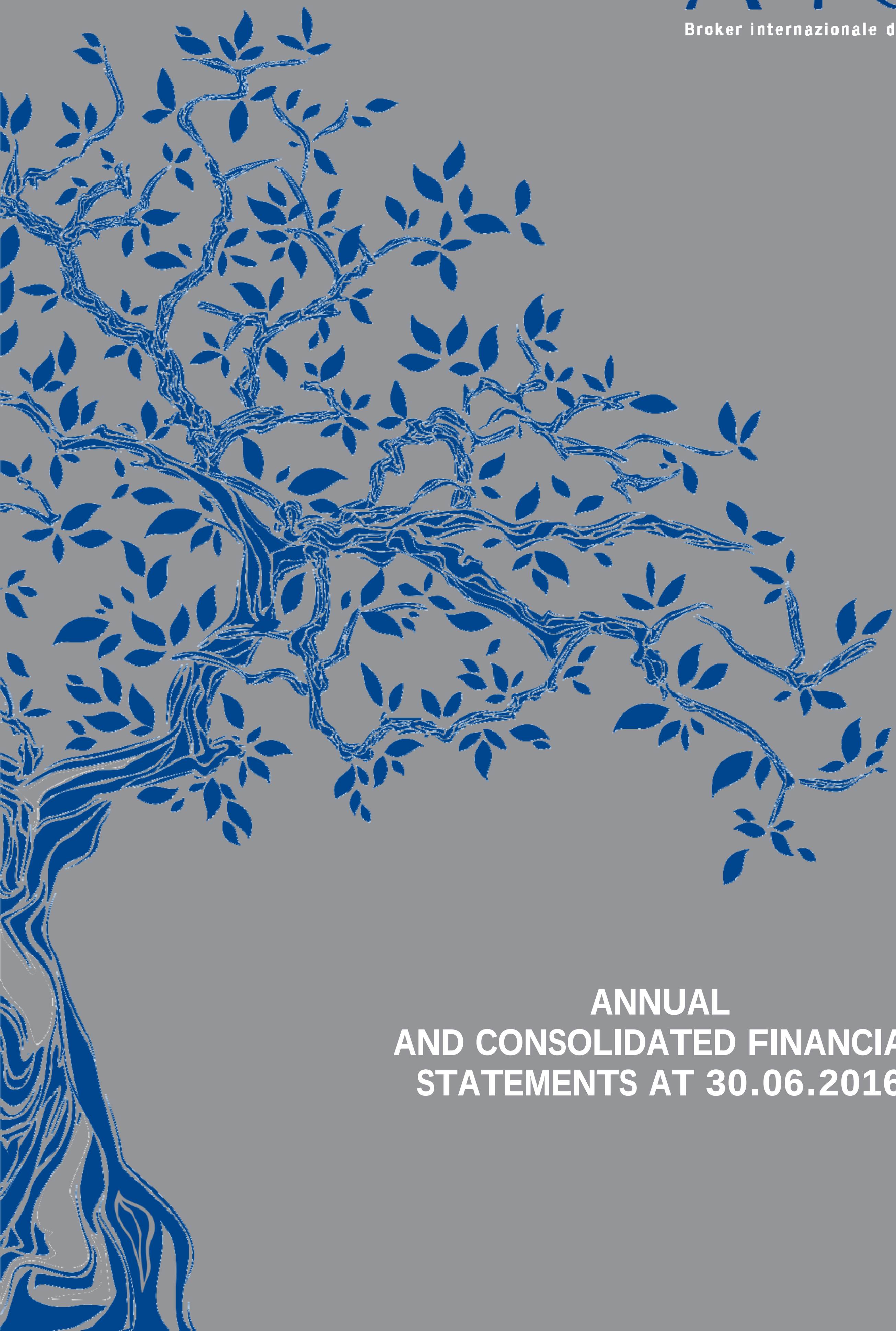
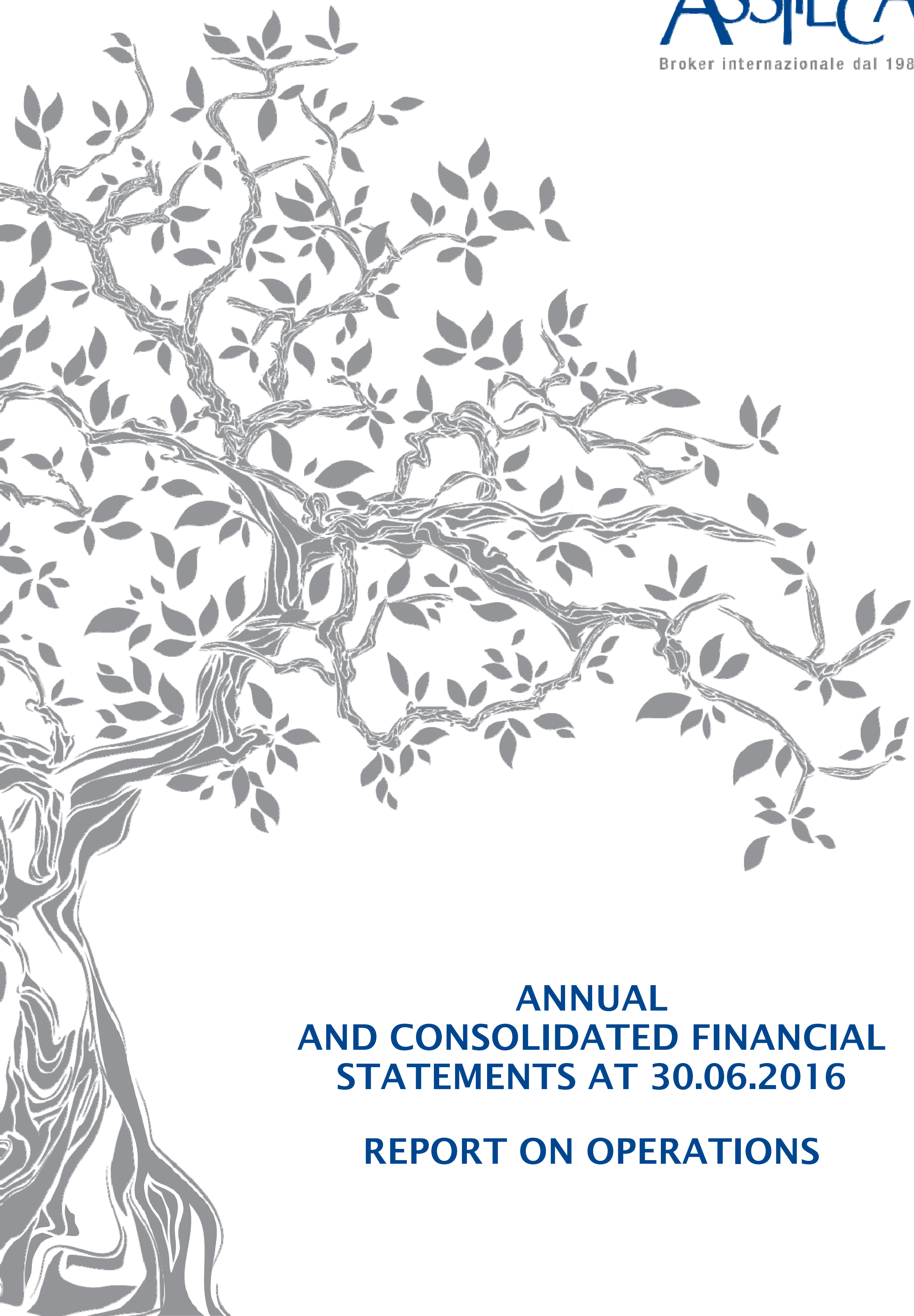
Broker internazionale dal 1982



ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS AT 30.06.2016

ASSITECA

Broker internazionale dal 1982



ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS AT 30.06.2016

REPORT ON OPERATIONS

Share Capital Euro 5,832,193.51 fully paid-in – Registered Office Milan, Via G. Sigieri 14
Register of Companies no. 09743130156 – Registration RUI no. B000114899

FY XXXV

COMPANY OFFICERS

BOARD OF DIRECTORS

Chair
Luciano Lucca

Vice Chair
Filippo Binasco

Chief Executive Officer
Gabriele Giacoma

Chief Executive Officer
Piero Avanzino

Chief Executive Officer
Alessio Dufour

Chief Executive Officer
Nicola Girelli

Chief Executive Officer
Carlo Orlandi

Director
Giulia Lucca

Director
Tommaso Lucca

Independent Director
Massimiliano Marsiaj

Independent Director
Jody Vender

Director
Fabrizio Ferrini

Director
Emanuele Cordero di Vonzo

Director
Sergio Esposito

Director
Marcello Nocera

Director
Alessandro Palombo

Director
Carlo Vigliano

BOARD OF STATUTORY AUDITORS

Chair
Nicoletta Morrione

Statutory Auditor
Laura Monaldi

Statutory Auditor
Luca Del Pico

INDEPENDENT AUDITORS

Baker Tilly Revisa S.p.A. – Milan

REPORT ON OPERATIONS FOR THE PERIOD ENDED 30 JUNE 2016

ASSITECA S.P.A. BUSINESS

Assiteca S.p.A. is the Group's operating holding that operates in the insurance brokerage market.

In particular, since 2014, the Group has been the leading independent Italian insurance broker and one of the leading operators in the Italian market, along with the multinational companies AON, Marsh and Willis.

The Group's insurance brokerage business is aimed at creating value for customers, offering them tailor-made solutions and providing support during the phase of consultancy and preliminary analysis of risks, intermediation and the search on the market of the best insurance solutions as well as the management of the related insurance portfolio.

The Group's customer base is primarily represented by small and medium-sized companies (companies with turnover above Euro 2.5 million represent more than 70% of the Group's revenues).

In the interest and on behalf of its customers, the Group liaises with all major national insurance companies and with most of the leading insurance groups worldwide.

The Assiteca Group operates almost exclusively in Italy, through 24 offices, with most presence in Lombardy, Lazio, Emilia-Romagna and Veneto. The Group is also active in Spain through the offices in Madrid, Barcelona and Seville.

As a member of the EOS RISQ and Lockton Global Networks, it also guarantees to its customers presence in more than 100 countries as it can benefit from a consolidated network of corresponding brokers and international partners.

The Group carries out its activities also through 10 competent specialist divisions in relation to each of the various areas of risks that characterize the insurance intermediation activity performed by the Group. In terms of size, the Group's brokerage business today includes insurance premiums for a value of approximately Euro 620 million. The table below indicates the growth in the value of premiums brokered from 2012 to 2016.

FY*	Premiums brokered**
2012	430,000
2013	440,000
2014	520,000
2015	580,000
2016	620,000

* closing at 30 June

** figures expressed in thousands of Euro

The Group operates primarily in the Italian market mainly brokering Non-Life insurance policies.

The market of insurance brokers

Below are some details relating to the insurance brokerage market in Italy, as disclosed in the annual report of the AIBA.

The table below summarises the main figures relating to the insurance sector in Italy taken from the report of the AIBA (Italian Association of Insurance Brokers), with evidence of the portion managed by brokers and details of the Non-Life insurance business.

Premiums of the insurance market in Italy (Italian and foreign companies, including the business of European companies in Italy) show a slight increase compared to the previous year. Income from Non-Life insurance continues to decrease, while income from Life insurance increases.

figures in billions of Euro

INSURANCE MARKET	2012	2013	2014	2015
No. of companies and individual businesses	1,940	2,071	2,257	2,351
Broker premiums	22.79	17.74	16.71	16.29
Total premiums	106.13	118.80	152.63	157.60
% broker market	21.5%	14.9%	10.9%	10.3%
NON-LIFE				
Broker premiums	18.00	14.19	15.04	14.66
Total premiums	35.88	33.69	37.47	36.92
% broker market	50.2%	42.1%	40.1%	39.7%

Source AIBA

Premiums managed by Italian brokers in 2015 amounted to Euro 16.3 billion, of which Euro 14.7 billion for Non-Life insurance. In Italy, there are approximately 1,600 brokers.

Of the business of Italian brokers, 67.8% was related to Non-Life, excluding Vehicle third-party liability insurance policies.

Regarding Non-Life (excluding Vehicle third-party liability insurance policies), 80% was through brokers for policies brokered to companies (in particular: 62% refers to the SME segment, where the market share of brokers is over 41%).

Regarding brokers, 93% operate mainly with SME Italian customers that have at least 4 insurance companies and approximately 47% with at least 6. Most Italian brokers are located in Central Northern Italy.

NOTES TO THE MAIN FIGURES OF THE BALANCE SHEET AND INCOME STATEMENT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS OF ASSITECA S.P.A.

Shareholders,

The year ended 30 June 2016 of Assiteca S.p.A. shows an improvement of all results and relating ratios at both consolidated level and at the level of the parent company.

In brief, the Consolidated Financial Statements report:

- 11% growth in revenues (equal to 60.7 million).
- 21% improvement in EBITDA (equal to 8.7 million).
- 15% growth in net profit (equal to 3.3 million).
- 4.9 million improvement in net financial position

With regard to the Financial Statements of the parent company Assiteca S.p.A.:

- 7% growth in revenues (equal to 36.9 million).
- 12% improvement in EBITDA (equal to 4.9 million).
- 18% growth in net profit (equal to 2.9 million).
- 4.5 million improvement in net financial position

The Proforma Consolidated Financial Statements, prepared for reporting purposes, which retroactively include the effects of the acquisition of 100% of Lertora F.lli Courtman S.p.A. and the remaining 50% of Assiteca & Co. S.r.l. show:

- Gross revenues equal to 62.8 million.
- EBITDA equal to 9.1 million
- Net profit equal to 3.8 million

The achievement of these results is related to multiple factors and events, mostly anticipated in the report accompanying the previous year, which is appropriate to mention here in order to better understand also the performance of figures of the Financial Statements that we will submit for your approval.

LISTING AIM ITALIA

First of all, it shall be recalled that on 27 July 2015, the Company was admitted to listing on the Italian Stock Exchange – AIM Italia.

The listing led to a capital increase of 7.3 million, while costs incurred for listing amounted to 0.8 million.

The market float currently amounts to 12.23% of the share capital.

ACQUISITION OF THE BUSINESS UNIT VERCONSULT (FORMERLY GPA)

In December 2015, the purchase was finalized of the business unit former GPA/Verconsult for approximately Euro 4 million to be paid in four years, net of payables to personnel acquired and the rent instalment paid: the annual disbursement will therefore be approximately Euro 730 thousand.

SIMPLIFICATION OF THE GROUP'S CORPORATE STRUCTURE

In early 2016, the merger process was initiated of three wholly-owned companies (Assiteca s.r.l. in Pordenone, Assiteca & Partners s.r.l. in Prato and Assiteca Napoli S.p.A.), which was completed at the end of the year with accounting effect 01.07.2016.

After the end of the year, another 2 mergers by incorporation were approved (Assiteca &Co s.r.l. and Assiteca B.A. S.p.A.), which will have accounting effect 01.07.2016.

ACQUISITIONS

During the year, also on the basis of the financial resources obtained from the listing, several negotiations were initiated, some of which are still in progress, for the acquisition of brokerage firms both in Italy and in Spain.

Two transactions were finalized at the end of July 2016.

The first concerns the acquisition of the remaining 50% of Assiteca&Co s.r.l., with a reserved capital increase and fully subscribed by the shareholders of Assiteca&Co, by transferring their shareholding to Assiteca.

The transaction has strategic importance, insofar as it will allow finalizing the merger by incorporation in the short term, with significant commercial and economic synergies.

The second is the acquisition of all the shares of a Genoa-based brokerage firm, Lertora F.lli e Courtman S.p.A., with a portfolio of about 2 million of commission.

With this acquisition, Assiteca will further strengthen its office in Genoa, in which the new company will soon be integrated.

In order to better understand the effects of these acquisitions that took place after year-end, presented further on in this report are the proforma consolidated figures.

INTERNAL GROWTH

As mentioned further on, Assiteca continued to pursue commercial development activities aimed at the development of its customer portfolio, recording an organic growth in revenues of about 3.5%, equal to 2 million new additional commissions.

Below are the main figures of the Income Statement, Cash Flow Statement and Balance Sheet, starting from the Consolidated Financial Statements.

CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

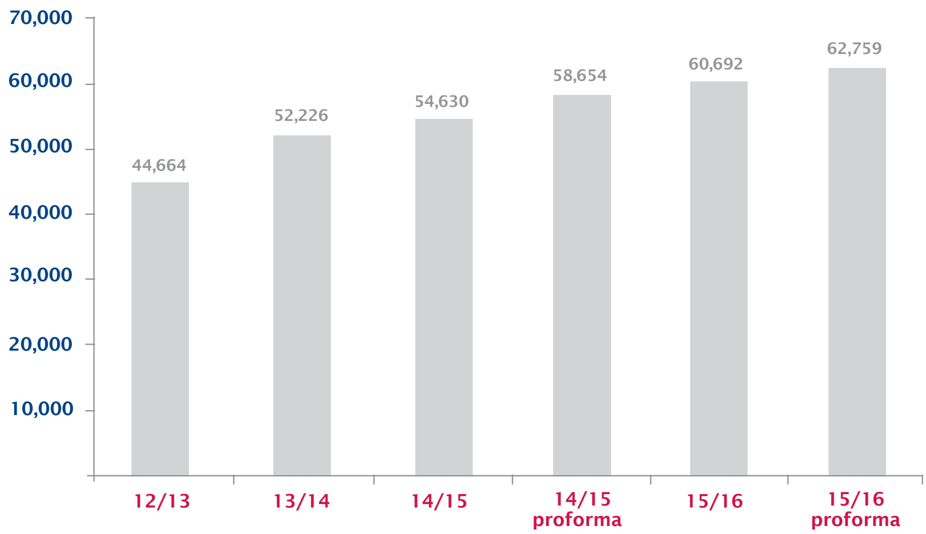
The following is a summary of the figures:

Statutory Income Statement

values in Euro/000	FY 2016	FY 2015	change
GROSS REVENUES	**60,692**	**54,630**	**6,062**
COMMISSION EXPENSE	(8,438)	(6,972)	
NET REVENUES	**52,254**	**47,658**	**4,596**
OPERATING COSTS	(43,580)	(40,488)	
EBITDA	**8,674**	**7,170**	**1,504**
% of gross revenues	*14.3%*	*13.1%*	
% of net revenues	*16.6%*	*15.0%*	
AMORTIZATION, DEPRECIATION AND PROVISIONS	(1,253)	(730)	
EBIT	**7,421**	**6,440**	**981**
FINANCIAL INCOME (EXPENSES)	(1,039)	(1,114)	
NON-RECURRING INCOME (EXPENSES)	(480)	(52)	
INCOME TAXES	(2,251)	(2,334)	
TOTAL RESULT	**3,651**	**2,940**	**711**
PROFIT (LOSS) FOR THE YEAR PERTAINING TO MINORITY INTERESTS	350	53	
PROFIT (LOSS) FOR THE YEAR	**3,301**	**2,887**	**414**

The growth in revenues was accompanied by an increase of about Euro 1.5 million of EBITDA, which reached 16.6% of net revenues (15% in the previous year) and 14.3% of gross revenues (13.1 in 2015).
The reduction in the growth in costs is mainly due to the synergies generated by the reorganization of the Group through the mergers and by a growth through acquisitions focused on operations that generate improvements in profitability.

The increase in revenues can be more effectively described in the graph below, which shows both statutory and proforma revenues.



Amounts expressed in thousands of Euro

The growth of the year allows the Assiteca Group to strengthen its position as leading Italian broker in the market.
In the graph, it was deemed appropriate to provide both the statutory and proforma figures of the previous and current year, in order to better highlight organic growth and the growth through acquisitions.
In fact, it is thus evident that the 6 million increase in 2016 consolidated revenues (60.7% compared to 54.6) were obtained for approximately 4 million (7%) from acquisitions and the remaining 2 million from the development of the customer portfolio. Lastly, anticipating the figures presented below related to the proforma 2016, the acquisition of Lertora F.lli e Courtman, which took place after the end of the year, will allow a further increase bringing revenues to 62.8 million.
It is worth noting that in the last three years, consolidated revenues grew by 40.5% (CAGR 13.5%).

NET FINANCIAL POSITION

Net financial position

values in Euro/000	at 30.06.2016	at 30.06.2015	change
Total financial liabilities due within 12 months	(21,998)	(23,384)	1,368
Total financial liabilities due beyond 12 months	(1,678)	(2,099)	421
Total cash and cash equivalents	5,726	2,675	3,051
Total net financial position	**(17,950**	**(22,808**	**4,858**

As explained more fully in the Cash Flow Statement, the improvement in the net financial position is due to the cash flow deriving from operations, that together with the capital increase, allowed financing investments and the payment of dividends, with a net surplus of Euro 4.9 million.

The related decrease in net financial expenses amounted to Euro 75 thousand.

CONSOLIDATED CASH FLOW STATEMENT

values in Euro/000	Notes	30.06.2016	30.06.2015
Cash and cash equivalents		2,675	5,050
Opening balance of cash and cash equivalents	**A**	**2,675**	**5,050**
Cash flows from operating activities:			
Profit (loss) for the year		3,651	2,940
Depreciation/amortization of fixed assets		947	730
Net change in provisions related to personnel		1,072	1,952
Actuarial difference		(492)	(106)
Change in deferred tax assets		342	137
Reversal of financial income and expenses		1,039	885
Cash flow from operating activities before changes in net working capital		**6,559**	**6,538**
Changes in current assets and liabilities:			
(Increase) decrease in trade receivables and other receivables		214	(4,690)
Increase (decrease) in trade payables and other payables		(306)	822
(Increase) decrease in other assets		5,779	(1,356)
Increase (decrease) in tax liabilities		686	548
Increase (decrease) in other liabilities		(4,256)	2,566
Total changes in current assets and liabilities		**2,117**	**(3,206)**
(Increase) decrease in non-current tax receivables		(687)	(394)
Increase (decrease) in other non-current liabilities		461	808
Increase (decrease) in financial liabilities beyond 12 months		(421)	2,099
Net financial expenses		1,039	885
Cash flow generated (absorbed) by operating activities	**B**	**6,990**	**4,960**
Cash flow from investment activities:			
Net (investments) divestments in tangible assets		(616)	(615)
Net (investments) divestments in intangible assets		(7,820)	(6,193)
(Investments) divestments in other financial assets		(646)	(376)
Cash flow generated (absorbed) by investment activities	**C**	**(9,082)**	**(7,184)**
Cash flow from financing activities		6,078	
Effects of the change in the consolidation area (equity)		58	614
Dividend distribution		(993)	(765)
Change in payables to lending entities for finance leases			
Cash flow generated (absorbed) by financing activities	**D**	**5,143**	**(151)**
Cash flow generated (absorbed) in the year	**E = B+C+D**	**3,051**	**(2,375)**
Closing balance of cash and cash equivalents	**A + E**	**5,726**	**2,675**

INCOME STATEMENT OF ASSITECA S.P.A.

Commenting on the results of the Parent Company, below is a summary representation of the Income Statement.

RECLASSIFIED INCOME STATEMENT ASSITECA S.P.A.

values in Euro/000	FY 2016	FY 2015	change
GROSS REVENUES	**36,950**	**34,603**	**2,374**
COMMISSION EXPENSE	(4,387)	(3,518)	
NET REVENUES	**32,563**	**31,085**	**1,478**
OPERATING COSTS	(27,618)	(26,658)	
EBITDA	**4,945**	**4,427**	**518**
% of gross revenues	*13.4%*	*12.8%*	
% of net revenues	*15.2%*	*14.2%*	
AMORTIZATION, DEPRECIATION AND PROVISIONS	(457)	(302)	
EBIT	**4,488**	**4,125**	**363**
FINANCIAL INCOME (EXPENSES)	(376)	(480)	
NON-RECURRING INCOME (EXPENSES)	(23)	214	
INCOME TAXES	(1,196)	(1,413)	
PROFIT (LOSS) FOR THE YEAR	**2,893**	**2,446**	**447**

OPERATING REVENUES AND MARGIN

With regards to the Parent Company, the growth in revenues was solely organic, with an improvement of 7% in gross revenues and 5% in net revenues due to development activities regarding the portfolio.
EBITDA stood at 15.2% of net revenues, against 14.2% the previous year.

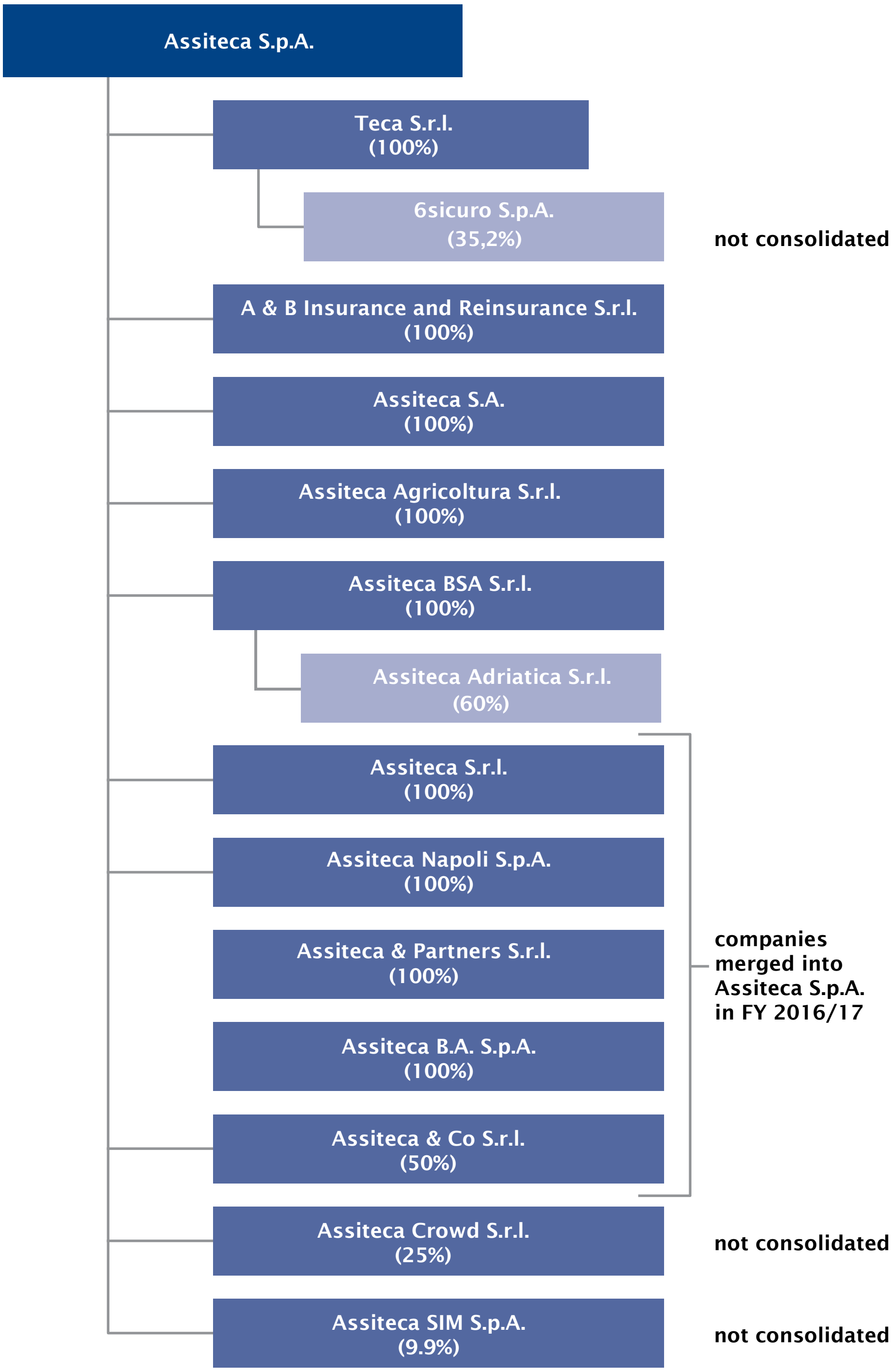
In the following year, due to the mergers of the 5 subsidiaries, which took place after 30.06.16, a further increase is expected in this ratio.

Net financial position

values in Euro/000	at 30.06.2016	at 30.06.2015	change
Total financial liabilities due within 12 months	(20,794)	(23,165)	2,371
Total financial liabilities due beyond 12 months	(1,678)	(2,099)	421
Total cash and cash equivalents	3,148	2,638	510
Intercompany receivables	1,521	344	1,177
Total net financial position	**(17,803)**	**(22,282)**	**4,479**

RELATIONS WITH SUBSIDIARIES AND ASSOCIATED COMPANIES

The Group's structure at the reporting date is shown in the table below.



With respect to the previous year, the only change in the consolidation area concerns Assiteca B.A., whose shareholding is now 100%.

After the closing of the year:

- the remaining 50% of Assiteca & Co S.r.l. was acquired
- three mergers were realized (Assiteca s.r.l., Assiteca & Partners s.r.l. and Assiteca Napoli S.p.A.) and another two were approved (Assiteca & Co s.r.l. and Assiteca B.A. S.p.A.), which will be finalized at the end of November 2016, with accounting effect 01.07.2016.
- 100% of Lertora F.lli e Courtman S.p.A. was acquired

The economic/financial relations with these companies, all at market conditions, are set out below.

RECEIVABLES FROM SUBSIDIARIES AND ASSOCIATED COMPANIES

Receivables from subsidiaries and associated companies at 30 June 2015 are as follows:

Amounts in Euro	Balance at 30.06.2016	Balance at 30.06.2015
Inter-company bank account	9,512,667	9,345,873
Receivables from subsidiaries	1,406,542	412,562
Receivables from subsidiaries for invoices to be issued	947,972	769,146
Total receivables from subsidiaries and associated companies	**11,867,181**	**10,527,581**

The company has a cash pooling contract in place with the subsidiaries and the associated company 6Sicuro S.p.A. The breakdown of the balance by individual company is as follows:

Amounts in Euro	Balance at 30.06.2016
Assiteca S.A.	1,612,698
Assiteca & Partners S.r.l.	195,962
Assiteca Agricoltura S.r.l.	548,200
A & B S.r.l.	966,071
Assiteca B.A. S.p.A.	769,845
Teca S.r.l.	5,419,890
Total cash pooling account	**9,512,667**

The breakdown of receivables from subsidiaries, including the amount of invoices to be issued, is summarized in the table below:

Amounts in Euro	Balance at 30.06.2016
Assiteca & Partners S.r.l.	149,266
Assiteca Agricoltura S.r.l.	902,688
Assiteca BSA S.r.l.	193,057
Teca S.r.l.	435,720
Assiteca B.A. S.p.A.	55,087
Assiteca & CO S.r.l.	260,000
Assiteca S.A.	8,696
A&B S.r.l.	350,000
Total receivables from subsidiaries	**2,354,51**

PAYABLES TO SUBSIDIARIES AND ASSOCIATED COMPANIES

Payables to subsidiaries and associated companies at 30 June 2016 are as follows:

Amounts in Euro	Balance at 30.06.2016	Balance at 30.06.2015
Inter-company bank account	4,465,642	3,251,222
Payables to subsidiaries	4,236,440	4,638,469
Payables to associated companies	16,772	13,810
Total payables to subsidiaries and associated companies	**8,718,855**	**7,903,501**

The company has a cash pooling contract in place with the subsidiaries and the associated company 6Sicuro S.p.A. The breakdown of the balance by individual company is as follows:

Amounts in Euro	Balance at 30.06.2016
Assiteca BSA S.r.l.	2,200,146
Assiteca Adriatica S.r.l.	501,020
Assiteca Napoli S.p.A.	974,041
Assiteca S.r.l.	790,435
Total cash pooling account	**4,465,64**

The breakdown of payables to subsidiaries is summarized in the table below:

Amounts in Euro	Balance at 30.06.2016
Assiteca Napoli S.p.A.	342
Teca S.r.l.	4,224,358
Assiteca & Partners S.r.l.	11,740
A&B S.r.l.	
Total payables to subsidiaries	**4,236,44**

TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties, as well as financial transactions (as shown above) refer to commercial transactions.

The following table shows the breakdown by type of cost/revenue relating to transactions between Assiteca S.p.A. and related parties in the year ended 30 June 2016.

Amounts in Euro	Assiteca & Partners S.r.l.	Assiteca Adriatica S.r.l.	Assiteca B.A. S.p.A.	Assiteca BSA S.r.l.	Assiteca Napoli S.p.A.	Teca S.r.l.	Assiteca Agricoltura S.r.l.	Assiteca & CO S.r.l.	Assiteca S.r.l.
Costs for Assiteca S.p.A.									
Commission expense	142,214	63,975	424,478	112,771	457,966			45,046	642
Consultancy					50,508	4,249,600			
Telephony						119,902			
Leases						223,638			
Revenues for Assiteca S.p.A.									
Commission income	150,705			706,704	19,367		323,631	10,000	

NOTES

Commitments and contingent liabilities

There are no commitments and liabilities deriving from obligations underway and for which the use of resources to fulfil the obligation is probable, which have not already been recognized in the Financial Statements at 30 June 2016.

Capital management

The primary objective of Assiteca S.p.A., Holding of the Assiteca Group, is to ensure the best possible balance between the structure of assets and of liabilities and shareholders' equity (solvency ratio) at both corporate level and of the Group as a whole. On this basis, the Company seeks, even in a complex financial market context, to identify the sources required to support the Group's business growth plans in the medium term. These sources must be obtained at the best market conditions, in terms of cost and duration, in order to maintain the financial structure at an adequate level of solidity.

Assiteca S.p.A. manages its capital structure and adjusts it based on changes in economic conditions and objectives of its strategic plans.

Notes pursuant to IFRS 7

The rules contained in IFRS 7 must be applied by all entities for all financial instruments. Paragraph IN4 of the introduction specifies that IFRS 7 applies to all companies with a few financial instruments; however, the scope of the information required depends on the extent to which the Company uses the financial instruments and is exposed to risk.

The Company is a commercial company whose only financial instruments are receivables from customers and payables to suppliers.

The Company has no outstanding commitments, guarantees and risks at year-end.

In the exercise of its business, the Company is exposed to various financial risks, including, in particular, market risk in its main components and currency risk relating to currency trading.

Financial risk management is carried out by the Administrative Department that assesses all the main financial transactions and implements the related coverage policies.

The Company has stipulated appropriate insurance policies for coverage regarding the risk of ownership loss, product risk and the risk of potential liabilities arising from interruptions in business following exceptional events. Said coverage is reviewed annually.

Below is some information aimed at providing indications as to the extent of the Company's risk to integrate the information already provided in the Report on Operations:

a. Credit risk management: the risk relating to brokerage is only related to insurance premiums for which the Company declares coverage to companies, without having collected the premium from the policyholder yet.
b. Liquidity risk management: the Company's need financing and cash flow requirements are coordinated in order to ensure the effective and efficient management of financial resources as part of centralized treasury management at Group level. Cash outflows from current operations are substantially financed by inflows from ordinary operations. Liquidity risk could arise only in the event of investment decisions exceeding available cash, not preceded by sufficient funding that can be readily used.
c. Risk related to fluctuations in interest rates: closely linked to liquidity risk is also the risk arising from fluctuations in interest rates over time. The Company manages to minimize the related expense, diversifying its sources of finance also in consideration of the rates applied and fluctuations over time. The medium/long-term loans in place are at floating rate. Short-term lines are at floating rate, with values that fluctuate in the various forms of financing and an average cost of approximately 3.5% in 2015/2016.

   An upward fluctuation in the reference interest rates of the market, which in the current international macro-economic context is not probable, with the current structure of the sources of funding of the Company, could however have a negative effect on its economic performance.
d. Risk related to fluctuations in exchange rates: the Company has some collections of premiums in dollars, with the resulting exposure to currency risk. If the risk is assessed as significant, specific contracts are entered into for the term purchase of foreign currency in order to hedge against the risk of fluctuation in exchange rates.

Exposure to external and operational risks

In performing its activities, the Company incurs risks arising from external factors related to the macro-economic context or to the sector in which it operates, as well as risks related to the operational management of activities.

Risks deriving from the macro-economic recession

The unfavourable macro-economic situation reduces the propensity to consumption of customers, with consequent risk of reduction in revenue due to the reduction in volumes sold, as well as the decrease in the commission provided in relation to the decrease in premiums for all policies with variable premium (a typical example is the professional liability insurance policy).

This risk is mitigated by customer loyalty actions and measures to streamline production processes in terms of costs and quality of the product and service.

Risk of management of relations with Authorities

Insurance brokerage activities are subject to administrative and legal regulatory constraints, in particular with reference to regulations on the protection of personal data and IVASS regulations. The Company is exposed to the risk of non-compliance with the rules contained in the Code for the Protection of Personal Data in respect of its customers that may result in sanctions imposed by Authority responsible (Data Protection Authority) the risk of non-compliance in the application of the information required by the ISVAP Regulation. In response to this risk, the Company has developed internal procedures to guarantee that the processing of the data of its customers, both manually and electronically, is always in compliance with the regulations in force.

OTHER INFORMATION

Safety regulations

It is confirmed that the Company has put in place all formalities that are necessary to protect the workplace, in accordance with the relevant legislation (Legislative Decree 81/2008, formerly law 626/94).

Privacy regulations

Pursuant to Annex B, point 26 of Legislative Decree 196/2003, referring to the Code for the Protection of Personal Data, the Directors duly note that the Company has adequate measures concerning the protection of personal data, in light of the provisions introduced by Legislative Decree 196/2003 according to the terms and conditions indicated therein.

Organizational Model pursuant to Legislative Decree 231/2001

It is noted that the Company has adopted the Organizational Model pursuant to Legislative Decree 231/2001, the Code of Ethics and has appointed the Supervisory Body.

Fees of the Board of Directors and the Board of Statutory Auditors

The following table, prepared pursuant to article 149-*duodecies* of the Consob Issuers' Regulation, shows the contractual fees for the year closed 30 June 2016 for services rendered by the independent auditors Baker Tilly Revisa S.p.A., of the Board of Statutory Auditors and the fees paid to the Directors.

Amounts in Euro	2016
Directors' fees	1,147,025
Auditors' fees	56,860
Independent auditors' fees	64,338
Total	**1,268,223**

SIGNIFICANT EVENTS AFTER YEAR-END

Summarized below are the events that occurred after the closing of the year and already partly mentioned in this report:

- The Company merged by incorporation its subsidiaries Assiteca Napoli S.p.A., Assiteca & Partners S.r.l. and Assiteca S.r.l.
- The Company has also approved the merger by incorporation of the subsidiary Assiteca & Co. S.r.l. and Assiteca BA S.p.A.
- The Company has increased its shareholding in the associated company Assiteca Crowd S.r.l. to 73.26%, with a view to expand the Company's activities to civic crowdfunding, the third sector and the world of sport. The objective is to realize a new portal dedicated to social causes, through the emerging market of crowdfunding donation.
- The company Assiteca Sicurezza Informatica S.r.l. was incorporated, of which Assiteca holds 51%. The remaining 49% is held by an IT consulting firm (My Way). The company provides services related to Cyber Security.
- The Company has made a capital increase reserved for minority interests, subscribed by the shareholders of Assiteca & Co. S.r.l. with transfer of their shareholding to Assiteca S.p.A.
- The Company finalized the definitive acquisition of 100% of the company Lertora F.lli e Courtman Insurance Broker S.p.A. with registered office in Genoa.

These latter two transactions have had significant impacts on the Group's figures. It was therefore considered appropriate to prepare Proforma Consolidated Financial Statements that consider said events and that are annexed to this report.

The economic effects are summarized in the table below, compared with the figures of the Statutory Consolidated Financial Statements.

	Consolidated 2016		
values in Euro/000	proforma	statutory	change
GROSS REVENUES	**62,759**	**60,692**	**2,067**
COMMISSION EXPENSE	(8,470)	(8,438)	
NET REVENUES	**54,289**	**52,254**	**2,035**
OPERATING COSTS	(45,203)	(43,580)	
EBITDA	**9,086**	**8,674**	**412**
% of gross revenues	*14.5%*	*14.3%*	
% of net revenues	*16.7%*	*16.6%*	
AMORTIZATION, DEPRECIATION AND PROVISIONS	(1,291)	(1,253)	
EBIT	**7,795**	**7,421**	**374**
FINANCIAL INCOME (EXPENSES)	(1,069)	(1,039)	
NON-RECURRING INCOME (EXPENSES)	(506)	(480)	
INCOME TAXES	(2,369)	(2,251)	
TOTAL RESULT	**3,852**	**3,651**	**201**
PROFIT (LOSS) FOR THE YEAR PERTAINING TO MINORITY INTERESTS	48	350	
PROFIT (LOSS) FOR THE YEAR	**3,804**	**3,301**	**503**

From an economic point of view, the only effect deriving from Assiteca & Co is related to the recovery of the portion of minority interests of the profit, while other changes in costs and revenues are related exclusively to Lertora F.lli e Courtman.

It is therefore easy to identify the income statement of the latter, which shows the EBITDA/Revenues ratio substantially in line with that of the Group.

Business Outlook

The new year began with positive signs in terms of internal growth that are an excellent basis to achieve the objectives set.
The strategy of aggregator of the Italian market continues, aimed at acquiring Italian brokers in the Group, with synergistic potential in terms of services offered, expertise and territorial presence.
In fact, new acquisitions that could further accelerate the growth process are being evaluated.
In particular, due diligence is being evaluated of some important acquisition opportunities, both in Italy and in Spain.

Proposed resolution of the result for the year of Assiteca S.p.A. at 30 June 2016

Shareholders,
In conclusion of our report, we hope you will consent to the layout and criteria adopted to prepare the Financial Statements at 30 June 2016 and propose that you:

1. approve the Annual Financial Statements of Assiteca S.p.A. at 30 June 2016, which closed with a net profit of Euro 2,892,634
2. allocate Euro 144,632 to the legal reserve and Euro 1,767,801 to the retained earnings reserve
3. allocate Euro 980,201 for dividend distribution, equal to Euro 0.03 per share.

For the Board of Directors

The Chair
Lucca Luciano

ANNEX – PROFORMA CONSOLIDATED FINANCIAL STATEMENTS AT 30.06.2016

Statement of financial position

values in Euro/000	Consolidated Financial Statements 30.06.2016 Proforma	Statutory
ASSETS		
Intangible assets	33,050	26,596
Tangible assets	1,522	1,505
Financial assets	4,205	4,170
Tax receivables	512	512
Deferred tax assets	976	976
TOTAL NON-CURRENT ASSETS	**40,265**	**33,759**
Receivables from customers and other commercial assets	6,522	6,486
Tax receivables	2,067	1,951
Receivables from others	35,508	35,153
Cash and cash equivalents	5,558	5,726
TOTAL CURRENT ASSETS	**49,655**	**49,316**
TOTAL ASSETS	**89,920**	**83,075**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	5,832	5,541
Other reserves	10,319	6,725
Profit for the year	3,804	3,301
TOTAL GROUP SHAREHOLDERS' EQUITY	**19,955**	**15,567**
Capital and reserves of minority interests	15	834
Net result for the period pertaining to minority interests	48	350
TOTAL SHAREHOLDERS' EQUITY OF MINORITY INTERESTS	**63**	**1,184**
TOTAL SHAREHOLDERS' EQUITY	**20,018**	**16,751**
Liabilities for pension and employee severance indemnity	10,097	9,724
Miscellaneous payables and other liabilities	2,449	1,594
Financial liabilities due beyond 12 months	1,678	1,678
TOTAL NON-CURRENT LIABILITIES	**14,224**	**12,996**
Financial liabilities due within 12 months	23,714	21,998
Trade payables	1,916	1,916
Payables to associated companies	17	17
Tax and social security payables	3,776	3,235
Other liabilities	26,255	26,162
TOTAL CURRENT LIABILITIES	**55,678**	**53,328**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**89,920**	**83,075**

PROFORMA CONSOLIDATED FINANCIAL STATEMENTS AT 30.06.2016

Income Statement

	Consolidated Financial Statements 30.06.2016	
values in Euro/000	Proforma	Statutory
Revenues	61,808	59,760
Other income	951	932
Total operating revenues	**62,759**	**60,692**
Costs for services	22,958	22,106
Costs for rents and leases	3,580	3,568
Personnel costs	24,733	24,044
Other operating costs	2,402	2,300
Depreciation, amortization and write-downs	1,291	1,253
Total operating costs	**54,964**	**53,271**
Operating result	**7,795**	**7,421**
Financial income (expenses)	(1,069)	(1,039)
Non-recurring income	(505)	(480)
Pre-tax result	**6,221**	**5,902**
Income taxes	2,369	2,251
Net result from operating assets	**3,852**	**3,651**
Profit (loss) for the year pertaining to minority interests	48	350
Profit (loss) for the year	**3,804**	**3,301**

ASSITECA

Broker internazionale dal 1982

ASSITECA GROUP

CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

Prepared according to IAS/IFRS international accounting standards

STATEMENT OF FINANCIAL POSITION

values in Euro/000	Notes	30.06.2016	30.06.2015
ASSETS			
Intangible assets	1	26,596	19,162
Tangible assets	2	1,505	1,452
Financial assets	3	4,170	3,524
Tax receivables	4	512	612
Deferred tax assets	5	976	531
Total non-current assets		**33,759**	**25,281**
Receivables from customers and other commercial assets	6	6,486	7,205
Tax receivables	7	1,951	1,446
Receivables from others	8	35,153	40,932
Cash and cash equivalents	9	5,726	2,675
Total current assets		**49,316**	**52,258**
Total assets		**83,075**	**77,539**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital		5,541	4,820
Other reserves		6,725	(153)
Profit for the year		3,301	2,887
Total Group shareholders' equity		**15,567**	**7,554**
Capital and reserves of minority interests		834	844
Net result for the period pertaining to minority interests		350	53
Total shareholders' equity of minority interests		**1,184**	**897**
Total shareholders' equity	**10**	**16,751**	**8,451**
Liabilities for pension and employee severance indemnity	11	9,724	8,652
Miscellaneous payables and other liabilities	12	1,594	1,133
Financial liabilities due beyond 12 months	13	**1,678**	**2,099**
Total non-current liabilities		**12,996**	**11,884**
Financial liabilities due within 12 months	14	21,998	23,384
Trade payables	15	1,916	2,261
Payables to associated companies	16	17	14
Tax and social security payables	17	3,235	2,510
Other liabilities	18	26,162	29,035
Total current liabilities		**53,328**	**57,204**
Total shareholders' equity and liabilities		**83,075**	**77,539**

COMPREHENSIVE INCOME STATEMENT

values in Euro/000	Notes	30.06.2016	30.06.2015
Revenues	19	59,760	53,833
Other income	20	932	797
Total operating revenues		**60,692**	**54,630**
Costs for services	21	22,106	19,789
Costs for rents and leases	22	3,568	3,042
Personnel costs	23	24,044	22,155
Other operating costs	24	2,300	2,420
Depreciation, amortization and write-downs	25	1,253	784
Total operating costs		**53,271**	**48,190**
Operating result		**7,421**	**6,440**
Financial income (expenses)	26	(1,039)	(1,114)
Non-recurring income (expenses)	27	(480)	(52)
Pre-tax result		**5,902**	**5,274**
Income taxes	28	2,251	2,334
Net result from operating assets		**3,651**	**2,940**
Profit (loss) for the year pertaining to minority interests		350	53
Profit (loss) for the year		**3,301**	**2,887**

CASH FLOW STATEMENT

values in Euro/000		30.06.2016	30.06.2015
Cash and cash equivalents		2,675	5,050
Opening balance of cash and cash equivalents	**A**	**2,675**	**5,050**
Cash flow from operating activities:			
Profit (loss) for the year		3,651	2,940
Depreciation/amortization of fixed assets		947	730
Net change in provisions related to personnel		1,072	1,952
Actuarial difference		(492)	(106)
Change in deferred tax assets		342	137
Reversal of financial income and expenses		1,039	885
Cash flow from operating activities before changes in net working capital		**6,559**	**6,538**
Changes in current assets and liabilities:			
(Increase) decrease in trade receivables and other receivables		214	(4,690)
Increase (decrease) in trade payables and other payables		(306)	822
(Increase) decrease in other assets		5,779	(1,356)
Increase (decrease) in tax liabilities		686	548
Increase (decrease) in other liabilities		(4,256)	2,566
Total changes in current assets and liabilities		**2,117**	**(3,206)**
(Increase) decrease in non-current tax receivables		(687)	(394)
Increase (decrease) in other non-current liabilities		461	808
Increase (decrease) in financial liabilities beyond 12 months		(421)	2,099
Net financial expenses		1,039	885
Cash flow generated (absorbed) by operating activities	**B**	**6,990**	**4,960**
Cash flow from investment activities:			
Net (investments) divestments in tangible assets		(616)	(615)
Net (investments) divestments in intangible assets		(7,820)	(6,193)
(Investments) divestments in other financial assets		(646)	(376)
Cash flow generated (absorbed) by investment activities	**C**	**(9,082)**	**(7,184)**
Cash flow from financing activities		6,078	
Effects of the change in the consolidation area (equity)		58	614
Dividend distribution		(993)	(765)
Change in payables to lending entities for finance leases			
Cash flow generated (absorbed) by financing activities	**D**	**5,143**	**(151)**
Cash flow generated (absorbed) in the year	**E = B+C+D**	**3,051**	**(2,375)**
Closing balance of cash and cash equivalents	**A + E**	**5,726**	**2,675**

STATEMENT OF OTHER ITEMS OF THE COMPREHENSIVE INCOME STATEMENT (AS ENVISAGED BY IAS 1)

values in Euro/000	FY 30.06.2016	FY 30.06.2015
Profit (loss) for the year	**3,301**	**2,887**
Other items of the Comprehensive Income Statement		
Actuarial gains (losses) on defined-benefit plans	(683)	(590)
Total other items of the Comprehensive Income Statement	**2,618**	**2,297**
Income taxes related to other items of the Comprehensive Income Statement	(164)	(162)
Total other items of the Comprehensive Income Statement net of taxes	**2,782**	**2,459**
Total other items of the Comprehensive Income Statement attributable to minority interests	**16**	**(12)**
Total comprehensive profit for the year	**2,798**	**2,447**

The Chair of the Board of Directors
Luciano Lucca

ASSITECA GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2016

Prepared according to IAS/IFRS international accounting standards

GENERAL INFORMATION

The Group was established in 1982 following the initiative of some professionals in the insurance sector and is now considered one of the leading insurance brokerages in Italy. Since the establishment of the first Company, a growth program has been developed based on regional penetration, realized through the acquisition or creation of local companies which led the Group to be present in more than 25 cities throughout Italy, located in the major national production and entrepreneurial centres.

This presence allows providing customers with ongoing consultancy and assistance, supported by a complete range of personalized services characterized by technical and commercial professionalism.

For some years now, the Group has also been present in Spain with three offices in Madrid, Barcelona and Seville through the subsidiary Assiteca Broker Internacional de Seguros S.A.

In Europe and in the world, as member of EOS RISQ and Lockton Global Networks, it can guarantee presence in more than one hundred countries and can offer a personalized service according to its customers' requests, ensuring timeliness and efficiency in dealing with the new challenges of a global market. The Assiteca Group, under the full control of management, has become the only major Company in time that is independent from banking and industrial groups within the context of leading insurance brokerage firms.
The Group boasts assets of over Euro 7 million and turnover at 30 June 2016 of about Euro 60 million.
In July 2015, the operating parent company Assiteca S.p.A. was listed on AIM Italia, the market that the Stock Exchange dedicates to small and medium Italian companies.

DECLARATION OF CONFORMITY

The Assiteca Group has prepared the Financial Statements at 30 June 2016 in accordance with international accounting standards IAS/IFRS and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) issued by the International Accounting Standards Board (IASB) and approved by the European Community, as well as with the provisions issued in implementation of article 9 of Legislative Decree 38/2005.

STRUCTURE OF THE FINANCIAL STATEMENTS

These Consolidated Financial Statements of the Assiteca Group at 30 June 2016 for the year 1 July 2015 – 30 June 2016, consisting of the Consolidated Balance Sheet, the Consolidated Separate Income Statement, the Consolidated Cash Flow Statement and the Notes (hereinafter the "Consolidated Financial Statements" were approved by the Board of Directors of Assiteca S.p.A. on 17 October 2016. The Financial Statements are compliant with the provisions of IAS 1 – Presentation of Financial Statements (revised).
The Balance Sheet structure includes the classification under "current assets" and "non-current assets", while with reference to the Income Statement, the classification by nature was maintained, the format that is considered more representative than the so-called presentation by allocation (also referred to as "cost of goods sold"). The Cash Flow Statement was prepared using the indirect method.

In accordance with Consob resolution no. 15519 of 27 July 2006, the effects of transactions with related party on the Balance Sheet assets and liabilities and on the Income Statement are shown in the Financial Statements. Transactions with related parties are identified according to the extended definition under IAS 24, including relations with the administrative and control bodies and managers with strategic responsibilities.
The Consolidated Financial Statements are prepared in thousands of Euro. All amounts included in the tables in the notes provided below, unless otherwise specified, are in thousands of Euro.

PREPARATION CRITERIA AND ACCOUNTING STANDARDS

The Consolidated Financial Statements for the period 1 July 2015 – 30 June 2016 have been prepared in accordance with the IFRSs adopted by the European Union and include the Financial Statements of Assiteca S.p.A. and the Italian and foreign companies over which the Company has the right to exercise control, directly or indirectly, determining the financial and management decisions and obtaining the related benefits. For consolidation, whereby the consolidated companies do not already prepare the Financial Statements in accordance with IFRS, use was made of the Financial Statements (for the Italian subsidiaries) and accounts (for the foreign subsidiary) prepared in accordance with the valuation criteria established by local regulations, adjusted to align them to IFRS.
The Consolidated Financial Statements at 30 June 2016 have been prepared on a going concern basis.
The financial figures, changes in equity and cash flows for the year ending 30 June 2016 are presented in comparative form with those for the period 1 July 2014 – 1 July 2015. The Balance Sheet figures at 30 June 2016 are presented in comparative form with those at 30 June 2015.
Subsidiaries are consolidated on a line-by-line basis from the date on which control is actually transferred to the Group and cease to be consolidated from the date on which control is transferred.
The following subsidiaries are included in the consolidation area at 30 June 2016:

Company	% pertaining to the Group	Share capital	Registered Office
Teca S.r.l.	100%	25	Milan
A & B Insurance and reinsurance S.r.l.	100%	104	Milan
Assiteca B.A. S.p.A.	100%	477	Turin
Assiteca Agricoltura S.r.l.	100%	30	Verona
Assiteca & Partners S.r.l.	100%	10	Prato
Assiteca BSA S.r.l.	100%	49	Modena
Assiteca Adriatica S.r.l.	60%	50	Ancona
Assiteca Napoli S.p.A.	100%	182	Naples
Assiteca Broker Internacional de Seguros S.A.	100%	301	Madrid
Assiteca S.r.l.	100%	100	Pordenone
Assiteca & Co S.r.l.	50%	630	Milan

values in Euro/000

The consolidation area at 30 June 2016 changed as follows with respect to the closing of the annual Financial Statements at 30 June 2015:
– May 2016 the acquisition of the remaining 10% of the share capital of Assiteca B.A. S.p.A.

For comparative purposes, it is recalled that the subsidiaries Assiteca & Co and Assiteca S.r.l. are consolidated at 1 January 2015, the date on which the Group exercises significant influence, as they have the rights that confer the possibility to direct the relevant activities (i.e. the activities that significantly influence the Company's revenues). The figures of the Consolidated Income Statement for the previous year therefore include the results of these companies only for six months.

ASSOCIATED COMPANIES

Associated companies are those in which the Group has at least 20% of voting rights or exercises significant influence, but not control, over financial and operative policies.
The following are the associated companies:

values in Euro/000	Carrying value	Direct shareholding	Indirect shareholding	Company that owns the shareholding
6Sicuro S.p.A.	1,594		35.20%	Teca S.r.l.
ArtigianBroker S.r.l.	10	40%		
Riconcilia ADR S.r.l. in liquidation	54	40%		
Assiteca Crowd S.r.l.	119	27%		
Assiteca SIM S.p.A.	241	9.99%		
Total associated companies	**2,018**			

PRINCIPLES OF CONSOLIDATION

In preparing the Consolidated Financial Statements, the assets, liabilities, costs and revenues of the consolidated companies are included on a line-by-line basis, with the portion of equity and result for the period attributable to minority interests being stated separately in the Balance Sheet and Income Statement.
The book value of the shareholding in each of the subsidiaries is eliminated against the corresponding portion of equity of each subsidiary, including any adjustments to the fair value, at the date of acquisition, of the related assets and liabilities; any residual difference is allocated to goodwill.
All intra-group balances and transactions, including any unrealized profits arising from transactions between Group companies, are eliminated. Gains and losses realized with associated companies are eliminated for the portion pertaining to the Group. Intra-group losses are eliminated, unless they represent impairments.

TRANSLATION OF FINANCIAL STATEMENTS IN CURRENCIES OTHER THAN THE EURO

The Consolidated Financial Statements are presented in thousands of Euro, which is also the functional currency in which all the Group companies operate.

ACCOUNTING STANDARDS AND REFERENCE VALUATION

INTANGIBLE ASSETS

Intangible assets consist of non-monetary items, identifiable and without physical amount, controllable and able to generate future economic benefits. These items are stated at purchase and/or production cost, inclusive of directly attributable expenses to prepare the asset for use, net of accumulated amortization and any impairment. The purchase cost is represented by the fair value of the price paid to purchase the asset and any direct costs incurred to prepare the asset for use. The purchase cost is the equivalent cash price upon recognition; therefore, if the payment of the price is deferred beyond the normal extension terms of the receivable, the difference with respect to the equivalent cash price is recognized as interest over the extension period. For intangible assets generated internally, the process of formation of the asset is divided into the two phases of research (not capitalized) and the subsequent phase of development (capitalized). If the two phases cannot be divided, the entire project is considered research. Financial expenses incurred for the acquisition are never capitalized.

Intangible assets acquired through business combinations are recognized at fair value at the acquisition date.

Amortization begins when the asset is available for use and is divided systematically according to its residual possibility of use and that is, on the basis of the estimated useful life.

The book value of intangible assets is maintained in the Financial Statements to the extent to which there is evidence that the value can be recovered through use or disposal. If there are signs that imply difficult recovery of the net book value, the impairment test procedure is carried out.

Costs of software licences are capitalized considering the costs incurred for the purchase and to prepare the software for use. These costs are amortized on a straight-line basis over the useful life of the software (5 years).

TANGIBLE ASSETS

Tangible assets are stated at purchase or production cost, including directly attributable ancillary expenses, net of depreciation and accumulated impairment losses. The purchase cost is represented by the fair value of the price paid to purchase the asset and any other direct costs incurred to prepare the asset for use. The purchase cost is the equivalent cash price upon recognition; therefore, if the payment of the price is deferred beyond the normal extension terms of the receivable, the difference with respect to the equivalent cash price is recognized as interest over the extension period. Financial expenses incurred for the acquisition are never capitalized. The capitalization of costs to expand, modernize or improve the structural elements owned or used by third parties is only to the extent that they meet the requirements to be classified separately as asset or as part of an asset. Ordinary maintenance costs are recognized in the Income Statement. After initial recognition, tangible assets are recognized at cost, less accumulated depreciation and any impairment losses. The depreciable amount of each significant item or of a tangible asset, with different useful life, is allocated on a straight-line basis over the expected period of use.

Depreciation is recognized starting from the moment in which the asset is available for use, or is potentially capable of providing the economic benefits associated with it.

Depreciation is calculated on a straight-line basis at the rates considered to reflect the useful life of the asset. The depreciation criteria used, the useful lives and residual values are reviewed and restated at least at the end of each accounting period to take into account any significant changes.
The book value of tangible assets is maintained in the Financial Statements to the extent to which there is evidence that the value can be recovered through use. If there are signs that imply difficult recovery of the net book value, the impairment test is carried out.

The following depreciation rates were applied:

– furniture and fittings	12%
– office equipment	18%
– electronic processors	20%
– telephone systems	15%
– vehicles	25%

For assets acquired during the year, the above coefficients were calculated at 50%.

LEASED ASSETS

Financial lease contracts that essentially transfer to the Group all the risks and rewards of ownership of the leased asset are capitalized on the lease start date at the fair value of the leased asset or, if lower, at the current value of the lease payments. The lease payments are divided pro rata between principal and interest so as to obtain the application of a constant interest rate on the residual balance. Financial expenses are directly recognized in the Income Statement.
Leased assets capitalized are amortized over the shorter of the asset's estimated useful life and the duration of the lease contract, if there is no reasonable certainty that the Group will obtain ownership of the asset at the end of the contract.
Operating lease payments are recognized as costs in the Income Statement on a straight-line basis allocated over the term of the contract.

SHAREHOLDINGS

Shareholdings in associated companies and other companies are recognized at cost, adjusted in the presence of an impairment losses, determined on the basis of a specific impairment test.

IMPAIRMENT OF ASSETS

An impairment loss arises whenever the book value of an asset is higher than its recoverable amount. At each reporting date, the presence is ascertained of indicators that imply the existence of impairment losses. In the presence of said indicators, the recoverable value of the asset is estimated (impairment test) and the eventual impairment is recognized. For assets not yet available for use, the assets recognized during the year, intangible assets with indefinite useful life and goodwill, the impairment test is carried out at least on an annual basis, regardless of the presence of said indicators. The recoverable value of an asset is the higher of its fair value less costs to sell and its value in use. The recoverable value is calculated with reference to each asset, unless it is capable of generating cash inflows deriving from the continuous use largely independent of the cash inflows generated by other assets or groups of assets; in this case, the test is performed at the level of the smallest independent cash-generating unit that includes the asset concerned (CGU).

The fair value corresponds to the market price (net of costs to sell), provided the asset is sold in an active market. A market can be considered as active based on the frequency of transactions and volumes generated therefrom.
In calculating the value in use, the future cash flows for a period not exceeding five years are estimated on the basis of prudential assumptions based on historical experience and making precautionary predictions of future trends in the sector of reference and are discounted to their present value using a pre-tax rate that reflects current market assessments of the value of money and specific risks of the asset; the terminal value is determined based on perpetual return.
If the recoverable amount of an asset (or of a cash-generating unit) is estimated to be lower than the relative book value, it is reduced to the lower recoverable value. An impairment loss is recognized immediately in the Income Statement.
When it is no longer necessary to maintain an impairment, the carrying value of the asset (or cash-generating unit), with the exception of goodwill, is increased to the new value deriving from the estimate of its recoverable value, but not exceeding the net book value that the asset would have had if it had not been written down for impairment. The reversal is immediately recognized in the Income Statement as income; after a reversal is recognized, the depreciation or amortization charge for the asset is adjusted in future periods to allocate the asset's revised book value, less its residual value, if any, on a systematic basis over its remaining useful life.
In no case may the value of goodwill previously written down be restored to the original value.

FINANCIAL ASSETS

Financial assets are classified in the following categories:
- financial assets measured at fair value with a balancing item in the Income Statement;
- financial assets held to maturity;
- loans and other financial receivables;
- financial assets available for sale.

The Group determines the classification of financial assets at the time of acquisition. They are classified as:
- financial assets at fair value with balancing item in the Income Statement, financial assets acquired principally for the purpose of generating a profit from short-term fluctuations in price (period not exceeding 3 months) or designated as such from the origin;
- financial assets held to maturity, investments in financial assets with fixed maturity with fixed or determinable payments that the Group plans and can hold to maturity;
- loans and other financial receivables, financial assets with fixed or determinable payments, not listed in an active market and other than those classified from the origin as financial assets at fair value with balancing item in the Income Statement or financial assets available for sale;
- financial assets available for sale, financial assets other than those referred to in the previous sectors or those designated as such from the origin.

Purchases and sales of financial assets are accounted for at the settlement date. The initial recognition is made at the fair value of the acquisition date, taking account of transaction costs.

After initial recognition, financial assets at fair value with balancing item in the Income Statement and financial assets available for sale are measured at fair value; financial assets held to maturity and loans and other financial receivables are measured at amortized cost. Realized and unrealized gains and losses arising from changes in the fair value of financial assets at fair value with balancing item in the Income Statement are recognized in the Income Statement in the year in which they arise. Unrealized gains and losses arising from changes in the fair value of assets classified as assets available for sale are recognized in equity. The fair values of financial assets are determined based on listed offer prices, or by using financial models. The fair values of unlisted financial assets are estimated using specific measurement techniques adapted to the specific situation of the issuer. Financial assets whose fair value cannot be determined in a reliable manner, are measured at cost, adjusted for impairment losses.

TRADE RECEIVABLES AND OTHER CURRENT ASSETS

Trade receivables and other current assets are recognized at fair value identified by the nominal value and subsequently reduced for any impairment through the establishment of a specific provision for bad debts, adjusted of the value of assets.
Receivables with maturities of more than one year that are either non-interest-bearing or have interest rates below market rates are discounted using market rates. At each reporting date, it is verified whether there are any impairment indicators. The impairment loss previously recognized is reversed if the reasons that led to the recognition no longer apply.

DEFERRED TAX ASSETS AND LIABILITIES

Income taxes for the year are determined as the sum of current and deferred taxes.
Income taxes are based on the taxable result for the year. Taxable income differs from the result reported in the Income Statement because it excludes positive and negative items that will be taxable or deductible in other years and also excludes items that will never be taxable or deductible. Current tax liabilities are calculated using the rates applicable or actually applicable at the reporting date. Deferred tax assets are calculated on temporary differences between the book value of assets and liabilities in the Financial Statements and the corresponding tax value. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets, including assets relating to the tax losses carried forward are recognized to the extent that it is probable that there will be future taxable income, thanks to which they can be recovered.
The book value of deferred tax assets is revised at each reporting date and reduced when it is no longer probable that future taxable amounts will be achieved to guarantee the full or partial recovery of such assets. Deferred taxes are calculated at the tax rate that is expected to be effective when the asset is realized or the liability settled. Deferred taxes are booked directly to the Income Statement, with the exception of those related to items reported directly under shareholders' equity, in which case the relative deferred taxes are also recognized under shareholders' equity.
Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets and liabilities.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are represented by cash on hand, short-term investments with high liquidity, readily convertible to known amounts of cash and subject to an insignificant risk of change in value.
For the purposes of the Cash Flow Statement, cash and cash equivalents include cash on hand, demand and term deposits with banks, other short-term financial assets with high liquidity, with original maturity on average not above 3 months, and bank overdrafts. For the purposes of preparation of the Balance Sheet, the latter are included in financial payables under current liabilities.

FINANCIAL LIABILITIES

Financial liabilities consist of financial payables. Financial liabilities are initially recorded at fair value plus transaction costs, and are subsequently measured at amortized cost and therefore at the initial value, net of principal repayments made, adjusted (up or down) on the basis of amortization (using the effective interest method) of any difference between the initial amount and the maturity amount.

EMPLOYEE BENEFITS

Guaranteed employee benefits paid on or after the termination of employment through defined benefit plans (for Italian companies, employee severance indemnity) are recognized in the period when the right vests.
Liability for defined benefit plans, net of any plan assets, is determined on the basis of actuarial assumptions and recognized on an accrual basis in line with the work performed to obtain the benefits; the liability is determined by independent actuaries.
Gains and losses arising from actuarial calculations are periodically recognized in the separate Income Statement (under labour costs and financial expenses).

TRADE PAYABLES AND OTHER CURRENT LIABILITIES

Trade payables and other current liabilities with maturity falling within normal commercial and contractual terms are not discounted and are carried at nominal value.

PROVISION FOR RISKS AND CHARGES

Provisions for risks and charges are probable liabilities of uncertain amount and/or expiry deriving from past events the settlement of which will involve the use of financial resources. Provisions are recognized only in the presence of an actual, legal or implicit obligation, which requires the use of financial resources, provided that a reliable estimate can be made of the obligation. The amount recognized as a provision represents the best estimate of the expenditure required to settle the obligation at the reporting date. Provisions made are reviewed at each reporting date and adjusted in order to reflect the current best estimate.

If it is established that a financial outlay relating to the obligation will be beyond the normal payment terms and the effect of discounting is relevant, the amount of the provision is represented by the present value of the future payments expected for repayment of the obligation. Contingent assets and liabilities are not recognized in the Financial Statements; however, adequate information is provided in this respect.

FOREIGN CURRENCY TRANSACTIONS

Financial Statements items are measured using the currency of the primary economic context in which the entity operates ("functional currency"). The Financial Statements are prepared in thousands of Euro.
Receivables and payables originally expressed in foreign currencies are recorded at the exchange rates prevailing at the closing date of the year.
In particular, current assets and liabilities and non-current financial receivables are recorded at the spot exchange rate prevailing on the closing date of the period. Gains and losses deriving from the conversion of receivables and payables are respectively credited and debited to the Income Statement.
Any net gain deriving from adjustments to exchange rates at the end of the period in items in foreign currency contributes to the formation of the result for the period and, during approval of the Financial Statements and the consequent allocation of the result for the year is recorded, for the part not absorbed by any losses, in a non-distributable equity reserve until the time of subsequent realization. Revenues and income, costs and expenses relating to foreign currency transactions are calculated at the exchange rate on the date on which the relevant transaction is completed.

POSITIVE AND NEGATIVE INCOME ITEMS

In terms of recognition of revenues and costs, the Group follows the principle of accrual. Revenues from sales and services are recognized respectively upon actual transfer of the risks and rewards derived from the sale of ownership and are measured at the fair value of the amount received or due, taking into account the value of any discounts. Revenues from the provision of services are recognized according to the percentage of completion, defined as the ratio between the amount of services provided on the reference date and the total value of services provided.
Costs for the completion of the catalogues are recognized upon receipt of the related service provisions.
Costs are recorded according to criteria similar to those applied for revenues and however on an accruals basis.
Interest income and expenses are recognized on an accruals basis, considering the actual rate applicable.
Dividends are recognized in the year in which distribution is resolved.

CHANGES IN ACCOUNTING STANDARDS, ERRORS AND CHANGES IN ESTIMATES

The accounting standards adopted are amended from one year to the other only if the change is required by a Standard or helps to provide more reliable and relevant information of the effects of transactions on the Balance Sheet, Income Statement or cash flows of the Group.
Amendments in accounting standards are recognized retrospectively with recognition of the effect in equity of the first of the years presented, the comparative information is adapted accordingly.

The prospective approach is only applied if it is impracticable to reconstruct the comparative information. The application of a new or amended accounting standard is recognized as required by the standard. If the standard does not regulate the transition, the change is recognized according to the retrospective method, or if impracticable, the prospective method.
In case of significant errors, the same treatment applies as for amendments in accounting standards outlined in the preceding paragraph. In case of non-significant errors, recognition is in the Income Statement in the period in which the error is identified.
Changes in estimates are recognized in the Income Statement on a prospective basis in the year in which the change occurs only if it impacts the latter; in the year in which the change occurs and in future years, if the change also impacts the latter.

EVENTS AFTER THE REPORTING DATE OF THE FINANCIAL STATEMENTS

Subsequent events are events that occur after the date of the Financial Statements until the date on which publication thereof is authorized. The date the Financial Statements are authorized for publication is the date of approval by the Board of Directors. This date is indicated in the paragraph “General Information” at the beginning of these Notes.
Events occurring after the financial reporting date can refer to facts that attest to existing situations at the reporting date (subsequent events giving rise to adjustments) or facts indicative of situations that have arisen after the reporting date (subsequent events not giving rise to adjustments). The effects of the former are recognized in the Financial Statements and the disclosures are updated accordingly, whereas the latter are only disclosed appropriately in the Notes, provided that they are material.

BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition cost method.
In relation to this method, the costs of a business combination are allocated through measurement at fair value of the assets and liabilities acquired and identifiable contingent liabilities and equity instruments issued on the date of the transaction, which include all costs directly attributable to the acquisition.
The positive difference between the acquisition cost and the portion of the fair value of assets, liabilities and contingent liabilities identifiable upon acquisition is recognized as goodwill under assets and subjected to impairment testing at least once a year. If the difference is negative, it is recognized directly in the Income Statement or under the liabilities in a provision for risks if representing future losses.
Acquisitions between controlled parties by common parties that represent transactions between entities under common control are not currently governed by IFRSs and therefore, as required by the IFRSs, for the accounting treatment of said combinations, reference is made to practice or to a set of similar accounting standards. According to said criteria, the acquisition is recognized maintaining the historical values and the eventual difference between the price paid with respect to the historical values reflected in the Financial Statements of the acquired entity is treated as a distribution/contribution of capital to/from controlling shareholders.

MAIN CAUSES OF UNCERTAINTY IN ESTIMATES

The preparation of the Financial Statements and related Notes in accordance with IFRSs requires that the Group makes estimates and assumptions that affect the values of the assets and liabilities of the Consolidated Financial Statements and disclosures related to contingent assets and liabilities. The estimates and assumptions used are based on experience and other factors considered relevant. Therefore, the actual results achieved may differ from those estimates. The estimates and assumptions are reviewed periodically and the effects of any changes made to them are reflected in the Income Statement in the period in which the estimate is revised if the revision affects only that year, or even in subsequent years if the revision affects both the current and future years.
The estimates are mainly used to recognize impairment losses on assets recognized, to determine the related revenues, provisions for risks on receivables, taxes and other allocations and provisions.
The current economic and financial context continues to be characterized by high volatility and uncertainty. Therefore, the estimates are based on assumptions relating to the future performance of revenues, costs and equity-financial flows that are characterized by high uncertainty, for which it cannot be excluded that in the following years, there will be significant results that differ from estimates that could lead to adjustments, which cannot be currently estimated or anticipated, in the book values of the related items. For further details on the estimates, please refer to the specific notes below.

ACCOUNTING STANDARDS

The Consolidated Financial Statements for 2015/2016 have been prepared in accordance with International Accounting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Union, as well as with the provisions issued in implementation of article 9 of Legislative Decree 38/2005. IFRS means all the revised international accounting standards (IAS), all the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly known as the Standing Interpretations Committee (SIC).
The accounting standards adopted in the preparation of these Consolidated Financial Statements are consistent with those applied for the preparation of the Consolidated Financial Statements at 30 June 2015, except as specified in relation to the amendments and interpretations applicable from 1 July 2015.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED BEGINNING 1 JULY 2015

The following is a list of the nature and impact of each standard/amendment:
Amendment to IAS 27 - Equity method in the separate Financial Statements: the amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associated companies in their separate Financial Statements. The amendments are effective for years beginning on or after 1 January 2016 and must be applied retrospectively. The Group has not adopted this possibility.

Amendments to IAS 19 - Defined contribution plans: IAS 19 requires an entity to consider, in the accounting of defined benefit plans, contributions from employees or third parties. If contributors are related to the service provided, they shall be attributed to service periods as negative benefit.

The amendment clarifies that, if the amount of the contributions is independent of the number of years of service, the entity may recognize said contributions as a reduction of the service cost in the period in which the service is provided, instead of allocating contributions to periods of service. This amendment is in force for years beginning on or after 1 February 2015. This amendment is not relevant for the Group since there are no plans that envisage contributions of employees or third parties.

Annual improvements to IFRSs - 2010-2012 cycle: these improvements are effective for annual years beginning on 1 February 2015 and the Group applied them for the first time in these Financial Statements. They refer to a series of amendments to IFRSs, in response to eight issues addressed during the 2010-2012 cycle. They refer mostly to clarifications and therefore, adoption thereof has not had a significant impact on these Financial Statements.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE AND NOT ADOPTED EARLY BY THE GROUP

Set out below are the principles which, at the reporting date, had already been issued, but were not yet in force. The Group intends to adopt these standards when they become effective.

Annual Improvements to IFRSs - 2011-2013 Cycle: These improvements refer to a series of amendments to IFRSs, in response to the issues addressed during the 2011-2013 cycle. They refer mostly to clarifications.

In May 2014, the IASB issued some amendments to **IFRS 11 – Joint arrangements:** to clarify the booking of acquisitions of Shareholdings in jointly controlled assets. These amendments are applicable retroactively for years beginning on or after 1 January 2016.

Annual improvements to IFRSs - 2012-2014 cycle(with effect from 1 January 2016): a series of amendments to IFRSs, in response to the 4 issues addressed during the 2012/2014 cycle. They refer mostly to clarifications.

In January 2016, the IASB issued an **amendment to IAS 12 - Income taxes:** the amendment clarifies the requirements for the recognition of deferred tax assets on unrealized losses related to liabilities measured at fair value. This amendment will be applicable for years beginning on or after 1 January 2017.

In January 2016, the IASB issued an **amendment to IAS 7 - Cash Flow Statement:** the amendment requires additional information that enables users of the Financial Statements to evaluate the changes in liabilities arising from financing. This amendment will be applicable for years beginning on or after 1 January 2017.

In May 2014, the IASB issued the standard **IFRS 15 – Revenues from contracts with customers:** which requires the recognition of revenues to represent the transfer of goods and services to customers for an amount equal to the amount that is expected to be received for said products and services; this new model of recognition of revenues defines a five-stop process and requires the use of estimates and opinions; this new standard also applies to some repurchase agreements and requires additional information concerning the nature, amount, timing and uncertainty of revenues and cash flows arising from contracts with customers. This standard is applicable retroactively for years beginning on or after 1 January 2018. Early adoption is permitted.

In July 2014, the IASB issued the standard **IFRS 9 – Financial instruments:** the series of amendments of the new standard include the introduction of a logical model for the classification and valuation of financial instruments, a single model for the impairment of financial assets based on expected losses and a renewed approach for hedge accounting. These amendments are applicable retroactively for years beginning on or after 01 January 2018.

In January 2016, the IASB issued an amendment to **IFRS 16 - Leasing.** The amendment sets out the principles for the recognition, measurement, presentation and additional information of lease contracts between the parties involved and replaces the previous standard IAS 17 Leasing. IFRS 16 defines the lease as a contract that transfers to the customer (lessee), in exchange for payment, the right to use an asset for an established period of time; the distinction is eliminated for the lessee between operating and finance leases and a single accounting model is introduced according to which a lessee must recognize assets and liabilities for all lease contracts with expiry of more than 12 months, unless the underlying asset is of low value, and recognize separately in the Income Statement the portion of depreciation of assets with respect to interest expenses. This standard is applicable for years beginning on or after 1 January 2019.

In September 2014, the IASB issued minor amendments to **IFRS 10 – Consolidated Financial Statements**and to **IAS 28 - Shareholdings in associated companies and joint ventures (2011)**, which concern inconsistency between the requirements of IFRS 10 and IAS 28 (2011), in sales or transfer of assets between an investor and its associated company or joint venture. If the subject of the transaction is a strategic asset, the gain or loss is recognized in full, while if the subject of the transaction is not a strategic asset, the gain or loss is recognized partially. These amendments will become effective beginning on 1 January 2016, prospectively.

In December 2014, the IASB issued amendments to **IAS 1 - Presentation of the Financial Statements**to improve the presentation and dissemination of financial reports. The amendments clarify that the materiality applies to all the Financial Statements and that intangible information must be included if they inhibit the usefulness of financial information. Moreover, the amendments clarify that the companies should refer to an expert opinion to determine what information and in what order information must be presented in the financial report. The amendments are effective beginning on or after 1 January 2016.

In May 2014, the IASB issued an amendment to **IAS 16 – Property, plant and equipment**and to **IAS 38 – Intangible assets** clarifying that the use of methods based on revenues to calculate the depreciation of a tangible asset or amortization of an intangible asset is not appropriate; they are only permitted in certain limited circumstances. These amendments are applicable retroactively for years beginning on or after 1 January 2016.

The Group will adopt these new standards, amendments and interpretations, based on the expected date of application and will evaluate the potential impacts thereof, when approved by the European Union.

INFORMATION ON THE STATEMENT OF FINANCIAL POSITION AND THE COMPREHENSIVE INCOME STATEMENT

The following are comments on the individual items of the Balance Sheet and Income Statement.

NOTE 1 – INTANGIBLE ASSETS

The breakdown and changes in intangible assets at 30 June 2016 are shown in the following table:

values in Euro/000	Balance at 30.06.2015	Change in scope of consolidation	Acquisitions	Reclassifications	Disposals	Depreciation, amortization and write-downs	Balance at 30.06.2016
Start-up and expansion costs	3					(3)	-
Research, development and advertising costs	1					(1)	-
Goodwill	11,819		4,275			-	16,094
Other intangible assets	576		768			(380)	964
Consolidation difference	6,763		2,775				9,538
TOTAL INTANGIBLE ASSETS	**19,162**		**7,818**			**(384)**	**26,596**

Goodwill

Goodwill at 30 June 2016 amounted to Euro 16,094 thousand and increased compared to the previous year by Euro 4,275 thousand, mainly following the closing of the acquisition of the business unit Verconsult.

Verification of the impairment of goodwill

Goodwill as asset with indefinite useful life recognized under fixed assets at 30 June 2016 and 30 June 2015 was subjected to impairment testing.
This valuation is performed at least annually and was performed at the level of the cash-generating units (CGU) to which the value of goodwill is allocable.
For the purpose of determining the recoverable value, reference was made to the value of use determined by using the Discounted Cash Flow method (DCF), which envisages a projection of future cash flows and discounting them by using a rate that coincides with the weighted average cost of capital (WACC).
For the implementation of said impairment, the following information was used and the following assumptions were made:

– the financial figures were derived from the five-year Business Plan 2015-2018 (1 July 2015 – 30 June 2018) of the Group (detailed at the level of the cash-generating units – CGU of the Group). The business plan was approved by the Board of Directors ofAssiteca S.p.A. on 10 June 2015. For years not covered by the approved business plan, use was made of the integrated business plan provided by the parent company;

– to determine the cash flows, the EBITDA of each CGU was taken and adjusted of the value of investments and the change in net working capital;

– these cash flows were discounted on the basis of the weighted average cost of capital (WACC) net of the tax charge, calculated on the basis of the following parameters of reference:
  - risk-free rate: return of 10-year issues in the countries in which the CGUs operate
  - beta: calculated as the average of debt/equity in a panel of comparables
  - market premium: return differential between the risk-free rate and the equity remuneration of the sector in the geographical context in which the CGU operates
  - average rate of indebtedness: cost related to sources of financing from the Group's third parties belonging to the CGU.

The cash flows were discounted using a specific WACC, net of the related tax effect, in accordance with the individual parameters set out above and in relation to each CGU. In particular, the expected growth rate “g” after the five-year period of the business plan, to be used for the calculation of the terminal value was assumed to be equal to 2%, in line with the forecast curve of the related business plan and lower than the growth rate of the sector.

The impairment tests carried out showed recoverable values in excess with respect to the recognition values of goodwill in the Group's Financial Statements.

Other intangible assets

The increases in the year refer to the purchase of new software licences for the use of the management IT system (WBroker/P.B.E.)

NOTE 2 – TANGIBLE ASSETS

The breakdown and changes in tangible assets at 30 June 2016 are shown in the following table:

values in Euro/000	Balance at 30.06.2015	Change in scope of consolidation	Acquisitions	Reclassifications	Disposals	Depreciation, amortization and write-downs	Balance at 30.06.2016
NET VALUES							
Equipment	29		11			(9)	31
Vehicles	399		115		(12)	(203)	299
Mobile phones	128		81			(46)	163
Telephone system	31		33			(7)	57
Electronic machines	438		307			(213)	532
Office furniture and furnishings	427		124		(43)	(85)	423
TOTAL NET VALUES	**1,452**		**671**		**(55)**	**(563)**	**1,505**

NOTE 3 – FINANCIAL ASSETS

The following is a breakdown of the item at 30 June 2016 and 30 June 2015:

values in Euro/000	Balance at 30.06.2016	Balance at 30.06.2015
Shareholdings in associated companies	2,063	2,053
Receivables from others	2,107	1,471
TOTAL FINANCIAL ASSETS	**4,170**	**3,524**

Shareholdings in associated companies

The following is a breakdown of shareholdings in associated companies:

values in Euro/000	Balance at 30.06.2016	Balance at 30.06.2015
ArtigianBroker S.r.l.	50	10
Honey Comb S.r.l.		36
Riconcilia ADR S.r.l. in liquidation	54	54
Assiteca Crowd S.r.l.	125	119
Assiteca SIM S.p.A.	241	240
6sicuro S.p.A.	1,594	1,594
TOTAL FINANCIAL ASSETS	**2,063**	**2,053**

Receivables from others

The balance at 30 June 2016 equal to Euro 2,107 thousand consists of security deposits for utilities and the receivable due thanks to a purchase option with respect to the company Socoupa.

NOTE 4 – TAX RECEIVABLES (NON-CURRENT)

The following is a breakdown of the item at 30 June 2016 and 30 June 2015:

values in Euro/000	Balance at 30.06.2016	Balance at 30.06.2015
Receivables from Tax Authority for 2013 IRAP reimbursement	438	438
Other receivables from Tax Authority	74	174
TOTAL NON-CURRENT TAX RECEIVABLES	**512**	**612**

NOTE 5 – DEFERRED TAX ASSETS

Deferred tax assets were calculated on the temporary differences between taxable amount and the result of the Financial Statements, applying the IRES rate of 24% and IRAP of 3.9%.

NOTE 6 – RECEIVABLES FROM CUSTOMERS AND OTHER COMMERCIAL ASSETS

The following is the breakdown of receivables from customers at 30 June 2016 and 30 June 2015:

values in Euro/000	Balance at 30.06.2016	Balance at 30.06.2015
Trade receivables	4,083	5,234
Deferred assets	2,403	1,971
RECEIVABLES FROM CUSTOMERS AND OTHER COMMERCIAL ASSETS	**6,486**	**7,205**

The decrease in trade receivables is mainly due to changes in collection times during the year.
Deferred assets are calculated according to the commissions that will be recognized in the future but whose right to be received already accrued for the Group companies.

NOTE 7 – TAX RECEIVABLES (CURRENT)

The following is a breakdown of the item at 30 June 2016 and 30 June 2015:

values in Euro/000	Balance at 30.06.2016	Balance at 30.06.2015
Receivables for IRES	1,343	1,289
Receivables for IRAP	445	109
VAT	155	41
Other receivables	8	7
TOTAL TAX RECEIVABLES	**1,951**	**1,446**

The increase with respect to the previous year is mainly due to a higher advance for direct taxes and a reduction in the IRAP tax.

NOTE 8 – RECEIVABLE FROM OTHERS

The following is a breakdown of the item at 30 June 2016 and 30 June 2015:

values in Euro/000	Balance at 30.06.2016	Balance at 30.06.2015
Receivables from policyholders and companies (premiums and commissions)	30,613	35,114
Claims advances	1,405	865
Other	3,135	4,954
TOTAL RECEIVABLES FROM OTHERS	**35,153**	**40,932**

The decrease in receivables from policyholders and companies is mainly due to changes in collections in the last days of the year.

NOTE 9 – CASH AND CASH EQUIVALENTS

The breakdown of cash and cash equivalents is as follows:

values in Euro/000	Balance at 30.06.2016	Balance at 30.06.2015
Bank and postal deposit accounts	5,576	2,443
Cash-in-hand and cash equivalents	150	232
TOTAL CASH AND CASH EQUIVALENTS	**5,726**	**2,675**

The balance represents the cash and cash equivalents on bank and postal accounts and the existence of cash and assets at the closing date of the period.
It is believed that the values of cash and cash equivalents is in line with their fair value.

NOTE 10 – SHAREHOLDERS' EQUITY

The breakdown of Group shareholders' equity and changes with respect to the previous year are shown in the following table:

values in Euro/000	Balance at 30.06.2015	Allocation of the result for the year	Change in consolidation area	Other changes	Balance at 30.06.2016
Share capital	4,819			722	5,541
Legal reserve	410	135			545
Share premium reserve				6,629	6,629
IAS/IFRS transition reserve	(134)				(134)
Actuarial reserve	(962)			(492)	(1,454)
Other reserves	533	2,752	58	(2,204)	1,139
Profit for the year	2,887	(2,887)		3,301	3,301
TOTAL SHAREHOLDERS' EQUITY	**7,553**	**-**	**58**	**7,956**	**15,567**
Profit of minority interests	53	(53)		350	350
Shareholders' equity of minority interests	844	53		(62)	834
TOTAL SHAREHOLDERS' EQUITY	**8,450**	**-**	**58**	**8,244**	**16,751**

The parent company's share capital, fully subscribed and paid-in at 30 June 2016, amounted to Euro 5,541 thousand and consists of 31,040,000 ordinary shares with no nominal value (Euro 0,1785).
It is noted that in July 2015, Assiteca S.p.A. was listed on AIM of the Italian Stock Exchange with a dedicated capital increase.
The main changes in shareholders' equity for the year ending 30 June 2016 were as follows:
– increase in the share capital of Euro 722 thousand following listing
– increase in the share premium reserve of Euro 6,629 thousand following listing
– positive result for the Group of Euro 3,301 thousand

– actuarial differences on defined benefit plans for employees recognized in accordance with IAS 19 for Euro 492 thousand
– distribution of dividends for Euro 993 thousand.

The change in the consolidation area was with the acquisition of the entire share capital of the subsidiary Assiteca B.A. S.p.A.

The following is the statement of reconciliation of the parent company's shareholders' equity to consolidated shareholders' equity:

values in Euro/000	Reconciliation of the parent company's shareholders' equity to consolidated shareholders' equity at 30.06.2016	
	Profit for the year	Shareholders' equity
Balances resulting from the parent company's Financial Statements	2,893	17,438
Reversal of dividends from Group companies	(198)	
Pro-rata net gains earned by the Group companies	606	
Differences of the pro-quota value of shareholders' equity with respect to the carrying value of shareholdings in consolidated Companies		(1,871)
TOTAL GROUP SHAREHOLDERS' EQUITY	**3,301**	**15,567**
Portion of shareholders' equity of minority interests		834
Profit attributable to minority shareholders	350	350
TOTAL CONSOLIDATED	**3,651**	**16,751**

NOTE 11 – LIABILITIES FOR PENSION AND EMPLOYEE SEVERANCE INDEMNITY

This item includes all pension obligations and other benefits to employees subsequent to termination of the employment contract or to be paid at maturity of specific requirements, and is represented by the accrual for employee severance indemnity relating to the Group's personnel.

Liabilities for pension and employee severance indemnity at 30 June 2016 amounted to Euro 9,724 thousand (Euro 8,652 thousand at 30 June 2015).

The changes in the period are as follows:

values in Euro/000	Balance at 30.06.2016	Balance at 30.06.2015
Balance at the beginning of the year	8,652	6,700
Allocations of the year	1,218	1,005
Change in consolidation area	-	927
Uses	(435)	(174)
Actuarial loss (profit) recognized	289	194
TOTAL LIABILITIES FOR PENSION AND EMPLOYEE SEVERANCE INDEMNITY	**9,724**	**8,652**

The changes in the period reflect provisions and disbursements, including advances, made during the year ended 30 June 2016.

Employee severance indemnity is part of the defined benefits plans.
To determine the liabilities, use was made of the methodology referred to as Project Unit Cost structured in the following phases:

– the possible future benefits that could be paid to each employee in the event of retirement, death, disability, resignations, etc. were forecast based on a set of financial assumptions (increase in the cost of living, salary increases, etc.). The estimate of future benefits will include any increases corresponding to further seniority increases accrued as well as the expected increase in remuneration earned on the valuation date;
– the average present value of the future benefits was calculated on the basis of the annual interest rate adopted and the probability of each benefit of being actually paid on the date of the Financial Statements;
– the liability for the companies was defined by identifying the average present value of the future benefits that refers to service already accrued by the employee as at the valuation date;
– on the basis of the liability determined in the previous point and the reserve allocated in the Financial Statements for Italian statutory purposes, the reserve deemed valid for IFRS purposes was identified.

In further detail, the following assumptions were used:

Assumptions used	
FINANCIAL	
Previous discount rate	2.30%
Annual discount rate	2.20%
Annual inflation rate	1.50%
DEMOGRAPHIC	
Mortality	RG 48 (State General Accounting Office)
Inability	INPS tables by age and gender
Retirement age	100% upon achievement of AGO requirements

NOTE 12 – MISCELLANEOUS PAYABLES AND OTHER NON-CURRENT LIABILITIES

The following is a breakdown of the item at 30 June 2016 and 30 June 2015:

values in Euro/000	Balance at 30.06.2016	Balance at 30.06.2015
Long-term payables for the recognition of leases using the financial method	134	253
Long-term payables for acquisitions	1,460	880
TOTAL NON-CURRENT PAYABLES	**1,594**	**1,133**

Long-term payables for acquisitions consist of instalments due beyond the year that the Group must pay to the Verconsult Bankruptcy for the acquisition of the business unit.

NOTE 13 – FINANCIAL LIABILITIES DUE BEYOND 12 MONTHS

The following is a breakdown of the item at 30 June 2016 and 30 June 2015:

values in Euro/000	Balance at 30.06.2016	Balance at 30.06.2015
Unsecured debt Biver Banca	-	757
Unsecured debt Intesa San Paolo	1,678	1,342
TOTAL FINANCIAL LIABILITIES DUE BEYOND 12 MONTHS	**1,678**	**2,099**

During the year, the Group has entered into three unsecured mortgages:
- with CREDEM for an initial capital of Euro 1 million at a rate of 1.65%, repayable in 12 months;
- with Intesa Sanpaolo for an initial capital of Euro 1.5 million at a rate of 1.20%, which will be entirely repaid within the following year;
- with Intesa Sanpaolo for an initial capital of Euro 2 million at a rate of 1.65%.

NOTE 14 – FINANCIAL LIABILITIES DUE WITHIN 12 MONTHS

The following is a breakdown of the item at 30 June 2016 and 30 June 2015:

values in Euro/000	Balance at 30.06.2016	Balance at 30.06.2015
Short-term payables for the recognition of leases using the financial method	247	270
Current accounts	8,436	8,334
Revolving syndicated loan	5,000	10,000
Other loans	8,315	4,780
TOTAL FINANCIAL LIABILITIES DUE WITHIN 12 MONTHS	**21,998**	**23,384**

These are mainly payables for the lines of credit granted by banks on ordinary current accounts. The revolving syndicated loan is a line of credit disbursed for a total amount of Euro 24 million by a syndicate of credit institutions the parent of which is Intesa Sanpaolo.
Other loans consist of hot money facilities and unsecured bank loans for principal to be repaid within the following year.

NOTE 15 – TRADE PAYABLES

The following is a breakdown of the item at 30 June 2016 and 30 June 2015:

values in Euro/000	Balance at 30.06.2016	Balance at 30.06.2015
Payables to suppliers	1,715	1,496
Accrued and deferred liabilities	201	765
TOTAL TRADE PAYABLES	**1,916**	**2,261**

NOTE 16 – PAYABLES TO ASSOCIATED COMPANIES

Payables to subsidiaries at 30 June 2016 amounted to Euro 17 thousand and reflect the balance of the cash pooling account held.

NOTE 17 – TAX AND SOCIAL SECURITY PAYABLES

The following is a breakdown of the item at 30 June 2016 and 30 June 2015:

values in Euro/000	Balance at 30.06.2016	Balance at 30.06.2015
Tax payables	1,975	1,289
Payables to social security institutions	1,261	1,222
TOTAL TAX AND SOCIAL SECURITY PAYABLES	**3,235**	**2,510**

Tax payables refer mainly to payables for withholdings applied to employees or independent work. Social security payables refer to the payable to social security institutions, INPS and supplementary pension funds.

NOTE 18 – OTHER LIABILITIES

Other liabilities at 30 June 2016 mainly refer to the payable to companies for premiums already collected by the Company and not yet paid.
The breakdown of the item is as follows:

values in Euro/000	Balance at 30.06.2016	Balance at 30.06.2015
Payables to companies	17,364	19,423
Payables to policyholders	1,484	3,261
Other payables	7,314	6,351
TOTAL OTHER LIABILITIES	**26,162**	**29,035**

Memorandum accounts

values in Euro/000	Balance at 30.06.2016	Balance at 30.06.2015
Collateral, sureties, endorsements	11,000	10,500
TOTAL MEMORANDUM ACCOUNTS	**11,000**	**10,500**

The amount of Euro 11 thousand is related to the bank sureties issued pursuant to article 117, paragraph 3-*bis* of the Insurance Code.

NOTE 19 – REVENUES

The Group's revenues derive from the following activities:

values in Euro/000	2016	2015
Commissions	57,211	51,956
Consultancy	2,549	1,877
TOTAL REVENUES	**59,760**	**53,833**

The revenues of Group companies have increased compared to the previous year. The increase is also due, as stated in the previous notes, to the fact that in the previous Consolidated Financial Statements, the companies Assiteca & Co and Assiteca s.r.l. (SE) had been included for only 6 months (January – June).

NOTE 20 – OTHER INCOME

This item amounted to Euro 932 thousand at 30 June 2016 (against Euro 797 thousand at 30 June 2015) and mainly refers to the administrative rights charged to customers by the Group.

NOTE 21 – COSTS FOR SERVICES

In the year 2015/2016 and in the year 2014/2015, the breakdown of this item is as follows:

values in Euro/000	2016	2015
Commission expenses	8,438	6,972
Consultancy and collaborations	3,747	3,974
Postal, telephone and telex	1,122	973
Trips and transfers	822	630
Directors' fees	3,664	3,399
Statutory Auditors' fees	101	99
Other costs for services	4,211	3,743
TOTAL COSTS FOR SERVICES	**22,105**	**19,789**

The increase in commission expenses is related to the increase in revenues.

NOTE 22 – COSTS FOR RENTS AND LEASES

The breakdown of the item is as follows:

values in Euro/000	2016	2015
Rental expenses and charges	2,233	1,887
Rental of vehicles/hardware	1,335	1,155
TOTAL COSTS FOR RENTS AND LEASES	**3,568**	**3,042**

The Group has long-term renting contracts for vehicles granted as benefit to employees and operating leases for hardware equipment.

NOTE 23 – PERSONNEL COSTS

The following is the breakdown of the item for the year ended 30 June 2016 and the year ended 30 June 2015:

values in Euro/000	2016	2015
Wages and salaries	17,601	16,207
Social security costs	5,252	4,963
Employee severance indemnity (TFR)	950	747
Other costs	241	238
TOTAL PERSONNEL COSTS	**24,044**	**22,155**

Personnel costs increased by Euro 1,631 thousand due to the increase in the workforce in 2015 and 2016 and to the fact that in the previous Financial Statements, the companies Assiteca & Co and Assiteca S.r.l. (SE) had been included for only 6 months (January – June).

Number of employees	30.06.2016	30.06.2015
Managers	21	18
Middle-Managers	82	77
White collars	365	365
TOTAL	**468**	**460**

NOTE 24 – OTHER OPERATING COSTS

Other operating costs in the year ended 30 June 2016 amounted to Euro 2,300 thousand, down Euro 120 thousand compared to the previous year.
The slight reduction despite the growth of the business, is a result of the Group's continued focus on all expenditure items.

NOTE 25 – DEPRECIATION, AMORTIZATION AND WRITE-DOWNS

Depreciation and amortization amounted to Euro 1,291 thousand against Euro 784 thousand in the year ended 30 June 2015. The breakdown of the item is as follows:

values in Euro/000	2016	2015
Amortization of intangible assets	384	236
Depreciation of tangible assets	563	494
Other write-downs of fixed assets	7	5
- regarding receivables	299	49
TOTAL AMORTIZATION, DEPRECIATION AND WRITE-DOWNS	**1,253**	**784**

NOTE 26 – FINANCIAL INCOME AND EXPENSES

The breakdown of the item is as follows:

values in Euro/000	2016	2015
FINANCIAL INCOME:		
Interest and financial income	8	110
Exchange rate gain	30	73
TOTAL FINANCIAL INCOME	**38**	**183**
FINANCIAL EXPENSES:		
Foreign exchange losses	17	16
Interest and financial expenses	952	1,006
Interest expenses IAS 17	108	275
TOTAL FINANCIAL EXPENSES	**1,077**	**1,297**
TOTAL FINANCIAL INCOME (EXPENSES)	**(1,039)**	**(1,114)**

To provide a clearer presentation in the Financial Statements, the item due to interest expense in the provision for employee severance indemnity was also reclassified for the previous year.

NOTE 27 – INCOME TAXES

The following is the breakdown of the item for the year ended 30 June 2016 and the year ended 30 June 2015:

values in Euro/000	2016	2015
IRES for the year	2,051	1,390
IRAP for the year	415	729
Deferred tax assets IRES	(214)	129
Deferred tax assets IRAP	(1)	85
TOTAL INCOME TAXES	**2,251**	**2,333**

COMMITMENTS AND CONTINGENT LIABILITIES

There are no commitments and liabilities deriving from obligations underway and for which the use of resources to fulfil the obligation is probable, which have not already been recognized in the Financial Statements at 30 June 2016.

CAPITAL MANAGEMENT

The primary objective of the Assiteca Group is to ensure the best possible balance between the structure of assets and of liabilities and shareholders' equity (solvency ratio) at both corporate level and of the Group as a whole. On this basis, the parent company seeks, even in a complex financial market context, to identify the sources required to support the Group’s business growth plans in the medium term. These sources must be obtained at the best market conditions, in terms of cost and duration, in order to maintain the financial structure at an adequate level of solidity.
The Group manages its capital structure and adjusts it based on changes in economic conditions and objectives of its strategic plans.

NOTES PURSUANT TO IFRS 7

The rules contained in IFRS 7 must be applied by all entities for all financial instruments. Paragraph IN4 of the introduction specifies that IFRS 7 applies to all companies with a few financial instruments; however, the scope of the information required depends on the extent to which the company uses the financial instruments and is exposed to risk.
The Group is a commercial group whose only financial instruments are receivables from customers and payables to suppliers.
The Group has no outstanding commitments, guarantees and risks at year-end.
In the exercise of its business, the Group is exposed to various financial risks, including, in particular, market risk in its main components and currency risk relating to currency trading.
Financial risk management is carried out by the Administrative Department that assesses all the main financial transactions and implements the related coverage policies.
The Group has stipulated appropriate insurance policies for coverage regarding the risk of ownership loss, product risk and the risk of potential liabilities arising from interruptions in business following exceptional events. Said coverage is reviewed annually.
Below is some information aimed at providing indications as to the extent of the Group’s risk to integrate the information already provided in the Report on Operations:

a. Credit risk management: the risk relating to brokerage is only related to insurance premiums for which the Group declares coverage to companies, without having collected the premium from the policyholder yet.
b. Liquidity risk management: the Group's financing need and cash flow requirements are coordinated in order to ensure the effective and efficient management of financial resources as part of centralized treasury management. Cash outflows from current operations are substantially financed by inflows from ordinary operations. Liquidity risk could arise only in the event of investment decisions exceeding available cash, not preceded by sufficient funding that can be readily used.

c. Risk related to fluctuations in interest rates: closely linked to liquidity risk is also the risk arising from fluctuations in interest rates over time. The Group manages to minimize the related expense, diversifying its sources of finance also in consideration of the rates applied and fluctuations over time. The medium/long-term loans in place are at floating rate. Short-term lines are at floating rate, with values that fluctuate in the various forms of financing and an average cost of approximately 3.5% in 2015/2016. An upward fluctuation in the reference interest rates of the market, which in the current international macro-economic context is not probable, with the current structure of the sources of funding of the Group, could however have a negative effect on its economic performance.
d. Risk related to fluctuations in exchange rates: the Group has some collections of premiums in dollars, with the resulting exposure to currency risk. If the risk is assessed as significant, specific contracts are entered into for the term purchase of foreign currency in order to hedge against the risk of fluctuation in exchange rates.

Exposure to external and operational risks

In performing its activities, the Group incurs risks arising from external factors related to the macro-economic context or to the sector in which it operates, as well as risks related to the operational management of activities.

Risks deriving from the macroeconomic recession

The unfavourable macro-economic situation reduces the propensity to consumption of customers, with consequent risk of reduction in revenue due to the reduction in volumes sold, as well as the decrease in the commission provided in relation to the decrease in premiums for all policies with variable premium (a typical example is the professional liability insurance policy). This risk is mitigated by customer loyalty actions and measures to streamline production processes in terms of costs and quality of the product and service.

Risk of management of relations with Authorities

Insurance brokerage activities are subject to administrative and legal regulatory constraints, in particular with reference to regulations on the protection of personal data and IVASS regulations. The Group is exposed to the risk of non-compliance with the rules contained in the Code for the protection of personal data in respect of its customers, that may result in sanctions imposed by Authority responsible (Privacy Authority), and the risk of non-compliance in the application of the information required by the ISVAP Regulation. In response to this risk, the Group has developed internal procedures to guarantee that the processing of the data of its customers, both manually and electronically, is always in compliance with the regulations in force.

SIGNIFICANT EVENTS AFTER YEAR-END

The parent company merged by incorporation its subsidiaries Assiteca Napoli S.p.A., Assiteca & Partners S.r.l. and Assiteca S.r.l.

The parent company has made a capital increase reserved for minority interests, subscribed by the shareholders of Assiteca & Co. S.r.l. with transfer of their shareholding to Assiteca S.p.A.

The Group finalized the definitive acquisition of 100% of the company Lertora F.lli e Courtman Insurance Broker S.p.A. with registered office in Genoa.

The parent company has also approved the merger by incorporation of the subsidiary Assiteca & Co. S.r.l. and Assiteca BA S.p.A.

The Group has increased its shareholding in the associated company Assiteca Crowd S.r.l. to 73.26% and the company Società Assiteca Sicurezza informatica S.r.l. was established with a minority partner.

The Chair of the Board of Directors
Luciano Lucca