

**Associação Saúde  
Criança Renascer  
Parent company and  
consolidated financial statements at  
December 31, 2014  
and independent auditor's report**



## **Independent auditor's report**

To the Management  
Associação Saúde Criança Renascer

We have audited the accompanying financial statements of Associação Saúde Criança Renascer ("Association"), which comprise the balance sheet as at December 31, 2013 and the statements of surplus, changes in net worth and cash flows for the year then ended, as well as the accompanying consolidated financial statements of Associação Saúde Criança Renascer and its subsidiary ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2013 and the consolidated statements of surplus, changes in net worth and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil for small and medium sized companies – Technical Pronouncement - CPC PMEs (R1) - "Accounting for small and medium sized companies", including the provisions of the Resolution of the Accounting Federal Council No. 1,409/12, which approved the Technical Interpretation ITG 2002 - "Non-profit entities" and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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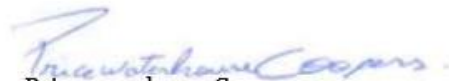
Associação Saúde Criança Renascer


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

### **Opinion**

In our opinion the presentation of financial statements previously referred to represent fairly, in all material respects, the financial position of Associação Saúde Criança Renascer and of Associação Saúde Criança Renascer and its subsidiary as of December 31, 2014, and the parent company financial performance and cash flows, the performance of its operations and its cash flows, as well as the consolidated results of its operations and its cash flows for the year ended on that date in accordance with accounting practices adopted in Brazil.

Rio de Janeiro, August 4, 2015

  
PricewaterhouseCoopers  
Auditores Independentes  
CRC 2SP000160/O-5 "F" RJ

  
Edson Teixeira  
Contador CRC 1SP202636/O-4 "S" RJ

# Associação Saúde Criança Renascer

## Balance sheet

Years ended December 31

All amounts in thousands of reais

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>Assets</b>				
Current assets				
Cash and cash equivalents (Note 3)	1,191	1,221	1,193	1,223
Marketable securities (Note 4)	12,395	11,747	12,397	11,749
Accounts receivable	28	22	28	22
Donations and transfers receivable	0	3	0	3
Advances	12	12	12	12
Inventories	29	43	29	43
Prepaid expenses	1	1	1	1
	<u>13,657</u>	<u>13,049</u>	<u>13,661</u>	<u>13,053</u>
Non-current assets				
Property and equipment (Note5)	3,565	3,532	3,565	3,532
Intangible assets (Note 6)	238	325	238	325
	<u>3,803</u>	<u>3,857</u>	<u>3,803</u>	<u>3,857</u>
Total active	<u>17,460</u>	<u>16,906</u>	<u>17,464</u>	<u>16,910</u>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	12	3	16	7
Labor and social charges	14	14	14	14
Tax liabilities	38	36	38	36
Labor provisions	160	162	160	162
Liabilities with incentive projects (Note 7)	869	1,236	869	1,236
Other liabilities	6	4	6	4
	<u>1,099</u>	<u>1,455</u>	<u>1,103</u>	<u>1,459</u>
Net worth (Note 10)				
Net worth	15,451	15,512	15,451	15,512
Accumulated surplus (losses)	910	(61)	910	(61)
	<u>16,361</u>	<u>15,451</u>	<u>16,361</u>	<u>15,451</u>
Total liabilities and net worth	<u>17,460</u>	<u>16,906</u>	<u>17,464</u>	<u>16,910</u>

The accompanying notes are a key part of these financial statements.

# Associação Saúde Criança Renascer

## Statements of surplus

Years ended December 31

All amounts in thousands of reais

	Parent company		Consolidated	
	2014	2013	2014	2013
<b>Operating revenue (Note 10)</b>				
Assistance revenues	6,627	5,670	6,627	5,670
Sales of products	443	315	443	315
	<u>7,070</u>	<u>5,985</u>	<u>7,070</u>	<u>5,985</u>
<b>Cost</b>	(3,351)	(3,097)	(3,351)	(3,097)
Assistance costs (Note 11)	(97)	(60)	(97)	(60)
Costs of sales	<u>(3,448)</u>	<u>(3,157)</u>	<u>(3,448)</u>	<u>(3,157)</u>
<b>Gross surplus</b>	<u>3,622</u>	<u>2,828</u>	<u>3,622</u>	<u>2,828</u>
General and administrative expenses (Note 12)	(3,171)	(2,586)	(3,185)	(2,586)
Services rendered (Note 12)	<u>(505)</u>	<u>(525)</u>	<u>(505)</u>	<u>(539)</u>
<b>Operating surplus (losses)</b>	<u>(54)</u>	<u>(283)</u>	<u>(68)</u>	<u>(297)</u>
Finance income	1,459	273	1,473	4,287
Finance costs	<u>(495)</u>	<u>(51)</u>	<u>(495)</u>	<u>(4,051)</u>
Finance income, net (Note 13)	<u>964</u>	<u>222</u>	<u>978</u>	<u>236</u>
<b>Surplus (losses) for the year</b>	<u>910</u>	<u>(61)</u>	<u>910</u>	<u>(61)</u>

The accompanying notes are a key part of these financial statements.

## Associação Saúde Criança Renascer

### Statements of changes in new worth

#### Years ended December 31

All amounts in thousands of reais

	<b>Net worth</b>	<b>Accumulated surplus (losses)</b>	<b>Total</b>
<b>At December 31, 2012</b>	12,086	3,426	15,512
Incorporation of accumulated surplus	3,425	(3,426)	0
Surplus for the year		(61)	(61)
<b>At December 31, 2013</b>	15,512	(61)	15,451
Incorporation of accumulated surplus	(61)	61	0
Losses for the year		910	910
<b>At December 31, 2014</b>	15,451	910	16,361

The accompanying notes are a key part of these financial statements.

# Associação Saúde Criança Renascer

## Statements of cash flows

Years ended December 31

All amounts in thousands of reais

	Parent company		Consolidated	
	2014	2013	2014	2013
<b>Social activities cash flow</b>				
Surplus (losses) for the year	910	(61)	910	(61)
Adjustments for:				
Unrealized financial result	(1,016)	(272)	(1,016)	(272)
Gain in the sale of property and equipment	-	(19)	-	(19)
Depreciation and amortization	151	168	151	168
<b>Change in assets/liabilities</b>				
Inventories	14	1	14	1
Accounts receivable	(3)	8	(3)	8
Advances	-	40	-	40
Prepaid expenses	-	(1)	-	(1)
Accounts payable	9	(5)	9	(5)
Tax liabilities	2	8	2	8
Labor and social security provisions	(2)	2	(2)	2
Other liabilities	2	(43)	2	(43)
Liabilities with incentive projects	(367)	(633)	(367)	633
Cash provided by social activities	(300)	(807)	(300)	(807)
<b>Investment activities</b>				
Redemption of marketable securities	368	3,076	368	3,076
Acquisition of property and intangible assets	(98)	(3,160)	(300)	(3,160)
<b>Cash generated (used) in investment activities</b>	<b>270</b>	<b>(84)</b>	<b>270</b>	<b>(84)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(30)</b>	<b>(891)</b>	<b>(30)</b>	<b>(891)</b>
At the beginning of the year	1,221	2,112	1,223	2,114
At the end of the year	1,191	1,221	1,193	1,223
<b>Decrease in cash and cash equivalents</b>	<b>(30)</b>	<b>(891)</b>	<b>(30)</b>	<b>(891)</b>

The accompanying notes are a key part of these financial statements.

## **Associação Saúde Criança Renascer**

### **Notes to the financial statements**

**At December 31, 2014**

**All amounts in thousands of reais unless otherwise stated**

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#### **1. General information**

Associação Saúde Criança Renascer ("Association") is a non-profit civil philanthropic society incorporated and domiciled in Brazil. Its headquarters are located in Rio de Janeiro, State of Rio de Janeiro and it was established on October 25, 1991 in order to carry out social welfare and human development activities and offer support to under privileged children from the Hospital da Lagoa, as well as their families, during the hospitalization period and mainly after hospital discharge. This support is provided when socioeconomic needs are verified among families, which are then referred to the Association through a nomination letter from the multidisciplinary evaluation commission of the Hospital da Lagoa.

The Association maintains, through donations that are spontaneous or made by its partners and maybe in cash, items such as food, medicine and clothes, as well as providing services, among others. To better serve the families, the Association implemented various social projects, such as "Madrinha" (Godmother), "Aconchego" (Comfort) and "Moradia" (Housing).

In order to accomplish its objectives, Associação Saúde Criança Renascer is built around the following areas:

- Health – Donation of food, medicine, medical devices, among others, as well as providing free support to families by psychologists, psychiatrists, nutritionists, social workers and referrals to health care units.
- Citizenship – Assistance to obtain documents and social and legal guidance, in order to ensure basic citizenship rights for the families.
- Housing – Ensure that the family home has minimum habitable conditions, such as running water, treated sewage, walls and roof without seepage; in short, provide a healthy environment where children can recover and maintain their health.
- Education – Raise awareness in the family of the importance of education for the children and the country's future, also monitor the child's school life and provide support in the areas in which a need is identified.
- Income generation – Professional courses according to the interest and skills of the heads of the household, aiming at the family's self-sufficiency and independence.

Associação Saúde Criança Renascer is exempted from income tax and social contribution, in accordance with Law 9,532/97, which establishes in Article 15 that, in order to qualify for this exemption and in a cumulative manner, the Association must:

- (a) not pay, in any form, its officers for the services rendered;
- (b) apply the whole of its funds in the maintenance and development of its social objectives;
- (c) maintain complete records of its income and expenses in accounting books duly vested in the legal formalities which ensure their accuracy;



## **Associação Saúde Criança Renascer**

### **Notes to the financial statements**

**At December 31, 2014**

**All amounts in thousands of reais unless otherwise stated**

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(d) keep in good order, for five years, as from the issue date, the documents that prove the source of its revenues and the carrying out of its expenses, as well as the realization of any other acts or operations that may change its financial situation; and

(e) present the statement of surplus on an annual basis.

#### **2. Summary of significant accounting policies**

The main accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied in the years presented, unless otherwise stated.

##### **2.1 Basis of preparation and presentation**

The financial statements were prepared and are being presented in accordance with accounting practices adopted in Brazil for small and medium sized companies – Technical Pronouncement – CPC PMEs (R1) - "Accounting for small and medium sized companies", including the provisions of the Resolution of the Accounting Federal Council No. 1,409/12, which approved the Technical InterpretationI TG 2002 - "Non-profit entities".

The preparation of financial statements in compliance with these Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Association's accounting policies. However, there are no areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

These financial statements were approved in Annual General Meeting on April 28, 2015.

##### **(a) Consolidated financial statements**

The consolidated financial statements have been prepared and are being presented in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC). The Association has an exclusive investment fund ("Saúde Criança Fundo de Investimento Multimercado Investimento no Exterior") and presented consolidated financial statements.

##### **(b) Individual financial statements**

The individual financial statements of the Association have been prepared in accordance with practices accounting practices adopted in Brazil for small and medium enterprises issued by the Accounting Standards Board and are disclosed together with the consolidated financial statements.

#### **2.2 Consolidation**

The following accounting policies are applied in the preparation of the consolidated financial statements.

**Associação Saúde Criança Renascer**  
**Notes to the financial statements**  
**At December 31, 2014**  
**All amounts in thousands of reais unless otherwise stated**

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**(i) Subsidiary**

Subsidiaries are all entities (including special purpose entities) over which the Association has the power to govern the financial and operating policies generally accompanying a participation of more than one-half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Association. They are deconsolidated from the date that control ceases. The Association has an exclusive fund (Note 5), and therefore has presented consolidated financial statements.

**2.3 Functional and presentation currency**

The financial statements are presented in thousands of reais, which is the Association's functional currency and also its presentation currency.

**2.4 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, bank deposits stated at cost and other short-term highly liquid investments with immaterial risk of change in value, stated at cost plus earnings up to the balance sheet date, with a counterpart in the result for the year.

**2.5 Financial assets**

**2.5.1 Classification**

The Association classifies its financial assets, at initial recognition, in the following categories: measured at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired.

**(a) Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired mainly for the purpose of selling in the short-term. All financial assets in this category are classified as current assets.

**(b) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. The Association's loans and receivables comprise Cash and cash equivalents and Accounts receivable, which basically refer to credit card sales.

## **Associação Saúde Criança Renascer**

### **Notes to the financial statements**

**At December 31, 2014**

**All amounts in thousands of reais unless otherwise stated**

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#### **2.5.2 Recognition and measurement**

Purchases and sales of financial assets are typically recognized on the trade date. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the statement of surplus. Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred and the Association has transferred substantially all the risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the statement of surplus within "Finance income and costs" in the period in which they arise.

Dividends on financial assets at fair value through profit or loss are recognized in the statement of surplus as part of "Finance income, net" when the Association's right to receive dividends is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Association establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

#### **2.5.3 Impairment of financial assets**

##### **(a) Assets carried at amortized cost**

The Association assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event ( or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of any impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the loss is recognized in the Association's statement of surplus.

## **Associação Saúde Criança Renascer**

### **Notes to the financial statements**

**At December 31, 2014**

**All amounts in thousands of reais unless otherwise stated**

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#### **2.5.4 Derivative financial instruments**

There were no transactions with derivative financial instruments in 2014.

#### **2.6 Inventories**

The inventories represented by the acquired input and finished products related to the "Anzol" project were valued by their cost or sale value, less, when applicable, the provision to cover eventual losses in its realization, with a corresponding entry in the result for the year.

#### **2.7 Property and equipment**

Property and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to preparing the asset for its intended use.

Depreciation is charged so as to reduce the cost of assets to their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Furniture and fittings 10 years

Computers and peripherals 5 years

Facilities 10 years

Vehicles 10 years

#### **2.8 Intangible assets**

##### **Computer software**

Computer software licenses acquired are capitalized on the basis of the costs incurred to acquire and bring to use the specific software, the same criterion is used for computer software custom developed for the Association. These costs are amortized over the software's estimated useful life of five years. Costs associated with maintaining computer software programs are recognized as expense as incurred.

#### **2.9 Provisions and current and non-current liabilities**

A provision is recognized in the balance sheet when the Association has a legal or constructive obligation as a result of a past event and it is probable that economic benefits will be required to settle the obligation. Provisions are recorded based on the best estimates of risk involved.

The current and noncurrent liabilities are stated at known or estimated amounts including, when applicable, related charges and monetary variations up to the balance sheet date.

# Associação Saúde Criança Renascer

## Notes to the financial statements

At December 31, 2014

All amounts in thousands of reais unless otherwise stated

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### 2.10 Liabilities with incentive projects

The contributions to the Association projects undertaken by the sponsors (agreements) are recorded in liability accounts and deducted the expenses incurred for each project the end of each month, with an offsetting the sponsored projects revenue account. Such policy is applied as the administration of the Association has the contractual obligation to service rules on the use of donations and the obligation of accountability, which are analyzed and submitted for approval by the sponsors.

Thus, the expenses and costs incurred in the projects of the sponsors, administered by the Association, are recognized in the same proportion of revenues so that the end of the year such income and expenses do not impact the income statement of the Association.

### 2.11 Determination of surplus for the year and recognition of revenues from donations

Surplus for the year is determined in compliance with the accrual basis of accounting.

Revenues from donations and voluntary contributions from third-parties originate from individuals and companies and are accounted for when received due to the impossibility of accuracy of the amounts and receipt dates, and they are applied in the educational projects that the Association develops.

The Association recognizes revenue when:

- (i) the amount of revenue can be reliably measured;
- (ii) it is probable that future economic benefits will flow to the Association; and
- (iii) specific criteria have been met for each of the Association's activities.

#### (a) Linked donations and covenants

The donations received that are linked to projects are recorded, when received, in liabilities (Deferred Income) being appropriated to the result on a monthly and straight-line basis as the funds are being used in accordance with rules established by the donator/sponsor.

#### (b) Interest income

Interest income comprises basically the income from interest on financial investments. Interest income is recognized using the effective interest method. Interest income from funds destined to projects is recognized against liabilities, if they have not yet been fully realized.

#### (c) Gratuities

Interpretation ITG 2002 of the Federal Accounting Council (CFC) establishes the measurement and recognition of benefits granted as gratuities, such as: voluntary labor, real estate rent exemption and tax and contribution exemptions.

- (i) Voluntary work is measured by the Association's management based on available market values and values used by the Association in similar services. In 2013, the related balance amounted to R\$381 (2012 – R\$422)

## Associação Saúde Criança Renascer

### Notes to the financial statements

At December 31, 2014

All amounts in thousands of reais unless otherwise stated

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- (ii) Federal tax exemptions and federal contributions are calculated using the presumed profit methodology and are based on the total amount of revenue earned by the Association and in its pay roll regarding the employer's INSS, as disclosed in Note 2.13, in compliance with Law No. 12,101/2009. In 2014, the balance amounted to R\$1,677 (2013 – R\$1,299).
- (iii) Rental exemption of the Association's head quarters (Note16) is calculated based on the amount per square meter available in Rio de Janeiro's real estate market. In 2014, the related balance amounted to R\$169 (2013 – R\$148).

There were no corresponding disbursements for the amounts mentioned above, and the latter were recognized in 2013 as operating income and expenses in the statement of surplus, in equal amounts, with no effect on the surplus for the year.

#### 2.12 Taxes and contributions

The Association is exempt from the payment of Income tax, Social Contribution and Social Contribution on Revenues (COFINS) and of the employer's INSS quota.

However, non-profit entities that have employees, pursuant to labor legislation, are obliged to pay the Social Integration Program (PIS) with a fixed quota of 1% levied on the monthly payroll.

#### 3Cash and cash equivalents and cash related to projects

	Parent company		Consolidated	
	2014	2013	2014	2013
Cash	16	11	16	11
Banks	192	365	194	367
Financial Investments (*)	983	845	983	845
	<u>1,191</u>	<u>1,221</u>	<u>1,193</u>	<u>1,223</u>

(\*) Highly-liquid short-term investments are readily convertible into a known amount of cash, and are subject to an insignificant risk of change in value. The Association has financial investments in Interbank Deposit (DI) investment funds, saving account and Bank Deposit Certificates (CDB).

## Associação Saúde Criança Renascer

### Notes to the financial statements

At December 31, 2014

All amounts in thousands of reais unless otherwise stated

#### 4 Marketable securities

	Parent Company	
	2014	2013
<b>At fair value through profit or loss</b>		
Saúde Criança FIM – Investimento no Exterior (a)	11,519	10,631
Riverside Fundo de Investimento (b)	876	1,116
	<u>12,395</u>	<u>11,747</u>

- (a) Saúde Criança Fundo de Investimento Multimercado – Investimento no Exterior is designed for the exclusive investment of the Association and is part of the "Renascer para Sempre" (Rebirth always) project, with the purpose of strengthening, through a long term policy, the Association's financial sustainability, assuring financial stability necessary for good institutional performance without relying on variable donations. The fund's resources are applied as follows:

	2014	2013
Repurchase commitments	82	83
Investment fund quotas	6,267	5,804
Government securities	5,172	4,746
Amounts payable	(4)	(4)
Cash	2	2
	<u>11,519</u>	<u>10,631</u>

- (b) "Riverside Fundo de Investimento em Cotas de Fundos de Investimento Multimercado" is established as an open condominium, for an undetermined period, and is a pooling of resources for investment in marketable securities, as well as any other available assets in capital and financial markets

#### 5 Property and equipment

	Parent company and consolidated			
	2013		2014	
	Costs	Additions	Disposals	Balance
<b>Changes in costs</b>				
Buildings	545			545
Facilities	75			75
Machinery and equipment	63	3		66
Furniture and fittings	63	1		64
Vehicles and accessories	106			106
IT equipment	136			136
Communication equipment	6			6
Property and equipment in course (*)	3,076	94		3,170
	<u>4,070</u>	<u>98</u>		<u>4,168</u>

## Associação Saúde Criança Renascer

### Notes to the financial statements

At December 31, 2014

All amounts in thousands of reais unless otherwise stated

	2013		2014	
	Depreciation	Additions	Disposals	Balance
<b>Depreciation changes</b>				
Buildings	(222)	(22)		(244)
Facilities	(48)	(7)		(55)
Machinery and equipment	(56)	(2)		(58)
Furniture and fittings	(47)	(6)		(53)
Vehicles and accessories	(50)	(14)		(64)
IT equipment	(110)	(13)		(123)
Communication equipment	(5)			(5)
	(538)	(64)		(602)
Net book amount				
	3,532	33		3,565

(\*) Property and equipment in course records all the expenditures in the purchase of the Association's new headquarters, at Rua das Palmeiras, in Botafogo. The property will be upgraded to receive the Association's activities, all property purchase expenditures and related taxes are being recorded in this account. Upgraded expenditures incurred with the improvements will be recorded in the same manner.

### 6 Intangible assets

	Parent company and Consolidated			
	2013			2014
	Closing balance	Additions	Disposal	Closing balance
<b>Changes in cost</b>				
Rights of use of software	456			456
<b>Amortization changes</b>				
Rights of use of software	(131)	(87)		(218)
Net book amount	325	(87)		238



## Associação Saúde Criança Renascer

### Notes to the financial statements

At December 31, 2014

All amounts in thousands of reais unless otherwise stated

#### 7 Liabilities with incentive projects

	Parent Company and Consolidated	
	2014	2013
White Martins Praxair Foundation (i)	372	533
Skoll Foundation (ii)	178	238
Johnson & Johnson Family of Companies (iii)	97	112
Construtora Queiroz Galvao S.A. (iv)	136	206
Ursula Zindel Hilti Stifling Foundation (v)	15	31
Vale (vi)	3	49
Johnson & Johnson Mamae Bebe (vii)	24	44
Unimed (viii)	11	10
Kinder (ix)	1	7
Metro (x)	3	3
Maersk (xi)	0	3
RWJF (xii)	11	0
Unesco (xiii)	18	0
	<u>869</u>	<u>1,236</u>

Projects to be incurred represent the obligations that the Association has in the realization of the respective projects because the financial funds (partial or total) have already been received. Liabilities are accreted monthly with a corresponding entry in the projects income account in the proportion that the received funds are allocated to project executions.

##### (i) White Martins-Praxair Foundation

Projects named "Profissão" (Profession), "Replicação" (Replication), and "Comunicação" (Communication). In 2014, R\$710 was raised (2013 - R\$698) and during 2014, R\$871 was realized (2013 - R\$1,343), leaving a balance of R\$372 at December 31, 2014 (2013 - R\$533).

##### (ii) Skoll Foundation

Projects named "Replicação" (Replication) and "Fortalecimento" (Strengthening). In 2014, there was no new funding (just as in 2013) and the realization was R\$60 (2013 - R\$73) leaving a balance on December 31, 2014, a balance of R\$ 178 (2013 - R\$238). A significant portion of the funding from the Skoll Foundation was used for the development of the Assistance Care Software for the Association, the liability is being amortized on a straight-line basis.

##### (iii) Johnson & Johnson Family of Companies

Projects named "Aconchego Maes" (Comfort-moms) and "Aconchego Adolescentes" (Comfort-adolescentes). During the course of 2014 R\$ 157 was raised (2013 - R\$224) and realization of R\$172 (2012 - R\$190), leaving a balance on December 31, 2014 of R\$97 (2013 - R\$112).

## **Associação Saúde Criança Renascer**

### **Notes to the financial statements**

**At December 31, 2014**

**All amounts in thousands of reais unless otherwise stated**

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**(iv) Construtora Queiroz Galvão S.A.**

Project named “Moradia” (Housing), funding of R\$286 was raised during the course of 2014 (2013 – R\$374) and realization of R\$355 (2013 – R\$229), resulting on December 31, 2014, a balance of R\$136 (2013 – R\$206).

**(v) Ursula Zindel Hilti Stifling Foundation**

Projects named “Replicação” (Replication) and “Saude” (Health), including indirect costs for realizing the projects. In 2014, there was R\$476 raised (2013 – R\$414) and a realization of R\$ 492 (2013 – R\$428), leaving a balance of R\$15 on December 14, 2014 (2013 – R\$31).

**(vi) Vale**

Project named “Replicação” (Replication), during the course of 2014 there was no fund raising (2013 – R\$60), and realization of R\$46 (2013 – R\$11), leaving on December 31, 2014, a balance of R\$3 (2013 – R\$49).

**(vii) Johnson & Johnson Mamae Bebe Project**

Project named “Mae e Bebe” (Mother and Baby), during the course of 2014, there was funding of R\$138 (2013 – R\$66) and realization of R\$157 (2013 – R\$23), leaving on December 31, 2014, a balance of R\$ 24 (2013 – R\$43).

**(viii) Unimed**

Project “Nutrição” (Nutrition), during the course of 2014 R\$37 was raised (2013 – R\$32), and realization of R\$52 (2013 – R\$110), leaving a balance on December 31, 2014, of R\$11 (2013 – R\$ 10).

**(ix) Kinder**

Project “Bolsas” (Scholarships) during the course of 2014 R\$46 was raised (2013 –R\$ 77) and realization of R52 (2013 – R\$76), leaving on December 31, 2014, a balance of R\$1 (2013 – R\$7).

**(x) Metro**

Project “Proissao Beleza” (Beauty Profession), during the course of 2014 there was no fundraising (just as in 2013) and realization of R\$1 (2013 – R\$ 83) leaving no balance on December 31, 2014 (2013 – R\$2).

**(xi) Maersk**

Project “Profissao Culinaria” (Culinary Profession), during the course of 2014 there was no fundraising (2013 – R\$53), and realization of R\$2 (2013 – R\$51), leaving no balance on December 31, 2014 (2013 – R\$2).

## Associação Saúde Criança Renascer

### Notes to the financial statements

At December 31, 2014

All amounts in thousands of reais unless otherwise stated

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#### (xii) RWJF

Project “Professionalicao” (Professionalization) during the course of 2014, there was funding of R\$172 (2013 – R\$168), and realization of R\$161 (2013 – R\$168), leaving on December 31, 2014, a balance of R\$11 (2013 – zero balance).

#### (xiii) Unesco

Project “Profissao Beleza” (Beauty Profession), created during the course of 2014, there was funding of R\$63 and realization of R\$45, leaving a balance on December 31, 2014, of R\$18.

### 8 Contingencies

There were no disputes or claims against the Association at December 31, 2012 and 2011, that might be considered as a contingency.

### 9 Net worth

Income generated by Associação Saúde Criança Renascer is fully applied in its social objectives, as commented on in Note 1.

If the Association is terminated, which occurs only upon the approval by two thirds of the General Meeting's members, the assets will be allocated to another non-profit entity with a similar anature and registered with the National Council of Social Welfare (CNAS), under the approval of the D.A. Office.

#### ~~9 Related parties~~

~~The main balances of liabilities at December 31, 2013 and 2012, as well as the transactions that influenced the surplus for the year, in respect of related party transactions, refer to the remuneration of the superintendents in 2013 and 2012, that represent respectively R\$83 and R\$77, which were allocated to the projects that they develop and/or are directly responsible for. The Association's management is not remunerated, and there are no post-employment benefits, termination of employment benefits or other long-term benefits for management and their employees.~~

### 10 Revenues

The Association develops service projects seeking to meet the community. Expenses and costs related to these projects for the exercises 2014 and 2013, as well as the revenue base, are as follows:

	<b>Parent company and consolidated</b>	
	<b>2014</b>	<b>2013</b>
<b>Revenues</b>	1,951	1,065
Revenues from individuals and corporates	1,846	1,447
Revenue from voluntary work	381	422
Sale of goods	443	315
	<b>4,621</b>	<b>3,249</b>

## Associação Saúde Criança Renascer

### Notes to the financial statements

At December 31, 2014

All amounts in thousands of reais unless otherwise stated

	Parent company and consolidated	
	2014	2013
<b>Donation revenues for Programs and Projects</b>		
White Martins Praxair Foundation	871	1,343
Ursula Zindel Hilti Stifling Foundation	492	428
RWJF	355	229
Johnson & Johnson Family of Companies	172	124
Unimed	36	110
Metro	1	83
Kinder	52	77
Skoll Foundation	59	73
Maersk	2	51
Johnson & Johnson Mamae Bebe	157	23
Unesco	45	0
Vale	46	11
Others	0	16
<b>Total revenues for projects</b>	<b>2,449</b>	<b>2,736</b>
<b>Total operational revenues</b>	<b>7,070</b>	<b>5,985</b>

### 11 Assistance Costs

	Parent company and consolidated	
	2014	2013
Personnel costs – assistance	835	729
Foodstuffs – families	449	249
Medication - families	140	165
Cost with public services and occupation – assistance	186	162
Social charges with personnel - assistance	134	123
Courses and training - families	123	117
Housing – maintenance, repair, and rentals – families	303	115
Transportation – families	95	105
Donations to families	75	99
Services offered – families	8	73
General costs - assistance	51	72
Donation of work tools – families	53	63
Professional services – Assistance	93	45
Material for course - families	19	33
Medical tests – families	9	24
Cost with communication – assistance	10	22
Basic food – families	153	3
<b>Assistance/Gratuities - Care</b>	<b>2,636</b>	<b>2,199</b>

## Associação Saúde Criança Renascer

### Notes to the financial statements

At December 31, 2014

All amounts in thousands of reais unless otherwise stated

	<b>Parent company and consolidated</b>	
	<b>2014</b>	<b>2013</b>
Transfers of project to congeners entities	395	433
Personnel expenses – Replication	267	330
General costs - Replication	30	102
Social charges with personnel – Replication	23	88
<b>Assistance costs – Replication (1)</b>	<b>715</b>	<b>898</b>
<b>Assistance costs</b> (totaled from above)	<b>3,351</b>	<b>3,097</b>

(1) The costs with replication refer to the expenditure with financings of the programs developed by the Association carried out by related Entities in other states.

The Association's management believes that the funds allocated to the activities are appropriate and fulfill the requirements of Law 12,101/09. The approval of the calculations, as well as the assumptions used by the Association, is linked to the future presentation of the accounts to the National Council of Social Welfare ("Conselho Nacional de Assistencia Social – CNAS").

### Certificate of Not-for-profit Welfare Association

The National Council of Social Welfare confirmed on August 16, 1995 that Associacao Saude Crianca Renascer is registered that the entity, pursuant to Resolution 83/95 of August 1995, published in the Official Federal Gazette of August 18, 1995, based on the judgement proceeding 28990.014753/1994-60.

On December 18, 2007, the National Council of Social Welfare assigned to Associacao Saude Crianca Renascer the Certificate of Not-for-profit Welfare Entity (CEBAS), valid from March 18, 2006 to March 17, 2009. The request of renewal of the Association's certificate was dismissed by the Resolution 1,366 of MDS of 11/23/2012, being object of appeal with suspensive effect, and as permitted by Laws No. 12,101/09 and 12,868/2013, up to the conclusion of the analysis of renewal of CEBAS, the Association continues to have the right of enjoying all tax and tax related benefits, and there will be no retroactivity of the effects if the dismissal is maintained. In March 2009, a proceeding was filed for renewal for the three-year period from 2009 to 2012, through the proceeding 71000,047451/2009-03, which is in the administrative process.

## Associação Saúde Criança Renascer

### Notes to the financial statements

At December 31, 2014

All amounts in thousands of reais unless otherwise stated

#### 12 General and administrative expenses

	Parent company		Consolidated	
	2014	2013	2014	2013
Personnel expenses	814	658	814	658
General and administrative expenses	600	497	614	497
Expenses with voluntary work	80	155	80	155
Provision for tax exemptions and subsidized rental	1,677	1,299	1,677	1,299
Other results	0	(23)	0	(23)
	<u>3,171</u>	<u>2,586</u>	<u>3,185</u>	<u>2,586</u>

- (i) Amounts related to the following taxes: Tax on Services (ISS), tax on movement of goods and services (ICMS), Social Integration Program (PIS), Contribution to Social Security Financing (COFINS), Social Security, Tax corporate income (IRPJ) and social contribution on net income (CSLL), as described in note 2.11.

#### 13 Net finance income and costs

	Parent company		Consolidated	
	2014	2013	2014	2013
<b>Finance income</b>				
Financial investments	1,458	272	1,472	4,286
Other income	1	1	1	1
	<u>3,171</u>	<u>2,586</u>	<u>3,185</u>	<u>2,586</u>
<b>Finance costs</b>				
Bank fees	(41)	(36)	(41)	(36)
Losses on investments (*)	(435)		(435)	(4,000)
Other expenses	(19)	(15)	(19)	(15)
	<u>(495)</u>	<u>(51)</u>	<u>(495)</u>	<u>(4,051)</u>

(\*) losses on investments in 2013 and 2014 were basically due to devaluation.

#### 14 Insurance

The Association adopts the policy of contracting insurance coverage against fire and sundry risks for the property and equipment items, which is considered sufficient to cover possible losses, which were defined through the guidance of experts and take into account the nature of the activities and the degree of risks involved. The risk assumptions adopted, given their nature, are not part of the scope of the audit of financial statements and, accordingly, were not audited by the independent auditors. The Association has insurance coverage as follows:

**(a) Property at Rua Jardim Botânico, 414, Rio de Janeiro – State of Rio de Janeiro**

Events: lightning and explosions of any kind - R\$500, theft and/or robbery of goods and assets - R\$5, electrical damage –R \$20, gales – R\$5.

**(b) Property at Rua Jardim Botânico, 86, Rio de Janeiro – State of Rio de Janeiro**

Events: lightning and explosions of any kind - R\$350 theft and/or robbery of goods and assets - R\$5, electrical damage - R\$20, gales - R\$5.

**(c) Vehicles: VW Kombi (2013) and Fiat Uno Mille (2013)**

**16 Other information**

**(a) Headquarters**

Associação Saúde Criança Renascer is headquartered at Rua Jardim Botânico, [414 or 86], in the city of Rio de Janeiro, in a building ceded by the Federal Government, through an assignment of a free use contract, dated May 23, 2002, and an authorization published in the Official Federal Gazette, Section I, of August 6, 1999. The occupation term is for an indefinite period, but the Federal Government has the right to revoke the aforementioned contract and require the property at any time for its own use. This property is part of the historical and cultural patrimony of the city of Rio de Janeiro and, therefore, the Association is responsible for its conservation, according to specifications and directives that may be established by the Historical and Artistic Heritage Institute (IPHAN) subject to the rules of the Brazilian Environmental Institute (IBAMA). Accordingly, all the expenses with the conservation of the property are recorded with an off setting entry to the result, and up to the date of conclusion of these financial statements, there were no obligations to be recognized arising from a possible withdrawal from the property.

**(b) Sureties, pledges and guarantees**

The Association did not provide guarantees or take part in any transactions as a guarantor during 2014 and 2013.

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