

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 at 31/12/2018

Abridged Balance Sheet

	31/12/2018	31/12/2017
Assets		
B) Fixed assets		
I - Intangible fixed assets	5,355	7,139
II - Tangible fixed assets	19,939	14,374
III - Financial fixed assets	590,265	590,265
<i>Total fixed assets (B)</i>	<i>615,559</i>	<i>611,778</i>
C) Current assets		
II - Receivables	2,469,283	492,236

	31/12/2018	31/12/2017
due within the following financial year	2,469,283	492,236
IV - Cash and cash equivalents	140,073	1,343,544
<i>Total current assets (C)</i>	<i>2,609,356</i>	<i>1,835,780</i>
D) Accruals and deferrals	-	6,631
<i>Total assets</i>	<i>3,224,915</i>	<i>2,454,189</i>
Liabilities		
A) Shareholders' equity		
I - Share capital	831,911	900,101
VI - Other reserves	-	1
IX - Profit (loss) for the year	1,915	(68,190)
<i>Total amount of net equity</i>	<i>833,826</i>	<i>831,912</i>
C) Reserve for employee severance indemnities	55,335	46,837
D) Payables	2,232,765	854,527
due within the following financial year	2,232,765	854,527
E) Accruals and deferrals	102,989	720,913
<i>Total liabilities</i>	<i>3,224,915</i>	<i>2,454,189</i>

Abridged Income Statement

	31/12/2018	31/12/2017
A) Value of production		
1) revenues from sales and services	2,831,677	1,688,718
5) other revenues and income	-	-
others	32,265	6,710
<i>Total other revenues and income</i>	<i>32,265</i>	<i>6,710</i>
<i>Total value of production</i>	<i>2,863,942</i>	<i>1,695,428</i>
B) Costs of production		
6) for raw, auxiliary materials, consumables and goods	1,271,052	486,791
7) for services	929,563	758,076
8) for use of third-party assets	110,915	84,196
9) for staff	-	-
a) salaries and wages	397,855	333,480
b) social security contributions	104,651	50,813

	31/12/2018	31/12/2017
staff		
c/d/e) employee severance indemnities, pensions, other costs relating to	12,998	21,736
c) employee severance indemnities	12,998	21,736
<i>Total staff costs</i>	<i>515,504</i>	<i>406,029</i>
10) depreciations and write-downs	-	-
a/b/c) depreciation of intangible and tangible fixed assets, other write-downs of fixed assets	5,617	5,089
(a) depreciation of intangible fixed assets	1,785	1,785
a) depreciation of tangible fixed assets	3,832	3,304
<i>Total amortizations and write-downs</i>	<i>5,617</i>	<i>5,089</i>
14) other operating expenses	10,122	9,374
<i>Total production costs</i>	<i>2,842,773</i>	<i>1,749,555</i>
Difference between production values and costs (A - B)	21,169	(54,127)
C) Financial income and charges		
16) Other financial income	-	-
d) Income other than the above	-	-
others	1,478	1,341
<i>Income other than the above</i>	<i>1,478</i>	<i>1,341</i>
<i>Total amount Other financial income</i>	<i>1,478</i>	<i>1,341</i>
17) interests and other financial charges	-	-
others	2,623	1,741
<i>Total interests and other financial charges</i>	<i>2,623</i>	<i>1,741</i>
17-bis) profit and loss on foreign exchange	-	(39)
<i>C) Financial income and financial charges (15+16-17+-17-bis)</i>	<i>(1,145)</i>	<i>(439)</i>
Income before taxes (A-B+-C+-D)	20,024	(54,566)
20) Current, deferred and prepaid income taxes for the year		
current taxes	18,109	13,624
<i>Total current, deferred and prepaid income taxes for the year</i>	<i>18,109</i>	<i>13,624</i>
21) Profit (loss) for the year	1,915	(68,190)

Explanatory Notes - Initial part

Introduction

Dear Shareholders, these Explanatory Notes are an integral part of the Financial Statements as at 31/12/2018.

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 Articles 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 company's financial results for the year.

The content of the Balance Sheet and Income Statement is as provided for in Articles 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 31/12/2018 show an operating result of € 1,914.61 after the payment of IRAP (regional tax), which amounts to Euro 18,109.00.

The financial year under review was marked by intense institutional activities on projects of international and national importance, on topics of general interest inherent in the goal that the Foundation has set in its by-laws.

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 accruals 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 Article 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 Article 2423, fifth paragraph, of the Italian Civil Code

Comment

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

Changes in accounting policies

Comment

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

Correction of major errors

Comment

In relation to the obligation to report errors committed in previous years, with reference to the 2018 financial year, we certify that there are no matters to report.

Comparability and adaptation issues

Comment

Under Article 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

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 article 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.

The Foundation, at the end of the fiscal year, had balance sheet items in foreign currency for 613.14 euro; however, it is considered that the change variations occurred at the end of the fiscal year are not meaningful.

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
Authorizations, licenses, trademarks and similar	5 years

Any disposals of intangible assets occurred during the fiscal year led to the elimination of their residual value.

The Foundation applies the depreciated cost and discounting rules. Moreover, for intangible fixed assets for which a deferred payment is envisaged at different conditions from those normally applied on the market, for similar or comparable transactions, the recording in the financial statements took place at the present value of the future contractual payments determined in accordance with OIC 19 plus ancillary charges.

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 article 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 the Foundation 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.

Intangible assets

Intangible assets are recorded at purchase cost, including ancillary costs, and are depreciated within the legal or contractual limits set for them.

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 realizable 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
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Any disposal of assets (disposals, 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, the above rates have been reduced by half as the depreciation rate thus obtained does not differ significantly from the rate calculated from the moment 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 article 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 recognized in fixed financial assets have been valued at their presumed realizable 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.

Receivables recorded under current assets

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

Cash and cash equivalents

Cash and cash equivalents are valued at their face value.

Prepayments and accrued income

Accrued income and prepaid expenses are calculated on the basis of the principle of competence, by the breakdown of the revenues and/or costs relating to several years.

The related prepaid expenses were calculated according to the “economic time” criterion since the contractual services received do not have a constant economic content over time and therefore the breakdown of the cost (and therefore the allocation to the current year of the portion pertaining to the period) is made in relation to the conditions of performance of the management as specified in accounting standard OIC 18.

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 Article 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 and deferred income

Accrued liabilities and prepaid expenses are calculated on the basis of the principle of competence, by the breakdown of the revenues and/or costs relating to several years.

The related prepaid expenses were calculated according to the "economic time" criterion since the contractual services provided do not have a constant economic content over time and therefore the breakdown of the income (and therefore the allocation to the current year of the portion pertaining to the period) is made in relation to the conditions of performance of the management as specified in accounting standard OIC 18.

Further information

Comment

Transactions which include a re-conveyance commitment

The company, pursuant to article 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

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

Fixed assets

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 depreciations 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
Value at the beginning of the year				
Cost	7,139	48,945	590,265	646,349
Depreciation (accumulated depreciation)		34,571	-	34,571
Book value	7,139	14,374	590,265	611,778
Changes during the year				
Increases for acquisitions	-	9,397	-	9,397
Depreciation for the year	1,785	3,832	-	5,617
Total changes	(1,785)	5,565	-	3,780
Value at the end of the year				
Cost	7,139	58,342	590,265	655,746
Depreciation (accumulated depreciation)	1,784	38,403	-	40,187
Book value	5,355	19,939	590,265	615,559

Current assets

Receivables recorded under current assets

Comment

Receivables recorded under current assets amount to Euro 2,469,283.00:

Description	Details	Initial outst. amount	Incr.	Movem. to item	Movem. from item	Decr.	Final outst. amount	Absolute variation	Variat. %
<i>Receivables</i>									
	Invoices to issue to third party	1,900	28,340	-	-	-	30,240	28,340	1,492

Description	Details	Initial outst. amount	Incr.	Movem. to item	Movem. from item	Decr.	Final outst. amount	Absolute variation	Variat. %
	customers								
	Third party customers Italy	1,952	7,651	-	-	-	9,603	7,651	392
	Trade receivables to be settled	431	716	-	-	-	1,147	716	166
	Miscellaneous guarantee deposits	-	1,589	-	-	-	1,589	1,589	-
	Sundry receivables from third parties	481,558	1,928,804	-	-	-	2,410,362	1,928,804	401
	VAT due to Tax Revenue Office	4,717	11,241	-	-	-	15,958	11,241	238
	Withholding taxes on interest income	207	177	-	-	-	384	177	86
	Total	490,765	1,978,518	-	-	-	2,469,283	1,978,518	

Capitalized financial charges

Introduction

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

Explanatory notes - Liabilities and net assets

Introduction

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

Shareholders' equity

Introduction

Composition of the Foundation's equity capital

Description:	Reserve type	Possibility of use	Available amount	Amount to allocate	Amount not available
Tied up endowment fund	Capital	Tied up	-	-	120,000
Endowment Fund	Capital	Instit. activities	169,214	-	-
Endowment Fund	Capital	Instit. activities	542,696	-	-

Surplus assets 2018 to increase the Management fund euro 1,915.00

Description	Details	Initial outst. amount	Incr.	Movem. to item	Movem. from item	Decr.	Final outst. amount	Absolute variation	Variat. %
	Tied up endowment fund	120,000	-	-	-	-	120,000	-	-
	Endowment Fund	169,214			-	-	169,214	-	-
	Endowment Fund	610,887	-	-	-	68,190	542,697	68,190-	11-
	Total	900,101	-	-	-	68,190	831,911	68,190-	
<i>Surplus for the year</i>									
	surplus for the year	-	1,915	-	-	-	1,915	1,915	-
	Total	-	1,915	-	-	-	1,915	1,915	

Payables

Introduction

Description	Details	Initial outst. amount	Incr.	Movem. to item	Movem. from item	Decr.	Final outst. amount	Absolute variation	Variat. %
Payables	-	2,246,411	-	-	-	13,646	2,232,765	2,232,765	-
	-	2,246,411	-	-	-	13,646	2,232,765	2,232,765	-

Description	Details	Initial outst. amount	Incr.	Movem. to item	Movem. from item	Decr.	Final outst. amount	Absolute variation	Variat. %
<i>Payables</i>									
	Invoices to be received from third party suppliers	141,922	39,621	-	-	-	181,543	39,621	28
	Credit notes to be received from third party suppliers	-	-	-	-	-	22	22-	22-
	Third party suppliers Italy	462,316	-	-	-	-	297,633	164,683	297,633-
	Third party suppliers Abroad	-	-	94	-	-	94	94	94
	Tax authority in settl account on deductions for income from empl. and simil.act activities	8,082	-	6,439	-	-	14,521	6,439	80
	Tax authority in settlement account on deductions for self-empl. agents representatives	-	8,749	679	-	-	9,428	679	8

Tax authority in settlement account on -	1,400	-	-	-	1,400	1,400	-
income of capital							

Description	Details	Initial outst. amount	Incr.	Move m. into the	Move m. from the	Decrease	Final amount	Variat. Absolute variation	%
	Tax authority in settlement account on substitute taxes on SEV	89	15	-	-	-	104	15	17
	Tax authority in settlement account on IRAP	4,194	291	-	-	-	4,485	291	7
	Social security (INPS) for employees	13,792	6,964	-	-	-	20,756	6,964	50
	Social security (INPS) for collaborators	620	1,695	-	-	-	2,315	1,695	273
	INAIL (Insurance against Accidents at work) employees / collaborators	275	421	-	-	-	696	421 153	
	Payables to supplementary pension funds	-	886	-	-	-	886	886	-
	Miscellaneous social security and welfare institutions	113	-	-	-	5	108	5-	4-
	Other payables to third parties	147,001	1,748,906	-	-	147,001	1,748,906	1,601,905	1,090
	Staff wages and salaries	19,990	38,898	-	-	19,990	38,898	18,908	95
	Staff account rounding up	6	3	-	-	6	3	3-	50-
	Employees with deferred wages and salaries	-	42,355	-	-	-	42,355	42,355	-
	Liabilities to be settled	-	1,606	-	-	-	1,606	1,606	-
	Total	807,149	1,890,273	-	-	464,657	2,232,765	1,425,616	

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.

Brief analysis of debts of more than five years, and debts secured by collateral on corporate assets

Description	Payable not secured by collateral	Total
PAYABLES	2,232,765	2,232,765

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 management operations, through a summary of positive and negative income components that have contributed to determining the economic result. The positive and negative components of income, 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 is given by the design of institutional nature, financed on projects that can be reported to the various sources of allocation.

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 residual commercial income consists of transactions that generate income for services for a total of Euro 100,495.00, and other revenues for Euro 32,264.00.

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

Revenues arising from the provision of services are recorded when the service is rendered, or when the service is provided; in the particular case of continuing services, the corresponding revenues are recorded for the accrued portion.

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 12 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.

Financial income and charges

Introduction

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

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 recognized during the current period.

Introduction

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

Current, deferred and prepaid income taxes for the year

Introduction

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

Explanatory Notes - Other information

Introduction

Below is the other information required by the Italian Civil Code.

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

	Corporate executives	Clerks	Other employees	Total employees
Average number	1	13	4	18

Comment

The change in the number of employees compared to the previous year can be illustrated as follows:

- 6 fixed-term contract employees were hired in the design sector, based on the growth objectives set;
- term-contract workers are expressly connected to the duration of the project for which they are intended. The number of permanent employees at 31/12/2018 was 9.

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

Introduction

The Foundation did not decide fees, and there are no down payments and receivables in favour of the administrative body. Furthermore, the Foundation did not undertake any commitments on behalf of the Administrative Body due to any guarantee issued.

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

Statutory auditors	
Fees	3,840

Comment

The Foundation has a Board of Statutory Auditors whose fees are described above. The Board of Statutory Auditors is also entrusted with the task of legal auditors.

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

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

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

Comment

With reference to the paragraph 22-quater of art. 2427 of the Italian Civil Code - as for the report about the main events occurred after the end of the fiscal year that deeply affected the assets, economic and financial performance, it is specified that new by-laws have been approved pending the establishment of the single national third sector register (RUNTS) to adapt to the new laws. They are currently being examined by the Prefettura of Reggio Emilia, the body designated to check the legality of the act.

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

Introduction

There is no case under Article 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 Foundation exercising management and coordination activity

Introduction

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

Information pursuant to Article 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 received:

RER

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 surplus for the year as follows:

- Euro 1,914.61 as an increase of 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 company'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 31/12/2018, 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, 29/03/2019

On behalf of the Board of Directors

Carla Rinaldi, President