

VIALLI E MAURO FOUNDATION FOR RESEARCH AND SPORT - ONLUS

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS AT 31.12.2008

The Vialli and Mauro Foundation for Research and Sport – Onlus, is a non commercial activities Body, that through the collection of funds, pursues its corporate mission by financing projects in the research against cancer or ALS framework.

The Foundation's Financial statements at 31.12.2008 were drafted in compliance with the fundamental principles of clarity, truth and correctness in representing the Statement of financial position. In order to achieve this, reference was made, when applicable, to the provisions of the Civil Code for commercial undertakings and the accounting principles of Accountants and Tax Advisers drafted for undertakings as well as the guidelines of the Association of Accountants and Tax Advisers prepared for non-profit companies.

For the purpose of making the Financial statements easier to read, next to the data relative to the fiscal year under examination, the results of the previous year have been shown: if necessary, the latter have been reclassified to make the data under comparison homogeneous.

The data in the Financial statements and Explanatory notes have been exposed for the purposes of transparency of the activity carried out by the Foundation during the year in respect of the statutory mission and the various supporters who have contributed to pursue it with their free contributions.

Members of the Foundation

The Foundation is managed by a Board of Directors made up as follows:

Gianluca Vialli, President

Massimo Mauro, Vice-President

Grazia Micarelli, Director

The General Secretary of the Foundation is Mr. Enrico Vallarolo.

Auditor of the Foundation is Mrs. Nicoletta Paracchini.

Tax Benefits

The Foundation is currently registered in the taxpayer's register of Non-Profit Organisations of Social Utility (ONLUS) and benefits of the tax benefits provided for by Law no. 460 of 1997 and following amendments.

Those who give charitable donations to the Foundation can deduct the amount donated from their income within the limits and with the procedures provided for by the Decree of the President of the Republic no. 917/86 and by Law Decree no. 35/2005. The information related to the tax benefits is supplied to the supporters of the Foundation on a constant basis and in advance.

Personnel and collaborators

The Foundation has one employee who is also a Director, and is helped by some collaborators.

The Foundation is furthermore helped by external consultants for administrative and tax services.

The positions of President and Vice-President are free.

The General Secretary and the Auditor have carried out their positions free of charge in 2008.

Evaluation criteria and analysis of financial statement items

STATEMENT OF FINANCIAL POSITION

ASSETS

Intangible assets

They are recognised at purchase cost and are represented by constitution expenses:

Cost at source	1,492
- Amortisation provision	<u>(1,392)</u>
	100

They are amortised on a straight-line basis in five fiscal years.

Tangible assets

They are recognised at purchase cost and include:

Furniture and fixtures

Cost at source	1,800
- Depreciation provision	<u>(756)</u>
	1,044

General installations

Cost at source	1,440
- Depreciation provision	<u>(756)</u>
	684

Asset depreciation is calculated in a systematic and constant manner considering the useful life of the same. Such reduction is deemed appropriate both with respect to the physical and the economic degradation of the said assets. Specifically, furniture and fixtures are depreciated at a rate of 12%, whereas general installations are depreciated at a rate of 15%. Depreciation starts when the goods become operative and for the first year, rates are reduced by 50%.

Financial assets

They are recognised at purchase cost. The item refers to the establishment of ARISLA, a non-profit participatory foundation created by Vialli and Mauro Foundation, AISIa, Telethon Foundation and Cariplo Foundation. The newly-established foundation will not carry out commercial activities but will be committed in raising funds to finance scientific research on ALS.

Credits

They are recognised at the presumed realisable value.

In particular the item refers to € 1,739 of donations promised and not yet collected, € 3,142 of sundry credits and € 1,143 of tax credits relating to IRAP advance payments, IRES credit as well as credit for surplus withholding taxes.

Available funds

The balance represents the available cash and the existence of cash and assets at the end of the fiscal year. They are made up of € 137,164 of cash mutual funds, final balances of current accounts opened at the Istituto San Paolo IMI of Turin and Poste Italiane S.p.A., appropriately reconciled with the account statement and the balance of cash in hand used for minor expenses equal to € 74.00.

Prepayments

Prepayments represent the liaison entries of the fiscal year accrued in the period. The item includes prepayments on services.

EQUITY

It is constituted by the endowment fund paid by the founder members at the time it was established and is equal to € 51,000. It also includes € 4,932 relating to the previous year surplus.

LIABILITIES

Fund for institutional purposes

It is represented by the fund set aside with the donations received from the supporters of the Foundation: the fund at 31.12.2007 amounted to € 149,856.00, whereas at 31.12.2008, after the use for institutional purposes of € 34,000.00, it is equal to € 115,856.00.

Over the past fiscal year, funds for specific objectives were set aside:

Objective 2 Fund: the balance of € 18,000 was set aside for a 1-year grant at the Novara University.

Objective 4 Fund: the balance of € 60,000 was set aside to grant funds necessary to completing the study project which involves the Maugeri Foundation of Pavia both for a student grant and the consumable materials for the Bioplex machine.

Objective 6 Fund: the balance of € 50,000 was set aside for the purchase of an electromyography to be used for research on ALS.

Severance indemnity fund

It represents the amount of future commitments, net of possible prepayments disbursed, with regard to the sole employee at the closing date of the fiscal year in compliance with art. 2120 of the Italian Civil Code, taking into account the specificity of the employment contracts in force and of professional categories. This item includes the yearly quotas accrued and the revaluations carried out based on ISTAT coefficients, net of the substitute tax of 11%. The fund was subject to the following transactions:

Value at 31.12.2007	€ 866
Decrease due to tax	€ 3
Increase	<u>€ 1,780</u>
Value at 31.12.2008	€ 2,643

Payables

The total of payables includes: payables due to suppliers for an amount equal to € 6,705.00 inclusive of invoices not yet received for € 1,652.00 with regard to competence costs of the fiscal year. In particular, among other payables there are:

- due to inland revenue for withholding taxes on employment and self-employment income, € 1,049 and € 180.00 respectively;
- due to social security institutions for an overall amount of € 1,929 and to Inail for € 35;
- sundry payables include € 50,000 relating to the commitment towards AriSla for the funding of the foundation in 2008 and € 733 for reimbursements to be paid.

Accrued liabilities

Accrued liabilities represent the liaison entries of the fiscal year charged on an accrual basis. The item includes accruals on wages and salaries and on contributions.

PROFIT AND LOSS ACCOUNT

For the entering of the Profit and Loss Account items, the accrual principle has been used.

REVENUES

Donations

In 2008 the Foundation received the following donations:

Donations from third party contributors	€ 327,003
“5per mille” donations	€ 6,056
Donations in kind	€ 2,990
Donations from founder members	<u>€ 12,000</u>
Total	€ 348,049

Donations given by founder members have covered the managerial costs of the Foundation. Donations from third party contributors, i.e. natural persons, companies and private bodies have been destined to cover the costs for the institutional activity of fund raising and to finance institutional projects. They also include the fees to which the founder members renounced: in particular the De Agostini project should be mentioned,

thanks to which the Foundation received donations for € 80,000 and the film "L'allenatore nel Pallone" that contributed for € 5,000.

The "5 per mille" donation relating to 2006 income taxes and totalling € 6,056 at 17.09.2008, was used to purchase high-tech communicators useful for people suffering from ALS. The total amount of this expense was € 88,886.20 and was accounted for in a separate report, as required by law.

Other revenues

They refer to € 781 of capital gains on securities transfer.

Interests

The item includes interest income related to the investment in repurchase agreements for € 3,318.00, while cash on current accounts produced interest receivables equal to € 2,179.00

COSTS

Purchases

They refer to stationery expenses for € 2,234.00

Costs for institutional projects

They are represented by costs incurred in funding institutional projects:

ALS Project – Objective 4	€ 60,000.00
ALS Project – Objective 5	€ 17,777.00
ALS Project – Objective 8	<u>€ 50,000.00</u>
	€ 128,777.00

Costs for the institutional activity of fund raising

This item solely includes costs for events for an amount equal to € 64,610.00

Costs for management services

They include the following costs:

Administrative consultancy	€ 3,678.00
Telephone costs	€ 6,195.00
Offices cleaning services	€ 1,608.00
Travels and transfers	€ 2,106.00
Ordinary maintenance	€ 208.00
Various administrative services	€ 6.00
Couriers	€ 479

Post Office commission charges	€ 331.00
Bank commission charges	<u>€ 1,545.00</u>
	€ 16,156.00
<i>Employment expenses</i>	
<u>Employees</u>	€ 26,009.00
Inail	€ 170.00
Inps	<u>€ 7,691.00</u>
	€ 33,870.00
<u>Collaborators</u>	€ 7,495.00
Inail	€ 78.00
Inps	<u>€ 1,233.00</u>
	€ 8,806
Total	€ 42,676.00

Severance indemnity fund

This item refers to the provision to the severance indemnity fund for € 1,780.

Amortisations and depreciations

This item refers to the amortisation charged to the Profit and Loss Account of notary expenses equal to 20% of the cost incurred for € 298.00 and to the depreciation rates of generic equipment and furniture and fixtures for € 432.00.

Sundry operating costs

They refer to stamps, fines, various expenses, gifts, books, publications and subscriptions, previous year expenses and sundry charges.

Management surplus

It is equal to € 821.00. Management surplus is equal to the difference between revenues for € 354,327.00, the provision for institutional purposes for € 34,000 and management costs equal to € 259,506.00 to which the use of the fund for specific institutional purposes for € 128,000.00 should be added.

It is suggested that the result for the fiscal year is allocated to in the “Surpluses from previous years” reserve.

Memorandum accounts

They include the commitments undertaken that are not considered payables, namely a 10-year student grant with the Turin University for € 50,000 per year and the financing, together with the other members, of research activities promoted by AriSla for € 1000,000 per year for 4 years.

Cash flow Statement

The Cash Flow Statement reconciles the positive balance of the management with the cash surplus: some items in the profit and Loss Account have not found the corresponding record in the financial management and therefore some items which involved banking movements, were not of economic importance in the Financial statements.

Statement of changes in funds

	Equity	Funds for institutional purposes	Free funds	Total
Beginning of year	55,933	149,856	0	205,789
Surplus from previous year	821			821
Allocation to provisions		128,000		128,000
Use of funds		(34,000)		(34,000)
End of year	56,754	243,856	0	300,610

Privacy law

Pursuant to rule no. 26 of the Technical specifications concerning security measures attached to Legislative decree no. 196/2003 (Privacy code), the Foundation has implemented a Policy document on security which is updated according to regulatory provisions.

THE PRESIDENT