			
b) Social security contributions	8.722	7.811			
c) Employee severance indemnity	1.925	1.698			
e) Other costs					
	<hr/> 38.740	<hr/> 35.160			
5) Amortisation, depreciation and write-downs					
a) Amortisation of intangible assets	3.042	966			
b) Amortisation of tangible assets	2.128				
	<hr/> 5.170	<hr/> 2.262			
14) Miscellaneous operating costs	126				
Total charges for general support	93.814	60.097			





4. NOTES

To the financial statements closed at 31/12/2014

Criteria for preparation

With reference to the Italian Civil Code, which does not contain provisions on the financial statements for associations, foundations and other non profit organisations but merely indicates that these entities should convene at least once a year to approve the financial statements (Article 20), in preparing this document the provisions issued by the National Council of Certified Chartered Accountants were complied with. The Council developed some recommendations and issued the accounting standard no. 1 regarding the preparation and presentation of financial statements for non profit organisations and the Articles of Association for the Foundation.

Criteria for evaluation (Ref. article 2427, first paragraph, no. 1 of the Italian Civil Code and OIC no. 12)

The evaluation of the financial statement items was made based on general criteria of prudence and competence in view of continuing the activity.

The application of the principle of prudence involved the individual evaluation of the components of the single entries or items for assets and liabilities, to avoid offsetting losses that should have been recognised and profits not recognised as unrealised.

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

The continuity of application of the assessment criteria over time is necessary for the purposes of the comparability of the Foundation's financial statements in the various financial periods.

The evaluation applied allows the representation of transactions according to the economic reality underlying the formal aspects.

Exemptions (Ref. Article 2423, fourth paragraph, Italian Civil Code)

There were no exceptional circumstances that required the use of exemptions under Article 2423, paragraph 4 of the Italian Civil Code.

In particular, the evaluations criteria adopted in preparing the financial statements were as follows.

Fixed assets

- Intangible assets

These are stated at historical purchase cost and adjusted by the accumulated depreciation.

- Tangible assets

These are stated at purchase cost and adjusted by the accumulated depreciation.

Miscellaneous charges and costs incurred for asset use, leading trade discounts and cash discounts for a significant amount to cost reduction are taken into account in the value of the assets.

Amortisation charged to the income statement is calculated according to the use, allocation and economic life of the assets, based on the criterion of the residual possibility of utilisation, a criterion that we considered well-represented by the rates applied.

Payables

Payables were recorded at their nominal value, adjusted for returns or billing corrections.

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 carrying out, where

necessary, appropriate modifications.

Employee severance indemnity provision

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

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

Income taxes

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

Criteria for the conversion of foreign currency values

Financial statement items are recorded according to the exchange rates prevailing on the date on which they arose.

For a proper comparison with the previous financial year, it should be noted that the gains/losses resulting from currency conversion or the exchange rate from the sale of one currency and the purchase of another are credited to the Management Statement under item 4.2 Financial income and gains from other assets.





ASSETS

C) Current assets

II. Receivables

Description	Within 12 months	Over 12 months	Over 5 years	Total	Of which relating to repurchase transactions	Changes
	Balance as at 31/12/2014	Balance as at 31/12/2013				
From customers						
From subsidiaries						
From affiliated companies						
From parent companies						
For tax credits	828			828		
For prepaid taxes						
From others	338			338		
Rounding						
	1.166			1.166		

IV. Cash and Cash Equivalents

Description	31/12/2014	31/12/2013	Changes
	Balance as at 31/12/2014	Balance as at 31/12/2013	
	3.672.967	1.340.670	2.332.297
Bank and postal deposits	3.672.623	1.340.545	
Cheques			
Cash and cash equivalents on hand	344	125	
Rounding	3.672.967	1.340.670	

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The balance represents the liquid assets available and the existence of ready cash and values on closure of the financial period.

C) Employee severance indemnities

(Ref. Article 2427, first paragraph, n. 4 of the Italian Civil Code)

Balance as at 31/12/2014	Balance as at 31/12/2013	Changes
4.056	2.131	1.925

The change is as follows

Changes	31/12/2013	Increases	Decreases	31/12/2014
Employee severance indemnities, transactions during the period	2.131	1.925		4.056

The provision represents the Company's liability as at 31/Dec/2014 to the employees in force at that date, net of any advances paid.

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

D) Payables

(Ref. Article 2427, first paragraph, n. 4 of the Italian Civil Code)

Balance as at 31/12/2014	Balance as at 31/12/2013	Changes
22.063	10.370	11.693

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Payables are stated at their nominal value and their expiration is as follows (Article 2427, first paragraph, no.6, Italian Civil Code).

Description	Within 12 months	Over 12 months	Over 5 years	Total	Of which relating to repurchase transactions
Payables to suppliers	15.785			15.785	
Tax liabilities	3.193			3.193	
Payables to social and welfare agencies	1.559			1.559	
Other accounts payable	1.526			1.526	
	22.063			22.063	

They measure revenues and charges to be paid in advance or postponed with respect to cash collection or documentary process; they are independent from the date of payment or collection of the related revenues and charges, common to two or more financial periods and distributable over time.

LIABILITIES

A) Net assets

(Ref. Article 2427, first paragraph, points 4, 7 and 7-bis of the Italian Civil Code)

Description	Balance as at 31/12/2014	Balance as at 31/12/2013	Changes	
	31/12/2013	Increases	Decreases	31/12/2014
Capital	3.668.699			100.000
Various other reserves	2			2
Euro rounding difference	2		3	(1)
Operating profit from previous years	399.283	835.652		1.234.935
Operating result	1.234.935	1.649.320		2.884.255
	1.734.222	2.484.972	3	4.219.191

"Payables to suppliers" are recorded net of trade discounts; on the contrary, cash discounts are recorded at the time of payment. The nominal value of these liabilities was adjusted for returns and trade discounts (billing corrections), to the extent agreed upon with the other party.

The item "Tax liabilities" only includes certain and determined income tax liabilities, since tax liabilities are probable or uncertain in the amount or date of occurrence, or for deferred taxes, recorded in the liability item B2 (Tax provision).

The item tax liabilities includes IRAP (Italian regional tax on productive activities) payable equal to € 874,00. There are no significant changes in the amount of the item "Tax liabilities".

1) Revenues from contingencies

	Balance as at 31/12/2014	Balance as at 31/12/2013	Changes
	3.882.311	1.204.984	2.677.327

4) Financial income and assets

	Balance as at 31/12/2014	Balance as at 31/12/2013	Changes
	3.799	3.626	173

Description	31/12/2014	31/12/2013	Changes
From equity investments			
From long-term receivables			
From securities held as fixed assets			
From securities held as current assets			
Income other than above (Interest and other financial charges)	3.110	3.397	(287)
Gains (losses) on foreign exchange	689	229	460
	3.799	3.626	(173)

5) Extraordinary income

	Balance as at 31/12/2014	Balance as at 31/12/2013	Changes
		1.793	(1.793)

Description	31/12/2014	31/12/2013	Changes
From equity investments			
From long-term receivables			
From securities held as fixed assets			
From securities held as current assets			
Income other than above (Interest and other financial charges)		1.793	(1.793)
Gains (losses) on foreign exchange		1.793	(1.793)

1) Charges from contingencies

	Balance as at 31/12/2014	Balance as at 31/12/2013	Changes
	830.802	305.854	524.948

Description	31/12/2014	31/12/2013	Changes
Challenges Program	0	20.767	(20.767)
Org. Workshop Challenges		20.767	(20.767)
MIT Fifth Sense Program	90.685		90.685
MIT 5th Sense project	90.685		90.685
Break the Barriers Program	774.996		285.087
Syria Emergency Project		10.000	(10.000)
Haiti Wheat Project		249.359	(249.359)
Organisation Workshop BTB		17.750	(17.750)
Expenses Haiti Wheat project		7.978	(7.978)
Iraq Emergency Project	15.000		15.000
Apostolic Charities Project	15.000		15.000
EDU Project - Notre Dame	311.438		311.438
EDU Project - Saint Philomene	296.656		296.656
EDU Project - Saint Augustin	102.023		102.023
Mission expenses	34.879		34.879
	865.681		305.854
			559.827

For a detailed description of the projects and operations, please refer to the Mission Balance Sheet.

2) Charges for promotions and fundraising

	Balance as at 31/12/2014	Balance as at 31/12/2013	Changes
	30.412	7.437	22.975

Description	31/12/2014	31/12/2013	Changes
Ordinary promotion activity	0	7.437	(7.437)
Promotion activity auction 2014	30.412	30.412	30.412

Income taxes for the financial period

	Balance as at 31/12/2014	Balance as at 31/12/2013	Changes
	784	1.363	(579)

Taxes	31/12/2014	31/12/2013	Changes
Current taxes: IRAP	784	1.363	(579)

The taxes for the financial period under examination were recorded.

GENERAL INFORMATION

Pursuant to the law, it should be noted that the members of the Board of Directors and the Supervisory Body waived remuneration due for the work completed on the Foundation's behalf. In implementation of Recommendation no. 3 issued by the National Council of Certified Chartered Accountants, we declare that the Foundation's proceeds donations did not give donors the right to any deductions for tax purposes. These financial statements, including the Balance Sheet, management statement and Notes to the Financial Statements, give a true and fair view of the financial position and profit for the year and correspond to the accounting records.

Lajatico, April 10th, 2015

President of the Board of Directors

Laura Biancalani





5. REPORT OF THE BOARD OF AUDITORS

Dear Board Members of the ANDREA BOCELLI FOUNDATION,
The Board of Auditors, for the financial period ended 31/12/2014, performed both the functions provided for by Articles 2403 et seq. Italian Civil Code and those provided for by Article 2409-bis of the Italian Civil Code. . This unitary report contains in its first part the "Audit report pursuant to Article 14 of the Italian Legislative Decree no. 39 of 27 January 2010", and in the second part the "Report pursuant to Article 2429, paragraph 2, of the Italian Civil Code".

First part

Audit report pursuant to article 14 of Italian Legislative Decree no. 39 of 27 January 2010

a) We carried out the statutory audit of the ANDREA BOCELLI FOUNDATION financial statements for the period ending 31/12/2014. The ANDREA BOCELLI FOUNDATION administrative body is responsible for preparing the financial statements in accordance with the regulations governing the reporting criteria. Our responsibility is to express a professional opinion on the financial statements based on our statutory audit.

b) Our audit was performed in accordance with generally accepted auditing standards. In accordance with those principles, the statutory audit was planned and performed to obtain the information necessary to determine whether the financial statements are free of misstatement and, taken as a whole, are reliable. The audit was carried out in a manner consistent with the size of the Foundation and its organisational structure. It includes examining, on a test basis, the evidence supporting the amounts and disclosures in the financial statements, as well as evaluating the appropriateness of the accounting standards used and the reasonableness of the accounting estimates made by the directors. We believe that the work performed provides a reasonable basis for the expression of our professional opinion.

With reference to the opinion on the financial statements of the prior financial period, the data of which is presented for comparative purposes as required by law, reference is made to the report issued by us for the financial period ending 31/12/2013.

c) In our opinion, the aforementioned financial statements as a whole are in compliance with the rules governing the reporting criteria. They are clearly prepared and give a true and fair view of the financial position and results of operations of the ANDREA BOCELLI FOUNDATION for the financial period ending 31/12/2014.



Second part

Report pursuant to article 2429, paragraph 2 of the Italian Civil Code

1. During the financial period ending 31/12/2014 our business was inspired by the provisions of law and the Rules of Conduct for the Board of Statutory Auditors as well as the principles for the preparation of financial statements for non profit organisations promulgated by the National Council of Certified Chartered Accountants.

2. In particular:

- We monitored compliance with the law and the articles of association, as well as the principles of good administration.
- We attended the meetings of the Administrative Body held in compliance with statutory requirements, laws and regulations that govern its operation and for which we can reasonably ensure that the resolutions adopted

were in conformity with the law and the articles of association and were not clearly imprudent, risky, in potential conflict of interest or such as to compromise the integrity of the corporate assets.

- Through the information obtained and the examination of the documentation received, we assessed and monitored the adequacy of the administrative and accounting system as well as its reliability in correctly representing the results of operations, and in this regard we have nothing particular to report.

3. During the financial period, in accordance with the provisions of the Articles, we were regularly informed by the Directors of the management performance and its outlook. We can therefore reasonably ensure that the actions taken were in accordance with the law and with the Articles, and were not manifestly imprudent, risky, in potential conflict of interest or in contrast with the resolutions adopted by the Foundation's bodies or such as to compromise the integrity of the corporate assets.

4. The Board of Auditors found no atypical and/or unusual transactions, including those carried out with related parties.

5. The Board of Auditors, during the financial year, did not issue any opinions pursuant to law.

6. We examined the draft financial statements for the financial period ending 31/12/2014, which was made available to us in appropriate terms and on which we report as follows:

- For verification that the financial statements as of 31/12/2014 represent a true and fair view of the financial position and results of operations of your Foundation pursuant to Article 14 of Italian Legislative Decree no. 39/2010, please refer to the first part of our report.
- The directors, in preparing the financial statements, did not depart from the rules of law pursuant to Article 2423, paragraph 4, of the Italian Civil Code.

The balance sheet shows a positive operating result of Euro 2,884,255 and is summarised as follows:

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Assets	€ 3.694.818,00
Liabilities	
Shareholders' equity (excluding profit for the financial year)	€ 26.118,00
Operating profit for the financial year	€ 784.445,00
	€ 2.884.255,00

Monitoring and control did not reveal any significant facts to be reported or mentioned in this report.

As mentioned above, the Board of Auditors found no impediment and can therefore recommend approval of the financial statements for the financial year ended 31/Dec/2014 prepared by the Board of Directors.

Lajatico, April 10th, 2015

The Board of Auditors

Franco Martinelli
Stefano Monti
Fabio Gambini



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