

(Convenience translation into English from the original
previously issued in Portuguese)

INSTITUTO CRIANÇA É VIDA

Independent auditors' report

Financial statements
As of December 31, 2016

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INSTITUTO CRIANÇA É VIDA

Financial statements
As of December 31, 2016

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(Convenience translation into English from the original previously issued in Portuguese)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the
Management and Board Members of
Instituto Criança é Vida
São Paulo - SP

Opinion

We have audited the financial statements of Instituto Criança é Vida (the "Entity"), which comprise the statement of financial position as at December 31, 2016 and the respective statements of income, comprehensive income, changes in equity and cash flows for the year then ended, as well as the corresponding notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of Instituto Criança é Vida as at December 31, 2016, its financial performance and its cash flows for the year then ended in accordance with Brazilian accounting practices.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity in accordance with the relevant ethical principles established in the Code of Ethics for Professional Accountants and in the professional standards issued by the Brazilian Federal Association of Accountants (CFC), and we have fulfilled our other ethical responsibilities in accordance with these standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Brazilian accounting practices, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with management's are responsible for overseeing the Entity's financial reporting process.

Auditor's 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 auditor's 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 Brazilian standards and ISAs 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 Brazilian standards and ISAs, we exercise professional judgment and maintain professional skepticism 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

São Paulo, April 19, 2017.

INSTITUTO CRIANÇA É VIDA

Balance sheet

December 31, 2016 and 2015

(In Brazilian Reais)

Assets

	Note	2016	2015
Current assets			
Cash and cash equivalents	4	2,883,242	2,465,438
Promotional products for resale	5	7,991	10,132
Advances to suppliers		850	-
Advances to employees	6	63,726	55,274
Recoverable taxes		-	-
Prepaid expenses	7	17,187	12,618
		<u>2,972,996</u>	<u>2,543,462</u>
Non-current assets			
Fixed assets	8	504,677	530,469
Intangible assets	9	2,300	4,515
		<u>506,977</u>	<u>534,984</u>
Total assets		<u><u>3,479,973</u></u>	<u><u>3,078,446</u></u>

Liabilities and net assets

	Note	2016	2015
Current liabilities			
Trade accounts payable		14,520	17,837
Tax obligations		3,378	2,248
Social charges	10	62,420	56,061
Labor provisions	11	103,587	93,092
		<u>183,905</u>	<u>169,238</u>
Non-current liabilities			
Deferred revenue	12	150,000	150,000
		<u>150,000</u>	<u>150,000</u>
Equity			
Net assets	13	2,084,168	1,904,168
Operating reserve		775,040	390,300
Accumulated surplus		286,860	464,740
		<u>3,146,068</u>	<u>2,759,208</u>
Total liabilities and net assets		<u><u>3,479,973</u></u>	<u><u>3,078,446</u></u>

The accompanying notes are an integral part of the financial statements

INSTITUTO CRIANÇA É VIDA

Statement of activities For the years ended December 31, 2016 and 2015 (In Brazilian Reais)

	Notes	2016	2015
Revenue from donations and sales of goods	14/14a	2,433,404	2,360,736
Volunteer work	14/14b	212,800	198,400
Other net revenue	14	6,217	18,514
		<u>2,652,421</u>	<u>2,577,650</u>
Cost of goods sold		(2,142)	(1,837)
Net revenue		<u>2,650,279</u>	<u>2,575,813</u>
Project cost			
Personnel	15a	(1,195,920)	(887,661)
Head office	15b	(41,798)	(52,228)
Projects	15c	(668,605)	(577,359)
Volunteer work	14b	(212,800)	(198,400)
		<u>(2,119,123)</u>	<u>(1,715,648)</u>
(+/-) Operating revenues (expenses)			
Personnel	16a	(212,630)	(441,525)
Head office	16b	(135,321)	(136,220)
General and administrative	16c	(162,750)	(133,015)
		<u>(510,701)</u>	<u>(710,760)</u>
(+/-) Financial income (loss), net			
Financial expense		(369)	(260)
Financial revenues		366,774	315,595
		<u>366,405</u>	<u>315,335</u>
(=) Surplus for the year		<u>386,860</u>	<u>464,740</u>

The accompanying notes are an integral part of the financial statements

INSTITUTO CRIANÇA É VIDA

Statement comprehensive income
For the years ended December 31, 2016 and 2015
(In Brazilian Reais)

	2016	2015
Surplus for the year	386,860	464,740
Other comprehensive income		
Other comprehensive income	-	-
Total comprehensive income for the year	<u><u>464,740</u></u>	<u><u>520,621</u></u>

The accompanying notes are an integral part of the financial statements

INSTITUTO CRIANÇA É VIDA

Statements of changes in equity

For the years ended December 31, 2016 and 2015

(In Brazilian Reais)

	Net assets	Operating reserve	Surplus for the year	Total
Balances as of December 31, 2014	1,533,847	290,300	470,321	2,294,468
Appropriation of operating reserve	-	100,000	(100,000)	-
Transfer to net assets	370,321	-	(370,321)	-
Surplus for the year	-	-	464,740	464,740
Balances as of December 31, 2015	1,904,168	390,300	464,740	2,759,208
Appropriation of operating reserve	-	384,740	(384,740)	-
Transfer to net assets	180,000	-	(180,000)	-
Surplus for the year	-	-	386,860	386,860
Balances as of December 31, 2016	1,904,168	390,300	464,740	2,759,208

INSTITUTO CRIANÇA É VIDA

Statement of cash flows

For the years ended December 31, 2016 and 2015
 (In Brazilian Reais)

	2016	2015
Surplus for the year	386,860	464,740
Non-cash items		
(+) Losses on fixed assets write-off	-	1,931
(+) Depreciation and amortization	44,019	36,144
Cash flow from operating activities		
(-/-) (Increase) Decrease in promotional products for resale	2,141	(8,663)
(-/-) (Increase) Decrease in accounts receivable	-	55,629
(-/-) (Increase) Decrease in prepaid expenses	(4,569)	(5,552)
(-/-) (Increase) Decrease in other assets	(9,302)	(19,389)
(+/-) Increase (Decrease) in trade accounts payable	(3,317)	6,592
(+/-) Increase (Decrease) in tax obligations	1,130	1,444
(+/-) Increase (Decrease) in other liabilities	16,854	92,230
(=) Net cash from operating activities	<hr/> 433,816	<hr/> 625,106
Cash flow from investing activities		
(-) Acquisitions of fixed and intangible assets	(17,151)	(76,007)
(-) Write-off of fixed and intangible assets	1,139	7,413
(=) Net cash from investing activities	<hr/> (16,012)	<hr/> (68,594)
(=) Increase (Decrease) in cash and cash equivalents	<hr/> <hr/> 417,804	<hr/> <hr/> 556,512
Cash and cash equivalents at beginning of period	2,465,438	1,908,926
Cash and cash equivalents at end of period	2,883,242	2,465,438
(=) Increase (Decrease) in cash and cash equivalents	<hr/> <hr/> 417,804	<hr/> <hr/> 556,512

The accompanying notes are an integral part of the financial statements

INSTITUTO CRIANÇA É VIDA

Notes to the financial statements
For the years ended December 31, 2016 and 2015
(In Brazilian Reais)

1. Operations

"Instituto Criança é Vida" ("Institute") is a not-for-profit civil association, started in 1996 as an internal social project of a pharmaceutical company. It became an independent institute in September 2002 and began accounting independently in July 2003.

The Institute was certified as an Organization Affected with a Public Interest (OSCIP), according to Law n° 9.790/99 on June 29, 2004. This certification is annually renewed by accountability to the Ministry of Justice.

In addition, its activities are reported to the Municipal Child and Adolescent Right Council (CMDCA) in São Paulo since 2004. The certificate of registration is extended until March 27, 2020.

The Institute, which currently has the support of sponsoring companies, multipliers, strategic and supporting alliances, aims to:

- Take basics of hygiene, health and emotional/ affective/ social development for children, families and staff of institutions in low-income communities, totally free of charge;
- To promote corporate voluntary work;
- Partnering with companies for multiplication of knowledge in order to raise funds that will be fully used in the maintenance and projects of the Institute;
- Sales of promotional products with the brand of the Institute.

The audit, through the confirmation from the benefited institutes, has evidenced that the Institute maintains a rigorous and appropriate system for controlling the presence of multipliers, families and children benefited.

In 2016 and 2015, the social figures of the Institute were:

	2016	2015
Benefited entities	633	604
Families (met directly)	12,413	16,663
Children (met directly)	34,494	27,582
Work fronts	770	755

The main projects developed by the Institute are:

- Child is Life - Adults: a 12-instructional unit cycle, since 1996, dedicated to adults, that multiplies, for parents and staff of institutions, information such as the nutritional value of food, the importance of vaccines, accident prevention, first aid and dental health, among others;
- Child is Life - Children: an 8-instructional unit cycle, since 2008. Its goal is to transform children into small agents of change for their own reality with regard to basic care with hygiene and disease prevention. Games and music so that children adopt healthy habits that will stay with them for life;
- Child is Life - Babies: a 6-instructional unit cycle, since 2003, that aims to make parents and educators aware of the importance of the first 24 months of life for emotional and affective development of the human being. This cycle emphasizes the formation of the bond between adults and babies;
- Child is Life - Sex Education (Time of discovery): a 6-instructional unit cycle, since 2007. Its purpose is to help children from 7-to-9-year-old of age obtain the knowledge they need to allow them to exercise their sexuality, in the future, with pleasure and responsibility. It teaches children about their body and the changes that occur in puberty, to value it and take care of their health. It works to prevent sexual abuse;
- Child is Life - Sex Education (Sex, love and responsibility): a 6-instructional unit cycle, since 2007. Reinforces such topics as self-esteem, gender relations, human behavior and reproduction for the 10-to-12-year-old age group. Its major objective is to avoid unplanned pregnancy and protect against coercive sexual relationships and exploitation;
- Child is Life - Sex Education (Issues of adolescence): a 6-instructional unit cycle, since 2015. It works, with adolescents from 13 to 15 years of age, puberty in the physiological, emotional and relational areas, besides de importance of subjects such as self-knowledge and self-esteem, life project and relationships. It aims to guide adolescents in the development of a healthy and responsible sexuality and in the formation of bonds based on affection and respect;
- Child is Life - Living Well: a 4-instructional unit cycle, since 2010, aimed at children from 7 to 9 years of age. Its objective is drug prevention and it includes educational content on health, environmental responsibility, values and social behavior and the importance of making decisions in life;
- Child is Life - Growing Up with Values (Understand and build): a 4-instructional unit cycle, since 2014. It teaches children from 7 to 9 years of age about self-knowledge, respect, kindness, friendship, loyalty, right and wrong, consumerism, conflicts, choices, among others topics. Its objective is to make children more aware of their values so that they can be agents of change for a better world;

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- Child is Life - Growing Up with Values (Our role for a better society): a 4-instructional unit cycle, since 2015. Intended for children from 10 to 12 years of age, it emphasizes the importance of issues such as self-esteem, respect, honesty and frustration. Its objective is to make children more aware of their values and their participation in society in order to become more responsible and active in creating a better world. It also covers conscious consumption and the exaggerated cult of beauty standards;
- Child is Life - Affection and Protection: a 7-instructional unit cycle, since 2011. Aimed at parents and educators, intended to raise awareness and provide information on the issue of violence against children. It offers tools to improve interaction with children during their various stages of development;
- Child is Life - Financial Health: a 2-instructional unit cycle, beginning in 2016. With two cycles, aimed at children of 7 to 9 years of age and of 10 to 12 years of age, its major objective is to guide them to relate to money in a healthy way. Works on initial concepts and basic notions of how to live with money in order to practice conscious and sustainable consumption and the best use of available financial resources.

2. Presentation of financial statements

The financial statements were prepared and are presented in accordance with accounting practices adopted in Brazil, based on the provisions contained in the regulation ITG 2002 (R1) - Not-for-profit Entity, approved by CFC Resolution No. 1.409 of September 21, 2012, by Technical Bulletin CTG 2000 approved by Federal Association of Accountants (CFC) Resolution No. 1159 of February 13, 2009, repealing the CFC Resolutions 837/99, 838/99, 852/99, 877/00, 926/01 and 966/03, and also by the regulation NBC TG 1000 - Accounting for small and medium-sized enterprises, to the extent not covered by ITG 2002 (R1) - Not-for-profit Entity.

Basis of measurement

The financial statements were prepared based on historical cost, except for financial instruments measured at fair value through income recognized in the balance sheet.

Functional and reporting currency

The financial statements are presented in Reais (R\$), which is the Institute's functional currency. All financial information disclosed in the financial statements presented in Brazilian Real was rounded to the nearest unit, unless otherwise stated.

Use of accounting estimates

The preparation of financial statements in accordance with accounting practices adopted in Brazil requires management to make estimates to determine and record certain assets, liabilities, revenues and expenses and the disclosure of information on its financial statements. These estimates are based on the going concern principle and supported by the best information available on the date of presentation of the financial statements and on the management's experience. The estimates are revised when new information becomes available or the situations in which they were based are changed. The settlement of transactions involving these estimates may result in amounts different from those estimated due to the uncertainties inherent in the process of their determination.

Estimates may come to diverge toward the actual result. The main estimates relate to:

- Useful lives of fixed asset;
- Reviews of impairment;
- Accruals in general.

There were no significant changes in the accounting estimates in the period compared to those that had been applied.

3. Basis of measurement of the financial statements

The accounting policies described below have been applied consistently to all periods presented in the financial statements:

(a) Cash and cash equivalents

Cash and cash equivalents footnote includes cash in hand, bank deposits and other highly liquid short-term investments, with original maturities of up to three months which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

(b) Inventories - promotional products for resale

Inventories are recorded at cost or net realizable value, whichever is lower. Cost is determined by the "weighted average cost" inventory valuation method.

The cost of inventories includes the purchase value of products and other direct costs related to the purchased products. Inventories are tested for impairment at the balance sheet dates. In case of impairment, this is immediately recognized in the statement of activities.

INSTITUTO CRIANÇA É VIDA

Notes to the financial statements For the years ended December 31, 2016 and 2015 (In Brazilian Reais)

(c) Other current assets

The other current asset are recorded at cost or realizable value including, when applicable, related financial income and monetary and exchange variations.

(d) Fixed assets

The fixed assets are recorded at historical acquisition cost, less accumulated depreciation and any possible impairment. Historical cost includes directly attributable expenses necessary to prepare the asset for its intended use by management.

Depreciation of other assets is calculated using the straight-line method to allocate their cost, less the residual value over the useful life, which is estimated as follows:

Description	Years
Buildings	25
IT Equipments	5
Furnitures, fixtures and facilities	10
Leasehold improvements	3

The residual values, useful lives and depreciation methods are reviewed, and adjusted if necessary, when there is an indication of material change since the last balance sheet date.

(e) Intangible assets

These refer to licenses acquired of computer software, capitalized and amortized over their estimated useful life of 5 years.

(f) Current liabilities

The current liabilities are recorded at known or estimated values and, where applicable, include the charges incurred.

INSTITUTO CRIANÇA É VIDA

Notes to the financial statements
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(In Brazilian Reais)

(g) Other current and non-current liabilities

These are other current and non-current liabilities are recorded at known or estimated amounts, where applicable, adjusted to present value, plus related charges and monetary variations incurred through the balance sheet dates.

(h) Result of operations

The income of activities is calculated on the accrual basis, i.e., revenues and expenses are recorded at the time of its occurrence. Revenues are primarily originated from donations from Natural Persons and/or Legal Entities. The incurred costs represent expenses on the Institute's Management for the multiplication of the various health education projects.

4. Cash and cash equivalents

	2016	2015
Cash	1,447	242
Banks	55,907	307,639
Financial investments	<u>2,825,888</u>	<u>2,157,557</u>
	<u><u>2,883,242</u></u>	<u><u>2,465,438</u></u>

The cash and cash equivalents balances are represented, mainly by checking accounts held in domestic financial institutions.

The short-term financial investments refer to fixed income funds and Bank Certificates of Deposit (CDB), classified as "Cash and cash equivalents" for having immediate liquidity and due to the routine redemptions made by Management according to the Institute's cash needs.

INSTITUTO CRIANÇA É VIDA

Notes to the financial statements
For the years ended December 31, 2016 and 2015
(In Brazilian Reais)

5. Promotional products for resale

The balance of R\$ 7,991 (R\$ 10,132 in 2015), refers to the music CDs from "Criança é Vida" sold with the specific sales purpose of promoting the Institute and generating gains to finance the activities of the Institute.

6. Advances to employees

The balance of R\$ 63,726 (R\$ 55,274 in 2015) refers to the amounts paid related to employee holidays, taken in the following month.

7. Prepaid expenses

It refers to the payment of expenses for the following financial year as the 2016 annual fee paid to "Grupo de Instituições, Fundações e Empresas" (GIFE), of which the Institute is part. It was also recorded in this caption the amount corresponding to enrollments in GIFE congress, to be held in 2016.

	2016	2015
GIFE annuity	12,787	8,413
Salary survey*	4,400	-
GIFE Congress registrations	-	4,205
	<hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/>
	17,187	12,618

* The salary survey will take place in 2017

8. Fixed assets

	Rate %	Cost	Accumulated depreciation	2016	2015
Buildings	4%	557,358	(148,682)	408,676	430,970
Facilities	10%	23,262	(5,892)	17,370	19,697
Furnitures and fixtures	10%	106,835	(47,972)	58,863	65,577
IT Equipments	20%	71,544	(51,776)	19,768	14,225
		<hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/>
		758,999	(254,322)	504,677	530,469

INSTITUTO CRIANÇA É VIDA

Notes to the financial statements For the years ended December 31, 2016 and 2015 (In Brazilian Reais)

The changes in fixed assets for the year ended December 31, 2016 were as follows:

Account	2015	Acquisitions	Write off	Depreciation	2016
Buildings	430,970	-	-	(22,293)	408,677
Facilities	19,697	-	-	(2,326)	17,371
Furnitures & fixtures	65,577	3,500	(440)	(9,775)	58,862
IT equipments	14,225	13,651	(699)	(7,410)	19,767
	<u>530,469</u>	<u>17,151</u>	<u>(1,139)</u>	<u>(41,804)</u>	<u>504,677</u>

9. Intangible assets

	Rate %	Cost	Accumulated amortization	2016	2015
			Net	Net	Net
Software usage right	20%	36,908	(34,608)	2,300	4,515
		<u>36,908</u>	<u>(34,608)</u>	<u>2,300</u>	<u>4,515</u>

The changes in intangible assets for the year ended December 31, 2016 were as follows:

Account	2015	Acquisition	Write off	Amortization	2016
Software usage rights	4,515	-	-	(2,215)	2,300
	<u>4,515</u>	<u>-</u>	<u>-</u>	<u>(2,215)</u>	<u>2,300</u>

10. Social charges

The social obligations include INSS, PIS and IRRF on payroll, as follows:

	2016	2015
INSS payable	23,297	21,471
FGTS payable	8,363	7,750
PIS payable	1,364	1,268
IRRF on payroll	29,396	25,572
	<u>62,420</u>	<u>56,061</u>

Subtitles details:

- National Institute of Social Security (INSS);
- Employee's Severance Pay Fund (FGTS);
- Social Integration Program (PIS);
- Withholding Income Tax (IRRF).

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Notes to the financial statements
For the years ended December 31, 2016 and 2015
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11. Labor provisions

The labor provisions are related to holiday's provisions and their respective charges, as follows:

	2016	2015
Holidays provision	77,593	69,732
INSS on provision for holidays	19,786	17,782
FGTS on provision for holidays	6,208	5,578
	<u>103,587</u>	<u>93,092</u>

Subtitles details:

- National Institute of Social Security (INSS);
- Employee's Severance Guarantee Fund (FGTS).

12. Deferred revenue

It refers to amounts transferred through donations in 2015 to the Institute, but which were used in 2016 for the execution of agreements with partnerships and the legal entity supporter Votorantim Private Bank. In the second half of 2016 supporter Votorantim Private Bank donated to the Institute R\$ 150,000, which will be used in 2017, as presented below:

	2016	2015
Funds - Votorantim Private Bank	150,000	150,000
	<u>150,000</u>	<u>150,000</u>

13. Social capital

There was no initial donation of members upon the creation of the Institute. The members' donations were made to fund the Institute and therefore accounted as donation revenue.

The description of the Equity Fund has changed to Operating Reserve.

The surplus (deficit) for the year shall be maintained as such until the approval of the financial statements the Annual General Meeting of members and, once approved, shall be transferred to the "net assets" account or allocated to a specific reserve. The Operating Reserve is recognized through the approval of the Annual General Meeting, and its balance at December 31, 2016 was R\$ 775,040 (R\$ 390,300 at December 31, 2015). The net assets of the Institute at December 31, 2016 corresponds to R\$ 2,084,168 (R\$ 1,904,168 at December 31, 2015).

INSTITUTO CRIANÇA É VIDA

Notes to the financial statements
For the years ended December 31, 2016 and 2015
(In Brazilian Reais)

14. Revenue from donations and sale of goods

The breakdown of the revenue is the following:

Analysis of revenue by category	2016	2015
Revenue from donations (a)	2,430,397	2,356,730
Volunteer work (b)	212,800	198,400
Revenue from sales of goods/ obsolete material	3,007	4,006
Other net operating revenue	6,217	18,514
	<u>2,652,421</u>	<u>2,577,650</u>

a) Donations

These refer to cash spontaneously provided by Individual Persons and Legal Entities in order to maintain the projects of the Institute:

Analysis of revenue by category	2016	2015
Sponsors	2,171,422	2,006,523
Multiplier partners	222,000	222,000
Supporters - legal entity	32,000	21,000
Supporters - natural person	4,975	107,207
	<u>2,430,397</u>	<u>2,356,730</u>

b) Volunteer work

As determined by ITG 2002 (R1), for the purpose of compliance with the resolution applicable to not-for-profit entities, the Institute estimated the fair value of the services rendered by management and council received during the year ended December 31, 2016 at R\$ 212,800 (R\$ 198,400 estimated at December 31, 2015). None of the mentioned values had the corresponding cash disbursement, having been recognized as revenue and expense in equal amounts with no effect on the surplus for the year. The estimated amount is recorded at the best estimate of the fair value using market values and assumptions.

INSTITUTO CRIANÇA É VIDA

Notes to the financial statements
 For the years ended December 31, 2016 and 2015
 (In Brazilian Reais)

15. Project costs

a) Personnel - social area

	2016	2015
Salaries and social charges		
Salaries	(616,460)	(450,767)
Christmas bonus	(56,564)	(40,322)
Holidays	(74,478)	(54,543)
INSS	(193,653)	(150,400)
FGTS/PIS	(72,322)	(52,394)
Pay-in-lieu of notice/other	(3,693)	-
	<u>(1,017,170)</u>	<u>(748,426)</u>
Benefits and sundry expenses		
Medical and dental assistance	(82,255)	(73,434)
Meal and food vouchers	(82,985)	(60,906)
Life insurance	(2,413)	(2,240)
Transportation vouchers	(2,579)	(1,626)
Occupational health and other	(8,518)	(1,029)
	<u>(178,750)</u>	<u>(139,235)</u>
Total personnel project costs	<u>(1,195,920)</u>	<u>(887,661)</u>

b) Head office - social area

	2016	2015
Rents and HOA fees	(18,181)	(21,828)
Property Tax (IPTU) and other fees	(1,038)	(4,512)
Internet, website and information technology	-	(3,750)
Support of IT	(4,054)	(4,066)
Expenses on depreciation and amortization	(18,525)	(18,072)
	<u>(41,798)</u>	<u>(52,228)</u>

c) Projects - social area

	2016	2015
Training material	(231,372)	(198,925)
Scientific services	-	(18,839)
Psychoeducation and psychology services	(232,856)	(211,418)
Expenses on commuting and transport	(33,103)	(26,832)
Travel	(7,477)	(23,509)
Gifts	(14,855)	(21,462)
Social events	(11,658)	(4,618)
Coffee break	(6,244)	(9,436)
Office supplies, IT and consumables	(46,875)	(10,851)
Mail services	-	(175)
Freight and courier services	(90)	(23)
State VAT (ICMS) rate difference	(1,357)	(650)
Other costs of projects	(82,718)	(50,621)
	<u>(668,605)</u>	<u>(577,359)</u>

INSTITUTO CRIANÇA É VIDA

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16. Operating expenses

a) Personnel - administrative area

	2016	2015
Salaries and social charges		
Salaries	(94,332)	(222,332)
Christmas bonus	(8,866)	(19,350)
Holidays	(11,824)	(25,996)
INSS	(29,331)	(70,432)
FGTS/PIS	(10,334)	(23,093)
Pay-in-lieu of notice/other	-	(37,252)
	<u>(154,687)</u>	<u>(398,455)</u>
Benefits and sundry expenses		
Medical and dental assistance	(21,007)	(14,160)
Meal and food vouchers	(32,397)	(25,079)
Life insurance	(911)	(37)
Transportation vouchers	(3,258)	(3,195)
Occupational health	(370)	(599)
	<u>(57,943)</u>	<u>(43,070)</u>
	<u><u>(212,630)</u></u>	<u><u>(441,525)</u></u>

b) Head office - administrative area

	2016	2015
Rents and HOA fees	(17,095)	(19,912)
IPTU	(110)	(2,571)
Utility bills	(8,858)	(7,247)
Internet, website and IT	(41,551)	(31,420)
Support of IT	(21,817)	(18,976)
Trade association	(8,413)	(7,066)
Kitchen services	(5,382)	(1,404)
Conservation, maintenance and cleaning	(5,740)	(16,422)
Maintenance and repair	(1,135)	(8,058)
Expenses on depreciation and amortization	(18,525)	(18,072)
Other expenses	<u>(6,695)</u>	<u>(5,072)</u>
	<u><u>(135,321)</u></u>	<u><u>(136,220)</u></u>

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c) General and administrative

	2016	2015
Accounting	(37,401)	(29,112)
Audit	(33,308)	(22,788)
Consulting	(20,700)	(19,350)
Communication (audiovisual material)	(900)	(45)
Office supplies, IT and consumables	(25,918)	(17,631)
Mail services	(2,287)	(1,735)
Freight and courier services	(3,393)	(3,803)
Meals	(365)	(503)
Permanent use assets	(3,906)	(2,038)
Expenses on commuting and transport	(2,094)	(2,333)
Rent of the external space	(10,550)	(9,392)
Miscellaneous	(21,928)	(24,285)
	<hr/> <hr/> (162,750)	<hr/> <hr/> (133,015)

17. Financial instruments and derivatives

Financial instruments

Existing financial transactions involve the usual assets and liabilities pertaining to its economic activity, particularly financial investments with short-term maturities. These transactions are presented in the statement of financial position at cost, plus the related earnings and expenses that, in view of the nature of the transactions and their terms of maturity, approximate market values.

Derivative financial instruments

During 2016, the Institute has not conducted transactions involving financial instruments in the form of derivatives.

18. Insurance coverage

As of December 31, 2016 the Institute has insurance coverage in amounts considered sufficient to cover possible losses. This coverage includes all types of claims.