

## General information about the company

### Details

Title: FONDAZIONE REGGIO CHILDREN CENTRO LORIS  
MALAGUZZI

Head office: VIA BLIGNY 1/a REGGIO NELL'EMILIA RE

Share capital: 0.00

Fully paid-up share capital: yes

CCIAA (Chamber of Commerce Registration) Code: RE

VAT No.: 00763100351

Fiscal code: 00763100351

REA (Economic and Administrative Index) No.: 216036

Legal form: FOUNDATION

Main field of activity (ATECO): 949990

Company in liquidation: no

Company with sole shareholder: no

Company subject to management and coordination by others: no

Name of the company or entity exercising management and coordination activities:

Group membership: no

Name of the parent company: Country of the parent company:

Registration number in the register of cooperatives:

# Balance sheet as of 31/12/2019

## Abridged Balance Sheet

	31/12/2019	31/12/2018
<b>Assets</b>		
<b>B) Fixed assets</b>		
I - Intangible fixed assets	3,570	5,355
II - Tangible fixed assets	25,970	19,939
III - Financial fixed assets	610,265	590,265
<i>Total fixed assets (B)</i>	<i>639,805</i>	<i>615,559</i>
<b>C) Current assets</b>		
I - Inventories	4,051	-

	31/12/2019	31/12/2018
II - Receivables	2,138,568	2,469,283
due within the following financial year	2,138,568	2,469,283
IV - Cash and cash equivalents	135,632	140,073
<b>Total current assets (C)</b>	<b>2,278,251</b>	<b>2,609,356</b>
<b>Total assets</b>	<b>2,918,056</b>	<b>3,224,915</b>
<b>Liabilities</b>		
<b>A) Shareholders' equity</b>		
I - Capital	783,825	831,911
VI - Other reserves	(1)	-
IX - Profit (loss) for the financial year	216	1,915
<i>Total amount of net equity</i>	<i>784,040</i>	<i>833,826</i>
<b>C) Reserve for employee severance indemnities</b>	<b>66,322</b>	<b>55,335</b>
<b>D) Payables</b>		
due within the following financial year	2,067,694	2,232,765
<b>E) Accruals and deferrals</b>	<b>-</b>	<b>102,989</b>
<i>Total liabilities</i>	<i>2,918,056</i>	<i>3,224,915</i>

## Abridged Income Statement

	31/12/2019	31/12/2018
<b>A) Production value</b>		
1) Revenues from sales and services	2,142,891	2,831,677
5) Other revenues and income	-	-
others	19,816	32,265
<i>Total other revenues and income</i>	<i>19,816</i>	<i>32,265</i>
<i>Total value of production</i>	<i>2,162,707</i>	<i>2,863,942</i>
<b>B) Production costs</b>		
6) for raw, auxiliary materials, consumables and goods	481,448	1,271,052
7) for services	1,031,376	929,563
8) for use of third-party assets	84,293	110,915
9) For staff	-	-
a) salaries and wages	407,046	397,855
b) social security contributions	106,107	104,651

	31/12/2019	31/12/2018
c/d/e) employee severance indemnities, pensions, other costs relating to staff	27,959	12,998
c) employee severance indemnities	27,959	12,998
<i>Total staff costs</i>	<i>541,112</i>	<i>515,504</i>
10) depreciations and write-downs	-	-
a/b/c) depreciation of intangible and tangible fixed assets, other write-downs of fixed assets	6,916	5,617
(a) depreciation of intangible fixed assets	1,785	1,785
(b) depreciation of tangible fixed assets	5,131	3,832
<i>Total amortizations and write-downs</i>	<i>6,916</i>	<i>5,617</i>
11) Changes in inventories of raw, ancillary and consumable materials and goods	(4,051)	-
14) other operating expenses	12,241	10,122
<i>Total production costs</i>	<i>2,153,335</i>	<i>2,842,773</i>
<b>Difference between production values and costs (A - B)</b>	<b>9,372</b>	<b>21,169</b>
<b>C) Financial income and charges</b>		
16) Other financial income	-	-
d) Income other than the above	-	-
others	674	1,478
<i>Income other than the above</i>	<i>674</i>	<i>1,478</i>
<i>Total amount Other financial income</i>	<i>674</i>	<i>1,478</i>
17) interests and other financial charges	-	-
others	566	2,623
<i>Total interests and other financial charges</i>	<i>566</i>	<i>2,623</i>
17-bis) profit and loss on exchange rates	20	-
<i>Total financial income and financial charges (15+16-17+-17-bis)</i>	<i>128</i>	<i>(1,145)</i>
<b>Result before taxes (A-B+C+D)</b>	<b>9,500</b>	<b>20,024</b>
<b>20) current, deferred and prepaid income taxes for the year</b>		
current taxes	9,284	18,109
<i>Total current, deferred and prepaid income taxes for the year</i>	<i>9,284</i>	<i>18,109</i>
<b>21) Profit (loss) for the year</b>	<b>216</b>	<b>1,915</b>

## Explanatory Notes - Initial part

### Introduction

Dear Shareholders, these Explanatory Notes are an integral part of the Financial Statements as of 31/12/2019.

The Financial Statements are prepared in the abridged form as the limits of Art. 2435-bis of the Italian Civil Code have not been reached for two consecutive years.

The Financial Statements are in accordance with the provisions of Art. 2423 and following of the Italian Civil Code and with the national accounting standards published by the Italian Accounting Authority; hence it truthfully and clearly represents the assets and financial situation, as well as the Foundation's financial results for the year.

The content of the Balance Sheet and Income Statement is as provided for in Art. 2424 and 2425 of the Italian Civil Code. The Explanatory Notes, drafted pursuant to Art. 2427 of the Italian Civil Code, also contain all relevant information to provide a correct interpretation of the Financial Statements.

This document will also provide the information required by numbers 3 and 4 of Art. 2428 of the Italian Civil Code, since, as permitted by Art. 2435-bis of the Italian Civil Code, the Management Report has not been drawn up.

These Financial Statements for the year ended 31/12/2019 show an operating result of € 215.80 after the payment of IRAP (regional tax), which amounts to Euro 9,284.00.

This given financial year has been characterised by a substantial reduction in design activities. This is due to the fact that some projects have been completed or have a smaller operational flow. In brief the list of projects in 2019: Face; Renarra; Cultural Day; Lego; Norcia; FS; Tida; and other smaller.

The project of continuity for the research on food, knowledge and flavours is PAUSE srl, 100% owned by the Foundation.

As an exception to the provisions of Art. 2364, par. 2, and 2478-bis of the Italian Civil Code or the various provisions of the Bylaws, the ordinary assembly is convened within 180 days from the end of the financial year, as provided for by Art. 106 of the Decree Law 17.03.2020, No. 18 following the COVID-19 emergency.

### Drafting criteria

#### Drawing up the Financial Statements

The information contained herein is reported in the order in which the relative items are shown in the balance sheet and income statement.

In reference to what is stated in the introduction to these Explanatory Notes, we state that, pursuant to Art. 2423, paragraph 3 of the Italian Civil Code, if the information required by specific provisions of the law are not sufficient to give a true and fair view of the Foundation's situation, further information deemed necessary for the purpose is provided.

The Financial Statements, as well as these Explanatory Notes, have been drawn up in Euros.

#### Drawing up principles

##### Comment

The evaluation of the Financial Statement items took place in accordance with the principle of prudence, of relevance and on a going concern basis. According to Art. 2423-bis c.1, paragraph 1-bis of the Italian Civil Code, the recording and presentation of the items shall be made taking into account the substance of the operation or the contract. In drawing up the Financial Statements for the financial year, income and expenses have been recorded on an accrual basis regardless of the time of their occurrence and only the profits realized at the closing date of the financial year have been indicated.

The risks and losses for the fiscal year were taken into account even if they were known only after the reporting date.

### **Structure and Content of Financial Statements**

The balance sheet, income statement and accounting information contained in these explanatory notes are in accordance with the accounting records, from which they are directly derived.

In the exposition of the Balance Sheet and Income Statement there were no groupings of items preceded by Arabic numerals, as is optionally provided by Art. 2423-ter of the Italian Civil Code.

Under Art. 2424 of the Italian Civil Code, it is confirmed that no assets or liabilities are included under more than one item in the Financial Statements.

### **Exceptional cases pursuant to Art. 2423, fifth paragraph, of the Italian Civil Code**

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#### **Comment**

There were no exceptional circumstances compelling the Foundation to have recourse to the waivers established in Art. 2423, paragraph 4 and 5, of the Italian Civil Code.

### **Changes in accounting policies**

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#### **Comment**

There were no exceptional circumstances compelling the Foundation to have recourse to the waivers established in Art. 2423-bis, paragraph 2, of the Italian Civil Code.

### **Comparability and adaptation issues**

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#### **Comment**

Under Art. 2423-ter of the Italian Civil Code, it should be noted that all Financial Statement items were comparable with the previous year; there was therefore no need to adjust any item from the previous year.

### **Evaluation criteria applied**

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#### **Comment**

The criteria used in the evaluation of Financial Statement items and value adjustments comply with the provisions of the Civil Code and the guidance provided in the accounting standards issued by the Italian Accounting Authority. The same also did not change compared to the previous year.

According to Art. 2427 paragraph 1 no. 1 of the Italian Civil Code, the following are the most significant evaluation criteria adopted in compliance with the provisions of Art. 2426 of the Italian Civil Code, with particular reference to Financial Statement items for which the legislator allows various evaluation and correction criteria or for which no specific criteria are laid down.

At the end of the financial year, the Foundation did not have any receivables or payables in foreign currency.

**Intangible fixed assets**

Intangible fixed assets, if the requirements of the accounting principles are met, are recorded in the assets of the balance sheet at purchase and/or production cost and are depreciated on a straight-line basis according to their future usefulness.

The value of fixed assets is shown net of accumulated depreciation and write-downs.

Depreciation was carried out in accordance with the following pre-established plan, which is considered to ensure a proper allocation of the cost incurred over the useful life of the fixed assets in question:

Items in intangible fixed assets	Period
Authorisations, licenses, trademarks and similar	Five years

The amortization of intangible assets has been applied systematically and in each period, in relation to the remaining economic useful life of each asset or expense.

Pursuant to and for the purposes of Art. 10 of Law No. 72 of March 19, 1983, and as it is also invoked by successive monetary revaluation laws, we would like to specify that the current intangible assets of Fondazione have never been subject to any monetary revaluation.

It should be noted that these immobilized charges did not require write-downs under Art. 2426 paragraph 1 no. 3 of the Italian Civil Code since, as required by accounting standard OIC 9, there were no indicators of potential impairment of intangible assets.

**Tangible fixed assets**

Assets belonging to the tangible fixed assets category, shown at the date on which the risks and benefits associated with the acquired assets are transferred, are recorded in the Financial Statements at the purchase cost, plus any ancillary charges incurred up to the time when the assets are ready for use and anyway within the limits of their recoverable value. These assets are shown on the assets side of the balance sheet net of accumulated depreciation and write-downs.

The book value of the assets, grouped into homogeneous classes according to the nature and year of acquisition, is broken down into the years in which they are expected to be used. This procedure is implemented through the systematic allocation to the income statement of depreciation corresponding to established plans, defined at the time when the asset is available and ready to use, with reference to the residual possible useful life of the assets themselves. These plans are subject to annual review and are formed with reference to the gross value of the assets and assuming zero net realisable value at the end of the process.

The depreciation of tangible fixed assets whose use is limited in time, was operated in compliance with the following pre-established plan:

Tangible fixed assets	Rates %
Industrial and commercial equipment	12/15
Other assets	20

Any disposal of assets (divestments, scrapping, etc.) that occurred during the fiscal year resulted in the elimination of their residual value. Any difference between the book value and the disposal value has been recorded in the income statement.

For fixed assets acquired during the year these rates have been reduced to half because the amortisation thus obtained does not differ significantly from the calculated portion from the moment when the asset is available and ready for use.

The depreciation criteria for tangible fixed assets have not changed from those applied in the previous year.

Pursuant to and for the purposes of Art. 10 of Law no. 72 of 19 March 1983, and as it is also invoked by successive monetary revaluation laws, we would like to specify that the current tangible assets of the company have never been subject to any monetary revaluation.

It should be noted that no write-downs pursuant Art. 2426 paragraph 1 no. 3 of the Italian Civil Code were required, in the light of the provisions of the accounting standard OIC 9, according to which there were no indicators of potential lasting impairment of tangible fixed assets.

## **Financial fixed assets**

### *Shareholdings*

The investments recorded in the financial statements have been accounted for using the cost method, where cost means the charges incurred for the purchase, regardless of the method of payment, including any ancillary costs (commissions and bank charges, stamp duty, bank inter-mediation, etc.).

### *Receivables*

Receivables recorded in fixed financial assets have been valued at their presumed realisable value using the faculty granted by Art. 2435-bis of the Civil Code.

### *Other securities*

Other securities have been valued at the purchase or subscription cost of such security, consisting of the price paid including the accessory costs, using the option granted by Art. 2435-bis of the Italian Civil Code.

It should be noted that no write-downs pursuant Art. 2426 paragraph 1 no. 3 of the Italian Civil Code were required on the securities, in the light of the provisions of the accounting standard OIC 9, according to which there were no indicators of potential loss of value.

## **Inventories**

Inventories of assets are valued at the lower of purchase and/or production cost and realisable value based on market trends.

The purchase cost includes any directly attributable accessory charges.

The cost of production does not include indirectly attributable accessory charges as the latter were not attributable according to an objective method.

### *Finished products*

The cost of inventories of finished products and goods of a fungible nature has been calculated using the weighted average cost method as an alternative to the specific cost given the technical or administrative impossibility of keeping each physical unit in inventory separate.

The value thus determined was appropriately compared, as explicitly required by Art. 2426 No. 9 of the Italian Civil Code, with the realizable value based on market trends.

## **Receivables recorded under current assets**

Receivables recognised in current assets have been valued at their presumed realisable value using the faculty granted by Art. 2435-bis of the Italian Civil Code.

## **Cash and cash equivalents**

Cash and cash equivalents are valued according to the following criteria:

money, at face value;  
bank deposit accounts and cheques on hand, at estimated realisable value. In this case, the realisable value coincides with the face value.

### **Shareholders' equity**

The items are recorded in the financial statements at their book value in accordance with the instructions contained in the accounting standard OIC 28.

### **Reserve for employee severance indemnities**

The severance indemnity was calculated in accordance with the provisions of Art. 2120 of the Italian Civil Code, taking into account the legislative provisions and the specificities of the contracts and professional categories, and it includes the annual amounts accrued and the revaluations carried out on the basis of the ISTAT coefficients.

The amount of the provision is net of advances paid and of the amounts used for termination of employment during the year and represents the certain amount due to employees at the end date of the financial statements.

### **Payables**

Payables have been shown in the Financial Statements at nominal value, using the faculty granted by Art. 2435-bis of the Italian Civil Code.

### **Accrued liabilities**

Accrued liabilities are calculated on an accrual basis, by the breakdown of the revenues and/or costs relating to several years.

## **Further information**

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### **Comment**

### **Transactions which include a re-conveyance commitment**

The Foundation, pursuant to Art. 2427 no. 6-third, confirms that during the fiscal year it did not have any transactions subject to a re-conveyance commitment.

## **Explanatory Notes, Assets**

### **Introduction**

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The individual items in the financial statements are analysed in detail below, in accordance with the provisions of current legislation.

### **Fixed assets**

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### **Introduction**



**Movements of fixed assets****Introduction**

This paragraph of the Explanatory Notes analyses the movements in intangible, tangible and financial fixed assets.

For each item in fixed assets the following has been specified:

- the historical cost;
- the previous revaluations, write-downs and amortisations of existing fixed assets at the beginning of the year;
- the acquisitions, movements from one voice to another, disposals and eliminations taking place in the fiscal year;
- the revaluations, write-downs and depreciations made during the fiscal year;
- the final amount of the fixed asset.

**Abridged analysis of movements of fixed assets**

	Intangible fixed assets	Tangible fixed assets	Financial fixed assets	Total fixed assets
<b>Value at the beginning of the year</b>				
Cost	5,355	58,342	590,265	653,962
Depreciation (accumulated depreciation)		38,403	-	38,403
Book value	5,355	19,939	590,265	615,559
<b>Changes during the year</b>				
Increases for acquisitions	-	11,162	20,000	31,162
Depreciation for the year	1,785	5,131	-	6,916
Total changes	(1,785)	6,031	20,000	24,246
<b>Value at the end of the year</b>				
Cost	5,355	69,504	610,265	685,124
Depreciation (accumulated depreciation)	1,785	43,534	-	45,319
Book value 3,570		25,970	610,265	639,805

**Comment**

**REGGIO CHILDREN srl**

**share capital** 1,000,000.00

**46.711% shareholding** 467,110.00

**book value of shareholding** 480,265.00

**net capital share of the last balance sheet 2018 RCH** 1,346,048.00

**srl** 628,752.00

**Present shareholding value**

<b>profit/loss from shareholding</b>	<b>148,487.00</b>
<b>PAUSE srl</b>	
<b>share capital</b>	<b>30,000.00</b>
<b>100% shareholding</b>	<b>30,000.00</b>
<b>book value of shareholding</b>	<b>30,000.00</b>
<b>net capital share of the last balance sheet 2018</b>	<b>56,811.00</b>
<b>profit/loss from shareholding</b>	<b>28,047.00</b>

## Financial lease transactions

### Introduction

At the closing date of the financial year the Foundation does not have any ongoing financial leasing contracts.

## Current assets

### Introduction

Item	Description	Financial Year 2019	Financial Year 2018	Deviation
C)	CURRENT ASSETS	2,278,251	2,609,356	331,10
I -	INVENTORIES	4,051	-	4,00
II -	RECEIVABLES	2,138,568	2,469,283	330,7
IV -	CASH AND CASH EQUIVALENTS	135,632	140,073	4,40

## Receivables recorded under current assets

### Introduction

Description	Initial outst. amount	Increase	Movem. to item	Movem. from item	Decrease	Final outst. amount	Absolute Variation	Variat. %
Receivables	2,469,283	-	-	330,715	-	2,138,568	330,715-	13-
<b>Total</b>	<b>2,469,283</b>	<b>-</b>	<b>-</b>	<b>330,715</b>	<b>-</b>	<b>2.138,568</b>	<b>330,715-</b>	<b>13-</b>

## Capitalised financial charges

### Introduction

All interests and other financial costs were fully paid in the fiscal year. For the purposes of Art. 2427, par. 1, no. 8 of the Italian Civil Code, it can be stated that there was no capitalisation of financial charges.

## Explanatory notes - Liabilities and net assets

### Introduction

The individual items in the financial statements are analysed in detail below, in accordance with the provisions of current legislation.

### Introduction

Description	Detail	Initial outst. amount	Incr.	Movem. to item	Movem. from item	Decrease	Final outst. amount	Absol var.	Variat. %
<i>Capital</i>									
	Endowment Fund tied-up	120.000	-	-	-	-	120.000	-	-
	Endowment fund	169,214	-	-	-	-	169,214	-	-
	Management fund	542,696	-	-	-	48,085	494,611	48,085-	9-
	<b>Total</b>	<b>831,910</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,085</b>	<b>783,825</b>	<b>48,085-</b>	
<i>Other reserves</i>									
	Reserve diff. round. unit of Euro	1-	-	-	-	-	1-	-	-
	<b>Total</b>	<b>1-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1-</b>	<b>-</b>	
<i>Profit (loss) of the financial year</i>									
	Profit for the year	1,915	216	-	1,915	-	216	1,699-	89-
	<b>Total</b>	<b>1,915</b>	<b>216</b>	<b>-</b>	<b>1,915</b>	<b>-</b>	<b>216</b>	<b>1,699-</b>	

## Payables

### Payables secured by collateral on corporate assets

#### Introduction

Pursuant to and for the effects of Art. 2427 c.1 n.6 of the Italian Civil Code, it is hereby attested that there are no debts with a duration of more than five years and no payables secured by collateral on the company's assets.

## Comment

Description	Detail	Initial outst. amount	Incr.	Movem. to item	Movem. from item	Decrease	Final outst. amount	Absol var.	Variat. %
<i>Payables</i>									
	Invoices to be received from third party suppliers	181,543	-	-	67,610	-	113,933	67,610-	37-
	Third party suppliers Italy	164,683	235,082	-	-	-	399,765	235,082	143
	Third party suppliers Abroad	94	345	-	-	-	+439	345	367
	Trade liabilities to be settled	-	1,332	-	-	-	1,332	1,332	
	Tax authority with withholding on income from empl. and simil. act.	14,521	-	-	226	-	14,295	226-	
	Tax authority with withholding on income from self-employed contractors	9,428	-	-	210	-	9,218	210-	
	Social security (INPS) for employees	20,756	-	-	268	-	20,488	268-	
	Social security (INPS) for collaborators	2,315	-	-	280	-	2,035	280-	
	Payables to supplementary pension funds	886	-	-	-	90	796	90-	
	Miscellaneous social security and welfare institutions	107	440	-	-	-	+547	440	411
	Other payables to third parties	1,748,907	-	-	301,823	-	1,447,084	301,823-	17-
	Staff wages and salaries	38,898	-	-	40,048	-	27,950	40,048-	10,948-
	Staff account rounding up	3	1	-	-	-	+4	1	33
	Employees with deferred wages and salaries	42,355	-	-	12,547	-	29,808	12,547-	30-
	<b>Total</b>	<b>2,224,496</b>	<b>237,200</b>	<b>-</b>	<b>394,002</b>	<b>-</b>	<b>2,067,694</b>	<b>156,802-</b>	

## Explanatory Notes - Income Statement

### Introduction

The income statement shows the economic result for the year, of which mainly surpluses on projects for institutional activities.

It provides a representation of the management operations, through a synthesis of the positive and negative components of institutional projects that contributed to determining the surplus reinvested in the management in accordance with the aims of the Bylaws. The positive and negative components of income and expenses, costs and revenues, recorded in the Financial Statements in accordance with Art. 2425-bis of the Italian Civil Code, are distinguished according to which of the various management systems they belong to: characteristic, ancillary and financial.

The characteristic activity identifies the incoming and outgoing flows, as well as the co-financed and general costs generated by operations that are set up through planning agreements with various institutions, foundations and other entities for the development and achievement of the corporate purpose.

The institutional part does not have an impact on the income of the business and the VAT liability. Revenues are supported by the same number of costs that are identified with the implementation of the project.

The financial activity consists of transactions that generate financial income and expenses.

On a residual basis, the ancillary activity is made up of transactions that generate income that are part of ordinary activities but are not part of the characteristic and financial activities, the impact of the residual 2019 part was EUR 185,224.84, to which the related costs are charged.

The Foundation uses separate accounts, and costs are allocated to the individual cost centres.

## Production value

### Introduction

Revenues are entered in the Financial Statements according to applicability, net of returns, rebates, discounts and premiums, as well as taxes directly related to them.

## Production Costs

### Comment

Costs and charges are recorded on an accrual basis and entered according to applicability and nature, net of returns, rebates, discounts and premiums, in accordance with the principle of correlation with the revenues, and recorded in the respective items in accordance with the OIC principle.

12. With respect to the purchase of assets, the revenues are recorded when the substantive and non-formal transfer of the title of the property has occurred, taking as a benchmark, for the substantial change, the transfer of risks and benefits. In the case of the purchase of services, the related costs are recorded when the service is received or when the service is completed, while in the case of ongoing services, the related costs are recorded for the accrued portion the costs are allocated on the basis of cost centers that divide the institutional activity from mere commercial activities.

## Financial income and charges

### Introduction

Financial income and expenses are recorded on an accruals basis in relation to the amount accrued during the year.

### Comment

### Gains/losses on exchange rates

Here following, please find the information relating to the gains or losses on exchange with distinction made between the portion relating to valuations of assets and liabilities entered in the financial statements at end of the year.

Description	Amount budgeted	Evaluation	Realised gains/losses
<i>gains/losses on exchange rates</i>	20		
Profit on exchange rates		20	-
Loss on exchange rates		-	-
<b>Total of the entry</b>		<b>20</b>	<b>-</b>

## Amount and nature of individual items of income/expenditure of exceptional magnitude or incidence

### Introduction

No revenue or other positive components arising from events of exceptional magnitude or incidence have been recognised during the current period.

### Introduction

No costs arising from events of exceptional magnitude or incidence have been recognised during the current period.

## Current, deferred and prepaid income taxes for the year

### Introduction

The Foundation has the provision for income taxes based on application of existing tax laws. Current taxes refer to taxes for the year as reported in the tax returns;

## Explanatory Notes - Other information

### Introduction

The other information required by the Italian Civil Code is given below.

## Employment figures

### Introduction

The following table shows the average number of employees by category and calculated by taking the daily average.

### Average number of employees by category

	Middle managers	Workers	Total
Average number	1	13	14

### Comment

The number of employees can be illustrated as follows:

Five collaborators with a co.co.co. (constant and continuous collaboration) contract

Six temporary workers

Eleven permanent workers

With regard to the health of the employees, the Foundation informs that shared protocols of regulations in the workplace have been adopted to contain the spread of COVID-19, as set out in the Prime Ministerial Decree.

The activities dictated by the regulations have been suspended in compliance with the Ateco Codes, and where it was possible to continue production activities, they have only taken place under those conditions that ensure adequate levels of protection for the workers.

It is also stated that “the company provides adequate information on the basis of tasks and work contexts, with particular reference to the set of measures adopted with which personnel must comply, in particular on the correct use of PPE to help prevent any possible spread of infection”.

The Foundation has also used remote working as a useful and scalable prevention tool to encourage a reduction in contacts.

Other protections have been adopted with regard to the organisation:

“the respect of social distancing, also through a remodulation of work spaces, compatible with the nature of production processes and company spaces.

In environments where several workers work at the same time, innovative solutions have been found such as, for example, the repositioning of workstations spaced adequately apart from each other or similar solutions.

The articulation of work redefined with differentiated working hours that promote social distancing by reducing the number of simultaneous presences in the workplace and preventing groups of people entering and leaving with flexible working hours.

Social gathering was avoided, also in relation to travelling to work and back home (commuting).

## **Fees, down payments and receivables granted to directors and statutory auditors, as well as commitments undertaken on their behalf**

### **Introduction**

The following table shows the information required by Art. 2427 No. 16 of the Italian Civil Code, specifying that there are no down payments and receivables and no commitments have been made on behalf of the administrative body as a result of guarantees of any kind given.

### **Amounts of fees, down payments and receivables granted to directors and statutory auditors, as well as commitments undertaken on their behalf**

	<b>Statutory auditors</b>
Fees	3,708

## **Commitments, guarantees and contingent liabilities not shown in the balance sheet**

### **Introduction**

No commitments, guarantees, and contingent liabilities not appearing in the balance sheet have been reported.



## Information on related party transactions

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### Comment

For the purposes of the provisions of current legislation, no transactions with related parties were carried out during the year.

## Information on agreements not shown in the balance sheet

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### Comment

During the year, no agreement was entered into that is not shown in the balance sheet.

## Information on significant events occurring after the end of the financial year

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### Comment

With reference to par. 22-quater of Art. 2427 of the Italian Civil Code - as for the report about the main events occurred after the end of the financial year that deeply affected the assets, economic and financial performance, it should be noted that the Foundation, like all businesses, is influenced by the events that affect the Foundation's management as a result of the "CORONAVIRUS" emergency.

As directors, we provide information on the following aspects:

For months now, the Covid-19 pandemic has been unleashing an economic tsunami, with effects that will continue for several years. For our Foundation, whose financial year coincides with the calendar year, the emergency occurred after the end of the financial year 2019. This essentially means that this event cannot in any way affect the drawing up of the 2019 balance sheet; therefore, we do not take the outbreak into account when assessing the items in the financial statements.

At the same time, Art. 2427, no. 22-quater of the Italian Civil Code provides for the obligation to give information on the nature and the capital, economic and financial effects of significant events occurring after the end of the financial year. Such information is also required by OIC 29 (OIC - Italian Accounting Standards Commission) for events occurring after the end of the financial year that coincide with or have an impact on the company's ability to continue as a going concern. The directors report qualitative information, considering the extreme difficulty, in the current conditions of uncertainty, of being able to provide a reliable quantitative estimate of the effects on the Foundation's economic and financial situation". Our difficulties as directors, in reporting any conditions of uncertainty about the company's ability to continue as a going concern, are in any case supported by the provisions of Art. 7 of Decree Law 23/2020, which introduced a rule for assessing the ability to continue as a going concern, relating to the financial statements of companies adopting the new national accounting standards, ended by 23.02.2020 and not approved. As a result, in the 2020 financial year we will adapt to these new parameters provided for in the Decree Law.

## Firms drawing up the consolidated financial statement of the smallest group of companies to which it belongs as a subsidiary

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### Introduction

There is no case under Art. 2427 No. 22-sexies of the Italian Civil Code.

## **Information concerning financial derivative instruments under Art. 2427-bis of the Italian Civil Code**

### **Comment**

This is to certify that no derivative financial instrument has been entered into.

## **Summary of the Financial Statements of the company exercising management and coordination activity**

### **Introduction**

Pursuant to Art. 2497-bis paragraph 4 of the Italian Civil Code, it is certified that the Foundation is not subject to management and coordination by another entity.

## **Treasury shares and parent company shares**

### **Introduction**

It is hereby certified that the Foundation is not subject to a control constraint by any company or group of companies.

## **Information pursuant to Art. 1, paragraph 125, of the Italian Law no. 124 dated 4 August 2017**

### **Comment**

In relation to the provisions of Art. 1, par. 125 of the Law 124/2017, as regards the obligation to highlight in the Explanatory Notes any cash amounts received during the fiscal year by way of action grants, allocations, paid positions and any economic benefits of any kind from the public administrations and from the subjects mentioned at the par. 125 of the same article, the Foundation confirms that it has not received any sums referred to in the article below.

## **Proposal for allocation of profits or coverage of losses**

### **Comment**

Dear Shareholders, in the light of the above, the Board of Directors proposes that you allocate the profit for the year as follows:

- EUR 215.80 to increase the Management Fund

## **Explanatory Notes - Final part**

### **Comment**

Dear Shareholders, we confirm that these Financial Statements, comprising the Balance Sheet, Income Statement and Explanatory Notes give a true and fair view of the Foundation's equity and financial position, as well as the results for the year and that they correspond to the accounting records. We therefore invite you to approve the draft Financial Statements as at 31/12/2019, along with the proposed allocation of the result for the fiscal year, as prepared by the Administrative Body.

The Financial Statements above are true and accurate and correspond to the accounting records

Reggio Emilia, 6/04/2020

**On behalf of the Board of Directors**

Carla Rinaldi, President