

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS AS OF 31.12.2006

Fondazione Vialli e Mauro per la Ricerca e lo Sport – Onlus does not carry out commercial activities but, through the collection of funds, pursues institutional goals donating medical instruments or financing cancer and ALS research projects.

The foundation's financial statements as of 31.12.2006 have been drafted using fundamental principles of clarity, truth and fairness to present the financial position. To do this, when applicable, reference has been made to provisions made by the Civil Code of commercial companies and accounting principles of chartered accountants drafted for companies, in addition to guidelines for non-profit companies issued by the Consiglio Nazionale dei Dottori Commercialisti (national body of accountants).

To improve legibility of the financial statements, the previous year's results have been entered next to the data related to the accounting period presented: if necessary, the previous results have been reclassified to make the data homogeneous, facilitating comparison.

The data contained in the financial statements and these explanatory notes have been expressed to clarify activities carried out by the foundation during the accounting period in accordance with the statutory mission and the many supporters whose liberal donations have contributed to pursuing the institutional goals.

Foundation Organs

The foundation is administered by a Board of Directors composed as follows:

Gianluca Vialli, Chairman

Massimo Mauro, Vice Chairman

Grazia Micarelli, Director

The lawyer, Enrico Vallarolo, is the foundation's general secretary.

Nicoletta Paracchini is the foundation's auditor.

Tax concessions

The foundation is currently registered in the tax register for Non-Lucrative Associations of Public Utility (ONLUS) and benefits from tax concessions foreseen by Law 460 dated 1997 and subsequent amendments.

Anyone making a liberal donation to the foundation can deduct the amount donated from his income within the limits and in accordance with the methods foreseen by the Decree of the President of the Republic 917/86 and the Legislative Decree 35/2005. Information related to tax concessions is constantly and previously supplied to the foundation's supporters.

Personnel and collaborators

The foundation does not have any employees, but it does avail of a collaborator with whom it has drawn up a regular contract; the collaborator also holds the role of Director.

The foundation also uses external consultants for fulfilment of administrative and tax obligations.

The roles of Chairman and Vice Chairman are unremunerated.

In 2006, the General Secretary and the Auditor carried out their duties free of charge.

Evaluation criteria and analysis of items contained in the financial statements for the accounting period

BALANCE SHEET

ACTIVITIES

Fixed assets

Composed of notary fees for establishment of the foundation. Entered as cost incurred for intangible fixed assets and depreciated over five accounting periods.

Cost	1,492
- Depreciation F.	(796)
	696

Tangible assets are composed of general systems and furniture/furnishings. They are registered as costs sustained and depreciated using rates considering a residual possibility of use equal to 15% for the systems and 12% for the office furniture and furnishings.

Cost	3,240
- Depreciation F.	(648)
	2.592

Receivables

Registered at the presumed realisation value.

In particular the item is composed of €429.= from donation pledges, bank receivables for repurchase agreement investment operations equal to € 45,231.= and tax credits of € 1,243.= related to IRAP paid in advance during the year and tax deductions from royalties.

Financial Resources

Composed of ledger balance of bank and postal current accounts suitably reconciled with the relative statements.

The petty cash box balance is equal to € 169.=.

Prepaid assets

The prepaid assets are costs deferred to the next accounting period because they are related to a charitable event held in 2007.

CAPITAL AND RESERVES

Composed of the endowment fund paid by the promoting partners when the foundation was established amounting to € 51,000.= and surplus assets from the previous accounting period of € 4,267.=.

LIABILITIES

Fund for institutional goals

This fund is set aside using donations received from supporters of the foundation:

as of 31.12.2004, the fund amounted to €136,594.=; in the accounting period of 2005 it was used to purchase a digital mammography machine costing €286,382.=, which was donated to the Fondazione per la Ricerca sul Cancro (Cancer Research Foundation) and €180,000.= was appropriated for future projects. As of 31.12.2005, it amounted to €30,212.= and as of 31.12.2006, after appropriating €144,000.=, it amounts to €174,212.=.

Payables

They are registered based on the nominal value and are composed of payables due in the next accounting period: €27,947.= due to suppliers, invoices to be received for an amount equal to €1,656.=, INAIL payables of €85.= and tax payables of €79.=.

PROFIT AND LOSS ACCOUNT

Profit and loss account entries have been registered using the accrual criteria.

REVENUE

Liberal Donations

In 2006 the foundation received the following liberal donations:

Liberal donations from third parties € 347,676.=

Liberal donations from founder partners € 21,180.=

Total € 368,856.=

Liberal donations from the promoting partners entirely covered the foundation's running costs. Liberal donations from third party donors were received from individuals, companies and private organisations and they have been allocated to cover the costs of institutional fundraising activities and finance institutional projects: the remaining €144,000.= has been allocated to the Fund for institutional goals awaiting other institutional projects. Liberal donations from third parties also include a donation of €51,555.=, amount equal to the royalties for the book entitled "The Italian Job", written by Gianluca Vialli.

Other revenue

Related to royalties donated by the founder Gianluca Vialli and collected during the accounting period equal to €6,000.=, capital gains from transfer of funds and securities equal to €1,091.= in addition to contingent items equal to €108.=

Interest

Current-account liquidity produced interest receivable equal to €2,157.=

COSTS

Purchases

Related to fixed assets fully paid for within the accounting period due to the modest sum of €842.=, stationery and printed matter equal to €2,027.= and publications equal to €82.=

Expenses for institutional projects

Represented by costs sustained to finance the institutional projects:

ALS Project – Objective 2	€	50,000.=
ALS Project – Objective 3	€	25,571.=
Others	€	1,279.=
	€	76,850.=

Expenses for institutional fundraising activities

They include the following costs:

Costs for events	€	99,447.=
CD recording	€	12,000.=
	€	111,447.=

Expenses for operational services

They include the following costs:

IT services	€	2,766.=
Administrative consultancy	€	2,609.=
Telephone Costs	€	3,743.=

Office cleaning services	€ 1,440.=
Travel and transfers	€ 1,684.=
Postage fees	€ 284.=
Bank fees	€ 723.=
	€ 13.249.=

Employment expenses

Collaborator	€ 21,623.=
Inail	€ 147.=
Inps	€ 2,621.=
Total	€ 24,391.=

Surplus appropriated to Fund for institutional goals

Related to appropriation of liberal donations of €144,000.= not yet used for institutional goals: the fund will be used to finance projects during the next accounting periods.

Depreciation

The item relates to direct amortization of notary fees equal to 20% of the cost incurred amounting to €299.= and depreciation allowance for general systems, furniture and furnishings equal to € 432.=.

Other operating expenses

Composed of stamps on statements, revenue stamps, fines, various taxes, gifts, association fees and contingent items amounting to €3,819.=.

Irap

The amount of €207.= is composed of IRAP paid in 2006.

Operating surplus

Surplus of €566.=; the operating surplus is equal to the difference between the revenue equal to €378,212.= and the operating costs equal to €233,646.= to which is added the surplus appropriated to the Fund for institutional goals equal to €144,000.=.

The result of the accounting period is put to reserve in the net worth as surplus from previous accounting periods.

Financial statement

The financial statement reconciles the positive operating balance with the cash surplus: in fact, some items in the profit and loss account did not have corresponding cash and/or debts records in the financial management, meaning that some of the entries moved by the bank had no economic relevance in the financial statements.

Dynamic table of funds

	Capital and Reserves	Tied-up fund Institutional goals	Loose funds	Totals
Start of accounting period	55,267	30,212		85,479
Accounting period surplus	566			85,479
Liberal donations appropriated		144,000		144,000
Used for mammography machine		0		0
End of accounting period	55,833	174,212		230,045

THE CHAIRMAN