

Empowering people and communities



2016 REPORT







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1. STATUTORY BODIES

as at 17/07/2017

Board of Directors

Chairman: Stefano Aversa
Deputy Chairman: Veronica Berti
President: Laura Biancalani
Director: Alberto Bocelli
Director: Amos Bocelli

Board of Auditors

Chairman: Franco Martinelli
Member: Fabio Gambini
Member: Stefano Monti

Advisory Board

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

Structure of the financial statements for the 2016 financial period

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

- A) Mission Balance Sheet
- B) Economic and Financial Report

2. REPORT OF THE BOARD OF DIRECTORS

Prepared by the Board of Directors on 17/07/2017

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 2016. The financial statements were prepared in accordance with the recommendations of the Commission for Not-for-Profit Organizations of the National Council of Certified Chartered Accountants.

The financial statements were developed 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.

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



Letter from the Founder

Dear Friends,

This year – like in previous ones - the financial statements of the foundation that bears my name allow us to perform the regular and healthy exercise of drawing lessons from the past in order to plan – and improve – the future.

I perform my role as founder with great gratitude, as I look at the year gone by and the activities that ABF was able to implement, thanks to your support, and how the Foundation mission was turned into actual research, care, education and empowerment.

Each graph, each calculation with a positive (+) or negative (-) sign, each number contained in the following pages and which I hope you will have the patience to analyse, if read beyond what they appear to be, can offer the exact opposite of mere administrative duties, obligations “in compliance with the law”. Each figure holds, if considered carefully, two co-penetrating forces balanced virtuously: one is friendship, apparently indefinite but alive, radiant and powerful. Friendship that takes the form of a child who studies (and is thus building her future), a sick person being assisted, a family that can count on a safe shelter, a meal to feed the hungry, and water to quench thirst without causing infection. The other force are the people I am addressing here. Those men and women who respond to that friendship affirmatively, passionately and compassionately, and who make this gentle exchange, nourished by goodness and love, possible.

When I was just a boy, with shorts and inevitably scraped knees from running through the fields, each day at home foresaw a special, fundamental moment for the entire Bocelli family: my parents came home from work and we finally met around the dinner table. It was a ritual. A way to meet and talk about the day spent; what positive or negative things had happened. About problems which - by being shared – could instantly be scaled down and addressed.

That accounting of the heart, which we all took part in – people from several generations sitting next to each other, in front of an evening meal comprising of products of the earth to feed us – was the strength of our family. We were not just nourished by food. Nourishment came from complicity, co-participation, mutual support, discussion: on what had happened and how to improve, always pursuing the path closest to what was right and good. In a word, love (expressed in presence and care). That food we offered each other during dinner. The love that raised and taught us, daily, to face the choices life was putting before us.

Even then, love suggested to me, a child, that life was meant to be a sumptuously laid table and, to a certain extent, the entire world was our dining companion; and that we could not really be able to celebrate until everyone had a hot dish in front of them, a chair to rest on and enough voice to be heard.

Therefore, I like to consider the Foundation financial statements as a family meeting, a serene sharing moment around a table, with enough food for everyone. A chance to do the accounts of what was spent and for what, of what was done and how. Lessons can be learned from any mistakes, so as not to repeat them and make things right.

ABF in 2016: our team will be telling you the details, in the following pages. On my part, I am delighted with the fact that, in the past year, we achieved several important goals. We carried existing projects forward, consolidating them, and we started new ones. On the one hand, ABF focussed on research, with its ongoing collaboration with the Massachusetts Institute of Technology. On the other hand, it persevered with its empowerment mission mainly amongst the communities of Haiti, but also in Greece – through the “Elpida Home” structure for Syrian, Iraqi and Afghan refugees- and in Italy, in the areas hit by last summer’s earthquake.


I would also like to highlight a new project that has taken shape, brilliantly exceeding any target we had set for ourselves: the choir “Voices of Haiti”, comprising of sixty singers, marvellous children who are a living metaphor of a possible future, of a powerful, kind revolution. From Haiti’s slums, through a constant, highly professional educational path, the choir grew rapidly and debuted in New York, in September, during a first exciting tour, where we shared important experiences and a true storm of emotions and discoveries. While I am writing, ABF is finalizing preparations for a new trip, which will bring “Voices of Haiti” to Italy during the summer.

These young lives (like the over 2,500 we are looking after in Haiti) are also part of our, and your, family. “Family” as a life project, a forge of love, a privileged space in which to find harmony and mutual respect. The ABF family, which, in 2016, has gotten bigger and bigger in scenarios and projects, also grew physiologically in its organization chart, welcoming additional, precious professional profiles and finding its new operating centre in the centre of Florence.

In closing, I would like to return to a simple truth that I feel must be repeated strongly, every year: you - volunteers, backers, friends, supporters - are the pulsing heart of the Andrea Bocelli Foundation. You are the true protagonists of a foundation that bears my name but, in fact, far from any flattery or pomposity, is called after all your names.

I thank each one of you, hoping that we can meet soon, wherever possible to join forces, do good, make the world a better place, and I brotherly embrace you.

Andrea Bocelli



“ Love suggested to me, a child, that life was meant to be a sumptuously laid table and, to a certain extent, the entire world was our dining companion; and that we could not have really been able to celebrate until everyone had a hot dish in front of them, a chair to rest on and enough voice to be heard. ”

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 title "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 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.



“ It is by faith in love and justice that we are called on to build a better world than we found, called on 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

Identity

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

The **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 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 actions can be carried out with responsibility and professionalism and be useful and effective.

Cooperation means establishing positive relationships between donors, the Foundation and beneficiaries, bringing together wants and needs 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 seek for, which we give and which we experience.

In our daily work we also attribute value to:

- enhancing people's skills and abilities while respecting their rights;
- transparency in managing the funds;
- transparency in managing the projects.

Mission: Empowering people and communities

The Andrea Bocelli Foundation's institutional mission is to help people in difficulty, as a result of illness, poverty conditions or social exclusion, promoting and supporting national and international projects as well as encouraging full self-expression and breaking barriers. 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:
The **Break the Barriers Program** aims to support and promote projects that in particular assist 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 **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. This program therefore supports projects in the field of scientific/technological research and social innovation.

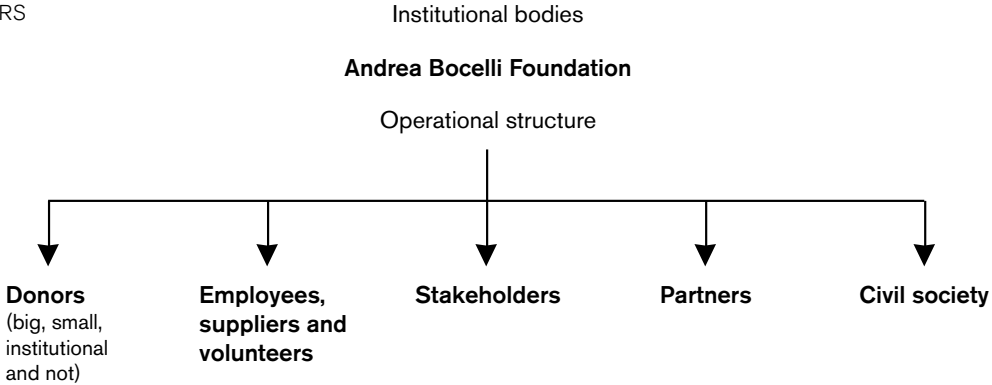
The Foundation, as a private legal entity orientated towards the pursuit of social utility purposes, plays a complex role, whose peculiarity is to give support to the planning capacity of Private Bodies or national and international public institutions, and to act as a catalyst to the existing actors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



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



B. INTERNAL ORGANIZATION

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: the Board of Directors, the Advisory Board and the Board of Auditors.

The Board of Directors is made up of 5 members, one of whom serves as Chairman, and stays in 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 expiration.

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, regulations 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 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 Chairman through internal selection on the Founder's proposal;
- appoint the Deputy Chairman through internal selection;
- appoint Advisory Board members;
- appoint, as appropriate, the President, from a selection of people with specific skills and expertise;
- appoint the members of the Board of Auditors;
- 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 periodical report on the Foundation's activity, to be submitted to all the Foundation's stakeholders.

It is currently composed of 6 members as per meeting of 09/04/16 linked to the Foundation's two programs.

Prof. Yunus, Mr. Jameel Latif and Prof. La Ferrara, are connected to the program dealing with 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 Technical Institute) 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 Giarre, who is an Electronic Engineering Professor at the University of Palermo. Prof. Giarre is the scientific director of ABF's Fifth Sense Project.

Mr. Antonio Danieli, the Golinelli Marino Foundation Director, and former director of the Nomisma Foundation, is also a member of the Advisory Board. As a management engineer, he supports the Foundation's organizational development.

Finally, the last member of the Advisory Board is Dr. Elena Pirondini, currently Strategic Partnerships Adviser at UNFPA, experienced in general coordination and project management, development projects and partnerships.

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 2016, the activities carried out by the corporate bodies can be summarised as follows:

Board of Directors meetings

- 04/04/2016
- 30/04/2016
- 06/08/2016
- 28/10/2016
- 28/12/2016

During 2016, the Board of Directors met to activate and monitor the initiatives and the projects put in place and to be realised within the current year and in the medium term.

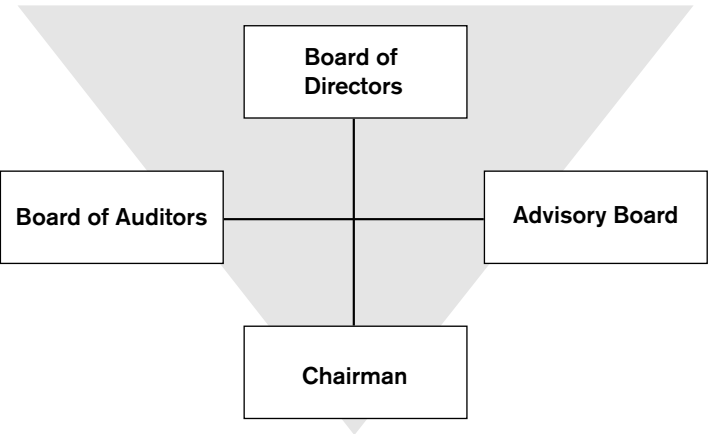
During the course of 2016, it was decided to establish the positions of Chairman and President in order to separate functions related to the overall provision of guidance from those related to operations management, with a view at avoiding potential conflicts of interest and capitalizing on different skills. As a result, the Chairman ("Presidente") and the President ("Direttore Generale") are now distinct roles. The Board of Directors also expanded from three to five members, as allowed by art. of the Articles of Association.

Furthermore, the creation of formal and informal Committees on Programs and on Fundraising initiatives is currently underway, in order to ensure close involvement of all those figures that the Foundation has been able to attract in recent years.

The current governance and organization model drawn up, reporting directly to the General Manager, features six functions to be filled with specific individuals (internally or in outsourcing mode):

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

The Board of Directors meets at least 4 times a year to decide on: Financial Statements; review and audit of the mission report and of the achievement of predefined objectives, fundraising and investments, activity programming.



B.2 Operational structure

The goal for 2016 was to lay the foundations for an expansion of the organizational and operational structure.

A goal to continue to pursue has been, and will be again, in 2016 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.

To complete the information provided in the paragraph above, the Chairman has granted to the General Manager, by means of a special power of attorney drawn up by the Notary Public Alberto Zetti, the operational proxies.

Moreover, the Foundation conducted, with the pro bono support of Spencer and Stuart, a selection process aimed at finding people specialized in fundraising and administration in order to acquire skills such as to be able to expand and consolidate its institutional activities. The selection ended with the hiring, in the second half of the year, of the Administrative Manager and of the Fundraising Manager, both currently employed by the Foundation.

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 in order to build the Foundation's organization.

In the meantime, we consolidated the "St. Luc"

Foundation in Haiti, concluding a long-term partnership agreement to increase activities by strengthening and widening the local working team through the addition of a person specifically dedicated to managing and monitoring joint projects. The rest of the operations were supported by a group of skilled volunteers.

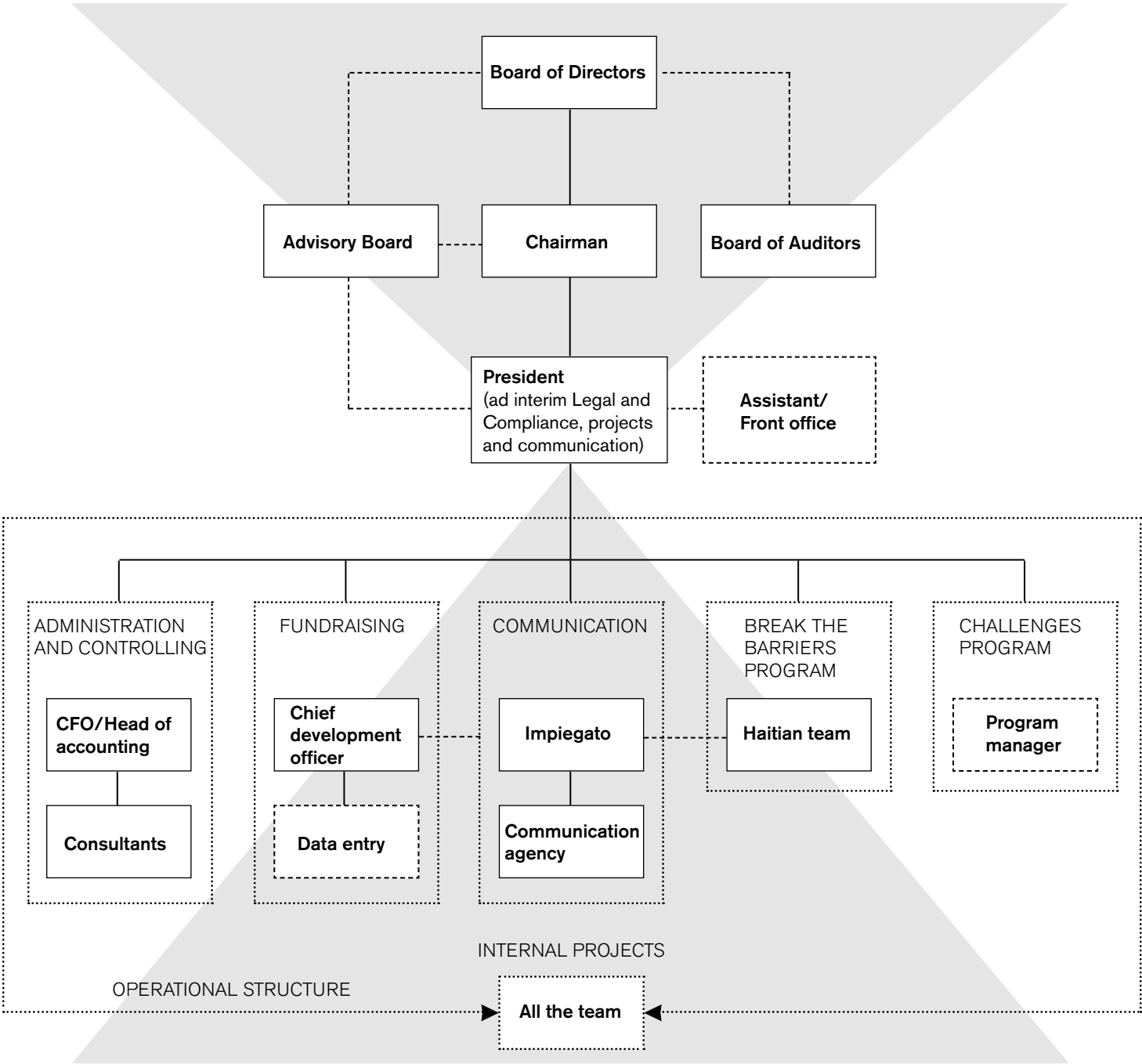
With reference to communication, material was produced by an external agency; the press office work was also outsourced. In addition, a contract was entered into for legal advice with a law and notary firm operating in the sector in order to be able to request opinions and to timely manage the year's activities in terms of fund raising initiatives as well as international donations.

In addition to this, the accounting books were kept by an external company that also arranges for drafting the financial statements, for ensuring compliance with tax obligations, and for providing advice on tax matters. The projects were followed by the President and by members of the corporate bodies, with the support of the secretariat and of a team of volunteers.

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

The information system acquired in 2014 to manage donations as well as for project and contact management with stakeholders was used for the creation and dissemination of the activity.

Below please find a hypothetical organizational structure for functions developed as of today, with dotted lines representing the figures that will be hired in 2017.





C. ACTIVITIES: PROCESSES UNDERWAY

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

- 1. Support for projects submitted by or designed with national and international institutions or bodies, an activity which represents the Foundation's core activity;
- 2. Philanthropic activity in various capacities, 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 initiatives, 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 items 2 and 3, may only relate, as required by the Articles of Association, to Non-Profit Organizations and national and international institutions that have been carefully evaluated and with a solid reputation, thus preventing the Foundation from disbursing resources directly to natural persons.

The work process: support for projects

Back in 2011, even before the establishment of the Foundation, together with those who were then appointed as members of the Advisory board, research activities and analyses were conducted on projects included in the Foundation's programs and in the Founder's intentions.

In search of an organizational model that would take into account the impact and motivations of ABF members, in 2015 we tried to strengthen existing partnerships, in particular with Fondation St. Luc in Haiti and with Boston's MIT.

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.

Strategic level	Operation	2015			2016												Responsability
		OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
Strategic plan	Objectives/ Budget	▲												▲			BoD+ Advisory Board
Project selection	Grant applications	■	■	▶													Operational structure Advisory Board
	Investigation evaluation	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	
	Board of Directors periodic report	▤▤▤	▤▤▤	▤▤▤	▤▤▤	▤▤▤	▤▤▤	▤▤▤	▤▤▤	▤▤▤	▤▤▤	▤▤▤	▤▤▤	▤▤▤	▤▤▤	▤▤▤	
Project decision	Deliberations	⬡			⬡			⬡			⬡			⬡			Board of Directors
Project monitoring	Financial statement evaluation	■	■	▶													Operational Structure Advisory Board



Following the Strategic Plan and the setting of objectives and of the annual budget, the responsibility for 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 decided on a quarterly basis which projects to support, if 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 effects of the projects with respect to the proposed objectives.

D. INSTITUTIONAL ACTIVITIES: OVERALL VIEW

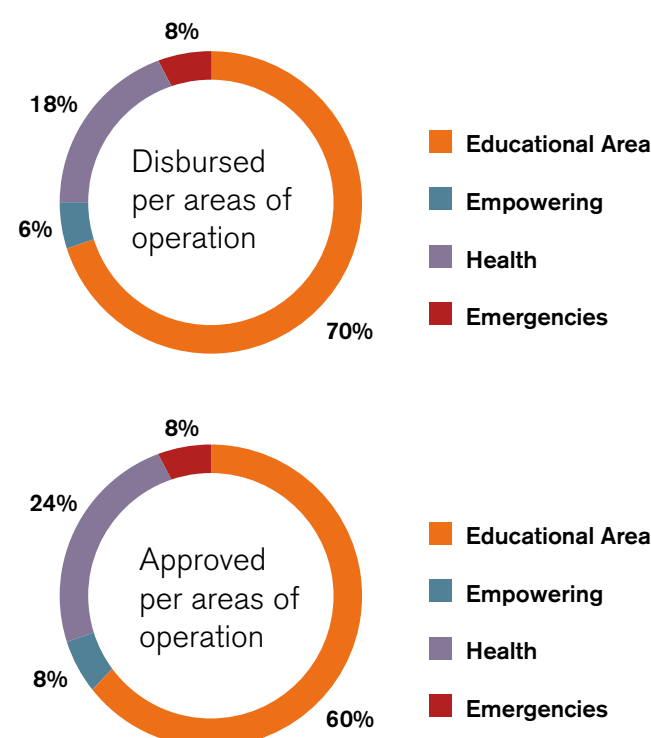
In 2016, the Foundation's work was carried out through three levels of operation:

- 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 during the course of 2016 are listed below.



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

PARTNER	PROJECT	AREA	DETAILS OF THE PROJECT	AMOUNT APPROVED in euro	AMOUNT DISBURSED in euro	APPROVAL DATE
Fondation St. Luc Haiti	Development project	Educational area	3.COM project - Rehabilitation houses in Jeremie	-	€ -345,871	01/08/2015
Fondation St. Luc Haiti	Development project	Empowering	ABF Izu truck	€ 110,521	€ -103,732	30/04/2016 06/08/2016
Fondation St. Luc Haiti	Running costs	Health	Empowering Health Care Professions - Specialization in Italy 2015-2016	-	€ -16,048	29/12/2015
Fondation St. Luc Haiti	Running costs	Health	Empowering Health Care Professions - Specialization in Italy 2016-2017	€ 15,000	-	14/04/2017
Fondation St. Luc Haiti	Development project	Educational area	ABF St. Luc - Voices of Haiti project	€ 99,414	€ -44,476	29/12/2015
Fondation St. Luc Haiti	Development project	Educational area	EDU project - St. Raphael	€ 16,072	€ -264,921	29/12/2015
Fondation St. Luc Haiti	Development project	Educational area	EDU project - Manitané Dame Marie	-	€ -264,924	29/12/2015
Fondation St. Luc Haiti	Running costs	Health	Mobile clinic 2016	€ 99,448	€ -51,402	04/04/2016
Fondation St. Luc Haiti	Running costs	Health	Mobile clinic 2017	€ 114,918	-	14/04/2017
Fondation St. Luc Haiti	Running costs	Empowering	ABF Project manager 2015/2016	€ 15,179	€ -14,126	04/04/2016
Fondation St. Luc Haiti	Running costs	Empowering	ABF Project manager 2016/2017	€ 11,384	-	14/04/2017
Fondation St. Luc Haiti	Development project	Emergency	Father Rick emergency	€ 15,653	€ -14,568	30/04/2016 06/08/2016
Fondation St. Luc Haiti	Development project	Emergency	Hurricane Matthew - roofs and survival	€ 142,301	€ -134,657	28/12/2016
Fondation St. Luc Haiti	Running costs	Health	ABF Water truck 2015/2016	€ 147,190	€ -138,264	29/12/2016
Fondation St. Luc Haiti	Running costs	Empowering	ABF Water truck 2016/2017	€ 160,198	-	14/04/2017
Fondation St. Luc Haiti	Running costs	Educational area	Wheat project 2015/2016	-	€ -441,369	01/08/2015
Fondation St. Luc Haiti	Running costs	Educational area	Wheat project 2016/2017	€ 2,133,238	-	14/04/2017
NPFS St. Damien Hospital Haiti	Running costs	Health	HIV program 2015/2016	€ 252,348	€ -118,559	04/04/2016
NPFS St. Damien Hospital Haiti	Running costs	Health	HIV program 2016/2017	€ 262,442	-	14/04/2017
ERCI	Development project	Educational area	Elpida	€ 20,000	-	14/04/2017
Fondation St. Luc Haiti	Development project	Emergency	St. Augustin reconstruction	€ 158,949	-	14/04/2017
Junior High School Capannoli	Development project	Emergency	Support project - Premio San Giuliano di Puglia	€ 600	€ -600	28/12/2016
TOTAL				€ 3,774,856	€ -1,953,517	



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.

We continued our dialogue with MIT for the continuation of the 5th Sense project, including in view of the creation of a permanent laboratory that would deal with assistive technologies in collaboration with a few Italian universities. In this phase, the Foundation is working at designing and defining future activities with a series of partners for which there were no expense resolutions in 2016.

Please find below the total disbursements as at 31/12/2016, broken down into the various action programs.

PROGRAM	APPROVED	DISBURSED
Break the Barriers / Projects	€ 3,774,856	€ -1,953,517
Break the Barriers / VOH event in NY expenses	€ 118,129	€ -118,129
Break the Barriers / Mission and monitoring expenses	€ 32,783	€ -32,783
Challenges	-	-
TOTAL	€ 3,925,768	€ -2,104,429

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



ABF's 2016 in numbers

2,550



Children reached through education

5



Schools in the most remote and poor communities in Haiti

4,220



Families that benefited directly from the programs in 5 communities

8,049



Persons given assistance

400,000



People reached



Break the Barriers



D1. BREAK THE BARRIERS Program

The “**Break the Barriers**” Program” aims to support and promote projects assisting weaker groups in the Italian and developing country populations; 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 mostly in Haiti.

THE SYSTEMIC APPROACH



June 2013
ABF kicks off the Wheat project to benefit 1,163 students of the 3 street schools of St. Augustin, Notre Dame du Rosaire, St. Philomene in Haiti.



April 2014
Having stabilised the number of students, ABF launched the EDU project to convert the 3 street schools of St. Augustin, Notre Dame du Rosaire, St. Philomene into functional, safe facilities for 1,750 students.



April 2015
ABF inaugurated the first 3 schools, which immediately become the reference point and hub of development and assistance project activities for the Communities.



January 2016
ABF carried on working in the Communities building 2 new schools, Manitané and St. Raphael in the Dame Marie and St. Raphael locations. The number of students reached a total of 2,550.



Projects

EDUCATIONAL AREA

Investing in human capital:

- opportunity to have access to free primary education in PVS, especially in the remotest areas of Haiti;
- opportunity for advanced training for future leaders who have proven their ability with merit, besides being close to the community.

EMPOWERING COMMUNITIES

Offers the opportunity to express the potential for both individuals and Communities as a key to creating a virtuous, socio-economic growth cycle which can lead to self-support long term.

HEALTH

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 capita, it assists 800 families, also at home.

EMERGENCY

ABF activates support actions for humanitarian emergencies, wars, natural calamities. In this area it tries to respond to both primary needs and for reconstruction projects.

PROJECT:

EDU project / St. Raphael School

PARTNER: Fondation Saint Luc - Haiti

LOCATION: Devarenne - Haiti

PROJECT: With the EDU Project St. Raphael the Andrea Bocelli Foundation has sustained building works for the new St. Raphael school structure (400 students) in Devarenne which began as part of the EDU project started in 2014 through which the Foundation has already built 3 schools, St. Philomene, St. Augustin and Notre Dame du Rosaire, for a total of 1,350 students.

DIRECT AND
INDIRECT
BENEFICIARIES: Number of inhabitants in the community: 26,077
Number of employees: 2
Number of teachers: 7
Number of indirect beneficiaries: 2,000

OBJECTIVES: Transform the St. Raphael street school into a real (only one in the area) functional, 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. Raphael school is located in Devarenne Grande Riviere, at Jacmel, in the south of Haiti. During the Foundation's first visit in June 2015, the distance from Port-au-Prince was calculated as being 3 hours by car and 2 1/2 hours of walking in a mountainous area. Devarenne 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 structure where lessons are taught was founded in 2014. The spaces and the basic building structure built by the students' parents using wood and stones today houses 250 students. The lessons are organised into age groups and based on their learning program: kindergarten, primary and secondary of one class. Thanks to the new building, the number of students will increase to 400.

THE ACTIONS: Through the EDU St. Raphael project, the Foundation arranged for the construction of the St. Raphael school which was inaugurated in April 2017. During the construction jobs for the school, communication routes were also built, so that today the school can be reached by way of motor vehicles, after approximately a four-hour drive from Port-au-Prince.



PROJECT:

EDU project / Manitane School

PARTNER: Fondation Saint Luc - Haiti

LOCATION: Dame Marie - Haiti

PROJECT: Through the Manitane EDU Project, the Andrea Bocelli Foundation helped to purchase the land and carry out the construction works for the new structure of the Manitane school (400 students) in Dame Marie, which began in March 2016.

DIRECT AND
INDIRECT
BENEFICIARIES: Number of inhabitants in the community: 27,127
Number of children involved: 400
Number of employees: 2
Number of teachers: 7
Number of indirect beneficiaries: 2,000

OBJECTIVES: Transform the Manitane street school into a proper, functional, safe school structure, 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 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 farming, fishing and animal breeding are practised. The school where the activities are carried out was founded in 2014. At present, the spaces and the basic structure house 135 students. The courses are organised into age groups according to their learning program: kindergarten and primary school. Thanks to the new building, the number of students will increase to 400.

THE ACTIONS: Through the Manitane EDU project, the Foundation arranged for building the school facility, which is set to be inaugurated by September 2017.



PROJECT:

EDU project / Guest House in Laserengue

PARTNER: Fondation Saint Luc - Haiti

LOCATION: Abricots, Jeremie District - Haiti

PROJECT: Through the EDU project, the Andrea Bocelli foundation supports construction of a Guest House to host staff, volunteers and supporters of the ABF and St. Luc team during missions and stays in loco. The structure is on two floors and includes: a meeting room, kitchen and bedrooms.

DIRECT AND
INDIRECT
BENEFICIARIES: ABF Team, Fondation St. Luc, Volunteers
Number of inhabitants in the community: 36,000

OBJECTIVES: Offer a suitable structure to welcome and for the stay of volunteers, donors, staff members, visitors.

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. The St. Augustin school can enrol up to 950 students from nearby villages. On average, each student walks 3 km every morning to get to school. The school facility was built by the Andrea Bocelli Foundation in 2015.

THE ACTIONS: ABF incurs the costs for construction and management of the structure.



PROJECT:

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

PARTNER: Fondation Saint Luc - Haiti

LOCATION: Haiti

PROJECT: In a context such as Haiti, the role played by schools becomes fundamental: safe places where children can “take refuge” from the dangers of rampant crime and benefit from an education which is potentially a reason for redemption for them and the community itself. Educating children and their families to the concept of school as a chance for redemption for themselves and the community means engendering awareness that change must pass to and from them. Education and respect for its value, reaffirms the dignity of individuals making them capable to positively impact on the choices for their future. Education also means culture of self respect, for one’s own body, in a more responsible approach to sexuality and consequent diseases. Hence, messages are conveyed through the schools that have a broader impact than just the individual students, such as to involve the family and the community itself. A community that, particularly in the provinces, if made aware can reduce the flow of migrants to the slums of Port-au-Prince, choosing to invest in their territory. All schools of the ABF–Fondation St. Luc system are the same as state ones, and they are managed by duly authorised and qualified teachers and personnel. The curriculum is in line with that of the public schools and is managed by a central committee which is responsible for the implementation and monitoring of its implementation in schools of the various communities. A local committee is present at each school and manages the adaptation of the program based on the characteristics and needs of the context and on the level of the students concerned. The Central Committee is in constant dialogue with the local committees, communication which allows the supply not only of the specific needs related to education, but also the general conditions in which they operate. All teachers are included in a regular training program that follows the national education program.

DIRECT AND
INDIRECT
BENEFICIARIES:

ACADEMIC YEAR 2016/2017

St. Augustin School

Number of inhabitants in the area: 150,000
Number of children involved: 927
Number of employees: 17
Number of teachers: 23
Number of beneficiary families: 1,800
Number of indirect beneficiaries: 8,500

Notre Dame du Rosaire School

Number of inhabitants in the area: 250,000
Number of children involved: 319
Number of employees: 13
Number of teachers: 19
Number of beneficiary families: 300
Number of indirect beneficiaries: 2,000

St. Philomene School

Number of inhabitants in the area: 53,000
Number of children involved: 447
Number of employees: 7
Number of teachers: 21
Number of beneficiary families: 890
Number of indirect beneficiaries: 3,600

St. Raphael School

Number of inhabitants in the area: 50,000
Number of children involved: 320
Number of employees: 3
Number of teachers: 16
Number of beneficiary families: 630
Number of indirect beneficiaries: 8,500

Manitane School

Number of inhabitants in the area: 35,000
Number of children involved: 306
Number of employees: 5
Number of teachers: 9
Number of beneficiary families: 600
Number of indirect beneficiaries: 3,600

OBJECTIVES:

- Maintain continuous access to education for the students living in the 5 communities;
- Ensure a salary for the teachers;
- Offer a meal to students every day;
- Improve the level of education of the 5 communities;
- Offer a point of reference to the communities.

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 supply for sustenance. The St. Augustin school can enrol up to 950 students from nearby villages. On average, each student walks 3 km every morning to get to school. The current school facility was built by the Foundation and was inaugurated in June 2015.

Notre Dame du Rosaire - Croix-des-Bouquets

The Notre Dame school is located in the district of Croix-des-Bouquets, 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 where the activity is carried out was built by the Foundation and was inaugurated in April 2015. At present, the spaces are organised to have up to 400 students.

St. Philomene - Kenscoff

The St. Philomene school is located in Kenscoff, a mountain area about 2 hours by car 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 school facility was built by the Foundation and was inaugurated in April 2015. It can have up to 400 students. Like the other ABF–Fondation St. Luc schools, spaces offer computer lab, library, canteen, kitchen, administrative offices and external 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 farming, fishing and animal breeding are practised. The school where the activities are carried out was founded in 2014. At present, the spaces and the basic structure house 135 students. The Foundation is currently building, together with EDU Project, a new structure that will hold 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 calculated as being 3 hours by car and 2½ 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 breeding are mainly practised. The school structure where lessons are taught was founded in 2014. The spaces and the basic building structure built by the students’ parents using wood and stones today houses 250 students. Thanks to the new building built by the Foundation, the number of students will increase up to 400.

THE ACTIONS:

- Coverage of annual structure costs for the five 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, etc;
- Organization and training for all teachers included in a training program that follows the national and standard calendar.

IN PARTNERSHIP WITH: Celebrity Fight Night Foundation



PROJECT:

Voices of Haiti

PARTNER: Fondation Saint Luc - Haiti

LOCATION: Port-au-Prince - Haiti

PROJECT: Acknowledging that art and music have the specific abilities of transmitting concepts such as: beauty and self-expression, in January 2016 the Foundation decided to inaugurate the "Voices of Haiti" wanting to enable the most talented students of the ABF-Fondation St. Luc schools to be able to express their artistic singing skills. The project will involve 60 students chosen from over 12,500 from the schools system, the artistic direction of Maestro Malcolm Merriweather, two Haitian music teachers, and 6 supervisors. Practice is held every Saturday from 8am to 3pm; time includes a vocal warm-up, singing lesson, stage presence and movement 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 the blue and red Haitian colours.

DIRECT AND INDIRECT BENEFICIARIES: Number of direct beneficiaries: 60 students, 2 music teachers
Number of indirect beneficiaries: 1,500*
*calculated on the average of number of family nucleus members (5) and average number of students in a class (40).

OBJECTIVES:

- Enable free access to artistic activities;
- Favour the expression of talent;
- Introduce music long term as a school subject;
- Create occasions for international attention for the Haitian situation.

CONTEXT: All the students come from a poor economic and social context and, through music, can find a way to consolidate the logics of discipline, co-operation and manage to free themselves of the grip of poverty for just a moment. Music becomes another way to enable social and intellectual growth of not just the individual but the entire community. Through the music and the beauty music expresses, you have the will to concentrate international interest on the conditions in Haiti once again, celebrating the strength of its colours and population.

THE ACTIONS:

- Support Music trainer and student supervisors;
- Contribution for the artistic director;
- Organization expenses;
- Expenses for instruments and teaching materials;
- Any national/international travel expenses.



PROJECT:

Erci-EDU Elpida

PARTNER: E.R.C.I. - Emergency Response Centre International

LOCATION: Thessaloniki, Greece

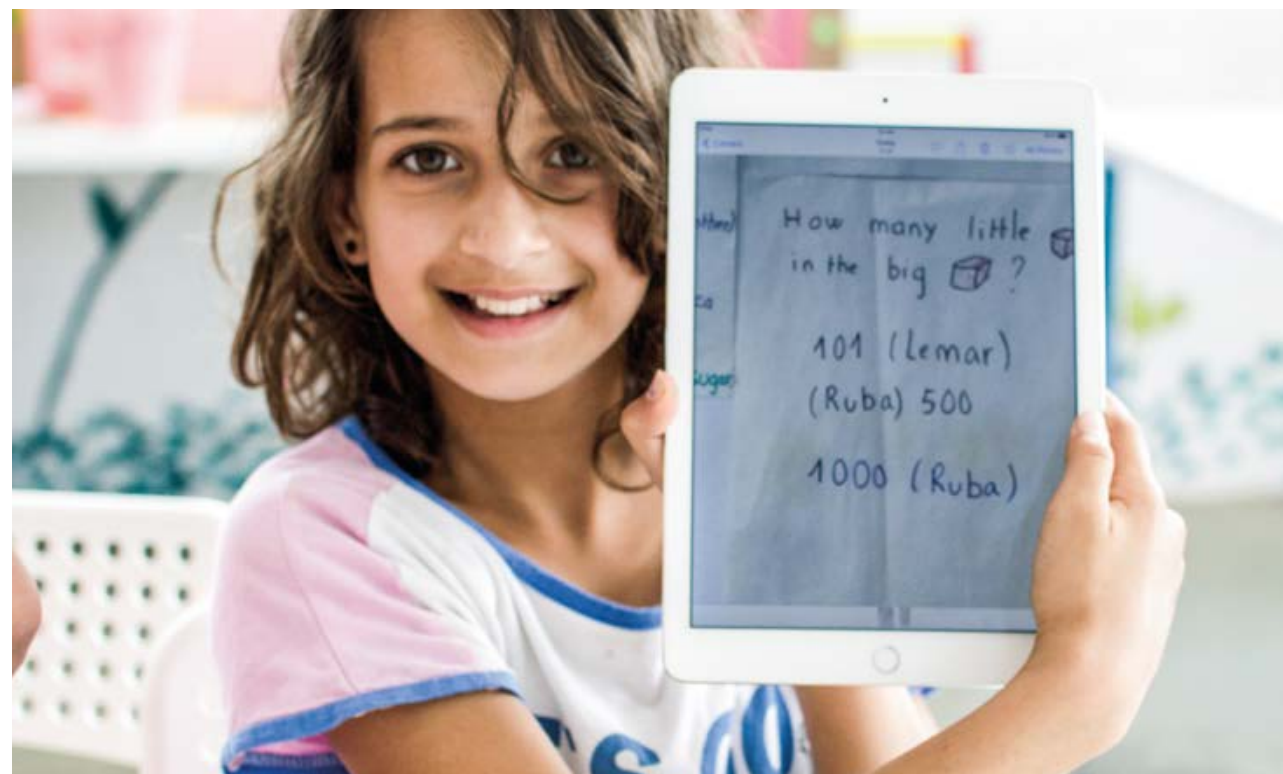
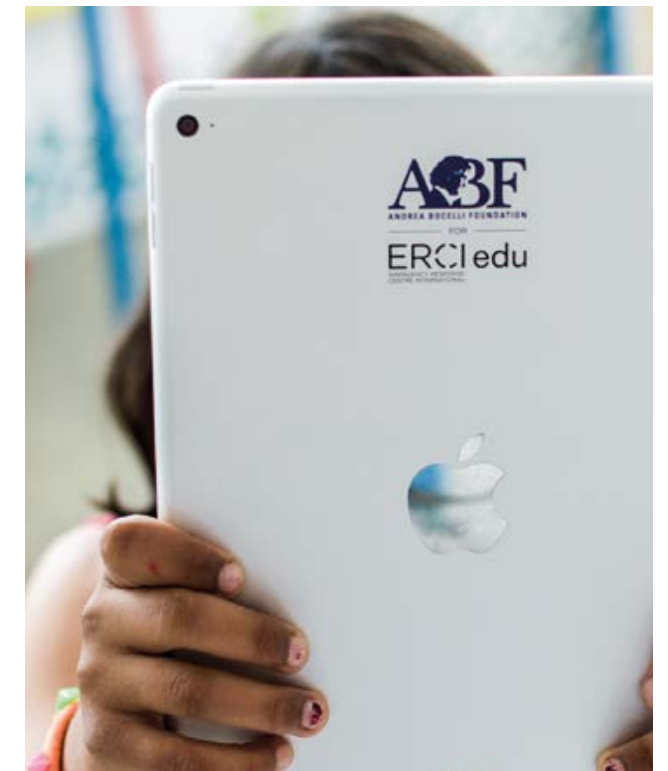
PROJECT: The ERCI-Edu project is a pilot migrant and refugee integration project housed in Elpida implemented by E.R.C.I. The project is part of the school education program for refugee children which through subjects such as mathematics, English and Arabic get to grips with the new culture of the host Country and the new reality they are sharing to facilitate dialogue and integration. Teaching tools supporting the activity are highly technological to enable greater learning effectiveness and use of platforms that are increasingly becoming the interfaces of communication. Students are aged between 4 and 17 and come from Syria, Iraq and Afghanistan.

DIRECT AND
INDIRECT
BENEFICIARIES: Number of children involved : 80
Number of guests at Elpida Home: 700

OBJECTIVES: Favour integration and contribute to the development of knowledge that can enable the approach with a new culture.

CONTEXT: The Elpida project is based on the Thessaloniki in Greece. The project is the result of the will of private and public investors to offer refugees accommodation from where to start their lives again in a more comfortable, stable situation than a refugee camp. The 140 guests of Elpida are called on to be protagonists of the project. The 6,000 m² space is managed by the guests themselves in an innovative, self-management system where the people are expected to protagonists of reorganising their lives and daily activities.

THE ACTIONS: Full supply of technological teaching materials to develop the project.



PROJECT:

ABF Water Truck

PARTNER: Fondation Saint Luc - Haiti

LOCATION: Cité Soleil, Port-au-Prince, 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 two tanker trucks. More specifically, ABF supports not only the water purchase and distribution costs, but also those of 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

OBJECTIVES:

- Allow the families living in the Cité Soleil slums free access to water;
- Improve hygiene-sanitary conditions;
- Reduce the transmission of infective diseases;
- Reduce mortality caused by 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. 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.

THE ACTIONS:

- Distribution of drinking water in the slums by 6 wheel tanker, 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 for the 2 trucks;
- Purchase of water and fuel;
- Annual coverage of operator wages.



PROJECT:

3.COM

PARTNER: Fondation Saint 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 beginning to build a real village for the community; a village where everyone has the the opportunity to live a dignified life. The ABF-Fondation St. Luc schools created with the EDU project become a real community meeting place, a place where there is access to electricity, drinking water, internet connection. Together with this, all the students' families can have electricity at home thanks to organised distribution of solar powered bulbs which enable both studying after dark and to lengthen family life. Moreover, the development program includes implementing farming activities with training and collaboration so that they can be a growing source of support for the community. The project objective is to give all families a dignified life and for many that also means having suitable housing. For this, a further activity has been dedicated to the families of the poorest students of the community of Laserengue in Abricots by building new homes.

**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;
- Make schools a real reference point for the whole community, a kind of square in which to meet and to have essential services;
- Bring water and electricity to the three communities;
- Start a path of economic development of the areas;
- Giving a decent roof 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 quite 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 a mountain area located at approximately a 2 hour drive from Port-au-Prince. Here too, the few economic activities, such as agriculture above all, are practised at the household level and intended for mere sustenance. The district of Croix-des-Bouquets, 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.

THE ACTIONS: Thanks to the 3.COM project, schools and their communities can benefit from:

- Wells and/or water tanks and filtering systems to provide drinking water 10,000 people a day;
- Solar panels producing electricity and light during the night to consolidate the school as a safe centre for the community;
- 2 solar lamps for the 800 families of students to enable them to learn at home at night;
- 2 supplies of fertiliser and plant food to foods and improvement, through training, of their ability to cultivate, to increase their incomes and resources;
- Construction of 32 family homes in the Abricots Laserengue community, for the neediest families;
- Computer labs with internet connection.



PROJECT:

Truck for the management of project works in Devarenne, Jacmel

PARTNER: Fondation Saint Luc - Haiti

LOCATION: Devarenne, Jacmel District - Haiti

PROJECT: Facilitate the transport of materials in the remote area of Devarenne and therefore for all the Foundation's projects on site, by buying suitable transport means.

DIRECT AND
INDIRECT
BENEFICIARIES: Number of children from the St. Raphael school: 400
Number of inhabitants in the community: 26,077

OBJECTIVES: • Allow continuation of construction jobs of the St. Raphael school and of future projects;
• Ensure a means of transport capable of moving on natural terrain.

CONTEXT: Devarenne Grande Riviere, at 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 being 3 hours by car and 2 1/2 hours of walking in a mountainous area. Devarenne 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 structure where lessons are taught was founded in 2014. The spaces and the basic building structure built by the students' parents using wood and stones today houses 250 students. The lessons are organised into age groups and based on their learning program: kindergarten, primary and secondary of one class. Thanks to the new building, inaugurated in April 2017, the number of students will increase to 400. And thanks to the works and vehicle purchased, it is now possible to reach the school by vehicle and with a travelling of about 4 hours from Port-au-Prince.

THE ACTIONS: Purchase of a Truck IZUSU model NPS71L-DUMP 4x4.



PROJECT:

Toyota for the monitoring and development of ABF-Fondation St. Luc team projects

PARTNER: Fondation Saint Luc - Haiti

LOCATION: Haiti

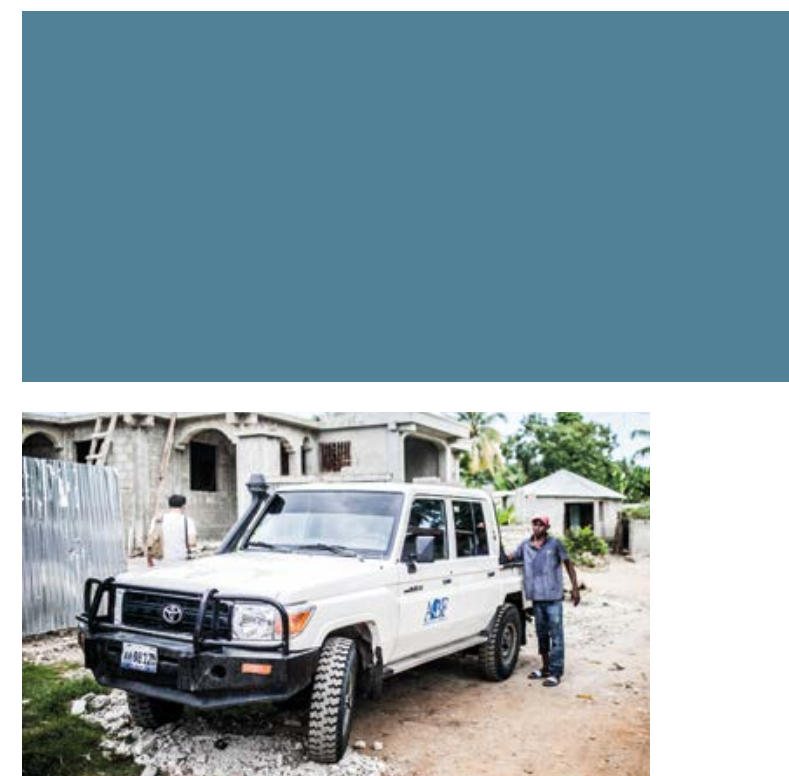
PROJECT: Facilitate the movements of the ABF-Fondation St. Luc team during monitoring and development of joint projects in Haiti.

DIRECT AND
INDIRECT
BENEFICIARIES: ABF-Fondation St. Luc teams, 5 of the most remote Communities, over 400,000 inhabitants of the slums in Port-au-Prince.

OBJECTIVES: • Allow continuation of the works;
• Ensure a means of transport capable of moving on natural terrain.

CONTEXT: The locations where ABF and Fondation St. Luc have chosen to operate are amongst the most remote in Haiti; in some cases routes to get there are off-road lasting hours. The Country has few main roads and road conditions are often bad. Even in the capital, Port-au-Prince, in bad weather and heavy rains moving around becomes difficult without the right vehicles and some centres can be isolated for days.

THE ACTIONS: Purchase of a Toyota 4x4 truck.



PROJECT:

HIV program

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

LOCATION: Tabarre, Haiti

PROJECT: January 2015 the Foundation has been supporting the hospital's HIV program contributing to increase its impact. The program began in 2005, when the hospital joined the PEPFAR network as one of three pilot centres chosen to extend the management of children exposed and infected with HIV; it then grew as a result of the poor performance of HIV prevention from mother to child 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 those, the program assists 550 children and adolescents treated with inhibitors and 70 patients in mother to child prevention programs. The program also offers full assistance, taking into account the burden that HIV/AIDS brings to families. The project is supported by the Foundation thanks to a fruitful collaboration with AMFAR and by the U.S. Center for Disease Control.

DIRECT AND INDIRECT BENEFICIARIES: Number of patients/month screening: 1,000
Number of patients in treatment: 800
Number of new patients (entrance to exists) per month: 15-20
Number of staff: 40

OBJECTIVES:

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

CONTEXT: The Saint Damien/Nos Petits Frères et Sœurs (HSD/NPFS) hospital has 150 beds, among the various hospital departments other than maternity there is also oncology, the tuberculosis clinic, the HIV/AIDS program and the health program for the Community. It is one of the paediatric centres of excellence in Haiti. The HIV program is active since 2005 and every year 15,000 children are examined by the unit active in the field, 3000 patients are hospitalised and 2,500 are treated. HSD/NPFS provides free medical care to the most needy families. The children infected and affected by HIV/AIDS account for 2.5% of the children cared for by clinics and 10% of hospitalised patients.

THE ACTIONS:

- Employees and continuous training;
- Purchasing work instruments, department consumables and medicines;
- Conducting tests;
- Home care for 800 patients;
- Contribution to the families to ensure continuous treatment;
- Food to ensure proper nutrition to children affected by HIV and their family.



PROJECT:

ABF Mobile Clinic

PARTNER: Fondation Saint Luc - Haiti

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

PROJECT: Launched in March 2016, the project means to guarantee a screening and health service by staff including 3 nurses and 2 doctors every quarter in the schools of St. Philomene, St. Augustin, Notre Dame du Rosaire, Manitan. Staff visits all students in the 4 schools, their parents and community members requesting it screening each person free of charge for the most common diseases found such as hernia, malaria, skin diseases. All children are administered anti-parasitic medicine and vitamins. In both the school and the outpatient's clinics, a pharmacy is set up where medicines are assigned for the cure prescribed. If serious diseases are discovered during the screening, there is the possibility for immediate transfer to St. Damien Children's Hospital and/or to St. Luc Hospital (for adults), located in Tabarrè, 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: 356,158
Number of children involved: 1,671
Number of staff: 5

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

CONTEXT: Abricots is a village located 2 hours by car from Jeremie, approximately 9 from the capital. Reaching these places is quite 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 practiced at the household level and intended for mere sustenance. Croix-des-Bouquets, is Port-au-Prince artists district, where many families are engaged in the production of items called "Fer Forgé" and made from recycled diesel barrels. 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 farming, fishing and animal breeding are practised.

THE ACTIONS:

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



PROJECT:

Empowering Health-Care Professions

Programs for specialized training of haitian doctors in Italy

PARTNER: Fondation Saint Luc - Haiti

LOCATION: Italy

PROJECT: The Andrea Bocelli Foundation with this project wanted to help the Haitian doctors in the path to access the specialization course for surgeons offered by the Italian and European universities. In this regard it is necessary to submit a request for equality and recognition of the qualification to practice as a doctor with a whole series of documents, authenticated, translated and legalized to be delivered to the Ministry of Health. At that point, the Foundation will sponsor the coverage of all costs necessary for the years of specialization that will follow.

DIRECT AND INDIRECT BENEFICIARIES: Number of direct beneficiaries: 1
Number of children in ABF's 5 schools: 2,036
Number of inhabitants in the 5 ABF communities: 382,235
Number of inhabitants in the Cité Soleil slums: oltre 400,000
Population of Haiti: 9,993,247

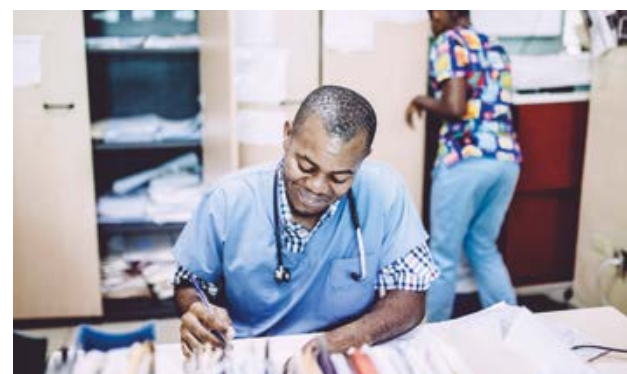
OBJECTIVES:

- Obtain recognition of educational degrees;
- Offer free access to specialized training;
- Contribute to improving the personnel's skills.

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

THE ACTIONS:

- Cover the costs of translating the original documents into Italian;
- Cover the travel and accommodation costs of the direct beneficiary;
- Institutional Relations with Embassies and Consulates;
- Cover the costs for the purchase of teaching material;
- Cover the costs of scholarship and university enrolment taxes.



PROJECT:

Hurricane Matthew Emergency

PARTNER: Fondation Saint Luc - Haiti

LOCATION: Abricots, Devarenne, Dame Marie - Haiti

PROJECT: Supply initial help to support the emergency and for the post Hurricane reconstruction plan.

DIRECT AND
INDIRECT
BENEFICIARIES: Number of children in the 3 schools St. Raphael, Manitan, St. Augustin: 1,156
Number of inhabitants in the 3 communities: 89,204

OBJECTIVES:

- Provide immediate support for first aid means such as food, water, clothes, tents and health assistance to families in the 3 communities;
- Launch the reconstruction plan to recover school structures and give a concrete, tangible sign of a return to normal as soon as possible to the students of the 3 schools together with restoring the family nucleus around the home and the small production activities that were performed to sustain it.

CONTEXT: On 4 October 2016, hurricane Matthew hit Haiti hard. Continuous rain and wind caused huge damage. Entire villages were flooded and no longer exist. The hurricane destroyed homes, hectares of vegetation and farmed fields, the population's main sources of food. The bridge connecting the capital with the southern part of the island, the worst hit, collapsed and the rescue machine was slow. Two communities where our Foundation has projects, Dame Marie and Abricots, were cut off and it was very difficult to reach them. Over 800 people died, and approximately around 30,000 people were forced to leave their homes and were left with no shelter.

THE ACTIONS:

- Provide support for the purchase of basic necessities;
- Restore the school facilities of Dame Marie and St. Augustin;
- Restore access to education;
- Contribute to re-establishing the socio-economic activities of the communities.





Challenges

The program “**Challenges**” works in the area of scientific and technological research and social innovation, embracing major challenges - in terms of both investments and results to be achieved - to allow anyone who experiences economic or social difficulties to express herself or himself.

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.

In 2016, ABF continued its dialogue with the Massachusetts Institute of Technology for the continuation of the 5th Sense Project. Ongoing discussions included the establishment of a permanent laboratory that would work on assistive technologies in collaboration with a few Italian universities. At this stage, the Foundation is working on designing and defining future activities with a range of partners. No expenses related to these activities were recorded in 2016.



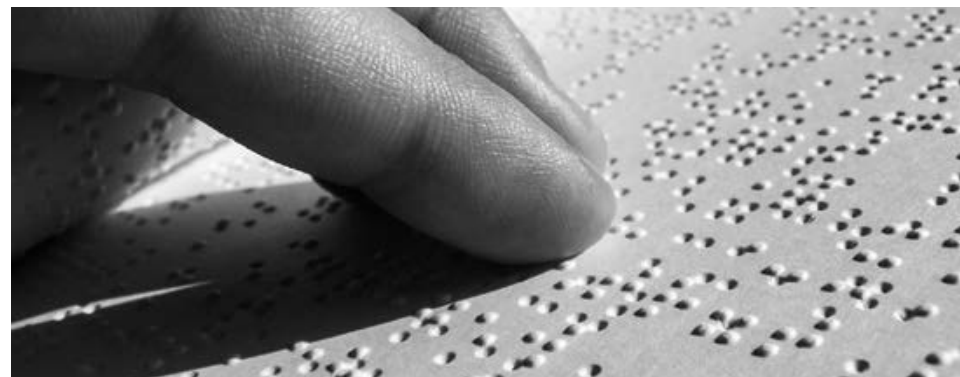


Institutional Activities

Computer technologies at the service of the blind for the production of musical scores

March 2016

ABF was one of the promoters of the initiative organised National Italian Union of Pro Blind Volunteers, Provincial Section of Bologna, Ottavio Orioli Service in Pisa c/o CNR. The initiative was launched to promote the correlation between the most significant experiences in terms of technologies developed to simplify the production of musical scores in Braille and encourage the coordination/ collaboration processes really useful for achieving increasingly more advanced results.



Bocelli & Zanetti Night

May 2016

The Andrea Bocelli Foundation was the beneficiary, with the P.U.P.I. Foundation, of the "Bocelli & Zanetti Night" event held in May 25 in the Milan Expo Area in favour of school-age children living in Centre-South America, particularly Haiti and Argentina where the work of the two Foundations is concentrated. Testimonial and hosts for the evening were the two founders, Andrea Bocelli and Xavier Zanetti who invited friends from the show business and sports worlds to add their voices and forces for a unique great common goal. The event was linked to collection of funds through a Charity SMS and a photo exhibition entitled "WeHel".



Fundraising Teatro del Silenzio

August 2016

For the tenth edition of the Teatro del Silenzio, the Foundation also organised a promotional and fund raising campaign to support the ABF Water Truck project for Haiti. With approximately 80 volunteers and 3 dedicated workstations, the ABF was on hand for two evenings, presenting their activities and initiatives to concert guests. To further support the fundraising campaign, the Foundation was the beneficiary of "Dinner for Haiti", an after-concert event with funds going to increase support of the water truck activity.



CFN Italy 2016

September 2016

The Andrea Bocelli Foundation, along with the Muhammed Ali Parkinson Centre, is the recipient of the third Italian edition of the Celebrity Fight Night. The event has brought over a hundred millionaires from all over the world to Italy, involving them in a 5-day charity trip between Tuscany and Venice. The sum collected will be given to people in need through the Andrea Bocelli Foundation and the Muhammad Ali Parkinson Centre.

This year, the Andrea Bocelli Foundation, thanks to the event's third edition, can carry on guaranteeing access to education for the over 2,550 students of the ABF-Fondation St. Luc schools in Haiti, situated in the country's most remote, poorest areas.

Alongside ABF in Florence, was a Haitian delegation of the ABF partner in Haiti, Fondation St. Luc, which provided its on-the-ground perspective and evidence on activities and future development opportunities with ABF.



Voices of Haiti in New York

September 2016

Fully consistent with its mission, the Foundation has set up a choir of sixty voices in Haiti, selected from amongst over twelve thousand students of schools on the island thanks to the ABF-Fondation St. Luc system, called "Voices of Haiti". For its international inauguration, the choir was in New York from 13 to 20 September: an important debut that hosted it at several prestigious events, alongside its founder Maestro Andrea Bocelli. From the "Global Exchange" in the Lincoln Center to the United Nation's Glass Building, from the Gala organized by the USA Childhood Foundation to the presence of Her Majesty Princess Madeleine of Sweden at the evening "Clinton Global Citizen Awards" of Clinton Foundation. "Voices of Haiti" performed in Creole, Italian and English, and also offered guests at the Childhood Foundation evening a song in Swedish in honour of the Princess. In 2017, a performance is scheduled at the Teatro del Silenzio still with Maestro Bocelli.

An essential part of the project, a number of inter-disciplinary initiatives to benefit the singers: in that way the educational experience is wide spectrum and includes an in-depth analysis of the culture, uses and customs of the countries hosting performances. In New York, the young Haitian singers also lived the emotion of a cruise in Manhattan, a visit to Central Park, and on Broadway saw the "Lion King" musical.





E. RESOURCES FOR INSTITUTIONAL ACTIVITIES

In 2015, the Foundation received part of the funds to support and develop its own projects from both fundraising activities, direct or mainly organised by third parties and volunteers, and from charitable donations by private and institutional donors.

A. Capital

The Foundation’s capital remain the amount provided by the Founder at the time of its establishment, € 100,000.
In 2016, the founder once again covered the structural costs for implementation of the same Foundation, so that 100% of the donations received could be allocated to the projects.

B. Revenue from charitable donations and fundraising

Charitable donations for 2016 totalled € 4,918,117 and were allocated as follows:

Proceeds for core activities by collection channel

DESTINATION	AMOUNT in euro	
ABF Events	€ 198,766	4%
Third Parties Events	€ 1,026,238	21%
5x1000	€ 40,461	1%
Solidarity SMS	€ 204,845	4%
Spontaneous donation	€ 3,142,496	64%
Campaigns	€ 5,311	0%
Donation from founder	€ 300,000	6%
TOTAL	€ 4,918,117	100%

To this sum, we need to add € 40,267 of other income, for a total of € 4,958,384.



The following table shows allocation of contributions received in 2016 from donors. In fact, they may choose to tie their donations to one of the Foundation’s projects or programs.

DESTINATION	AMOUNT in euro	
Challenges	€ 167,143	3%
EDU Project	€ 675,083	14%
UCLA Project	-	0%
3.COM	-	0%
Wheat	€ 1,068,429	22%
Empowering specialization	-	0%
Voices of Haiti	€ 43,747	1%
Water Truck	€ 216,037	4%
Mobile Clinic	€ 353,245	7%
HIV	€ 284,994	6%
Post hurricane reconstruction of schools	€ 15,812	0%
Elpida	-	0%
ABF persons	-	0%
Hurricane Matthew emergency	€ 251,578	5%
ABF Motor vehicles	€ 100,931	2%
Other emergencies	-	0%
ABF institutional activities	€ 986,772	20%
Break the Barriers	€ 672,363	14%
Central Italy earthquake	€ 81,984	2%
Break the Barriers	€ 4,750,974	97%
TOTAL	€ 4,918,117	100%

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

As from 15/1/2015, the Andrea Bocelli Foundation was subjected to due diligence by the CAF America's Eligibility Committee, and was deemed eligible to receive donations for an additional two years from CAF America, an organization that allocates donations worldwide, thus helping organizations, companies and individuals to donate without borders.

In 2016, the Foundation received the following donations from CAF America:

DATE	PROJECT	AMOUNT in euro	AMOUNT in USD
21/01/2016	EDU Project	€ 674,963	\$ 729,500
24/02/2016	Mobile Clinic	€ 83,432	\$ 92,000
22/01/2016	ABF vehicles	€ 50,663	\$ 92,000
22/01/2016	HIV	€ 31,100	
25/02/2016	ABF vehicles	€ 50,267	\$ 56,028
14/04/2016	Break the Barriers	€ 658,394	\$ 729,500
25/05/2016	Challenges	€ 83,235	\$ 92,000
07/07/2016	HIV	€ 193,543	\$ 213,574
18/07/2016	Challenges	€ 82,541	\$ 92,000
19/07/2016	ABF Institutional Activities	€ 4,082	\$ 4,600
01/09/2016	ABF Institutional Activities	€ 439,020	\$ 482,000
01/09/2016	Hurricane Matthew emergency	€ 838	\$ 920
09/09/2016	ABF Institutional Activities	€ 15,162	\$ 16,560
09/09/2016	Hurricane Matthew emergency	€ 25,270	\$ 27,600
19/10/2016	ABF Institutional Activities	€ 4,322	\$ 4,140
28/10/2016	Central Italy earthquake	€ 3,942	\$ 4,750
31/10/2016	HIV	€ 60,351	\$ 211,290
31/10/2016	Mobile Clinic	€ 140,819	
07/11/2016	ABF Institutional Activities	€ 876	\$ 920
15/11/2016	ABF Institutional Activities	€ 876	\$ 920
TOTAL		€ 2,603,696	\$ 2,850,302

B.2. Occasional fundraising collection

Once again in 2016, the Foundation carried out occasional fund raising activities during the Teatro del Silenzio events; net funds collected amounted to Euro 135,409, USD 55,250 and 40 pounds sterling. 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 no.1).



C. Charges from contingencies

PROGRAM	APPROVED in euro	DISBURSED in euro
Break the Barriers / Projects	€ 3,774,856	€ -1,953,517
Break the Barriers / VOH event in NY expenses	€ 118,129	€ -118,129
Break the Barriers / Mission and monitoring expenses	€ 32,783	€ -32,783
Challenges	-	-
TOTAL	€ 3,925,768	€ -2,104,429

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

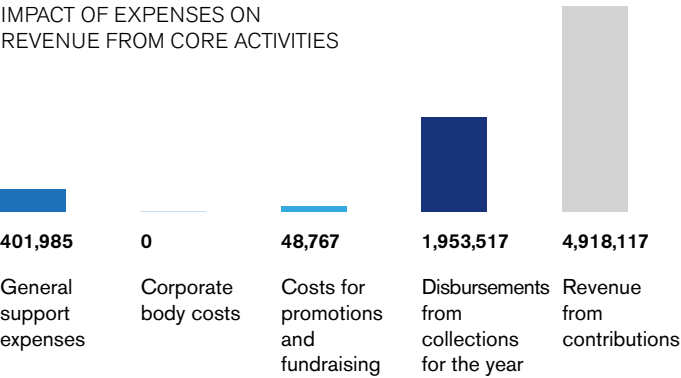


D. Expenses for activities as at 31/12/2016 and charges from core operations

Total expenses for performance of the Foundation's activities amounted to € 450,752 broken down as follows:

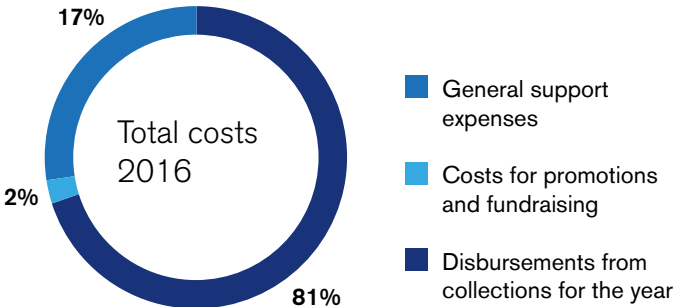
General support expenses	€ 401,985	9.2%
Corporate body costs	-	0%
Costs for promotions and fundraising	€ 48,767	1.1%
TOTAL	€ 450,752	10.3%
Revenue from contributions	€ 4,918,117	

IMPACT OF EXPENSES ON REVENUE FROM CORE ACTIVITIES



Expenses for performance of the activity	€ 450,752
General support expenses	€ 401,985
Corporate body costs	-
Costs for promotions and fundraising	€ 48,767
Disbursements from collections for the year	€ 1,953,517

The previous graph shows the low incidence of structure costs compared to contributions received and allocated.





Annex 1 OCCASIONAL FUNDS COLLECTION STATEMENT

Teatro del Silenzio 2016 | Supported project: ABF Water truck

REVENUE	AMOUNT in euro	AMOUNT in USD	AMOUNT in Pound
Cash donations	€ 4,241	\$ 40	\$ 40
Donations by contributions to the bank account	€ 134,845	\$ 3,960	-
Cheque donations	€ 300	\$ 51,250	-
Donations through assets acquired gratuitously	-	-	-
Collection from sale of assets purchased against payment	€ 10,738	-	-
Collection from services provided	-	-	-
TOTAL REVENUE	€ 150,124	\$ 55,250	\$ 40

EXPENSES	AMOUNT in euro	AMOUNT in USD	AMOUNT in Pound
Purchase of assets distributed during the collection event	€ 12,494	-	-
Stand rental expenses	-	-	-
Reimbursement of expenses to volunteers	-	-	-
Promotional expenses for the collection (advertising, events)	-	-	-
Printing and postal expenses	-	-	-
Utility expenses	-	-	-
Expenses for other services	€ 2,221	-	-
Payments for performances	-	-	-
TOTAL COSTS	€ 14,715	-	-

NET RESULT OF THE COLLECTION	€ 135,409	\$ 55,250	\$ 40
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3.

FINANCIAL STATEMENTS

AS AT 31st DECEMBER 2016

BALANCE SHEET

(data in euro)

ASSETS	2016	2015
A) Receivables to shareholders		
B) Fixed assets	70,813	24,524
I. Intangible assets	4,919	10,588
1) Licences	519	4,082
2) Trademarks and patents	807	1,714
3) Other multi-year expenses	3,594	4,792
4) Other	-	-
II. Tangible assets	65,194	13,936
1) General installation	2,928	-
2) Machinery and equipment	1,520	2,000
3) Furniture	37,238	4,553
4) Eletronic machinery	23,508	7,382
5) Other	-	-
III. Financial assets	700	-
1) Guarantee deposits	700	-
C) Current assets	7,918,789	5,644,250
I. Inventory	-	-
1) Inventory	-	-
II. Receivables	12,700	1,899
1) Receivables within 12 months	12,700	1,899
2) Receivables overn 12 months	-	-
III. Financial current assets	100,000	100,000
IV. Cash and cash equivalents	7,806,089	5,542,351
D) Prepayments and accrued income	4,625	524
TOTAL ASSETS	7,994,226	5,669,298

BALANCE SHEET

(data in euro)

LIABILITIES	2016	2015
A) Net equity	7,785,141	5,614,074
I. Free capital	3,380,985	2,781,345
1) Social fund	100,000	100,000
2) Other reserves	-	-
3) Free funds	2,453,383	2,134,685
4) Surplus (deficit) from current operations	827,602	546,659
II. Restricted equity	4,404,155	2,832,729
EDU Project Fund	435,898	949,671
UCLA Project Fund	36,274	36,274
3.COM Fund	199,673	545,544
Wheat Fund	2,708,767	1,098,944
Empowering Specialization Fund	15,660	16,708
Voices of Haiti Fund	82,493	27,556
Water Truck Fund	173,805	158,032
Mobile Clinic Fund	158,545	-
HIV Fund	386,136	-
St. Augustin Reconstruction Fund	158,949	-
Elpida Fund	20,000	-
ABF persons Fund	12,436	-
Hurricane Matthew Emergency Fund	7,644	-
ABF Motor Vehicles Fund	6,789	-
Other emergencies Fund	1,085	-
B) Provisions for risks and charges	-	-
C) Employee severance indemnity Provision	12,001	8,144
1) Employee severance indemnity	12,001	8,144
D) Payables	197,045	47,080
1) Payables within 12 months	197,045	47,080
2) Payables beyond 12 months	-	-
E) Accrued liabilities and deferred income	40	-
TOTAL LIABILITIES AND NET EQUITY	7,994,227	5,669,298

MANAGEMENT STATEMENT

(data in euro)

	2016	2015
A) Revenue	4,958,384	4,138,003
1) Revenue from institutional activity and fundraising		
I. Contributions/donations	4,918,117	4,138,003
1) Revenue from members or associates	300,000	300,000
2) Contributions and donations	4,577,656	3,819,505
3) 5x1000	40,461	18,498
4) Other contributions	-	-
II. Other contributions	40,267	-
1) Revenue from other activities	40,267	-
B) Charges	4,126,607	3,617,825
1) Charges for ordinary operations	3,675,855	3,387,183
I. Challenges Program	-	25,911
a) MIT 5th sense project	-	-
b) Workshop MIT Expo 2015	-	25,911
II. Break the Barriers Program	3,643,072	3,292,346
ABF Motor Vehicles	110,521	46,753
3.COM	-	681,252
Voices of Haiti	217,542	27,556
EDU project	16,072	1,050,214
Mobile clinic	209,946	-
ABF persons in Haiti	26,563	-
Empowering Health Care Professions		
Specialization	15,000	22,113
Hurricane Matthew - roofs and survival	142,301	-
ABF Water truck 2015/2016	154,037	158,032
HIV	504,696	-
Wheat project	2,051,190	1,306,426
St. Augustin reconstruction	158,949	-
Elpida	20,000	-
Capannoli Junior High School disbursement	600	-
Other Emergencies	15,653	-
III. Mission Expenses	32,783	43,016
IV. Purchases dedicated to projects	-	-
V. Expenses dedicated to projects	-	25,911
2) Charges for promotions and fundraising	59,747	36,403
3) Charges for general support	391,005	194,239
1) Purchases	8,894	2,517
2) Services	139,148	50,050
3) Personnel	204,909	132,450
4) Leases and rentals	18,917	985
5) Amortisation, depreciation and write-downs	15,117	8,236
6) Miscellaneous operating costs	4,021	1
C) Financial revenue and charges	1,059	2,063
1) Interest payable from bank accounts	1,281	-
2) Revenue from bank deposits	-	2,025
3) Other financial revenue	-	45
4) Interest payable	54	1
3) Other financial charges	168	5

D) Extraordinary income and charges	78	37,447
1) Contingent assets	-	37,447
2) Contingent liabilities	78	-
Operating result before taxes	832,758	559,688
Taxes for the period	5,156	13,029
SURPLUS (DEFICIT) FROM OPERATIONS	827,603	546,659

**CASH FLOW STATEMENT OF THE ANDREA BOCELLI FOUNDATION
AS AT 31 DECEMBER 2016**

(data in euro)

Surplus for the period	827,603
Taxes for the period	5,156
Net Financial Charges	1,059
Amortisation	15,117
+/- minus/plus from evaluation of current financial instruments	-
+/- minus/plus from evaluation of non-current financial instruments	-
Allocation to the provision for risks and charges	-
Employee Severance Indemnity (TFR) increase/(decrease)	3,857
Decrease/(increase) in accrued income and deferred expenses (pertaining to operations)	4,101
Increase/(decrease) in accrued charges and deferred income (pertaining to operations)	40
Decrease/(increase) in operating loans	10,801
Increase/(decrease) in operating loans	149,965
A) Liquidity generated (absorbed) by current operations	985,777
Change in restricted funds	1,571,426
Other equity changes	247,177
B) Liquidity absorbed (generated) due to changes in free or restricted equity funds	1,324,249
Decrease/(increase) in tangible and intangible fixed assets	45,589
Decrease/(increase) in financial fixed assets	-
Decrease/(increase) in current financial instruments	700
Decrease/(increase) in financing receivables	-
Decrease/(increase) in accrued income and deferred expenses (pertaining to financial management)	-
Increase/(decrease) in financing payables	-
Increase/(decrease) in accrued charges and deferred income (pertaining to financial management)	-
Decrease/(increase) in financing receivables	-
C) Liquidity generated (absorbed) by the change in equity elements	46,289
D) Liquidity generated (absorbed) by operations (A+B+C)	2,263,737
E) Cash and cash equivalents as at 1/1	5,542,351
Cash and cash equivalents as at 31/12 (D+E)	7,806,089



NOTES

To the financial statements closed as at 31/12/2016

Introduction

The Andrea Bocelli Foundation was established in 2011 to help people in difficulty, as a result of illness, poverty or social exclusion; 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 organizations, communicating how and for how much the organization have achieved their mission, proves that legitimacy and enables them to acquire consent. The Mission Report of the Bocelli Foundation presents both the Foundation from a strictly institutional point of view and is a precious communication tool, for third parties interested in taking part on programs and projects related to the Foundation's specific mission. It also certifies how the Foundation pursued its institutional purpose, operating in compliance with limits set by the Articles of Association and laws in force. The Mission Report is divided into two well identifiable, distinct sections:

1) Mission Report. Including all the "social" reporting related to activities and their effectiveness, identifying the social subjects and problems the Foundation deals with. It presents programs and projects and relative results achieved in the year, and those quantified for the next year.

2) Financial Statements for the Year. Present economic and financial results for the accounting period of reference, going from January 1 to December 31 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. These Financial Statements for the Year were drawn up so they could be included in the Mission Report.

It is also submitted to legal audit by the board of internal auditors and to voluntary accounting audit by KPMG S.p.A.

Drafting criteria

The financial statements closed as at 31 December 2016, are inspired what is indicated in accounting standard 1 for non profit entities and considers 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. Figures are expressed in Euro as set forth in art. 2423 clause 5 of the Italian Civil Code.

Management Report

The income statement reports items by kind, as it is considered the model that provides the most important information. It was prepared in divided, contrasting sections, suitably adapted to the specific Foundation elements, 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 item, the assets and liabilities of amounts expected to regulated or recovered within and no later that 12 months from the balance sheet reference date.

Financial Statement

The financial statement presents financial flows of the year's assets using the indirect method, through which the result for the year is rectified by the effects of non monetary operations, from any deferment or allocation of previous years or future collections or payments.

Criteria applied in the evaluation of financial statement items

The evaluation of financial statement items, in compliance with the contents of accounting standard 1 for non-profit organizations and taking into account the recommendations made by the Italian National Council of Chartered Accountants Non-profit Company Commission, was based on general criteria of prudence and accrual considering the economic function of the asset and liability elements. 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 accrual principle, 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. Below please find the general financial statement standards or postulates set forth in Accounting Standard 1 for non-profit organizations:

- understandability;
- neutrality;
- significance;
- prudence;
- prevalence of substance over form;
- comparability and consistency;
- verifiability of the information;
- annuity;
- cost principle.

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

The statements were prepared with Foundation continuity in mind, referred to a future of at least 12 months from the date of the financial statements.

The Foundation adopted amendments made, coming into effect from 1 January 2016, Legislative Decree 139/2015 to statutory provisions pursuant to articles from 2421 to 2435, adapting them to its specific reality. Legislative novelties, followed by an Italian Accounting Body review of national accounting standards, were examined by the Foundation to check and adapt applicability to itself, in the absence of updates to specific accounting guidelines for non-profit bodies.

Furthermore, to provide readers with a more immediate interpretation of economic and financial flows, the Foundation's Board of Directors made amendments to the balance sheet drafting principles which involved changes to classification, due to new or eliminated balance sheet items and changes to accounting and assessment criteria.

The effects of classification changes were backdated also rectifying, for comparison purposes, previous year balances.

Please find below a reconciliation schedule of the Result of the 2015 financial year:

Operating surplus Financial Statements 2015 approved on 30 April 2016	€ 3,268,464
Allocations for projects approved by the BoD during the course of 2015	€ -3,292,346
Reversal of distribution costs for 2015	€ 570,541
Operating surplus Financial Statements 2015 based on the new accounting principles approved by the BoD on 14/04/2017	€ 546,659



Here below are the main criteria used to draw up the financial statements:

Criteria for the conversion of foreign currency values

Items are entered based on exchange rates in force on the date on which they arose.
For correct comparison with the previous year please note that any profits/losses resulting from exchange rate conversions or from the sale of a currency and the purchase of another, are respectively credited in the Management Statement under item 4.2 Financial and asset revenue from other activities.

Intangible fixed assets

These are stated at historical purchase cost and adjusted by the accumulated depreciation.
These are mainly for licences to use management software and the non depreciated portion of costs for fees for corporate and notary consultancy services sustained by the company during 2011 for incorporation and subsequent statutory amendments.

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 sustained to use the asset, reduced by trade discount costs and cash discounts for a significant amount.
If probable that future benefits arising from the cost sustained to replace a part of a building, plant and equipment elements will be had by the Foundation and the cost of the element can be reasonably calculated, that cost is entered as an increase to the book value of the element it refers to. All the other costs are entered in the income statement for the year in which they are sustained.
Tangible assets are entered net of relative depreciation accumulated 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 entered perspectively.
Depreciation percentages of the main tangible assets are:

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



Financial fixed assets

Receivables are classified in financial fixed assets and working capital based on the intended use criterion compared to ordinary activities. Therefore, regardless of due date, receivables of a financial origin are classified under financial fixed assets whereas those of a commercial origin are classified under working capital. The assessment criterion for receivables is presented below.

Receivable

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

Financial assets

Financial assets that are not fixed are entered at purchase cost and valued at nominal value.

Cash and cash equivalents

Liquid assets are valued at presumable collection value. That value normally coincides with nominal value.

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.

Equity

This is entered based on an availability criterion and the limits its components are bound by.
Equity was entered at the original nominal value, net of any use.
It is formed by:

- Social fund;
- Free Capital, that is the Foundation's "available" capital, to be used based on future Board of Directors indications;
- Restricted capital Assets, intended for the Foundation's institutional activities, programs, projects and emergencies, in compliance with specific Board of Directors' resolutions.

Related to that portion of Equity, the financial resources could already have been found (money in cash or the bank) or could still have to be collected through fund raising activities.
Restricted Capital Assets Funds are used or moved with a Board of Directors' resolution: they increase downstream of the Board's project authorisation resolution and generate, accounting of expenses from typical activities; they decrease when the money is allocated through the cash or bank amounts being reduced.

Provisions for risks and charges

No certain or probable losses or payables are foreseen, for which, however, the amount or contingent date could not be determined when the financial year was closed; there there are no funds covering risks of this type.

Employee Severance Indemnity Fund

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.

Payables

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

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.
Please note that when performing its social solidarity institutional activities the Andrea Bocelli Foundation does not perform any commercial activities. Therefore, the proceeds resulting from directly connected activities do not form taxable income for IRES purposes. It is only subjected to IRAP (regional) taxes.

Acknowledgement of Proceeds

Proceeds from contributions are acknowledged when they have been obtained, normally identified when the sums of money are transferred or with the formal resolution of the Allocating Body.
However, all proceeds are not positioned until the Board of Directors has formally accepted the amounts, through 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 effectively transferred by each donor.
Donations in kind received in the year are positioned entering, at the same time, both proceeds and figurative expenses related to free purchases and services provided free of charge by third parties.
Moreover, please note that, during 2016, as they presented a minimum percentage compared to the total in money and constituting amounts that were not significant for foundation activities, donations in kind were not entered in accounts.
Proceeds of a financial nature were acknowledged on an accruals basis, entering the relative accruals and deferrals if necessary.

Acknowledgement of Expenses and Charges

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

- **Charges from Core Operations.**
The following are detailed for each program and project:
1) Money distributions authorised by the Board of Directors related to projects for the period; for which the relative financial expenditure might have occurred in

full or only partially during the year. That item includes expenses arising from amounts intended for projects where financial distribution will take place after the year. The item is moved as a counter-item of the increase in the restricted capital assets funds.
2) The costs sustained for missions supporting projects decided in the period and the purchase of goods, consumables and services used to implement those projects;

- **Charges for promotions and fund raising.**
The section includes all costs sustained as part of communication to promote Foundation activities and projects decided in the year; as well as all costs related to the first contact activities and the updating of all private donors, individuals, companies and foundations.

- **Charges for general support.**
The section includes all the Foundation's general costs, sustained 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 relative notes means that management has 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 could differ to those estimates. Estimates can be used to enter provisions for risks on receivables, devaluation of assets, depreciation, taxes and other provisions to risk funds. Estimates and the relative hypotheses are based on prior experience and on assumptions considered reasonable when the estimates are made. Estimates and assumptions are reviewed periodically; if resulting a posteriori values should differ from original estimates, effects are entered in the income statement when the estimate is modified.

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 fluctuating exchange rate risk is connected to the collection and distribution of sums in currencies that are not the Euro.
In fact, the Foundation receives 70% of its funds and distributes 90% of its sums in US dollars though maintaining its unequivocal accounts in Euro.
To minimise the exchange risk arising from those movements, as of 2014, the Foundation has had a current account in USD, dedicated to receiving contributions in American dollars and to distribution in that 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 decided.
The Foundation covers that risk thanks to careful, precise planning of fund raising events and occasions, often connected to the artistic activities of its Maestro Founder, for which a collection budget is constituted and approved in advance.



BALANCE SHEET INFORMATION

Intangible Fixed Assets

Net intangible assets amount to a total of 4,919 euro, decreasing by 5,669 euro compared to 31 December 2015 due to period depreciation. There were no increases during 2016.

INTANGIBLE ASSETS

(data in euro)

Description	Gross value as at 31.12.2015	Accumulated depreciation as at 31.12.2015	Reclass.	Increases for the period	Decreases for the period	Depreciation for the period	Balance as at 31.12.2016
Licenses	10,687	-6,606	-	-	-	-3,563	519
Trademarks and patents	1,815	-101	-	-	-	-908	807
Other multi-year expenses	5,990	-1,198	-	-	-	-1,198	3,594
Other	-	-	-	-	-	-	-
TOTAL	18,492	-7,905	-	-	-	-5,669	4,919

Tangible Assets

Tangible assets amount to a total of 65.2 thousand euro, up by 51,3 thousand euro compared to 31 December 2015.

In particular, please note the following:

- The item Increases, for a total of 66.1 thousand euro, includes investments sustained to set up and furnish the new operating office in Florence, Via de' Martelli n.5.

In particular, please note 21 thousand euro for Apple electronic equipment purchased with a particularly favourable discount (30%).

- Depreciations for the year amount to 9 thousand euro.

There were no devaluations of tangible assets in 2016.

TANGIBLE ASSETS

(data in euro)

Description	Gross value as at 31.12.2015	Accumulated depreciation as at 31.12.2015	Reclass.	Increases for the period	Decreases for the period	Depreciation for the period	Balance as at 31.12.2016
General installations	-	-	-	3,904	-	-976	2,928
Machinery and equipment	3,200	-6,070	-	4,870	-	-480	1,520
Furniture	5,875	-1,322	-	36,287	-	-3,603	37,237
Electronic machinery	11,692	-4,840	-	21,047	-	-4,390	23,508
Other	-	-	-	-	-	-	-
TOTAL	20,767	-12,232	-	66,108	-	-9,449	65,194



Financial assets

The item mainly includes guarantee deposits payable relative to contracts for utilities used in the registered office of Lajatico and the Florence operating office opened in 2016.

Receivables

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

RECEIVABLES
(data in euro)

Description	Within 12 months	Over 12 months	Over 5 years	Total	Balance as at 31.12.2015	Changes
For tax credits	8,791	-	-	8,791	959	7,832
Advances to suppliers	3,907	-	-	3,907	-	3,907
From others	1	-	-	1	940	-939
TOTAL	12,700	-	-	12,700	1,899	10,801

Compared to the previous year, the item has increased by 10.8 thousand euro, mainly due to tax credits in the year and related to IRAP and IRES prepayments and for prepayments made to suppliers who helped implement the Christmas Campaign.

Financial Assets

The financial assets item for 100 thousand euro includes the investment in a certificate of deposit with the Banca Popolare di Lajatico to protect the Foundation’s social fund. That certificate expires on 28 August 2017, repayment is established for the expiry date and interest is paid every six months.

Cash and Cash Equivalents

Liquid assets, mainly formed by the liquidity in the Foundation’s 3 current accounts, amount to 7.8 million euro, up by 2.3 million compared to the previous year. The increase is linked to the increase in the volume of donations during the year and sums not distributed for 2016 projects, postponed to the first quarter 2017 due to a delay in the progress of works on some projects. Amounts distributed in 2017 and related to projects for which donations were collected in 2016 amount to an overall 992 thousand USD.

Please note that the Foundation had 3 current accounts as at 31 December 2016:

- 1) Current account in euro: used for donations collected in euro and to pay suppliers, employees and the tax administration. As at 31 December 2016, liquid assets in the current account amount to 4,704,060 euro.
- 2) Current account in USD: used for donations collected in USD, for project distributions to foreign partners (of which Saint Luc represents over 85%) and current payments to foreign suppliers, mainly American, that the Foundation uses when organising missions in Haiti and institutional or fund raising events on American soil. As at 31 December 2016, liquid assets in the current account amount to 3,340,294 USD, that is 3,015,046 euro.
- 3) Current account in euro dedicated to the Central Italy Earthquake Emergency: the account was opened in September following a Board resolution which, at a suggestion from the Founder, showed its interest in

sustaining the population who suffered the earthquake in the Marche and Umbria. As at 31 December 2016, liquid assets in the current account amount to 84,928 euro.

The Board of Directors is assessing a number of school reconstruction projects in the area to be able to allocate funds.

CASH AND CASH EQUIVALENTS
(data in euro)

Description	Balance as at 31.12.2016	Balance as at 31.12.2015	Changes
Bank and postal deposits	7,805,885	5,541,839	2,264,046
Cash in hand and other cash equivalents	203	512	-309
TOTAL	7,806,089	5,542,351	2,263,737

Please note that liquid assets are not subject to any restrictions.



Equity

The Foundation’s Equity amounts to a total of 7.8 million euro, up 2.2 million euro compared to 31 December 2015 due to the following:

- Positive result of financial year management for a total of 828 thousand euro;
- Increase for a total of 319 thousand euro of the free funds item following allocation of the positive result for year 2015 and use related to some distributions decided by the Board of Directors;
- Increase for an overall 1.6 million euro of restricted

capital assets, because of new projects resolved on by the Board referred to 2016 and some related to 2017 for which most of the funds were collected in the year.

On this point, just a reminder that, as was said in the section dedicated to the accounting standards used to draft the financial statements, Restricted Capital Assets, intended for the Foundations’ institutional activities, programs, projects and emergencies, as per specific Board of Directors’ resolutions, are constituted by financial resources that:

- Could have already been found (money in cash or bank) or
 - Could still have to be collected through fund raising activities.
- Restricted Capital Assets Funds are used or moved with a formal Board of Directors’ resolution: they increase downstream of the Board’s project authorisation resolution and generate, as a counter item, accounting of expenses from typical activities; they decrease when the money is allocated through the cash or bank amounts being reduced.

NET EQUITY
(data in euro)

Description	Opening balance	Increases for decisions	Uses for disbursements	Other movements	Closing balance
Free capital	2,234,685	546,660	39,533	188,429	2,553,382
Social fund	100,000	-	-	-	100,000
Other reserves	-	-	-	-	-
Free funds	2,134,685	546,660	39,533	188,429	2,453,382
Restricted equity	2,832,729	3,524,343	1,952,917	-	4,404,155
EDU Project Fund	949,671	16,072	529,845	-	435,898
UCLA Project Fund	36,274	-	-	-	36,274
3.COM Fund	545,544	-	345,871	-	199,673
Wheat Fund	1,098,944	2,051,191	441,369	-	2,708,767
Empowering Specialization Fund	16,708	15,000	16,048	-	15,660
Voices of Haiti Fund	27,556	99,414	44,476	-	82,493
Water Truck Fund	158,032	154,037	138,264	-	173,805
Mobile Clinic Fund	-	209,946	51,402	-	158,545
HIV Fund	-	504,696	118,559	-	386,136
St. Augustin Reconstruction Fund	-	158,949	-	-	158,949
Elpida Fund	-	20,000	-	-	20,000
ABF persons Fund	-	26,563	14,126	-	12,436
Hurricane Matthew Emergency Fund	-	142,301	134,657	-	7,644
ABF Motor Vehicles Fund	-	110,521	103,732	-	6,789
Other emergencies Fund	-	15,653	14,568	-	1,085
NET EQUITY BEFORE THE RESULT FOR THE PERIOD	5,067,415	4,071,003	1,992,451	188,429	6,957,538
PROFIT					827,602
TOTALE EQUITY					7,785,140



Related to the free Funds item, the column Other movements includes the equity variation accumulated in years 2011 – 2014 because of the change to the accounting principle regulating allocation of restricted funds.

Please also note that, as 2016 was the first year of application for the new accounting principles related to allocation of restricted funds, both costs related to finished projects and those for some projects that will finish during the next year were allocated to year 2016, due to fund raising activities that started in 2016.

The Board of Directors resolution related to that allocation was on 14 April 2017 so also concerned projects straddling the year.

Employee Severance Indemnity Fund

The Fund amounts to 12 thousand euro, an increase of 4 thousand euro compared to the previous year due to 3 new people being hired in the year.

Payables

Please find item consistencies below:

PAYABLES
(data in euro)

Description	Within 12 months	Over 12 months	Over 5 years	Total	Balance as at 31.12.2015	Changes
Payables to suppliers	54,734	-	-	54,734	-	54,734
Invoices to be received	93,127	-	-	93,127	17,474	75,653
Tax liabilities	12,955	-	-	12,955	15,511	- 2,556
Payables due to employees	16,743	-	-	16,743	6,990	9,753
Payables to social security and welfare agencies	19,045	-	-	19,045	6,371	12,674
Other accounts payable	442	-	-	442	732	- 290
TOTAL	197,045	-	-	197,045	47,080	149,968

Compared to the previous year, the item has increased by 150.7 thousand euro mainly due to the increase in trade payables and invoices to be received. Payable to suppliers, amounting to 54.7 thousand euro, mainly refers to the debt that the Foundation has with its Founder following expenses sustained by the latter for the transfer to New York in September 2016, during which the Voices of Haiti project was launched and promoted. Moreover, please note that, at the approval data for these financial statements, the founder has already declared that he waives his credit donating it to his Foundation.

Invoices to be received, for 93.1 thousand euro, mainly refer to:
1) the amount payable to Gelb Promotions LLC for a total of 64,772 USD following the trip to New York of the Maestro, the choir and Voices of Haiti team. That debt was settled regularly in April 2017;
2) the amount payable to the Clinton Global Initiative for a total of 20 thousand USD, related to registration with the Clinton family Foundation.



INFORMATION ON THE
MANAGEMENT STATEMENT

Revenue

In year 2016, proceeds increase to a total of 820 thousand euro, mainly due to greater donation contributions. However, please also note an increase of 22 thousand euro collected through the 5x thousand and 40.2 thousand euro, mainly linked to revenue from agreements with American partners during the New York event of September 2016, linked to the Voices of Haiti project.

REVENUE
(data in euro)

Revenue	2016	2015	Changes
Contributions/ donations	4,918,117	4,138,003	780,114
Revenue from members or associates	300,000	300,000	-
Contributions and donations	4,577,656	3,819,505	758,151
5x1000	40,461	18,498	21,963
Different revenue	40,267	-	40,267
TOTAL	4,958,384	4,138,003	820,381

Here below is a breakdown of revenue from core activities (contributions and donations) by collection channel and intended project, based on what was specifically indicated by each donor and then accepted by the Board of Directors.

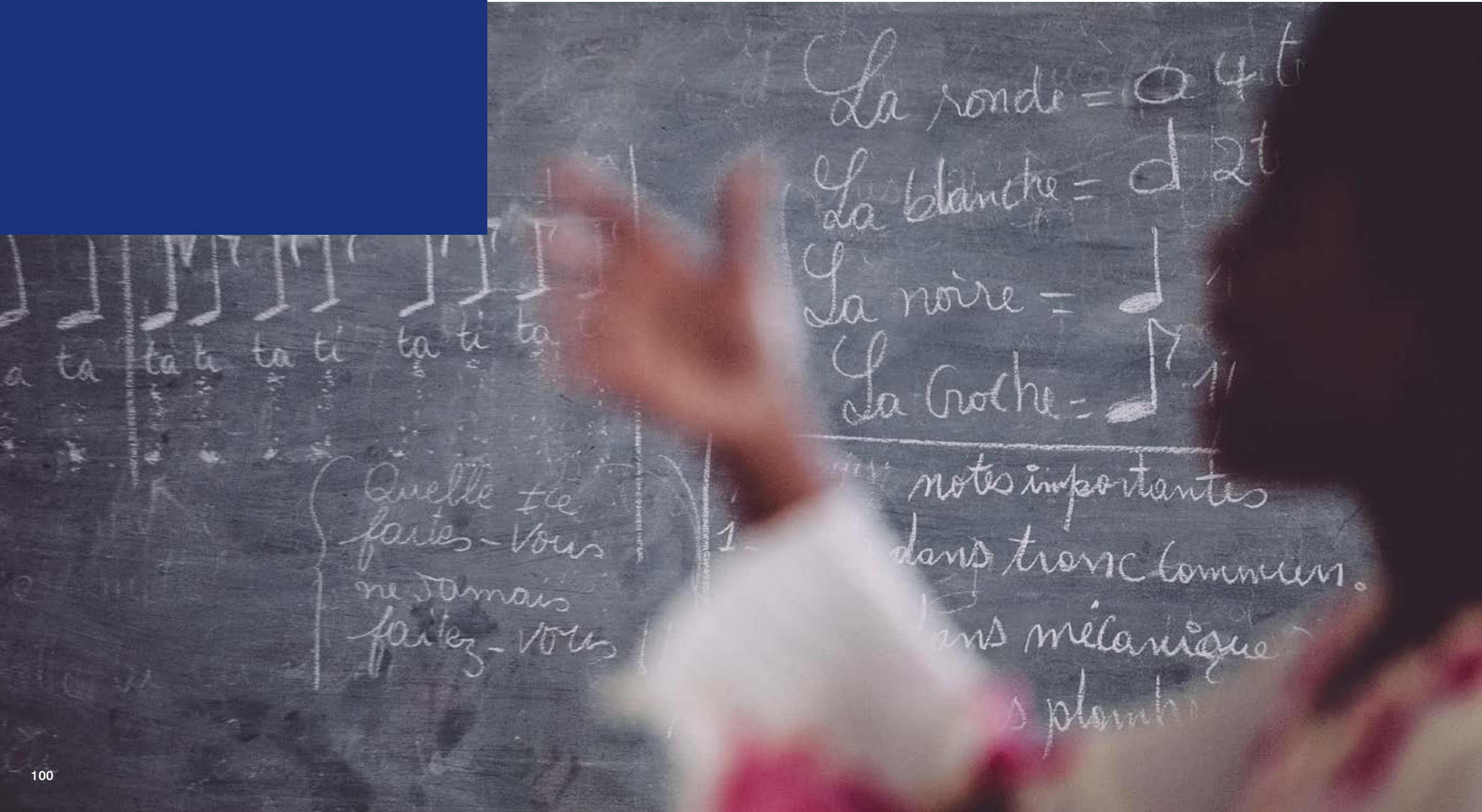
On this point, just a reminder that, as was stated in the section dedicated to the accounting principles used to draw up the financial statements, revenue from contributions is acknowledged when its is definitely obtained, normally identified with the transfer of sums or the formal resolution of the Allocating Body. However, those proceeds are not positioned until the Board of Directors has formally accepted the amounts, through an authorisation resolution.

PROCEEDS FOR CORE ACTIVITIES
BY INTENDED USE

Destination	2016	
Challenges	167,143	3%
EDU Project	675,083	14%
UCLA Project	-	0%
3.COM	-	0%
Wheat	1,068,429	22%
Empowering specialization	-	0%
Voices of Haiti	43,747	1%
Water Truck	216,037	4%
Mobile Clinic	353,245	7%
HIV	284,994	6%
Post hurricane reconstruction of schools	15,812	0%
Elpida	-	0%
ABF persons	-	0%
Hurricane Matthew emergency	251,578	5%
ABF Motor vehicles	100,931	2%
Other emergencies	-	0%
ABF institutional activities	986,772	20%
Break the Barriers	672,363	14%
Central Italy earthquake	81,984	2%
Break the Barriers	€ 4,750,974	97%
TOTAL	€ 4,918,117	100%

PROCEEDS FOR CORE ACTIVITIES
BY COLLECTION CHANNEL

Description	2016	
ABF Events	198,766	4%
Third Parties events	1,026,238	21%
5x1000	40,461	1%
Solidarity SMS	204,845	4%
Spontaneous donation	3,142,496	64%
Campaigns	5,311	0%
Donation from Founder	300,000	6%
TOTAL	4,918,117	100%



Charges

As was well described in the section dedicated to accounting principles, expenses entered in the management statement are divided into:

- Charges from Core Operations

For each program and project including:

1) Amounts decided by the Board of Directors in reference to projects approved in the year. The item is moved as a counter-item of the increase in the restricted capital assets funds.

2) The costs sustained for missions supporting projects decided in the period and the purchase of goods, consumables and services used to implement those projects;

- Charges for promotions and fund raising

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

- Charges for general support

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

Here below are the expenses for core activities linked to projects and those for general support.

EXPENSES FOR CORE ACTIVITIES LINKED TO PROJECTS

(data in euro)

Destination	2016	% of total core activities expenses	of which allocated to projects in 2016	2015	Changes
Challenges Program	-	0%	-	25,911	-25,911
a) MIT 5th Sense Project	-	0%	-	-	-
b) Workshop MIT Expo 2015	-	0%	-	25,911	-25,911
Break the Barriers Program	3,642,072		-1,959,556	3,292,346	350,726
ABF Motor vehicles	110,521	3%	-103,732	46,753	63,768
3.COM	-	0%	-345,871	681,252	-681,252
Voices of Haiti	217,542	6%	-44,476	27,556	189,987
EDU Project	16,072	0%	-529,845	1,050,214	-1,034,142
Mobile Clinic	209,946	6%	-51,402	-	209,946
ABF persons in Haiti	26,563	1%	-14,126	-	26,563
Empowering Health Care Professions - Specialization	15,000	0%	-22,087	22,113	-7,113
Hurricane Matthew - roofs and survival	142,301	4%	-134,657	-	142,301
ABF Water Truck 2015/2016	154,037	4%	-138,264	158,032	-3,995
HIV	504,696	14%	-118,559	-	504,696
Wheat Project	2,051,190	56%	-441,369	1,306,426	744,764
Saint Augustin reconstruction	158,949	4%	-	-	158,949
Elpida	20,000	1%	-	-	20,000
Capannoli Junior High School disbursement	600	0%	-600	-	600
Other emergencies	15,653	0%	-14,568	-	15,653
Mission Expenses	32,782,92	1%	-	43,016	-10,233
Purchases dedicated to projects	-	0%	-	-	-
Expenses dedicated to projects	-	0%	-	-	-
Purchases dedicated to projects	-	0%	-	-	-
Expenses dedicated to projects	-	0%	-	25,911	-25,911
TOTAL	3,675,855	100%	-1,959,556	3,387,183	314,582



Related to general support expenses please note an increase for a total of 207.7 thousand euro, mainly due to:

- An increase in personnel costs (72 thousand euro) due to hiring 2 new figures, in the second half of the year;
- An increase in service costs (89 thousand euro), mainly due to membership costs of important international organizations and legal expenses sustained to support international projects.

GENERAL SUPPORT EXPENSES
(data in euro)

	2016	2015	Changes
Purchases	8,894	2,517	6,377
Services	139,148	50,050	89,098
Personnel	204,909	132,450	72,459
Leases and rentals	18,917	985	17,932
Amortisation, depreciation and write-downs	15,117	8,236	6,881
Miscellaneous operating costs	4,021	1	4,020
TOTAL	391,005	194,239	196,766

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 3 issued by the National Council of Certified Chartered Accountants, we declare that the Foundation's proceed donations did not give donors the right to any deductions for tax purposes;
- These financial statements, including Balance Sheet, Management Statement, Financial Statement and these Notes, truly present the capital and financial situation and the result for the year and correspond to account entries.



4.

REPORT OF THE BOARD OF AUDITORS

ANDREA BOCELLI FOUNDATION
Registered office in VIA VOLTERRANA, 49 - 56030 LAJATICO (PI)
Endowment Fund Euro 100,000.00 fully paid in.

Dear Board Members of the ANDREA BOCELLI FOUNDATION,

The Board of Auditors, for the financial year closed as at 31/12/2016, 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. The first part of this comprehensive report contains the “Auditor’s Report pursuant to art. 14 of Legislative Decree 27 January 2010 no. 39” and the second part the “Report pursuant to art. 2429, paragraph 2, of the Italian Civil Code.”

During the financial year ended 31 December 2016, 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 as well as by accounting standards.

FIRST PART

Auditor’s report pursuant to art. 14 of Legislative Decree 27 January 2010 no. 39

We audited the financial statements for the year of the Foundation as at 31/12/2016 including the balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibilities of the directors for the financial statements

The directors are responsible for drafting financial statements for the year that provide a true and fair picture in compliance with Italian laws regulating drafting criteria

Responsibility of the auditor

The auditor is responsible for expressing an opinion on the financial statements based on the statutory audit.

The statutory audit was conducted in compliance with auditing standards pursuant to art. 11 of Italian Legislative Decree 39/2010. Said standards require compliance with ethical principles as well as planning and performing the statutory audit to acquire reasonable certainty that the financial statements do not contain significant errors. The statutory audit involves performing procedures to acquire supporting evidence of the amounts and information contained in the financial statements. The selected procedures depend on the auditor’s professional judgement, including the assessment of risks of significant errors in the statements due to fraud or unintentional conduct or occurrences. When assessing risks, the auditor considers the internal controls related to drafting the company’s financial statements that provide a true and fair picture to establish appropriate auditing procedures for the circumstances, and not to express an opinion on the effectiveness of the company’s internal controls. The statutory audit also includes an assessment of the appropriateness of the accounting standards implemented, the reasonableness of the accounting estimates made by the directors, and the assessment of the financial statements’ presentation as a whole. We believe we have acquired sufficient and appropriate evidence on which to base our opinion.

Opinion

The Board, also taking note of the Independent Auditors’ Report, expresses its favourable opinion.

SECOND PART

Report pursuant to art. 2429 of the Italian Civil Code

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

We took part in 6 (six) Board meetings during which, as regards approved transactions and based on the acquired information, no breaches to the law and the articles of association were found, nor operations that are manifestly risky, hazardous, in potential conflict of interest or that might undermine the integrity of corporate equity.

During meetings also held individually and in 5 (five) meetings of the Board of Auditors, we acquired information on general management operations and its outlook, as well as on the most significant transactions, by size or characteristics, effected by the Foundation and, based on information acquired, we have no specific observations to make.

We have acquired knowledge and supervised, within the scope of our responsibilities, the adequacy and operation of the Foundation’s organization 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. We have performed specific audits on the various departments and, based on information acquired, we found no risks and/or breaches of the law, the articles of association or principles of proper administration and/or irregularities and/or reprehensible actions.

We received no complaints pursuant to art. 2408 of the Italian Civil Code.

During the year, the board of auditors did not issue any opinions set forth by law.

While conducting the supervisory activity described above, no other significant facts were noted that require to be mentioned in this report.

B2) Comments on the Financial Statements for the year

We examined the draft financial statements for the financial period ended at 31/12/2016, made available to us as set forth in art. 2429 of the Italian civil code and on which we report as follows.

- The draft financial statements for the financial year ended as at 31/12/2016 were approved by the Board of Directors in the meeting held on 10 July 2017 and include the balance sheet, income statement, cash flow statement and notes to the financial statements.
- The Board of Directors also prepared the management report pursuant to art. 2428 of the Italian civil code; Therefore, the draft financial statements were examined, on which the following information is also provided: the criteria applied to draw up the financial statements for the year ended at 31/12/2016 have been amended as detailed in the Notes to the Financial Statement.
- We carefully examined the layout of the draft financial statements, their general compliance with the law related to preparation and structure and we have no comments to make that require to be included in this report;
- We ascertained compliance with the provisions of the law related to preparation of the management report and in that connection have no substantial comments to make that require to be included in this report;
- The Board of Auditors points out that the directors have made some amendments to the accounting principles used for drawing up the financial statements. Application of the new accounting principles entailed changes to classification and the resulting effects were detailed in the Notes. For the purpose of comparing the financial statements for the year ended at 31/12/2016 with the previous year, the figures of the financial statements for the year ended at 31/12/2015 have also been reclassified. Application of the new accounting principles was substantiated in the Notes and its effect on the balance of assets, income and expenditure and on the result of operations for the year was indicated. In presenting the financial statements the directors have retained statement of the item marked letter D) Extraordinary Income and Expenses.

Please refer to the first part of our report for a certification that the financial statements as at 31 December 2016 represent a true, fair view of the balance of assets, income and expenditure and the result of operations of the Foundation, pursuant to Article 2409-ter, paragraph three of the Italian Civil Code.
The financial statements may be summed up in the following figures:

ASSETS	€ 7,994,226
LIABILITIES	€ 209,085
NET EQUITY	€ 6,957,539
OPERATING PROFIT FOR THE FINANCIAL YEAR	€ 827,602
LIABILITIES AND NET EQUITY	€ 7,994,226

The Notes contain all information required by provisions on the subject, with special focus on assessments adhered to in the process of drafting the financial statements and detailed illustration of items in the Balance Sheet and Income Statement.
Supervisory and control activities did not reveal any significant facts to be reported or mentioned in this report.

B3) Conclusions on approval of the Financial Statements

As mentioned above, the Board of Auditors find no impediment and therefore recommends approval of the Financial Statements for the financial year ended at 31/12/2016 prepared by the Board of Directors.

Cascina, 27 July 2017

The Board of Auditors

Franco Martinelli
Stefano Monti
Fabio Gambini

5.
INDIPENDENT AUDIT FIRM REPORT



KPMG S.p.A.
Revisione e organizzazione contabile
Viale Niccolò Machiavelli, 29
50125 FIRENZE FI
Telefono +39 055 213391
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

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

Independent auditors' report

To the board of directors of
Andrea Bocelli Foundation

We have audited the accompanying financial statements of Andrea Bocelli Foundation, (the "foundation"), which comprise the balance sheet as at 31 December 2016, the profit and loss account and the cash flow statement for the year then ended and notes thereto. These financial statements have been prepared by the directors of the foundation on the basis of preparation set out in the notes.

Directors' responsibility for the financial statements

The foundation's directors are responsible for the preparation of financial statements in accordance with the basis of preparation set out in the notes and the part of internal control that they deem necessary in order to prepare financial statements that do not contain material misstatement, whether due to fraud or error.

Independent auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Cooperative ("KPMG International"), entità di diritto svizzero.

Ancona Aosta Bari Bergamo
Bologna Bolzano Brescia
Cagliari Como Firenze Genova
Lecce Milano Napoli Novara
Padova Palermo Parma Perugia
Pescara Roma Torino Treviso
Trieste Varese Verona

Società per azioni
Capitale sociale
Euro 10.150.950,00 i.v.
Registro Imprese Milano e
Codice Fiscale N. 00709600159
R.E.A. Milano N. 512867
Partita IVA 00709600159
VAT number IT00709600159
Sede legale: Via Vittor Pisani, 26
20124 Milano MI ITALIA



Andrea Bocelli Foundation
Independent auditors' report
31 December 2016

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the foundation's financial statements as at and for the year ended 31 December 2016 have been prepared, in all material respects, in accordance with the basis of preparation set out in the notes.

Basis of preparation

Without modifying our opinion, we draw attention to the basis of preparation of the foundation's financial statements as at and for the year ended 31 December 2016 described by the directors in the notes.

Other matters

This report is not issued pursuant to any legal requirements as the foundation was not required to subject its 2016 financial statements to a legally-required audit. Moreover, other auditors carried out the audit of the financial statements required by the foundation's by-laws.

The financial statements show the previous year figures for comparative purposes. The directors restated these comparative figures due to that described in the "Accounting policies" section of the notes. The comparative figures derive from the financial statements as at and for the year ended 31 December 2015, which were audited by other auditors, who expressed an unmodified opinion thereon on 4 April 2016.

Florence, 19 July 2017

KPMG S.p.A.

(signed on the original)

Matteo Balestracci
Director of Audit





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