

2017 REPORT



Empowering people and communities



2017

ANNUAL REPORT

Approved by the Board of Directors in the meeting of 29/05/2018



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1. **STATUTORY BODIES**

as at 29/05/2018

Board of Directors

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

Board of Auditors

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

Advisory Board

Mohammed Abdul Latif Jameel
Antonio Danieli
Laura Giarrè
Eliana La Ferrara
Muhammad Yunus
Elena Pirondini



Structure of the financial statements for the 2017 financial period

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

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



2.

REPORT OF THE BOARD OF DIRECTORS

Prepared by the Board of Directors on 29/05/2018

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 2017. The financial statements were prepared in accordance with the recommendations of the Commission for Non Profit Organisations of the National Council of Certified Chartered Accountants.

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

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





Letter from the Founder

Dear friends,

a German poet wrote “where words leave off, music begins”. But precisely because he was a poet, Heinrich Heine knew very well the extraordinary potential of these semantic containers, that is, words.

When they express a thought, when they are honest and not dystopian mirrors of a behaviour and a wish, when they express a value of reference, words have the power to become an invaluable compass, to be used and shared along the path of life.

At the beginning of this philanthropic adventure, the results of which we are about to analyse, like every year, balancing effects and projects, a definition assisted me, when the uncertainties were inversely proportional to our experience in the field.

The definition was (and is) that of “living laboratory”: two simple and beautiful words, a noble noun and an energetic adjective, joined in the precise idea of a courageous, innovative foundation, which although bearing my name, ideally should bear the name of each of its supporters.

Today, these words embody the euphoria of a promise kept, of a goal achieved: ABF is, in 2018, a solid and constantly growing structure, with significant assets, with a credibility gained in the field, with a dynamic and fully-staffed operational office – headquarters which is a constant hive of activity, thanks to the five operators staffing it and the same number of permanent

consultants, with twelve volunteers on site, every week, with forty volunteers attending the events, with an average of seventy people working on each project. That is exactly the factual expression of those two words, extremely dear to the founding team, to Veronica, to Laura Biancalani and to me: ABF is indeed a living laboratory (of strengths and ideas), where every contribution is precious, actually indispensable. Where that process of growth and awareness in people and communities (which is inherent to our mission) inevitably involves all the players of this powerful human experience: those who receive and those who give. Life – someone said – is a mirror: it smiles back if you look at it smiling. With confidence, with positivity and perhaps even a little recklessness (considering the increased workload that awaits us), like each year we look at what has been done and above all, how much we can still do together.

The past year marks a turning point in the foundation's projects, by putting into effect a long-pondered wish, that is to widen the field of action also to include Italy. Here, we acted in an emergency (the seismic event that devastated entire towns, in the centre of the peninsula), while keeping our mission intact. In fact, in just 150 days, we built a school for the children of Sarnano, the town in the Marche that was one of the worst hit by the 2016 earthquake.

We dealt directly with almost every aspect, including contracts, taking on burdensome responsibilities – together with the partner foundation in the project, “Only The Brave” – and yet having the possibility to manage the spaces, in agreement with the local

administration, thus building a structure open to the whole community: sports equipment, aggregation spaces, musical instruments. A complex built according to the most modern anti-seismic techniques, to the point of being officially classified as a “strategic building”, a safe shelter in case of disasters.

2017 also saw the continuation of the ABF's commitment in Haiti, where we inaugurated the Saint Raphael school, thus providing education and care for an additional 450 children. As already mentioned in the newsletter at the end of the year, we had to deal with the damage wreaked by the hurricane that hit this tropical country: supporting the communities of Abricot and consolidating the Saint Augustin school. Meanwhile, continuing to provide education, food and care to the 2,550 students of the five schools we work with, along with our local partner Fondation St. Luc. Then there is the Mobile Clinic project, which has made more than 8,000 medical visits to the most isolated communities in Haiti; the Water Truck project, thanks to which we distributed drinking water with two tanker trucks every day in the Cité Soleil slum; the health project related to HIV prevention and treatment at the St. Damien Children's Hospital, which provided active support to 800 families.

Without forgetting the children's choir “Voices of Haiti”, which further strengthened in 2017, continuing its exponential growth, with its first European tour that even saw it perform in the Vatican, for Pope Francis. In December, the young choristers also headed for Miami, for some events aimed at promoting the ABF's philanthropic and fundraising activities.

By the way, in the United States the foundation was the lead player, again in December, in an important awareness raising campaign, also thanks to twinning with the headquarters of Nasdaq, the global stock exchange.

ABF was also active in Greece, joining forces with the International Emergency Response Centre (ERCI) to ensure better education for young Syrian, Iraqi and Afghani refugees.

With heart and effort continuously focused on those words that have guided us, we look to 2018 with confidence, responsibility and courage, supported by the “living laboratory” that all of you, friends and supporters of ABF, express and that is the true strength of this big family.

Further challenges are on the horizon, in the world as well as in Italy, further choices, responsibilities, partnerships. And the certainty of an adventure – yours, ours – that can still achieve a great deal for others.

Andrea Bocelli



“

ABF is indeed a living laboratory (of strengths and ideas), where every contribution is precious, actually indispensable. Where that process of growth and awareness in people and communities (which is inherent to our mission) inevitably involves all the players of this powerful human experience: those who receive and those who give.

”

2.1. Mission report

A. IDENTITY, VALUES AND MISSION

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

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

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

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



Identity

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

Andrea Bocelli

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

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

Values

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

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

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

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

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

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



Mission:

Empowering people and communities

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

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

The Board of Directors has decided to carry out the mission through the creation of two Programmes: The **Break the Barriers Programme** aims to support and promote projects that specifically assist the populations of developing countries, and in any case those situations of poverty, illness, and complex social issues that stunt or reduce the quality of life.

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

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

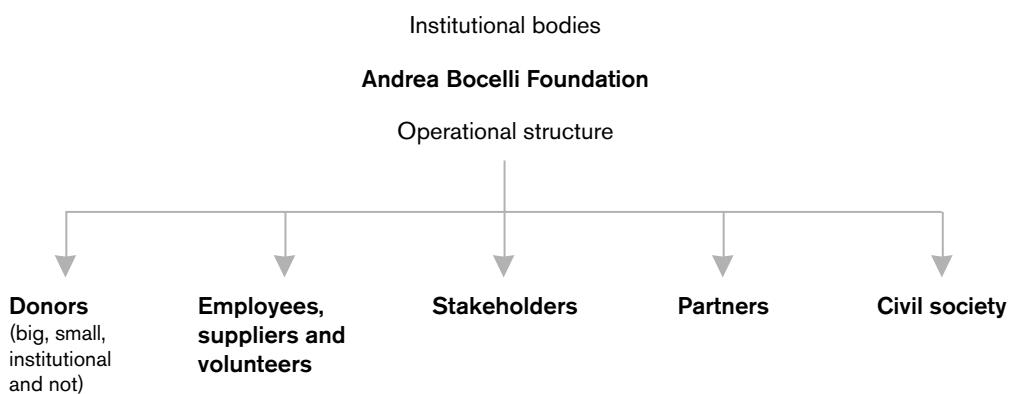
The Foundation's activities can be summarised as follows:



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

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

MAP OF STAKEHOLDERS





B. INTERNAL ORGANISATION

B1. Governance and activities of the Bodies

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

The **Board of Directors** consists of 5 members, one of whom serves as Chairperson, and remains in office for three financial years. The first Board of Directors and its Chairperson were appointed at the time of incorporation directly by the Founder. Hence, the term of office of the appointed bodies will expire with the approval of these financial statements.

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

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

will in any case require qualified majority voting;

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

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

In particular, the Advisory Board has the task of:

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

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

Prof. Yunus, Jameel Latif and Prof. La Ferrara are involved in the programme dealing with the fight against poverty.

Prof. Yunus was awarded the Nobel Peace Prize in 2006 for the development of micro-credit with his Grameen Bank; in addition to this, for some time now, he has been spreading his concept of social business as a business model to fight poverty; Mohammed Abdul Latif Jameel, besides being a successful entrepreneur, has set up many important philanthropic initiatives around the world. In particular, he is a member of the MIT (Massachusetts Technical Institute) Board of Directors and founder of JPAL (Jameel Poverty Action Lab), a world famous institution for the impact assessment of the social policies of governments and international cooperation projects and in cooperation with which we set up a workshop in Boston in 2013; Prof. Eliana La Ferrara is a Professor in Development Economics at Bocconi University. Furthermore, she cooperates with other foreign universities such as MIT and with the World Bank.

The Challenges Programme, on the other hand, is covered by Prof. Laura Giarrè, who is an Electronic Engineering Professor at the University of Palermo. Prof. Giarrè is the scientific director of ABF's Fifth Sense Project.

Antonio Danieli, an engineer, Director of the Marino Golinelli Foundation, and former director of the Nomisma Foundation is a member of the Advisory Board. A management engineer, he supports the development of the Foundation's organisation. Finally, the last member of the Advisory Board is Dr. Elena Pirondini, currently project coordinator at UNFPA, who is an expert in general coordination and project management.

The **Board of Auditors** pursuant to art. 18 of the Articles of Association is the Foundation's management and organisation controlling body, and takes part, without voting rights, in all the meetings of its bodies. It is chaired by the Chairman of the Board of Auditors. It consists of three members chosen from among chartered accountants registered in the register of Auditors.

In 2017, the events involving the corporate bodies may be summarised as follows:

Meetings of the Board of Directors

- 14/04/2017
- 28/04/2017
- 17/07/2017
- 26/10/2017
- 24/11/2017

During 2017, the Board of Directors met to activate and monitor the initiatives and projects put in place and to be implemented within the current year and in the medium term.

During the course of 2017, the Chairperson and President operated according to their respective responsibilities, as established in 2016 in order to separate the role and responsibility to steer and approve activities from the executive role.

The Board of Directors consists of five members as set out in art. 13 of the Articles of Association.

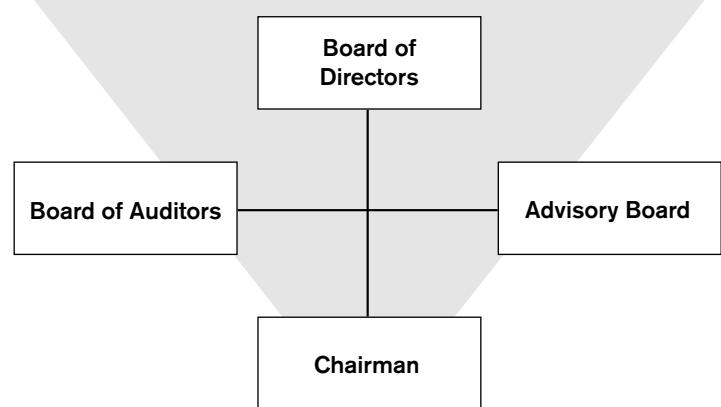
Furthermore, as of 1 January 2017, two Internal Committees have been set up by the Board of Directors:

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

The current governance and organisation model implemented, reporting directly to the President, features six posts to be filled by specific individuals (internally or in outsourcing mode):

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

The Board of Directors will meet at least 4 times a year to decide on: Annual Report, review and audit of the mission report and of the achievement of preset objectives, fundraising and investments, activity planning.



B.2 Operating structure

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

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

The Foundation, with the resources introduced with the pro bono support by Spencer Stuart in 2016, has acquired skills that enabled it to broaden and consolidate its activities and 2017 was the first full year in which the team was able to fully come to fruition. In 2017 a junior resource was also hired in the fundraising area following a six-month internship. The appointed Advisory Board members provided major support in the identification of the development strategy as well as the individual activities and projects to endorse.

Many professionals and companies worked on a voluntary basis and offered their pro bono work in order to build the Foundation's organisation.

Collaboration continued with long-term partners such as Fondation St. Luc for the maintenance and development of projects in Haiti, other partnerships (ERCI, Only the Brave Foundation, Government Commissioner for Reconstruction) were formed and are being established (Telethon Foundation) for the development of core activities.

The rest of the operations were supported by a large group of volunteer staff.

With reference to communication, the material was

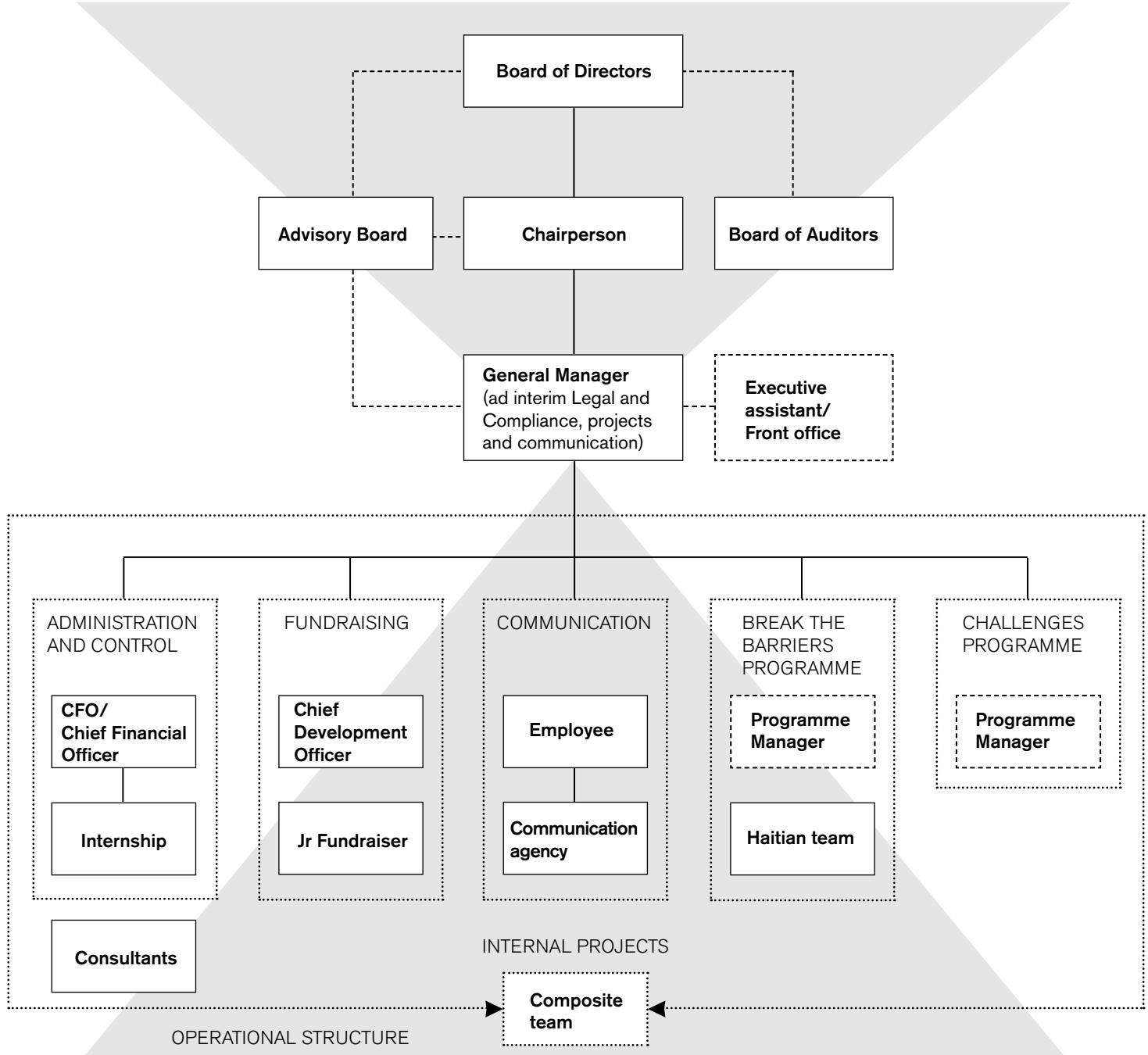
produced by an external agency, and the press office work was also outsourced. In addition, a contract was entered into for legal advice with a law firm operating in the sector in order to request opinions and to thoroughly manage the year's activities in terms of fund raising initiatives as well as international donations. In addition to that, during 2017 accounting was carried out in-company, although the relationship with a firm continued for tax compliance, tax advice and payroll. The aim for 2017 was to consolidate the team set up in 2016, to achieve an organic operational structure that is suitable for the level of development of the Foundation.

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 management of projects and contacts with stakeholders was used for carrying out and disseminating activities. As from the 2017 financial year it has also been used as accounting management software.

A goal that should continue being pursued, in 2018 as well, is setting up a team of employees, associates, external suppliers, volunteers all working together under the same banner: trust, transparency and teamwork.

A proposed organisational structure by positions developed as of today is shown below, with dashed lines representing the vacancies to be filled in 2018.



C. ACTIVITIES: PROCESSES UNDERWAY

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

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

The beneficiaries

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

The work process: support to projects

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



Strategic level	Operation	2016			2017												Responsibility
		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 setting of objectives and of the annual budget, the responsibility for which is shared by the Board of Directors and the Advisory Board, projects were received, surveyed and appraised throughout the year. The Board of Directors decided on a periodic basis which projects to support, if in line with the Foundation's mission. An important aspect of the workflow to be progressively implemented also with the inclusion of new skills, will be the measurement and assessment of the effects of the projects against the objectives they pursue.

D. CORE ACTIVITIES: OVERALL VIEW

In 2017, the Foundation's work was carried out through three levels of operations:

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

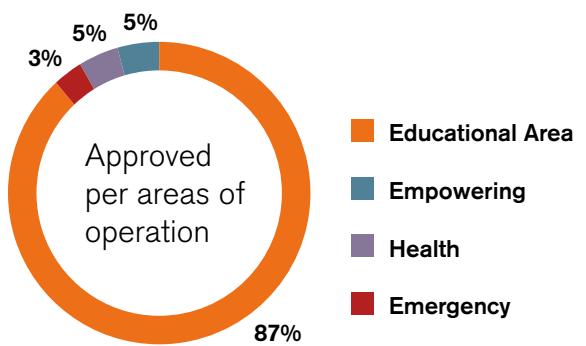
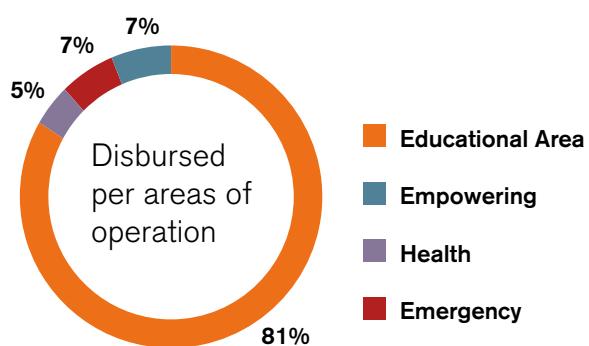
These activities were carried out within the two programmes identified by the Board of Directors in accordance with the vision, mission and values of the Foundation's sole founder: The Break the Barriers Programme and the Challenges Programme.

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

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

The projects supported in 2017 are listed below.

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



PARTNER	PROJECT TYPE	PROJECT DETAIL	AMOUNT APPROVED in euro	AMOUNT DISBURSED in euro
Fondation St. Luc Haiti	Development project	EDU project	-	-304,990
Fondation St. Luc Haiti	Development project	3.COM	-	- 31,698
Fondation St. Luc Haiti	Running costs	Wheat project	1,790,413	-2,097,866
Fondation St. Luc Haiti	Development project	Empowering specialisation	130,000	-23,222
Fondation St. Luc Haiti	Development project	Voices of Haiti	431,508	-376,672
Fondation St. Luc Haiti	Running costs	Water truck	136,940	-140,916
Fondation St. Luc Haiti	Running costs	Mobile clinic	119,939	-148,197
Fondation St. Luc Haiti	Running costs	HIV	-	-115,547
Fondation St. Luc Haiti	Development project	St. Augustin reconstruction	30,976	-181,228
Fondation St. Luc Haiti	Development project	Elpida	-	-18,667
Fondation St. Luc Haiti	Development project	ABF Persons	11,234	-15,959
Fondation St. Luc Haiti	Development project	Hurricane Matthew emergency	60,088	-
Fondation St. Luc Haiti	Development project	ABF Motor vehicles	-	-
Fondation St. Luc Haiti	Development project	Cité Soleil vocational centre	46,808	-43,391
NPH Italia	Development project	Baby house	37,050	-36,539
Direct ABF and OTB	Development project	Sarnano school	1,894,200	-484,119
Fondation St. Luc Haiti	Development project	Other emergencies	28,203	-23,755
TOTAL			4,717,359	-4,042,766



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

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

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

PARTNER	PROJECT	AMOUNT	AMOUNT
		APPROVED in euro	DISBURSED in euro
MIT		0	0

The total disbursements as at 31/12/2017 are set out below, broken down into the various action programmes.

PROGRAMME	AMOUNT	AMOUNT
	APPROVED in euro	DISBURSED in euro
Break the Barriers - Projects	4,717,359	-4,042,765
Challenges	-	-
TOTAL	4,717,359	-4,042,765

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

ABF's 2017 in numbers



2,730

Children reached through education in Italy and the rest of the world.



3

New structures dedicated to the community.



+ 650,000

The beneficiaries of the programs.



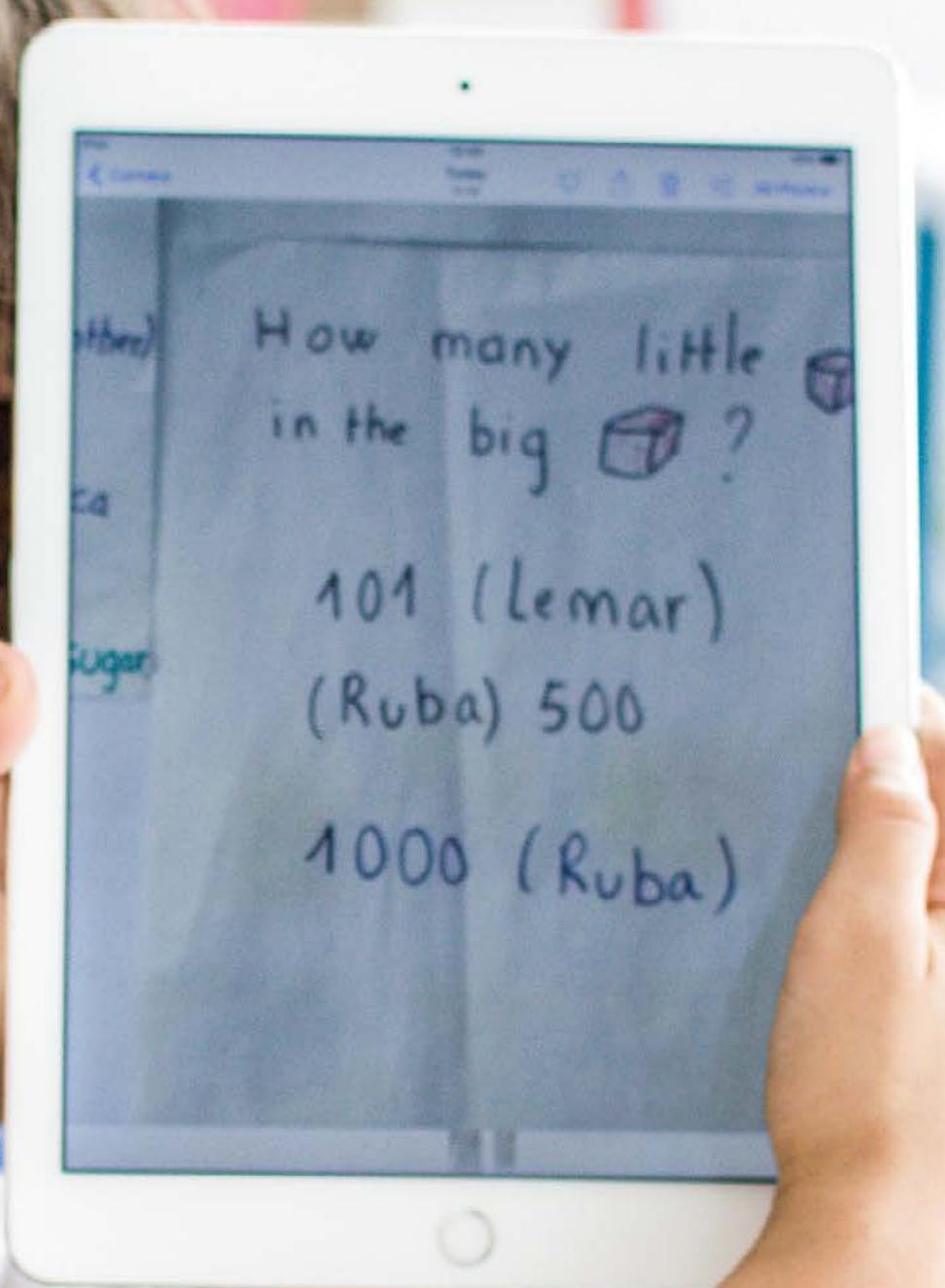
800

Direct beneficiary families of the HIV assistance program.



21,000

Gallons of water distributed every day in the slum.



D1. Break the Barriers programme



Break the Barriers

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

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

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



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, Manitane and St. Raphael in the Dame Marie and St. Raphael locations. The number of students reached a total of 2,550.



2017
ABF continues its works in Haiti with intervention programs in the 5 communities, continuing to offer access to education, treatment, water and basic necessities and integrating the projects with elements of medium-long term development.





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 Programme in the capital, 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 St. Luc - Haiti

LOCATION: Devarenne - Haiti

PROJECT: The Andrea Bocelli Foundation supported, thorough the EDU Project St. Raphael, construction work on the new facility of the St. Raphael School (400 students) located in Devarenne; the work had begun within the scope of the EDU project in 2014, thanks to which the Foundation has already completed the construction of 3 schools: St. Philomene, St. Augustin and Notre Dame du Rosaire, catering to a total of 1,350 students. Construction work on the new school facility began in March 2016 and ended in April 2017 with an inauguration ceremony attended by ABF - Fondation St. Luc representatives. The school is located in a place that is difficult to access. Resources were spent and will have to be spent to make the road from the main village to the school viable even in adverse weather conditions.

DIRECT AND INDIRECT BENEFICIARIES: Number of inhabitants in the community: 50,000

Number of employees: 3

Number of teachers: 16 (4 kindergarten, 7 primary, 3 secondary)

Number of indirect beneficiaries: 630 families

OBJECTIVES: Transform the street school of St. Raphael into an actual school facility (the only one in the area), open to the community, functional and safe, having up-to-date curricula, training programmes for teachers, suitable teaching material, library, computer lab, cafeteria, all for the purpose of raising the level of education to that of national and international standards.

CONTEXT: The St. Raphael school is located in Devarenne Grande Riviere, in Jacmel, in the southern part of Haiti. During the Foundation's first visit in June 2015, the distance from Port-au-Prince was measured as 3 hours by car and 2^{1/2} hours of walking in a mountainous area. Devarenne is also an isolated region, just like all the other areas of the province, where farming and animal husbandry are the mainly activities. The school was founded in 2014. The lessons are organised into age groups and based on their curriculum: kindergarten, primary and secondary school of one class. Thanks to the new building, the number of students will be 400.

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





PROJECT:

EDU project / Manitane School

PARTNER: Fondation St. Luc - Haiti

LOCATION: Dame Marie - Haiti

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

**DIRECT AND INDIRECT
BENEFICIARIES:** Number of inhabitants in the community: 35,000
Number of children involved: 306
Number of employees: 5
Number of teachers: 9 (3 kindergarten, 6 primary)
Number of indirect beneficiaries: 2,000

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

CONTEXT: The Ecole Manitane de Dame Marie is located in the city of Dame Marie, Grand'Anse Department. Dame Marie is a very remote area, just like all the other areas of the province, where people's livelihood depends on farming, fishing and animal husbandry. The school where activities are carried out was founded in 2014. To date, the building hosts 306 students. The courses are organised into age groups according to their curriculum: 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 in June 2018.





PROJECT:

G. Leopardi Middle School Central Italy Earthquake Reconstruction

PARTNER: Direct action project

LOCATION: Sarnano (MC) - Italy

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

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

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

The new facility, built with modern and anti-seismic construction techniques, will soon accommodate 100 students, in order to allow them to attend class in a new and safe building.

**DIRECT AND INDIRECT
BENEFICIARIES:** Number of students involved: 100
Number of inhabitants of Sarnano: 3,268

OBJECTIVES:

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

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

THE ACTIONS:

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





PROJECT:

EDU project / Guest House in Laserengue

PARTNER: Fondation St. Luc - Haiti

LOCATION: Abricots, Jeremie District - Haiti

PROJECT: Through the EDU project, the Andrea Bocelli foundation has achieved the construction of a Guest House to host staff, volunteers and supporters of the ABF and Fondation St. Luc team during missions and stays on location. The facility is on two floors and includes: meeting room, kitchen and bedrooms. The ABF and Fondation St. Luc inaugurated the Guest House in December 2017.

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

OBJECTIVES: Offer a suitable facility to welcome and host 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 because 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 sustenance. The St. Augustin school can cater for 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 of the facility.





PROJECT:

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

PARTNER: Fondation St. Luc - Haiti

LOCATION: Haiti

PROJECT: In a context such as Haiti, the role played by school becomes fundamental: safe places where children can "take refuge" from the dangers of rampant crime and benefit from an education which offers potential emancipation for them and the community itself. Educating children and their families to the concept of school as a chance for emancipation for themselves and the community means engendering awareness that change must go through and for them. Education and respect for its value, reaffirms the dignity of individuals, making them capable to positively impact the choices for their future. Education also means the culture of self respect, respect of one's own body, in a more responsible approach to sexuality and to STDs. 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 at large. A community that, if made aware, particularly in the provinces, might decrease the flow of migrants to the slums of Port-au-Prince, choosing to invest in their own region. All schools of the ABF - Fondation St. Luc system have the same status as state ones, and they are managed by duly authorised and qualified teachers and personnel. The curriculum is in line with that of public schools and is managed by a central committee, which is responsible for the implementation and monitoring its application in the schools of the various communities. A local committee at each school manages adaptation of the curriculum based on local characteristics and needs and on the level of the students concerned. The Central Committee is in constant dialogue with the local committees, communication which is not only conducive to addressing the specific needs related to education, but also the general conditions in which one operates. All teachers are included in a regular training programme that follows the national curriculum.

DIRECT AND INDIRECT
BENEFICIARIES:

ACADEMIC YEAR 2017/2018

St. Augustin School

N. of inhabitants in the community: 50,000
Number of children involved: 915
Number of employees: 17
Number of teachers: 39 (9 kindergarten, 12 primary, 17 secondary, 1 physical education)
Number of beneficiary families: 850
Number of indirect beneficiaries: 5,600

St. Raphael School

N. of inhabitants in the community: 50,000
Number of children involved: 272 (37 kindergarten, 202 primary, 86 secondary)
Number of employees: 3
Number of teachers: 16
Number of beneficiary families: 250
Number of indirect beneficiaries: 1,650

Notre Dame du Rosaire School

N. of inhabitants in the community: 70,000
Number of children involved: 360 (93 kindergarten, 194 primary, 73 secondary)
Number of employees: 13
Number of teachers: 18
Number of beneficiary families: 300
Number of indirect beneficiaries: 2,000

Manitane School

N. of inhabitants in the community: 35,000
Number of children involved: 356 (102 kindergarten, 236 primary, 18 secondary)
Number of employees: 8
Number of teachers: 18
Number of beneficiary families: 300
Number of indirect beneficiaries: 2,000

St. Philomene School

N. of inhabitants in the community: 53,000
Number of children involved: 444 (89 kindergarten, 267 primary, 105 secondary)
Number of employees: 12
Number of teachers: 21
Number of beneficiary families: 400
Number of indirect beneficiaries: 2,600

OBJECTIVES:

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

CONTEXT: **St. Augustin - Abricots**

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

Notre Dame du Rosaire - Croix-des-Bouquets

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

St. Philomene - Kenscoff

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

Manitane - Dame Marie

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

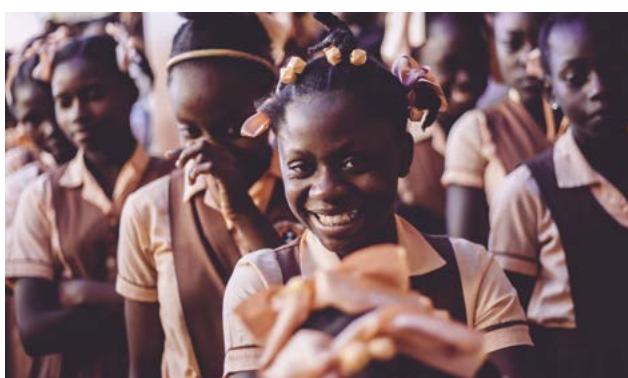
St. Raphael - Devarenne

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

THE ACTIONS:

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

IN PARTNERSHIP WITH: Celebrity Fight Night Foundation.



PROJECT:
Voices of Haiti

PARTNER: Fondation St. Luc - Haiti

LOCATION: Port-au-Prince - Haiti

PROJECT: Acknowledging that art and music in particular have the ability of conveying concepts such as beauty and self-expression, in January 2016 the Foundation decided to inaugurate the "Voices of Haiti" project, seeking to allow the most talented students of the ABF - Fondation St. Luc schools to express their artistic skills in singing. The project involves 60 students chosen from among the over 12,500 in the school system, the artistic direction of Maestro Malcolm Merriweather, two Haitian music teachers, and 6 supervisors.

Practice is every Saturday from 8am to 3pm; time includes a vocal warm-up, singing lesson, stage presence and action and lunch.

The choir performs for important celebratory moments, from Easter till the end of school both in Haiti and internationally. Its repertoire is a mixture of Haitian and international folk music. The choir wears blue and red, the Haitian colours.

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

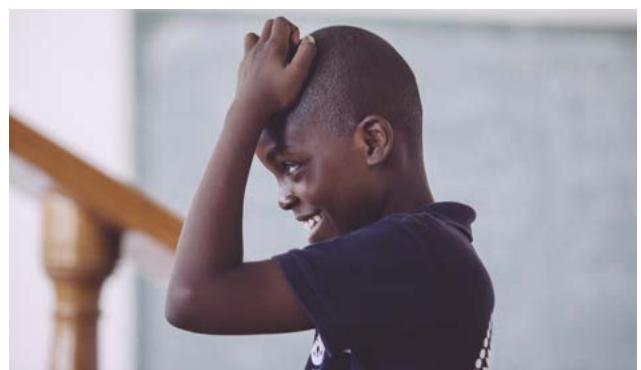
OBJECTIVES:

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

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

THE ACTIONS:

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





PROJECT:
Erci-EDU Elpida

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

LOCATION: Thessaloniki - Greece

PROJECT: ERCI-Edu is a pilot migrant and refugee integration project housed by Elpida and implemented by E.R.C.I. The project is part of the school education programme for refugee children who get to grips with the new culture of the host Country and the new reality they are sharing through subjects such as mathematics, English and Arabic, to promote 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 direct beneficiaries: 80
Number of indirect beneficiaries: 100

OBJECTIVES: Promote integration and contribute to the development of knowledge that supports becoming familiar with a new culture. Create opportunities for international attention to the plight of migrants and refugees.

CONTEXT: The Elpida project is based on the Thessalonica coast in Greece. The project stems from the will of private and public investors to provide refugees with accommodation from where to start their lives anew in a more comfortable, stable situation than a refugee camp. The 140 guests of Elpida are called on to take an active part in the project. The 6,000 m² space is managed by the guests themselves in an innovative self-management system, where people are expected to play an active role in reorganising their lives and daily activities.

THE ACTIONS: Complete supply of technological teaching materials for the development of the project and promotion in Italy of the fast teaching model developed for its replicability.





PROJECT:
ABF Water truck

PARTNER: Fondation St. 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, not only does ABF incur the water purchase and distribution costs, but also those of the personnel involved, equipment maintenance (one 6 wheel and one 10 wheel truck) and insurance of the same.

DIRECT AND INDIRECT

BENEFICIARIES: Number of direct beneficiaries: 400,000

Number of personnel involved: 11

Amount of water distributed: 21,000 gallons/day

OBJECTIVES:

- Assure free access to water for the families living in the Cité Soleil slums;
- Improve health-sanitation conditions;
- Reduce the transmission of infectious 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, as well as many of the wells, which are still dry. Having clean drinking water every day, to be used for cooking and for personal hygiene is essential for survival but also to prevent the spread of diseases, most notably cholera and epidemics related to poor hygiene or lack thereof.

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 of the 2 trucks;
- Purchase of water and fuel;
- Annual coverage of wages for staff.





PROJECT:
3.COM

PARTNER: Fondation St. Luc - Haiti

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

PROJECT: Starting with the schools, the intention is to carry out projects that go beyond the school walls to reach the community's most marginalised and needy families.

The objective of the project is to start building an actual village for the community – a village where everyone has the opportunity to live a dignified life.

The ABF - Fondation St. Luc schools built with the EDU project become a real meeting place for the community, a place where there is access to electricity, drinking water, internet connection. In addition, all the students' families benefit from the organised distribution of solar powered bulbs which make it possible to study after dark and to lengthen family life. Moreover, the development programme includes implementing farming activities with training and support so that they can be a growing source of income for the community.

The project's objective is to give all families a dignified life and for many that also means having suitable housing. For this, further activities concerned the families of the most disadvantaged students of the community of Laserengue in Abricots and new homes were built.

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

OBJECTIVES:

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

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

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

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



PROJECT:

Cité Soleil vocational centre

PARTNER: Fondation St. Luc - Haiti

LOCATION: Cité Soleil - Haiti

PROJECT: ABF has decided to cover the costs of recovery and renovation of a building located in Soleil 17, one of the largest slums in Port-au-Prince, in order to provide free basic literacy, catechesis, art and civics, to all those who do not have access to education and vocational training in this community. As from 2018, this centre will welcome a minimum of 500 children and adults per year, and will support skills training, so that they have better chances to provide for themselves.

DIRECT AND INDIRECT Number of direct beneficiaries: 500

BENEFICIARIES: Number of indirect beneficiaries: 400,000

OBJECTIVES:

- Provide free access to basic literacy;
- Provide free access to professional training;
- Improve health-sanitation conditions;
- Contribute to cultivating art and talent as additional elements for self expression;
- Return to the community a place that offers a safe haven.

CONTEXT: Located just outside the Haitian capital of Port-au-Prince, Cité Soleil is one of the poorest and most densely populated areas in the country. In the slum there are few school facilities, and only a few medical clinics. Shops and businesses are also rare. The conditions of life and sanitation are precarious, especially after the earthquake of 2010 that destroyed the few pipelines, as well as many of the wells that are still dry.

THE ACTIONS:

- Renovation works of the identified building;
- Furnishing and organisation of the spaces of the new facility;
- Coverage of start-up costs for the first 3 months of the centre's operation.





PROJECT:

Car for the activities of Baby House St. Anne - NPH Haiti

PARTNER: NPH Haiti

LOCATION: Tabarre, Port-au-Prince - Haiti

PROJECT: ABF has decided to cover the purchase of a new vehicle for easier transfers of the team and little guests of the Baby House, the home for orphaned children.

DIRECT AND INDIRECT
BENEFICIARIES: Number of direct beneficiaries: 500
Number of indirect beneficiaries: 400,000

OBJECTIVES: • Support the daily work of the operators;
• Ensure the vehicle is suitable for travelling on dirt.

CONTEXT: The country has few main roads and road conditions are often bad. Even in the capital, Port-au-Prince, moving around in bad weather and heavy rains becomes difficult without the right vehicles and some places may be cut off for days.

THE ACTIONS: Purchase of a Toyota 4x4 truck.



PROJECT:

Empowering health-care professions

Programmes for specialised training of haitian doctors in Italy

PARTNER: Fondation St. Luc - Haiti - University of Genoa - University of Florence - Gaslini Hospital of Genoa - Meyer Paediatric Hospital of Florence.

LOCATION: Italy

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

DIRECT AND INDIRECT BENEFICIARIES:

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

OBJECTIVES:

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

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

THE ACTIONS:

- Cover the costs of translating the original documents into Italian;
- Cover the travel, board and lodging 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:

HIV programme

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

LOCATION: Tabarre - Haiti

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

DIRECT AND INDIRECT BENEFICIARIES: Number of screening patients/month: 1,300 (average on 15,664 screenings for 2017)
Number of patients in treatment: 761

Number of home visits: 3,514

Number of psychological counselling sessions: 2,999

Number of participants in support groups: 1,432

Number of new patients (from entry to exit) per month: 15-20

Number of staff: 40

Number of patients in treatment: 800

OBJECTIVES:

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

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

THE ACTIONS:

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



PROJECT:

ABF mobile clinic

PARTNER: Fondation St. Luc - Haiti

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

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

DIRECT AND INDIRECT BENEFICIARIES: Number of inhabitants in the areas: 258,000

Number of children involved: 2,347

Number of staff: 57

Number of visits: 20

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

CONTEXT: Abricots is a village located 2 hours by car from Jeremie, approximately 9 from the capital. Reaching these places is very difficult because 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 sustenance. Kenscoff is located in a mountainous area approximately a 2-hour drive from Port-au-Prince. Here too, the few economic activities, mainly agriculture, are carried out at household level and intended for mere sustenance. The district of Croix-des-Bouquets is the artists' quarter of the city of Port-au-Prince. In this district, many families work in the production of items called "Fer Forgé" made from recycled diesel drums. The school is located in the city of Dame Marie, Grand'Anse Department. Dame Marie is a very remote area, just like all the other areas of the province, where people's livelihood depends on farming, fishing and animal husbandry.

The St. Raphael - Devarenne school is located in the Jacmel area, in the southern part of Haiti. During the Foundation's first visit in June 2015, the distance from Port-au-Prince was measured as 3 hours by car and 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 husbandry are the mainly activities. The school facility where activities are carried out was founded in 2014. The Foundation has inaugurated the new building designed for up to 400 students.

THE ACTIONS: • Cover doctor and nurse staffing costs;

• Supply of medicines;

• Workshops on hygiene, nutrition, sex education for students and their families;

• Any transport to Saint Damien Children's Hospital and/or St. Luc Hospital.



PROJECT:

Hurricane Matthew emergency

Basic necessities and support to families

PARTNER: Fondation St. Luc - Haiti

LOCATION: Abricots, Devarenne, Dame Marie - Haiti

PROJECT: Supply initial emergency aid and support for the post hurricane reconstruction plan.

DIRECT AND INDIRECT
BENEFICIARIES: Number of children at the 3 St. Raphael, Manitane, St Augustin schools: 1,543
Number of inhabitants in the 3 communities: 135,000

OBJECTIVES: provide immediate support with basic necessities such as food, water, clothing, tents and health assistance to families in the 3 communities;
ABF has responded to the emergency to immediately provide the communities affected by the hurricane with the basic necessities for their survival and concrete help to restore socio-economic activities.
ABF has supported the purchase of:
• Water
• Food such as rice, pasta and potatoes
• Seeds and plants for the short/medium term subsistence project.

ABF also contributed to starting the reconstruction project to support the families of students in the Laserengue and Dame Marie communities, giving them a contribution for setting up a simple shelter around which to reconstruct their daily life. Each shelter consists of a single room, based on the structure of their previous hut.

CONTEXT: On 4 October 2016, hurricane Matthew hit Haiti hard. Relentless rain and wind caused huge damage. Entire villages were flooded and no longer exist. The hurricane flattened 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 aid machine is slow. Two communities where our Foundation has ongoing projects, Dame Marie and Abricots, were cut off and can only be reached with great difficulty. Over 800 people died, and thousands, calculated as 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;
- Contribute to rebuilding households around a common room;
- Contribute to re-establishing the socio-economic activities of communities.



PROJECT:

Hurricane Matthew emergency

Reconstruction of St. Augustin School

PARTNER: Fondation St. Luc - Haiti

LOCATION: Abricots, Devarenne, Dame Marie - Haiti

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

DIRECT AND INDIRECT
BENEFICIARIES: Number of children at the 3 St. Raphael, Manitane, St Augustin schools: 915
Number of inhabitants in the 3 communities: 50,000

OBJECTIVES: Rebuilding and consolidating the structure of the St. Augustin school. The consolidation works involved the entire school complex with the construction of reinforced concrete columns. The columns made it possible to build a new concrete roof that replaced the previous one in sheet metal, to make the buildings safe and resistant to any new major atmospheric events. The damaged parts of the surrounding wall were rebuilt and the solar power plant for the supply of electricity was repaired. All damaged teaching materials and tools were replaced with new supplies. ABF has responded to the emergency to immediately provide the communities affected by the hurricane with the basic necessities for their survival and concrete help to restore socio-economic activities.

CONTEXT: On 4 October 2016, hurricane Matthew hit Haiti hard. Relentless rain and wind caused huge damage. Entire villages were flooded and no longer exist. The hurricane flattened 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 aid machine is slow. Two communities where our Foundation has ongoing projects, Dame Marie and Abricots, were cut off and can only be reached with great difficulty. Over 800 people died, while thousands, calculated as around 30,000 people, were forced to leave their homes and were left with no shelter.

THE ACTIONS:

- Restore the St. Augustin school structure;
- Restore access to education;
- Contribute to the restoration of community centres.

IN PARTNERSHIP WITH: San Zeno Foundation.



D2. Challenges programme



Challenges

“Challenges” operates within the area of scientific and technological research and social innovation, tackling major challenges in terms of both investments and results to be achieved with the aim of allowing anyone experiencing financial or social difficulties to express themselves.

The Programme aims to bring together the best minds to find innovative solutions to help people cope with and overcome the limits imposed by their disability or discomfort to achieve better quality of life.







Core Activities

United Nations Commission on the Status of Women (CSW)

New York – March 2017

Vice-Chair Veronica Berti gave a speech at the 61st session of the United Nations Commission on the Status of Women (CSW), during which she shared her personal experience as a working mother, covering the role of Vice-Chair of ABF, and the humanitarian projects of the foundation in Haiti – a result of the cooperation between Andrea Bocelli Foundation and Fondation St. Luc.



Robotics Festival

Pisa – September 2017

CORE
ACTIVITIES

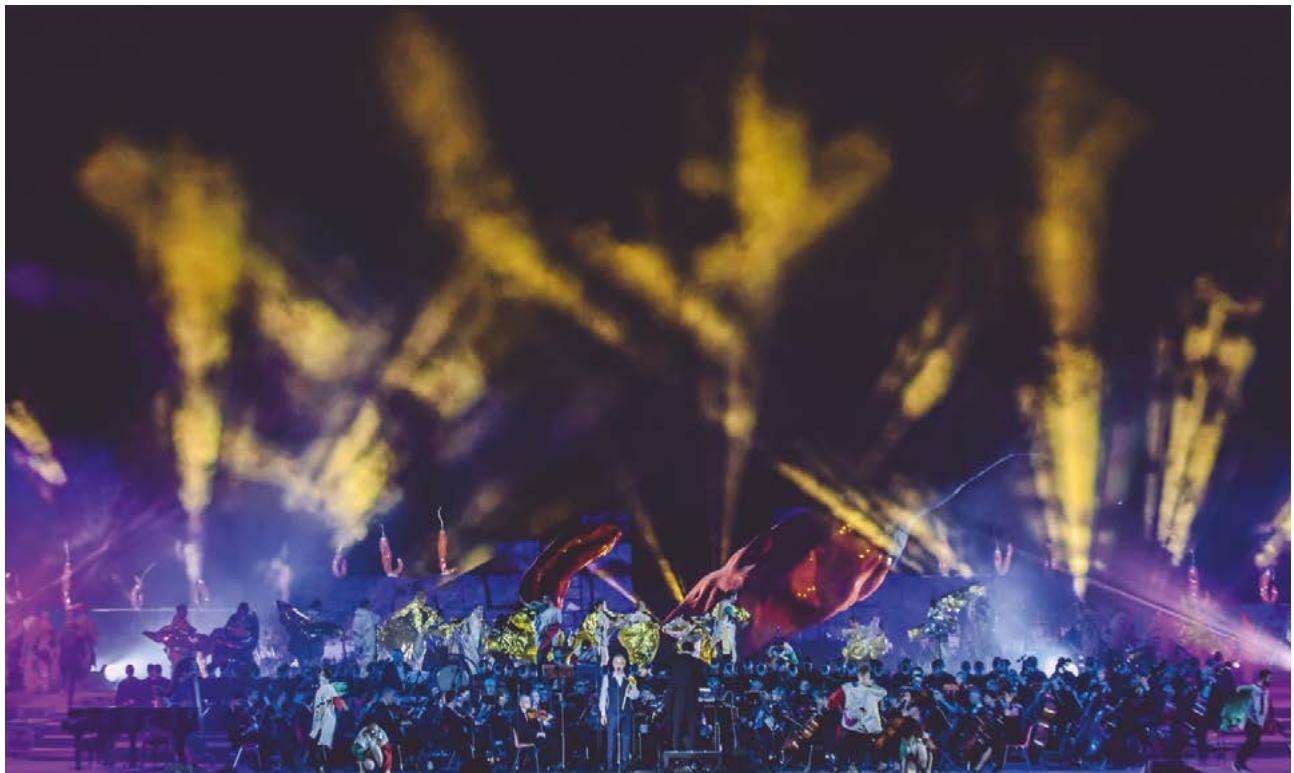
ABF was one of the promoters of the "Robotics Festival" organised by the Arpa Foundation, of which the founder Andrea Bocelli is Honorary President. The Robotics Festival aims to become a landmark event in Italy, where technological innovation and cultural reflection are highlighted as strategically important aspects in contemporary society. The Foundation took part in the events calendar with speeches by the Chairman Stefano Aversa (Challenges programme) and the President Laura Biancalani (Break the Barriers programme). Furthermore, ABF was present with a special information point.



Occasional Fundraising for Teatro del Silenzio

Lajatico – August 2017

For the twelfth edition of the Teatro del Silenzio, the Foundation again organised a promotional and fund raising campaign to support ABF's educational projects in Haiti. With approximately 80 volunteers and 3 specific points, ABF attended the two evenings open to the public, presenting its activities and initiatives to the concertgoers. To further support the fundraising campaign, the Foundation organised an after concert "Dinner for Haiti" with the resulting funds increasing support to education initiatives.



CFN Italy 2017

September 2017

CORE
ACTIVITIES

Since 2014, the Andrea Bocelli Foundation, along with the Muhammad Ali Parkinson Center, has been a recipient of the Italian edition of Celebrity Fight Night. The event brings over one hundred millionaires from all over the world to Italy. In the 2017 edition, the 5-day charity trip moved for the first time from Tuscany to Rome, the eternal city.

The sum collected, net of expenses, is allocated to activities supporting people in need through the Andrea Bocelli Foundation and the Muhammad Ali Parkinson Center. In particular, the Andrea Bocelli Foundation earmarked the result of the 2017 edition of the event for the support of education projects in Haiti catering for over 2,550 students of the ABF - Fondation St. Luc schools in Haiti, located in the most remote and poorest areas of the country.



Voices of Haiti in Italy and USA

Fully consistent with its mission, the Foundation has set up a sixty-voice choir in Haiti, called "Voices of Haiti", selected from amongst over twelve thousand students of schools on the island thanks to the ABF - Fondation St. Luc system. After the "international baptism" in New York in 2016, which saw the choir take part in the "Global Exchange" at the Lincoln Centre at the United Nations Glass Palace, at the Clinton Global Citizen Awards of the Clinton Foundation, in 2017 the choir took part in two important international events alongside the founder Andrea Bocelli and the Foundation. The talented choristers of "Voices of Haiti" performed at the twelfth edition of the Teatro del Silenzio concert, in Lajatico (PI) singing in Creole, Italian and English. Eveline Michelle, Haitian singer of international fame, wanted to be on stage with the children to give even more strength to the great message of hope and beauty that the land of Haiti is able to express, despite the great hardships it endures. The choir also took part, together with Maestro Bocelli and Maestro Piovani, in the inauguration of the Museum named after Maestro Franco Zeffirelli in Florence. Also during the 10 days in Italy, "Voices of Haiti" was a guest at the General Audience of Pope Francis on 2 August, during which they sang in gratitude. In December 2017, as part of the ABF-MSC Cruises partnership, Voices of Haiti took part in the launch ceremony of the "Seaside" cruise ship, which hosts fundraising initiatives for ABF's Mobile Clinic project in Haiti.



Ring the Bell Ceremony

Nasdaq, New York - December 2017

CORE
ACTIVITIES

Andrea Bocelli was invited in his role as ABF founder to ring the stock market opening bell at the Nasdaq headquarters in Times Square. This way, Nasdaq decided to give visibility to the invaluable activities carried out by ABF in favour of people in difficulty, as a result of illness, poverty or social exclusion, by promoting and supporting national and international projects that promote the breaking of barriers and full self-expression of one's potential.

While the founder was ringing the bell, images of ABF projects were displayed on the external screens on Times Square.



E. THE RESOURCES FOR CORE ACTIVITIES

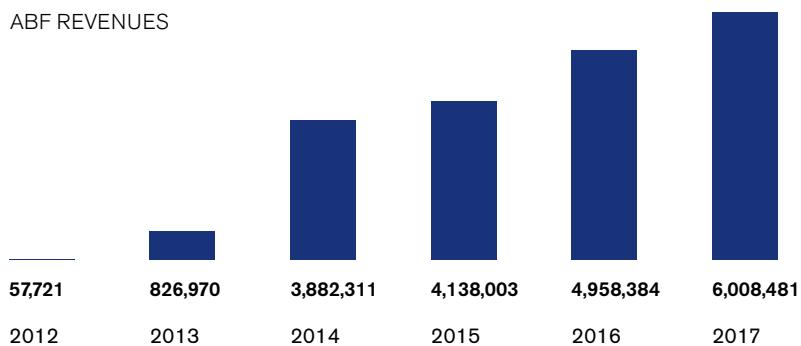
In 2017, the Foundation received the funds to support and develop its projects from fundraising activities, either direct or mainly organised by third parties and volunteers, as well as from charitable donations by private or corporate donors.

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

Since its inception in 2011, the Foundation has raised € 19,871,870 with a steady growth trend.

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

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



A. Assets

The Foundation's capital is still the amount provided by the Founder at the time of its establishment: € 100,000.

B. Evenues from charitable donations and fundraising

Total revenues for 2017 were € 6,008,481 allocated as follows:

REVENUES	2017 in euro	2016 in euro	CHANGES in euro	% CHANGES
Contributions and donations	5,850,576	4,618,117	1,232,459	27%
Revenue and contributions from other activities	157,905	340,267	-182,363	-54%
TOTAL	6,008,481	4,958,384	1,050,097	21%

The following table shows the allocation of donations received in 2017 by donors and the fund raising channel from which the aforementioned contributions were generated. In fact, they may choose to tie their donations to one of the Foundation's projects or programmes.

Proceeds from core activities by intended use

DESTINATION	2017 in euro	% CHANGES	2016 in euro	% CHANGES
Challenges	-	0%	167,143	3%
EDU project	488,246	8%	675,083	14%
UCLA project	-	0%	-	0%
3.COM	-	0%	-	0%
Wheat	1,604,179	27%	1,068,429	22%
Empowering specialisation	-	0%	-	0%
Voices of Haiti	307,779	5%	43,747	1%
Water truck	195,806	3%	216,037	4%
Mobile clinic	-	0%	353,245	7%
HIV	222,330	4%	284,994	6%
Post hurricane reconstruction of schools	196,211	3%	15,812	0%
Elpida	-	0%	-	0%
ABF persons	-	0%	-	0%
Hurricane Matthew emergency	507	0%	251,578	5%
ABF motor vehicles	-	0%	100,931	2%
Other emergencies	-	0%	-	0%
ABF core activities	2,051,867	35%	986,772	20%
Break the Barriers	39,553	1%	672,363	14%
Central Italy earthquake	787,400	13%	81,984	2%
Break the Barriers	5,893,877	100%	4,750,974	97%
TOTAL	5,893,877	100%	4,918,117	100%

Proceeds from core activities by collection channel

DESTINATION	2017 in euro	% CHANGES	2016 in euro	% CHANGES
ABF events	144,799	2%	198,766	4%
Third parties events	3,044,646	52%	1,026,238	21%
5x1000	32,896	1%	40,461	1%
Solidarity SMS	259,632	4%	204,845	4%
Spontaneous donation	708,355	12%	2,668,538	64%
Campaigns	1,660,249	28%	479,269	0%
Donation from Founder	43,300	1%	300,000	6%
TOTAL	5,893,877	100%	4,918,117	100%

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

The Andrea Bocelli Foundation, effective from 15/1/2017 has renewed the due diligence performed by CAF America's Eligibility Committee and has been deemed eligible to receive donations for a further two years from CAF America, an organisation that allocates donations worldwide helping organisations, companies and individuals donate without borders.

In 2017 the Foundation renewed its membership by also opening a FRIEND FUND that makes it possible to chip in on large and small amounts (including online). In 2017, ABF received the following contributions from CAF, which were paid quarterly:

DATES	AMOUNT in euro	AMOUNT in USD
11/01/2017	876	920
08/02/2017	393,465	419,630
05/06/2017	674,727	759,000
13/07/2017	79,694	90,987
09/10/2017	1,472,754	1,729,897
29/12/2017	233,352	279,859
TOTAL	2,854,867	3,280,293

B.2. Occasional fundraising

Again in 2017, the Foundation carried out occasional fundraising during the Teatro del Silenzio events; net funds collected amounted to Euro 144,799, USD 57,538.31.

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

B.3. Solidarity SMS

In 2016, for the first time, the Foundation decided to initiate a communication and fundraising campaign through the solidarity SMS tool. The period was between 6 and 18 September 2017 and coincided with the CFN Italy event, promoted by Rai Sociale, Trenitalia, national and international media.

The service providers of the solidarity number 45523 were the following:

PROVIDER	AMOUNT COMMUNICATED in euro	AMOUNT COLLECTED in euro	COLLECTION DATE	TO COLLECT in euro	TIMING OF THE REVENUE
Poste	5,390	-	N.A.	5,390	2017
Wind	36,101	36,101	31/10/17	-	2017
Fastweb	8,872	8,872	N.A.	-	2017
Coop	3,386	3,386	24/10/17	-	2017
TWT	55	55	18/12/17	-	2017
Tiscali	1,914	-	N.A.	1,914	2017
Vodafone	42,227	42,22	21/03/17	-	2017
TIM	168,991	142,623	N.A.	26,368	2017
Convergences	50	-	N.A.	50	2017
TOTAL SOLIDARITY SMS 6/18 September 2017	266,986	233,264		33,722	

C. Expenses from core operations

PROGRAMME	APPROVED in euro	DISBURSED in euro
Break the Barriers / Projects	4,717,359	-4,042,765
Challenges	0	0
TOTAL	4,717,359	-4,042,765

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



D. Expenses for activities as at 31/12/2017 and expenses from core operations

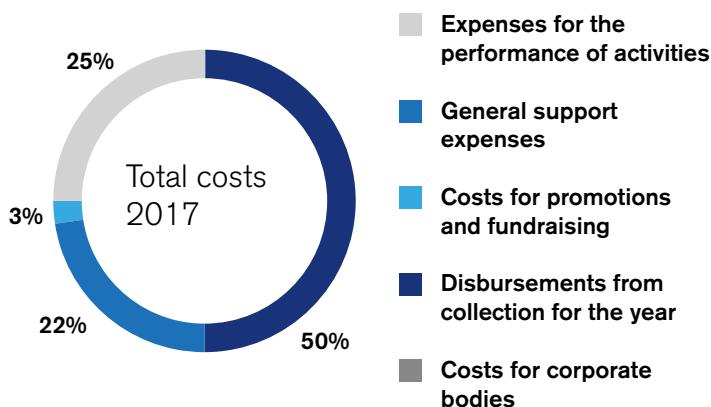
Total expenses for the performance of the Foundation's activities were Euro 794,958 of which for:

AMOUNT in euro		
General support expenses	707,329	11.79%
Costs for corporate bodies	-	0%
Costs for promotions and fundraising	87,629	1.46%
TOTAL	794,958	13.25%
Revenues from charitable donations and fundraising	5,893,877	

IMPACT OF EXPENSES ON REVENUE FROM CORE OPERATIONS

 707,329	 0	 87,629	 794,958	 5,893,877
General support expenses	Costs for corporate bodies	Costs for promotions and fundraising	Total	Revenues from charitable donations and fundraising

AMOUNT in euro		
Expenses for the performance of activities		794,958
General support expenses		707,329
Costs for corporate bodies		-
Costs for promotions and fundraising		87,629
Disbursements from collection for the year		4,918,117



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

INGRESSO PLATEA

con la partecipazione di
SUMI JO soprano e LEO NUCCI baritono
Orchestra e Coro del ■
TEATRO CARLO FELICE di GENOVA ■
Direttore d'Orchestra
MARCELLO ROTA
Regia
LUCA TOMMASSINI

TEATRO DEL SILENZIO



ANDREA BOCELLI FOUNDATION

INGRESSO PLATEA

con la partecipazione di
SUMI JO soprano e LEO NUCCI baritono
Orchestra e Coro del ■
TEATRO CARLO FELICE di GENOVA ■
Direttore d'Orchestra
MARCELLO ROTA
Regia
LUCA TOMMASSINI

TEATRO DEL SILENZIO

Lazio
sabato 30 luglio 2016
ore 20.15



Annex no. 1
OCCASIONAL FUNDRAISING STATEMENT

Teatro del Silenzio 2017 | Supported Project: Educational 2017

REVENUES	AMOUNT in euro	AMOUNT in USD
Cash donations	-	-
Donations by payments to bank account 2017	68,113	55,538
Donations by payments to bank account 2016	20,000	-
Cheque donations	-	2,000
Donations through assets acquired free of charge	-	-
Collection from sale of assets purchased against payment	14,903	-
Collection from services provided	-	-
TOTAL REVENUES	103,016	57,538
EXPENDITURE	AMOUNT in euro	AMOUNT in USD
Purchase of assets distributed during the collection event	6,217	-
Stand rental expenses	-	-
Reimbursement of expenses to volunteers	1,245	-
Promotional expenses for the collection (advertising, events)	32,533	-
Printing and postal expenses	-	-
Utility expenses	600	-
Expenses for other services	-	-
Fees for performances	-	-
TOTAL COSTS	40,595	-
NET RESULT OF THE COLLECTION	62,421	57,538

3.

FINANCIAL STATEMENTS

for the year ended at 31/12/2017

BALANCE SHEET

(data in euro)

ASSETS	2017	2016
A) Receivables from shareholders for payments still due	-	-
B) Fixed assets	56,105	70,813
I. Intangible fixed assets	2,396	4,919
1) Licences	-	519
2) Trademarks and Patents	-	807
3) Other multi-year expenses	2,396	3,594
4) Other	-	-
II. Tangible fixed assets	51,509	65,194
1) General installations	1,952	2,928
2) Machinery and equipment	1,040	1,520
3) Furniture	30,914	37,238
4) Electronic machinery	17,603	23,508
5) Other	-	-
III. Financial fixed assets	2,200	700
1) Security deposits	2,200	700
C) Current assets	8,708,659	7,918,789
I. Inventories	-	-
1) Inventories	-	-
II. Receivables	217,748	12,700
1) Receivables within 12 months	217,748	12,700
2) Receivables beyond 12 months	-	-
III. Financial assets	100,000	100,000
IV. Cash and Cash Equivalents	8,390,911	7,806,089
D) Prepaid expenses and accrued income	4,693	4,625
TOTAL ASSETS	8,769,457	7,994,227

BALANCE SHEET

(data in euro)

LIABILITIES

	2017	2016
A) Net assets	8,511,785	7,785,141
I. Free capital	3,725,934	3,380,985
1) Endowment fund	100,000	100,000
2) Other reserves	-	-
3) Free funds	3,408,075	2,453,383
4) Surplus (deficit) from current operations	217,859	827,602
II. Restricted equity	4,785,851	4,404,155
EDU project fund	130,908	435,898
UCLA project fund	36,274	36,274
3.COM fund	167,975	199,673
Wheat fund	2,401,314	2,708,767
Empowering specialisation fund	130,149	15,660
Voices of Haiti fund	60,000	82,493
Water truck fund	169,830	173,805
Mobile clinic fund	130,287	158,545
HIV fund	143,499	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
Cité Soleil vocational centre fund	-	-
Baby house fund	-	-
Sarnano school fund	1,410,080	-
Other emergencies fund	5,533	1,085
B) Provisions for risks and future charges	-	-
C) Employee severance indemnity provision	25,692	12,001
1) Employee severance indemnity	25,692	12,001
D) Payables	231,979	197,045
1) Payables within 12 months	231,979	197,045
2) Payables beyond 12 months	-	-
E) Accrued liabilities and deferred income	-	40
TOTAL LIABILITIES AND NET ASSETS	8,769,457	7,994,227

MANAGEMENT REPORT

(data in euro)

	2017	2016
A) Revenues		
I. Revenues from core operations	6,008,481	4,958,384
1) Revenues from members or associates	5,893,877	4,918,117
43,300	300,000	
2) Contributions and donations	5,558,049	4,372,811
3) 5x1000 pre-tax donation	32,896	40,461
4) Other contributions	259,632	204,845
II. Other revenues	114,605	40,267
1) Other revenues from other core activities and fundraising	106,496	-
2) Revenues from other activities	8,109	40,267
B) Expenses		
1) Expenses for core operations	5,640,867	4,126,607
I. Challenges programme	4,845,909	3,675,855
a) MIT 5th sense project	-	-
b) MIT Expo 2015 workshop	-	-
II. Break the Barriers Programme	4,717,359	3,643,072
EDU project	-	16,072
UCLA project	-	-
3.COM	-	-
Wheat project	1,790,413	2,051,190
Empowering specialisation	130,000	15,000
Voices of Haiti	431,508	217,542
Water truck	136,940	154,037
Mobile clinic	119,939	209,946
HIV	-	504,696
St. Augustin reconstruction	30,976	158,949
Elpida	-	20,000
ABF persons	11,234	26,563
Hurricane Matthew emergency	60,088	142,301
ABF motor vehicles	-	110,521
Cité Soleil vocational centre	46,808	-
Baby house	37,050	-
Sarnano school	1,894,200	-
Other emergencies	28,203	16,253
III. Mission expenses	-	32,783
IV. Purchases intended for projects	86,759	-
Other expenses to support projects	86,759	-
V. Services intended for projects	41,791	-
Organised transport and travel	40,460	-
Professional services	1,331	-
2) Expenses for promotions and fundraising	87,629	59,747
3) General support expenses	707,329	391,005
1) Purchases	8,997	8,894
2) Services	230,104	139,148
3) Personnel	402,575	204,909
4) Leases and rentals	38,713	18,917
5) Depreciation and write-downs	16,879	15,117
6) Miscellaneous operating costs	10,060	4,021

	2017	2016
C) Net financial revenues and expenses	-135,395	1,059
1) Interest income from bank accounts	811	1,281
2) Revenues from bank deposits	-	-
3) Other financial revenues	3	-
4) Interest payable	-	-54
1) Other financial charges	-	-
2) Net effect of exchange gains (losses)	-136,209	-168
D) Extraordinary income and charges	-	-78
1) Contingent assets	-	-
2) Contingent liabilities	-	-78
Earnings before tax	232,219	832,758
Taxes for the period	14,360	5,156
SURPLUS (DEFICIT) FROM OPERATIONS	217,859	827,603

CASH FLOW STATEMENT OF THE ANDREA BOCELLI FOUNDATION AS AT 31 DECEMBER 2017

(data in euro)

	2017	2016
Surplus for the period	217,859	827,603
Taxes for the period	14,360	5,156
Net Financial charges	-811	-1,059
Depreciation	16,879	15,117
+/- minus/plus from valuation of current financial instruments	-	-
+/- minus/plus from valuation of non-current financial instruments	-	-
Allocation to the provision for risks and charges	-	-
Employee Severance Indemnity increase/(decrease)	13,691	3,857
Decrease/(increase) in accrued income and deferred expenses (pertaining to operations)	-68	-4,101
Increase/(decrease) in accrued charges and deferred income (pertaining to operations)	-40	40
Decrease/(increase) in operating receivables	-205,048	-10,801
Increase/(decrease) in operating payables	34,935	149,965
A) Cash generated (absorbed) by operations for the financial year	91,757	985,777
Change in earmarked funds	381,696	1,571,426
Other equity changes	127,090	-247,177
Other non-monetary changes	-30,428	-
B) Cash absorbed (generated) due to changes in free or tied equity funds	478,358	1,324,249
Decrease/(increase) in tangible and intangible fixed assets	16,208	-45,589
Decrease/(increase) in financial fixed assets	-	-
Decrease/(increase) in current financial instruments	-1,500	-700
Decrease/(increase) in financing receivables	-	-
Decrease/(increase) in accrued income and deferred expenses (pertaining to cash flow management)	-	-
Increase/(decrease) in financing payables	-	-
Increase/(decrease) in accrued charges and deferred income (pertaining to cash flow management)	-	-
Decrease/(increase) in financing receivables	-	-
C) Cash generated (absorbed) by the change in equity elements	14,708	-46,289
D) Cash generated (absorbed) by operations (A+B+C)	584,823	2,263,737
E) Cash and cash equivalents as at 1/1	7,806,089	5,542,351
Cash and cash equivalents as at 31/12 (D+E)	8,390,911	7,806,089

MANAGEMENT REPORT

to the financial statements for the year ended at 31/12/2017

Approved by the Board of Directors on 29 May 2018

The financial year 2017 of the Andrea Bocelli Foundation ended with a positive trend, confirming the growth trends already achieved the previous year.

During 2017 and already in the first quarter of 2018, investments continued in the entire organisation and on the development of internal processes, but also on core activities, reinforcing the resources on the programmes and on new or ongoing projects.

The total revenues in 2017 reached Euro 6 million, that is Euro 1.1 million higher than in 2016 (+ 22%). The foregoing is the result of a collection of donations and contributions deriving from core activities for 5.9 million.

Expenses for core operations amounted to Euro 4.8 million, with an impact of over 82% of total revenues from core operations (around 75% in 2016), confirming that the use of resources received for purely project-based purposes and therefore linked to the Foundation's core activity is still predominant. Please note that over 4 million of the total referred to above were already disbursed to projects in 2017. Compared to the previous financial year, expenses from core operations grew by Euro 1.2 million i.e. 32%. All projects in the area of Haiti were in fact confirmed and the relative commitment in financial terms was not decreased. However, the project for the reconstruction of the Sarnano Middle School following the earthquake that hit Central Italy in 2016 was added.

In fact, this project entails a commitment for 2017 of Euro 1.8 million.

Charges for promotions and fundraising amounted to Euro 88 thousand, that is 47% more than in 2016 due to an increase in fundraising and communication.

The general support expenses reached Euro 707 thousand, almost doubling those of 2016 with a significant increase in personnel costs and services in general, supporting the growth of the structure and the many activities completed on behalf of the foundation. In regards to general costs, please note that the comparison with the 2016 financial year is not even, since the costs related to employees and those related to the new operating office located in Florence were borne only from July 2016, thus representing half of what was recorded in 2017.

With regard to financial revenues and charges, there was a negative net effect of exchange rate differences of approximately Euro 136 thousand due to the USD dollar's negative performance during the year. In this connection, foreign exchange gains and losses are recognised in the income statement for the period and any net profit deriving from the exchange rate adjustment of foreign currency items is recorded in a specific equity reserve, created specifically as of re-opening of the next accounting period to allow for the separation of the exchange rate effect deriving from the transactions in USD made by the Foundation, which this year have increased on 2016 in terms of volumes by almost 40%.

The operating surplus is therefore equal to Euro 218 thousand, lower than the previous year following the foregoing events.



4.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended at 31/12/2017

Introduction

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

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

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

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

1) Mission Report. Includes all "social" reporting related to activities and their effectiveness, identifying the topics and social issues the Foundation deals with. It presents programmes and projects and relevant results achieved in the year, as well as those planned for the next year.

2) Financial Statements for the Year. Presents income and financial results for the accounting period of reference, from 1 January to 31 December of each calendar year. Also details the main accounting items, to present the income 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.

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

Drafting criteria

The financial statements for the year ended as at 31 December 2017 are inspired by the indications of accounting standard 1 for non profit entities and takes into account the recommendations issued by the Italian National Board of Chartered Accountants Non Profit Companies Commission.

The Financial Statements for the year include the Balance Sheet, Management Report, Cash Flow Statement and these Notes.

All figures are expressed in Euros, as required by art. 2423, paragraph 5 of the Italian Civil Code.

Management Report

The Management Statement reports items by type, as it is considered the model that provides the most significant information.

It was prepared in separate sections, suitably adapted to the specific features of the Foundation, to present a clear picture of activities performed and results achieved.

Balance Sheet

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

Criteria applied in the valuation of financial statement items

The valuation of financial statements items, in compliance with the contents of accounting standard 1 for non-profit organisations and taking into account the recommendations made by the Italian National Council of Chartered Public Accountant Non-profit Commission, was made based on general criteria of prudence and accrual, taking into consideration the economic function of the asset and liability items. Application of the principle of prudence involved the individual valuation of the components of the individual entries or items of assets and liabilities, to avoid offsetting losses that should have been recognised and profits not to be recognised since unrealised.

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

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

The financial statements have been prepared on the going concern basis of the Foundation's activities.



Conversion of foreign currency items

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

Intangible fixed assets

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

These are costs for fees for corporate and notary consultancy services borne by the company during 2011 for incorporation and subsequent amendments to the Articles of Association. In accordance with the Board of Auditors, these expenses were considered "Expansion costs" and depreciated using the direct method over a period of five years.

Tangible fixed assets

Tangible assets in use are entered at historical cost, inclusive of directly attributable additional costs and needed to use the asset for the purpose it was purchased for, and costs borne to use the asset, reduced by trade discounts and cash discounts for a significant amount.

If the Foundation is likely to benefit in the future from the cost borne to replace a part of a building, plant and equipment elements and the cost of the element can be reliably calculated, that cost is entered as an increase in the book value of the element it refers to. All other costs are entered in the income statement for the year in which they are borne.

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

Depreciation percentages of the main tangible fixed assets are:

ANNUAL RATE

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



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.

Receivables

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

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

Accruals and deferrals

They were determined on the accrual basis of the period. For multi-year accruals and deferrals the conditions that led to the original entry were verified, and where necessary, appropriate modifications were carried out.

Net assets

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

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

It consists of:

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

Related to that portion of Equity, the financial resources might already have been found (money in cash or the bank) or might still have to be collected through fundraising activities.

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

Provisions for risks and charges

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

The Foundation does not envisage potential liabilities as at 31 December 2017, therefore it does not record provisions for risks and charges.

Employee Severance Indemnity

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

The employment severance indemnity provision is the total of the individual indemnities due to employees accrued at the financial statements date, net of 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 settlement, adjusted for returns or billing corrections.

Income taxes

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

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

Recognition of proceeds

Proceeds from contributions are recognised when they are obtained with certainty, normally identified when the sums of money are transferred or with the formal resolution of the Disbursing Body.

However, said proceeds are not accounted for until the Board of Directors has formally accepted the amounts, by an authorisation resolution.

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

With regard to proceeds not directly deriving from contributions and donations but relating to contractual relationships, specifically the contributions deriving from the solidarity SMS campaigns, the revenue is recorded according to the ordinary accounting accrual criterion, with the recognition of any receivables for amounts established but not yet paid if necessary. Donations in kind received in the year are entered, proceeds and implicit expenses related to free purchases and services provided free of charge by third parties are recorded at the same time.

Moreover, please note that, during 2017, donations in kind represent a minimum percentage compared to the total in money and constitute amounts that were not significant for Foundation activities. The accounting effects of donations in kind will be recorded following the collections that will be realized in the auctions scheduled for 2018.

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

Recognition of Expenses and Charges

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

• Expenses from Core Operations

The following are detailed for each programme and project:

1) Money disbursements authorised by the Board of Directors related to projects relating to the period, for which the relevant financial expenditure might have occurred in full or only partially during the year. That item includes expenses arising from amounts intended for projects whose financial disbursement will take place after the financial year. The item results in a counter-item by the increase in the net tied assets funds.

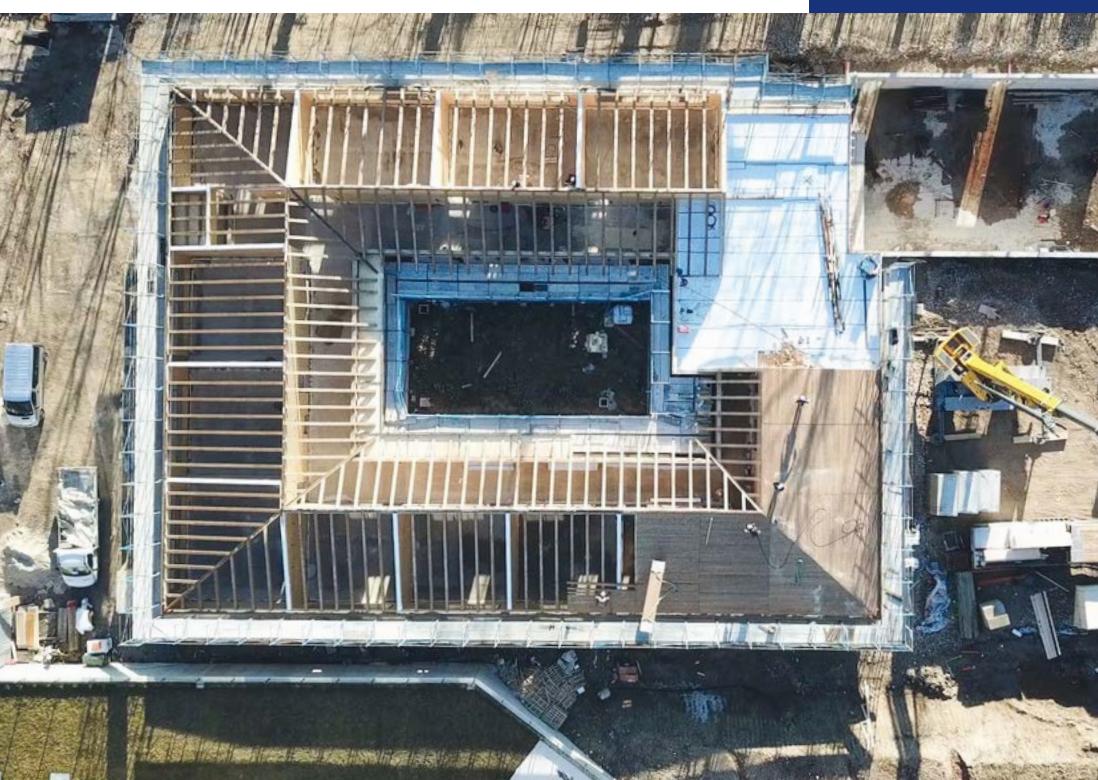
2) The costs incurred for missions supporting projects decided in the period and the purchase of goods, consumables and services used to implement those projects.

• Charges for promotions and fundraising

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

• Charges for general support

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



Use of estimates and valuations

Drafting the financial statements and relevant notes requires management to make estimates and assumptions that have an effect on the value of potential assets and liabilities at the date of the financial statements. Final results might differ from said estimates. Estimates may be used to record provisions for risks on receivables, write-downs of assets, depreciation, taxes and other provisions to risk funds. Estimates and relevant assumptions are based on prior experience and on assumptions considered reasonable when the estimates are made. Estimates and assumptions are reviewed periodically. Should the resulting *a posteriori* values differ from the original estimates, the effects are entered in the income statement when the estimate is amended.

Management of the exchange rate and liquidity risks

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

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

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

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

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

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

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

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





Events following the financial statement reference date

No events occurred subsequent to the financial statement reference date that might have effects on the overall financial, equity and assets situation of the Foundation as at 31 December 2017.

BALANCE SHEET INFORMATION

Intangible fixed assets

Net intangible fixed assets amount to a total of 2,396 Euro, down by 2,523 Euro compared to 31 December 2016 due to the period's depreciation. There were no increases during 2017.

INTANGIBLE FIXED ASSETS

(data in euro)

Description	Gross value as at 31.12.2016	Accumulated depreciation as at 31.12.2016	Reclassifications	Increases for the period	Decreases for the period	Depreciation for the period	Balance as at 31.12.2017
Licences	10,687	- 10,169	-	-	-	- 519	-
Trademarks and patents	1,815	- 1,008	-	-	-	- 807	-
Other multi-year expenses	5,990	- 2,396	-	-	-	- 1,198	2,396
Other	-	-	-	-	-	-	-
TOTAL	18,492	- 13,573				- 2,523	2,396

Tangible fixed assets

Tangible fixed assets amount to a total of Euro 51.5 thousand, down by Euro 13.7 thousand compared to 31 December 2016. The increases item by Euro 0.7 thousand includes the investments incurred to upgrade the IT network of the Florence office, while the depreciation item amounted to Euro 14.4 thousand. There were no write-downs of tangible fixed assets in 2017.

TANGIBLE FIXED ASSETS

(data in euro)

Description	Historical cost balance as at 31.12.2016	Accumulated depreciation as at 31.12.2016	Reclassifications	Increases for the period	Decreases for the period	Depreciation for the period	Balance as at 31.12.2017
General installations	3,904	-976	-	-	-	- 976	1,952
Machinery and equipment	3,200	- 1,680	-	-	-	- 480	1,040
Furniture	42,162	-4,925	-	-	-	- 6,324	30,913
Electronic machinery	32,207	-8,699	-	671	-	- 6,576	17,603
Other	-	-	-	-	-	-	-
TOTAL	81,473	-16,280	-	671	-	- 14,356	51,509

Receivables

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

RECEIVABLES

(data in euro)

Description	Within 12 months	Over 12 months	Over 5 years	Total as at 31.12.2017	Balance as at 31.12.2016	Changes
For tax receivables	6,038	-	-	6,038	8,791	-2,753
Advances to suppliers	1,744	-	-	1,744	3,907	-1,353
From others	209,967	-	-	209,967	812	209,155
TOTAL	217,748	-	-	217,748	12,700	205,048

Compared to the previous financial year, the item increased by Euro 205 thousand mainly due to recording the receivable from telephone companies with which the Foundation set up a solidarity SMS campaign during September 2017.

In this regard, it should be noted that the SMS campaign – active from 6 to 18 September 2017 in conjunction with the Foundation's participation in the 2017 Celebrity Fight Night in Italy, an event held in Rome – raised Euro 260 thousand, of which 50 thousand collected in 2017 and the remaining collected in the first 3 months of 2018.



Cash and Cash Equivalents

Cash and cash equivalents, mainly formed by the liquidity in the Foundation's 3 current accounts, amount to 8.4 million Euro, up by 0.6 million on the previous year.

The increase is linked to the increase in the volume of donations during the period, mainly on the current account intended for support and reconstruction activities in the central Italian area hit by the violent earthquake of August 2016. The increase in donations to this current account derives mainly from the opening of a project for the reconstruction of the "Giacomo Leopardi" middle school in the municipality of Sarnano.

Please note that as at 31 December 2017 the Foundation had 3 current accounts:

1) Current account in Euro: used for donations collected in Euro and to pay suppliers, employees and the tax administration.

As at 31 December 2017, liquid assets in the current account amounted to 5,346,117 Euro.

2) Current account in USD: used for donations collected in USD, for project disbursements to foreign partners (of which the Saint Luc Foundation represents over 85%) and current payments to foreign suppliers, mainly American, that the Foundation uses when organising missions in Haiti and corporate or fund raising events on American soil.

As at 31 December 2017, liquid assets in the current account amounted to USD 3,340,295, that is Euro 2,808,116.

3) Current account in Euro designated for the Central Italy Earthquake Emergency: the account was opened in September following a Board resolution which, following a suggestion by the Founder, showed its interest in supporting the earthquake victims in the Marche and Umbria regions. To date the account is designated for management of the reconstruction project of the "Giacomo Leopardi" middle school in the municipality of Sarnano.

As at 31 December 2017, liquid assets in the current account amounted to Euro 224,173.

CASH AND CASH EQUIVALENTS

(data in euro)

Description	Balance as at 31.12.2017	Balance as at 31.12.2016	Changes
Bank and postal deposits	8,378,406	7,805,885	572,521
Balance on rechargeable cards	12,038	-	-
Cash in hand and other cash equivalents	468	203	265
TOTAL	8,390,911	7,806,089	572,785

Net assets

The Foundation's Net Assets amounts to a total of Euro 8.5 million, up by Euro 0.7 million on 31 December 2016 due to the following events:

- Positive operating result for a total of Euro 218 thousand;
- Change for a total of Euro 955 thousand in the "free funds" item mainly due to the effect of the allocation of the positive operating result for 2016;
- An increase of Euro 381 thousand in tied assets due to the new projects approved by the Board of Directors for the 2017 and 2018 financial years.

In this connection, we would like to point out that, as already reported in the section concerning the accounting standards used to draft the financial statements, Tied Assets, intended for the Foundations' core activities, programmes, projects and emergencies, as per specific Board of Directors' resolutions, consist of financial resources that:

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

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



NET ASSETS

(data in euro)

Description	Opening balance	Uses for disbursements	Increases for resolutions	Other changes	Reclassifications	Closing balance
Free capital	2,553,382	-	-	827,602	127,090	3,508,075
Endowment fund	100,000	-	-	-	-	100,000
Other reserves	-	-	-	-	-	-
Free funds	2,453,383	-	-	827,602	127,090	3,408,075
Restricted equity	4,404,155	-4,042,765	4,657,271	-105,720	-127,090	4,785,851
EDU project fund	435,898	-304,990	-	-	-	130,908
UCLA project fund	36,274	-	-	-	-	36,274
3.COM Fund - Project in support of the Haiti community	199,673	-31,698	-	-	-	167,975
Wheat fund	2,708,767	-2,097,866	1,790,413	-	-	2,401,314
Empowering specialisation fund	15,660	-23,222	130,000	-	7,711	130,149
Voices of Haiti fund	82,493	-376,672	431,508	-77,330	-	60,000
Water truck fund	173,805	-140,916	136,940	-	-	169,830
Mobile clinic fund	158,545	-148,197	119,939	-	-	130,287
HIV fund	386,136	-115,547	-	-	-127,090	143,499
St. Augustin reconstruction fund	158,949	-181,228	30,976	-8,697	-	-
Elpida fund	20,000	-18,667	-	-1,333	-	-
ABF persons fund	12,436	-15,959	11,234	-	-7,711	-
Hurricane Matthew emergency fund	7,644	-	-	-7,644	-	-
ABF Motor vehicles fund	6,789	-	-	-6,789	-	-
Cite Soleil vocational centre fund	-	-43,392	46,808	-3,416	-	-
Baby house fund	-	-36,539	37,050	-511	-	-
Sarnano school fund	-	-484,120	1,894,200	-	-	1,410,080
Other emergencies fund	1,085	-23,755	28,203	-	-	5,533
NET ASSETS BEFORE THE OPERATING RESULT	6,957,538	-4,042,765	4,657,271	721,882	-	8,293,926

Payables

They are recorded at their nominal value, considered representative of their discharge value.
Please find the amount of the item below:

PAYABLES

(data in euro)

Description	Within 12 months	Over 12 months	Over 5 years	Total	Balance as at 31.12.2016	Changes
Trade payables	69,564	-	-	69,564	54,734	14,830
Invoices to be received	67,992	-	-	67,992	93,127	-25,135
Tax liabilities	28,039	-	-	28,039	12,955	15,085
Payables due to employees	39,205	-	-	39,205	16,743	22,462
Payables to social security and welfare agencies	26,406	-	-	26,406	19,045	7,361
Other accounts payable	773	-	-	773	442	331
TOTAL	231,979	-	-	231,979	197,045	34,934

Compared to the previous year, the item has increased by Euro 35 thousand mainly due to the increase in trade payables and payables due to employees.

Trade payables, equal to Euro 69.6 thousand, and invoices to be received, which amount to Euro 68 thousand, mainly refer to:

1) Payable due to the Clinton Global Initiative for a total of 20,000 USD, related to the Foundation's participation in some events organised by the Clinton Family's Foundation and dating back to 2016.

Even though the Bocelli Foundation took part in these events, the CGI has not formally requested payment of the participation fee;

2) Payables due to some professionals involved in the reconstruction project of the Sarnano school for services carried out in 2017 but not yet invoiced.



INFORMATION ON THE MANAGEMENT STATEMENT

Revenues

In 2017, income increased by Euro 1.1 million overall, mainly due to higher contributions for donations (+ 1.2 million or + 27%) and for proceeds from the Solidarity SMS campaign promoted by the Foundation in the period 6-18 September 2017.

The campaign raised a total of Euro 260 thousand, approximately Euro 50 thousand more than the campaign promoted in 2016 during the "Bocelli and Zanetti Night" television event, organized with the Pupi Foundation.

On the other hand, a decline should be pointed out in the contributions from the 5%o campaign and a substantial decrease in revenues directly deriving from the founder; in fact, while in 2016 they amounted to Euro 300 thousand, in 2017 Maestro Bocelli recognised to the Foundation benefits equal to Euro 43 thousand, and gave up a claim by himself from the Foundation and relating to the trip of the "Voices of Haiti" Choir in New York in September 2016.

REVENUES

(data in euro)

Revenue	2017	2016	Changes	% Change
Contributions/donations	5,893,877	4,918,117	975,760	20%
Revenues from members or associates	43,300	300,000	-256,700	-86%
Contributions and donations	5,558,049	4,372,811	1,185,237	27%
5x1000 pre-tax donation	32,896	40,461	-7,566	-19%
Other contributions	259,632	204,845	54,788	27%
Other revenues	114,605	40,267	74,338	185%
Revenues from core activity and fundraising	106,496	-	106,496	100%
Revenues from other activities	8,109	40,267	-32,158	-80%
TOTAL	6,008,481	4,958,384	1,050,097	21%

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

In this connection, please note that, as already stated in the section concerning the accounting principles used to draw up the financial statements, revenues from charitable donations are recognised when they are definitely obtained, normally identified with the transfer of sums or the formal resolution of the Allocating Body. However, said proceeds are not accounted for until the Board of Directors has formally accepted the amounts, by an authorisation resolution.

PROCEEDS FROM CORE ACTIVITIES BY INTENDED USE

(data in euro)

Destination	2017	Incidence	2016	Incidence
Challenges	-	0%	167,143	3%
EDU project	488,246	8%	675,083	14%
Wheat	1,604,179	27%	1,068,429	22%
Voices of Haiti	307,779	5%	43,747	1%
Water truck	195,806	3%	216,037	4%
Mobile clinic	-	0%	353,245	7%
HIV	222,330	4%	284,994	6%
Post hurricane reconstruction of schools	196,211	3%	15,812	0%
Hurricane Matthew emergency	507	0%	251,578	5%
ABF motor vehicles	-	0%	100,931	2%
ABF core activities	2,051,867	35%	986,772	20%
Break the Barriers	39,553	1%	672,363	14%
Central Italy earthquake	787,400	13%	81,984	2%
Break the Barriers	5,893,877	100%	4,750,974	97%
TOTAL	5,893,877	100%	4,918,117	100%

PROCEEDS FROM CORE ACTIVITIES BY COLLECTION CHANNEL

(data in euro)

Description	2017	Incidence	2016	Incidence	% Change
ABF events	144,799	2%	198,766	4%	-27%
Third parties events	3,044,646	52%	1,026,238	21%	197%
5x1000	32,896	1%	40,461	1%	-19%
Solidarity SMS	259,632	4%	204,845	4%	27%
Spontaneous donation	708,355	12%	2,668,538	64%	-73%
Campaigns	1,660,249	28%	479,269	0%	246%
Donation from Founder	43,300	1%	300,000	6%	-86%
TOTAL	5,893,877	100%	4,918,117	100%	20%

Expenses

As widely described in the section concerning the accounting principles, expenses reported in the management statement are broken down into:

- Expenses from Core Operations

For each programme and project they include:

1) Amounts resolved by the Board of Directors in reference to projects approved in the year. The item results in a counter-item by the increase in the net tied assets funds.

2) The costs incurred 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 fundraising

The section includes all costs incurred as part of communication efforts to promote Foundation activities and projects decided in the year, as well as all costs related to first contact activities and updating of all



private donors, including individuals, companies and foundation.

- Charges for general support

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

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

EXPENSES FROM CORE ACTIVITIES LINKED TO PROJECT

(data in euro)

Destination	2017	% of total core activities expenses	of which allocated to projects in 2017	2016	Changes
Challenges programme	-	0%	-	-	-
Break the Barriers programme	4,717,359	97%	4,042,765	3,643,072	1,074,287
EDU project	-	0%	304.990	110,521	-110,521
3.COM	-	0%	31.698	217,542	-217,542
Wheat project	1,790,413	37%	2,097,866	16,072	1,774,340
Empowering specialisation	130,000	3%	23,222	209,946	-79,946
Voices of Haiti	431,508	9%	376,672	26,563	404,945
Water truck	136,940	3%	140,916	15,000	121,940
Mobile clinic	119,939	2%	148,197	142,301	-22,362
HIV	-	0%	115,547	154,037	-154,037
St. Augustin reconstruction	30,976	1%	181,228	504,696	-473,720
Elpida	-	0%	18,667	2,051,190	-2,051,190
ABF persons	11,234	0%	15,959	158,949	-147,715
Hurricane Matthew emergency	60,088	1%	-	20,000	40,088
ABF motor vehicles	-	0%	-	600	-600
Cité Soleil vocational centre	46,808	1%	43,392	15,653	31,155
Baby house	37,050	1%	36,539	-	37,050
Sarnano school	1,894,200	-	484,120	-	1,894,200
Other emergencies	28,203	-	23,755	-	28,203
Mission expenses	-	0%	-	32,783	-32,783
Purchases intended for projects	86,759	2%	-	-	86,759
Services intended for projects	41,791	1%	-	-	41,791
TOTAL	4,845,909	100%	4,042,765	3,675,855	1,170,054

The total charges from core activities equal to Euro 4.8 million records an increase on the Euro 3.7 million in the previous year (+ 32%). Projects and commitments in Haiti are confirmed, but projects on Italian soil are also being strengthened.

In this regard please note the Specialisation project for a commitment of Euro 130 thousand and the Sarnano school reconstruction project for Euro 1.8 million.

The former is aimed at supporting the medical specialisation as paediatric surgeon of a young Haitian doctor very close to the Foundation, who already in 2015 and 2016 had worked for Foundation Saint Luc as coordinator of the ABF projects. The Euro 130,000 commitment covers the five-year specialisation period that the young doctor will attend at the Meyer paediatric hospital in Florence, under the supervision and management of the University of Genoa.

The Sarnano School project, on the other hand, entails reconstruction of the "Giacomo Leopardi" middle school complex in the municipality of Sarnano, a building hit hard by the August 2016 earthquake.

At 31.12.2017 the project entails reconstruction of Lot 1 belonging to the school area only, but the last agreements are being made with the Municipality of Sarnano to complete the gym annexed to the school and the connected play areas as well.



The general support expenses reached Euro 707 thousand, almost doubling those of 2016 with a significant increase in personnel costs and services in general, supporting the growth of the structure and the many activities completed on behalf of the foundation. In regards to general costs, please note that the comparison with the 2016 financial year is not even, since the costs related to employees and those related to the new operating office located in Florence were borne only from July 2016, thus representing half of what was recorded in 2017.

GENERAL SUPPORT EXPENSES

(data in euro)

	2017	2016	Changes
Purchases	8,997	8,894	103
Services	230,104	139,148	90,956
Personnel	402,575	204,909	197,667
Leases and rentals	38,713	18,917	19,796
Depreciation and Write-Downs	16,879	15,117	1,762
Miscellaneous operating costs	10,060	4,021	6,040
TOTAL	707,329	391,005	316,324



OTHER INFORMATION

It should be noted that during August 2017, the Foundation was gifted jewellery by Mrs. Lucia Giovannetti, worth an estimated total of Euro 10 thousand. The donation was finalised by notarial deed of Notary public Zetti.

The asset, which as of 31 December 2017 has been available to the foundation, will be included among the items to be auctioned for the next events during the first half of 2018.

5.

REPORT OF THE BOARD OF AUDITORS

ANDREA BOCELLI FOUNDATION

Headquarters in Via Volterrana, 49 - 56030 Lajatico (Pi) - Italy
Endowment Fund Euro 100.000,00 fully paid.

Relazione del Collegio dei revisori dei conti
Auditor's Report

To the Board Members of the ANDREA BOCELLI FOUNDATION

Background

The Board of Statutory Auditors, for the financial year closed as at 31/12/2017, performed the duties required under 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 no. 39, 27 January 2010" and the second part contains the "Report Pursuant to Art. 2429, Paragraph 2, of the Italian Civil Code."

FIRST PART

Auditor's Report Pursuant to Art. 14 of Legislative Decree no. 39, 27 January 2010

Opinion

We conducted the financial audit of the attached financial statements, consisting of the balance sheet as at 31 December 2017, in accordance with the income statement, the financial statements for the financial year ending on that date and with the notes to the financial statements.

In our opinion, the accompanying financial statements present a true and correct representation of the financial position of the Foundation, as at 31st December 2017, and of its financial performance and its cash flows for the year that ended on that date in accordance with Italian Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA) for Italy. Our responsibilities pursuant to these standards are further described in the section Auditor's Responsibility for Auditing the Financial Statements of this report. We are independent from the Foundation, in compliance with regulations and principles concerning ethics and independence that apply within the Italian legal system for the auditing of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Directors and Board of Statutory Auditors for the Financial Statements

Directors are responsible for preparing financial statements that present a true and fair representation that complies with the Italian regulations that govern the preparation criteria and, in compliance with the law, for the internal control of the same, which is considered necessary for preparing financial statements that are free from significant errors due to fraud or unintentional conduct or events.

Directors are responsible for evaluating the ability of the Foundation to continue to operate as a going concern and, when preparing the financial statements, for the appropriateness of the use of the going concern assumption, as well as adequate information concerning the matter. Directors use the going concern assumption when preparing the financial statements unless they have assessed that the conditions for the liquidation of the Foundation or for the interruption of its activities exist or they have no realistic alternatives to these choices.

The Board of Statutory Auditors are responsible for supervising, within the terms established by law, the process of preparing the Foundation's financial reporting.

Auditor's Responsibility for Auditing the Financial Statements

We aim to acquire reasonable assurance that the financial statements as a whole do not contain significant errors, due to fraud or unintentional conduct or events, and issue an audit report that includes our opinion.

Reasonable assurance means a high level of assurance, however, this does not guarantee that a financial audit conducted in compliance with the International Standards on Auditing (ISA) for Italy always identify a significant error, if such error does exist. Errors can arise from fraud or unintentional conduct or events and are considered to be significant when they can reasonably be expected to, either individually or as a whole, influence the economic decisions taken by users on the basis of the financial statements.

Within the framework of the financial audit conducted in compliance with the International Standards on Auditing (ISA) for Italy, we have exercised our professional judgement and maintained professional scepticism for the whole auditing period.

Furthermore:

- we have identified and assessed the risks of significant errors in the financial statements, due to fraud or unintentional conduct or events; we have defined and carried out audit processes in response to these risks; we have acquired sufficient and appropriate audit evidence on which to base our opinion. The risk of failing to identify a significant error due to fraud is greater than the risk of failing to identify a significant error due to unintentional conduct or events, as fraud can imply the existence of collusion, falsification, intentional omissions, misrepresentation or forcible actions of internal control;
- we have acquired an understanding of the relevant internal control procedures for the financial audit to define audit processes that are appropriate to the circumstances and not to express an opinion on the efficiency of the Foundation's internal control procedures;
- we have assessed the appropriateness of the accounting standards used, as well as the reasonableness of the accounting estimates made by the directors, including the relative disclosures;
- we came to a conclusion on the appropriateness of the use by the directors of the going concern assumption and, based on the audit evidence acquired, whether significant uncertainty about events or circumstances exists that could give rise to significant doubts concerning the Foundation's ability to continue to operate as a going concern. In the event of significant uncertainty, we are required to highlight this within the audit report in the relative financial disclosure, or, whenever this disclosure is inadequate, to reflect this circumstance in formulating our opinion. Our conclusions are based on the audit evidence acquired up until the date of this report. However, subsequent events or circumstances may lead the Foundation to cease to operate as a going concern;
- we have assessed the presentation, structure and content of the financial statements in their entirety, including the disclosure, and whether the financial statements represent the underlying transactions and events in such a way as to present a correct representation;
- we have communicated to those responsible for governance, identified at an appropriate level pursuant to the ISA for Italy, among other aspects, the planned timing and scope of the financial audit and the significant results which emerged, including any significant shortcomings within internal control procedures identified during the audit.

Report on Other Legal and Regulatory Provisions

The directors of the Foundation are responsible for preparing the management report as at 31/12/2017, including its consistency with the relative financial statements and its compliance with the law. We have conducted the processes indicated in the International Standards on Auditing for Italy no. 720B in order to express our opinion on the consistency of the management report with the Foundation's financial statements as at 31/12/2017 and the compliance of the same with the law, as well as to issue a statement of any significant errors.

It is our opinion that the management report is consistent with the financial statements as at 31/12/2017 and it has been prepared in compliance with the law. With reference to the statement pursuant to art. 14, paragraph 2, lett. e), of Italian Legislative Decree 39/2010, issued on the basis of the knowledge and understanding of the Foundation and its context, acquired during the audit, we have nothing to report.

SECOND PART

B) Report Pursuant to Art. 2429, Paragraph 2 of the Italian Civil Code

During the financial year ended 31 December 2017, our activity was inspired by legal provisions and the Rules of Conduct for the Board of Statutory Auditors issued by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili, the Italian Council of Professional Accountants, in compliance with which we have carried out a positive self-assessment for each member of the Board of Statutory Auditors.

B1) Supervision Activities Pursuant to Art. 2403 and et seq. of the Italian Civil Code

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

During meetings also held individually and in 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 the 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 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 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 department heads and examining company documents, and have no specific comments to make in this regard.

We performed specific audits on the various departments and, based on the 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 Statutory 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

The Board of Statutory Auditors has acknowledged that the Board of Directors has not considered the obligation to prepare notes to the financial statements using the so-called "XBRL taxonomies", required to standardise this document and allow it to be digitally processed. Indeed, it is an obligation required by the Companies' Register managed by the Italian Chamber of Commerce pursuant to art. 5, paragraph 4 of Italian Prime Ministerial Decree no. 304 of 10 December 2008, which the Foundation did not consider appropriate to adopt. Therefore, the Board of Statutory Auditors has checked that the changes made to the form of the financial statements and the notes to the financial statements, compared to the form adopted for previous financial years, do not alter – in any way – the substance of its content or comparisons with the figures for the end of the previous financial year.

The draft financial statements for the financial year ended as at 31/12/2017 were provisionally approved by the Board of Directors during the meeting held on 30/03/2018 and then definitively approved during the meeting held on 30/04/2018 and include the balance sheet, income statement, cash flow statement and notes to the financial statements.

Furthermore:

- the Board of Directors also prepared the management report pursuant to art. 2428 of the Italian civil code;
- these documents were submitted to the Board of Statutory Auditors in good time so that they could be lodged at the Foundation's headquarters, along with this report. Therefore, the draft financial statements were examined, on which the following information is also provided:
 - the assessment criteria for the assets and liabilities subject to this obligatory requirement were checked and were not found to be substantially different to those adopted in previous financial years, in compliance with the provisions of art. 2426 of the Italian Civil Code;
 - attention was given to the preparation of the draft statements, to their overall compliance with the law in regard to their preparation and structure, albeit with certain exceptions, and in this regard, nothing was observed that warrants being highlighted in this report;
 - compliance with legal provisions concerning the preparation of the management report was verified and in this regard, nothing was observed that warrants being highlighted in this report;
 - in preparing the financial reports, the Board of Directors has not made any departures from legal provisions pursuant to art. 2423, paragraph 4 of the Italian Civil Code, as in regard to reporting, evaluation, presentation

and disclosure it is not necessary to comply with obligations when compliance with the same may have negligible effects on true and fair representation.

- the financial statement's consistency with the facts and information that have become known while performing the typical duties of the Board of Statutory Auditors was verified and in this regard no additional observations were reported;
- pursuant to art. 2426, paragraph 5 of the Italian Civil Code, the significant amounts listed under assets were subject to our specific control with the subsequent consent to their recording;
- the information required by art. 2427-bis of the Italian Civil Code has been given in the notes to the financial statements, for the recorded financial fixed assets;
- concerning the proposal of the Board of Directors regarding the allocation of the net profit for the financial year which is presented at the end of the management report, the Board of Statutory Auditors has no comment to make.

Result for the Financial Year

The net profit recorded by the Board of Directors for the financial year ending on 31/12/2017, as is evident from the financial statements, is 217,859 Euro. The results of the statutory audit that we conducted can be found in section A) of this report.

B3) Conclusions and Recommendations for the Approval of the Financial Statements

Considering the results of the activities which were carried out, the Board of Statutory Auditors recommends that the financial statements ending 31/12/20017 should be approved, which report a profit of 217,859 Euro, as proposed by the Foundation's Board of Directors.

Pisa, 23 May 2018

The Board of Statutory Auditors

Franco Martinelli (President)

Fabio Gambini (Statutory Auditor)

Stefano Monti (Statutory Auditor)

6.

INDEPENDENT AUDIT FIRM REPORT



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

Independent auditors' report

*To the board of directors of
Andrea Bocelli Foundation*

Opinion

We have audited the financial statements of Andrea Bocelli Foundation (the "Foundation"), which comprise the balance sheet as at 31 December 2017, the management report and cash flow statement for the year then ended and notes thereto.

In our opinion, the financial statements give of Andrea Bocelli Foundation as at and for the year ended 31 December 2017 have been prepared, in all material respects, in accordance with the basis of preparation set out in the notes.

Basis for opinion

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

Emphasis of matter

We draw attention to the basis of preparation of the Foundation's financial statements as at and for the year ended 31 December 2017 described by the directors in the notes. We did not qualify our opinion in this respect.

Other matters

This report is not issued pursuant to any legal requirements as the Foundation was not required to subject its 2017 financial statements to a statutory audit pursuant to Legislative decree no. 39/10 and other auditors carried out the audit required by the Foundation's by-laws. Accordingly, we did not carry out the audit procedures required

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by Standard on Auditing (SA Italia) 250B to check that the Foundation's accounts were regularly kept or those required by Standard on Auditing (SA Italia) 720B to express an opinion pursuant to article 14.2.e) of Legislative decree no. 39/10.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Andrea Bocelli Foundation for the financial statements

The directors are responsible for the preparation of the financial statements in accordance with the basis of preparation described in the notes and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are



Andrea Bocelli Foundation
Independent auditors' report
31 December 2017

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Florence, 11 May 2018

KPMG S.p.A.

(signed on the original)

Matteo Balestracci
Director of Audit



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