

VIALLI AND MAURO FOUNDATION FOR RESEARCH AND SPORT - ONLUS  
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS AT 31.12.2010

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 field of research against cancer or ALS. The Foundation’s Financial statements at 31.12.2010 were drafted in compliance with the fundamental principles of clarity, truth and correctness in reporting 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 established for non-profit companies and the guidelines of non-profit entities approved by the Agency for non-profit companies on 11 February 2009 and those approved by the Piedmont Region on 26 October 2009. For the purpose of making the Financial statements easier to read, next to the data referring 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 financial schedules used are different from those referring to 2008 since they have been adjusted to comply with the Piedmont Region guidelines. The data in the Financial statements and Explanatory notes have been exposed for the purposes of transparency on 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

Secretary general of the Foundation is Mr. Enrico Vallarolo.

Auditor of the Foundation is Edmondo Gatto.

### **Tax Benefits**

The Foundation is currently registered in the taxpayer's register of Non-Profit Organisations of Social Utility (ONLUS) and benefits from 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 informative report related to the tax benefits is provided to the supporters of the Foundation on a constant basis and in advance.

### **Personnel and collaborators**

The Foundation has two employees. One of these employees is also a Director and is helped by two consultants.

Furthermore the Foundation is helped by external consultants for administrative and tax services as well as for event organisation.

The positions of President and Vice-President are not remunerated.

The The Secretary General and the Auditor in 2010 carried out their work without remuneration.

### **Evaluation criteria and analysis of financial statement items**

#### ***BALANCE SHEET***

##### *ASSETS*

##### *Intangible assets*

Original cost	1.492
- Accumulated depreciation	<u>(1.492)</u>
	0

They have been fully amortised on a straight-line basis in five fiscal years.

##### *Tangible assets*

They are recognised at purchase cost and include:

#### Furniture and fixtures

Original cost	1.800
- Accumulated depreciation	<u>(1.188)</u>
	612

#### Office electronic equipment

Original cost	558
- Accumulated depreciation	<u>(56)</u>
	502

#### General installations

Original cost	1.440
- Accumulated depreciation	<u>(1.188)</u>
	252

Asset depreciation is calculated in a systematic and constant manner considering the service life of the same. Such reduction is deemed appropriate with respect to both the physical and economic depreciation of the said assets. Specifically, furniture and fixtures are depreciated at a 12% rate, office electronic equipment at a 20% rate and general installations at a 15% rate. 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 the Vialli and Mauro Foundation, AISIa, the Telethon Foundation and the Cariplo Foundation. The newly-established foundation will not carry out commercial activities but will be committed to the raising of funds to finance scientific research on ALS.

### *Credits*

They are registered at the estimated realizable value.

In particular the item refers to:

- € 807 credit for prepaid taxes, IRAP and IRES credit;
- € 3,494 relating to a credit for advance payments for labour consultancy services yet to be invoiced;
- € 143 for a credit towards Intesa San Paolo Spa for reversed fees to be credited;
- € 30,000 for donations to be received;
- € 1,996 for a credit towards ARISLA;
- € 270 for a credit towards AISLA;
- € 2 of sundry credits.

### *Short-term financial assets*

The balance refers to the countervalue of residual shares of collective investment funds: during the year, 3,445 shares were disinvested leading to a capital gain of € 1,288.

### *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 € 65,582.00 as account balance of the current accounts opened at the Istituto Intesa San Paolo Spa 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 € 1,310.

### *Pre-paid expenses*

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

### **EQUITY**

It is made up of the endowment fund paid by the founder members at the time of the incorporation, the surplus income of the previous years after the net income for the period.

## LIABILITIES

### *Funds for institutional purposes*

They include donations received from the supporters of the Foundation and available for institutional projects, as well as the surplus income of the previous years.

During the year the fund recorded the following movements:

Balance at 31.12.2009	€	22.232,00.
Cash management from surplus income before 2007	“	4.932,00.
Cash management from 2008 surplus income	“	821,00.
Cash management from 2009 surplus income	“	3.256,00.
Transfer from Objective 4 Fund	“	<u>(454,00.)</u>
Balance at 31.12.2010	€	<u>30.787,00.</u>

In addition, funds for specific objectives were used during the year:

Objective 2 Fund: “Scholarship to the Amedeo Avogadro University of Novara concerning the clinical applications of autologous mesenchymal stem cells in Amyotrophic Lateral Sclerosis”. In June 2010 2,313 euros were allocated as settlement and final amount. The objective, launched in 2006, envisaged the allocation of an initial three-year grant amounting to 50,000 euros. Subsequently the A. Avogadro University of Novara asked the Foundation to extend the grant to the academic year 2009/2010, the Foundation accepted and allocated further 18,000 euros. The winner of the first call, Dr. Tarletti, resigned before the end of the third year, as did the winner of the extension, Dr. Testa. The Foundation has required a detailed account of the funds allocated to both researchers in order to settle the amount actually due. Checks have revealed that the funds allocated officially amounted to 59,000 euros, whereas the University had actually provided 61,313.10 euros to the researchers. Hence, in June 2010, the Foundation paid € 2,313 to the University as settlement for the objective and, as a consequence, it released the funds set aside for the objective, amounting to € 6,886.90, making them available for institutional objectives.

Objective 4 Fund: “*Analysis of genetic and environmental risks in the development of ALS in Italian professional football players*”. In July € 7,500 were provided to the Maria Negri Institute of Milan for the one-year extension of the scholarship approved in 2009. The objective was approved in 2007 and since then the overall amount allocated by the Foundation has amounted to 218,956 euros. The balance at 31 December 2010 of the funds set aside and devoted to this objective amounted to 27,954.00 euros (including 7,500 as settlement for the one-year extension of the scholarship and 20,554.00 euros for further demands of expendable materials, if any).

Objective 7 Fund: “Ten-year scholarship on Amyotrophic Lateral Sclerosis provided to the neurological hospital of Turin”. As a whole the economic commitment taken on in 2009 by the Foundation amounted to 450,000 euros (equal to € 45,000 per year). So far funds have not been allocated, as the project has not started yet.

Objective 8 Fund: “AriSLA – Italian Foundation for Research on ALS” . In December 100,000 euros were allocated in favour of the AriSLA Foundation as payment of the 3<sup>rd</sup> share of the membership fees for the year 2010.

Objective 9 Fund: “Research project for the identification of proteins altered by the disease, known as biomarkers, in the cells of patients affected by Amiotrophic Lateral Sclerosis”. In July 30,000 euros were allocated to the Telethon Foundation as settlement amount of the objective established on occasion of the 2009 TELETHON marathon.

Objective 10 Fund: “CanALS: A Randomized, Double-Blind, Placebo-Controlled, Multicentre Study to Assess the Efficacy on Spasticity Symptoms of a Cannabis Sativa Extract in Motor Neurone Disease Patients”. The Foundation approved and allocated a further contribution to ARISLA amounting to 48,752 euros for the adoption of the project thanks to the funds collected through the 2010 “SMS solidale” fund-raising campaign.

### *Severance indemnity fund*

It refers to 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 11% substitute tax. The fund was subject to the following transactions:

Value at 31.12.2009	€	4.745,00.
Use in the financial year	€	00,00.
Advance of the financial year	€	<u>2.725,00.</u>
Value at 31.12.2010	€	<u>7.470,00.</u>

### *Payables*

They include: payables due to suppliers for an amount equal to € 2,539 inclusive of invoices not yet received for € 1,527 with regard to competence costs of the fiscal year, tax payables on labour cost for € 1,137 and payables due to social institutions for € 2,460.

### *Prepayments*

Prepayments represent the liaison entries of the fiscal year accrued in the period. The item includes prepayments on wages and social security contributions.

### *PROFIT AND LOSS ACCOUNT*

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

### *REVENUES*

#### *Revenues from typical assets*

In 2010 the Foundation received the following donations:

Donations from founder members	€	10.500,00.
Donations from third parties	€	51.622,00.
Use of availability funds	€	<u>7.500,00.</u>
Total	€	<u>69.622,00.</u>

Donations given by founder members have covered 60% of the managerial costs of the Foundation.

*Revenues from fund raising activities*

They represent donations from contributors during particular events in which the Foundation participates or events that it organises directly. The item is broken down as follows

VII Pro.Am	€ 260.320,00.
6th Stradivari Competition	€ 36.315,00.
“SMS solidale” campaign	€ 49.608,00.
“5 X Mille” donations	€ 7.535,00.
In-kind donations	€ 9.256,00.
Other donations	€ <u>500,00.</u>
Total	€ <u>363.534,00.</u>

The “5 per mille” donation relating to the 2007 income taxes, collected in December 2010, was used for the Objective no. 8 of the Vialli and Mauro Foundation, thus contributing to the AriSLA project and the funding of excellence projects in the field of scientific research on ALS. This expense was accounted for in a separate report, as required by law.

*Financial and equity revenues*

This item includes current account interest income for € 2,921 as well as capital gains from the reimbursement of fund shares for € 1,288, roundingoff and contingent assets for € 1.

*COSTS*

*Costs from typical assets*

They relate to the carrying out of the institutional activity and are broken down as follows:

- Services costs amounting to € 3,314 mainly refer to telephone, post office and couriers expenses as well as travel expenses;

- Personnel costs equal to € 34,090 relate to the staff employed in the institutional activity;
- Costs for projects amounting to € 190,752 refer to the carrying out of the following institutional projects:

Objective 4	€	7.500,00.
Objective 8	€	100.000,00.
Objective 9	€	30.000,00.
Objective 10	€	48.752,00.
Other donations	€	<u>4.500,00</u>
Total	€	<u>190.752,00.</u>

The other donations refer to the payment, occurred in February, of € 3,000 to the Solfrini family to contribute to the medical expenses of a patient affected by ALS and to an extraordinary donation, accomplished in June 2010, in favour of the Esquilino parents association of Rome for the Matibag championship.

The Mini-Basket initiative, at its 6<sup>th</sup> edition, has been adopted to promote a healthy and friendly type of sport and to raise awareness among very young people and their families on this issue.

#### *Costs for promotions and fund raising*

This item includes costs incurred for the Pro.Am events for an amount equal to € 110,358, for the Stradivari competition for € 24,020 and the “SMS sdidale” campaign for € 865.

The costs for ordinary promotion activities include costs relating to fund raising personnel, costs for occasional professional services, costs for telephone and post office services and travel expenses beside other sundry costs.

#### *Financial and equity costs*

They include default interests payable.

#### *Sundry operating costs*

They include the costs for the management of the Foundation.

### *Management surplus*

The management surplus, amounting to € 27,421. is equal to the difference between revenues for € 429,866 plus the funds for institutional purposes for € 7,500 on the one hand and management costs equal to € 409,945 on the other hand.

It is suggested that the surplus of the fiscal year is devoted to the funds available for institutional purposes.

### **Memorandum accounts**

They include the commitments undertaken that are not considered payables, namely a 10-year student grant with the Turin University for € 450,000 and the financing, together with the other members, of the research activities that will be promoted by AriSla with the allocation of € 100,000 per year for further 2 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 at the same time some items, which were involved banking movements, were not of economic importance in the Financial statements.

### **Statement of changes in funds**

	Equity	Funds set aside for institutional purposes	Free funds	Total
Beginning of year	60009	127.522	0	187.531
Surplus from previous year	27.421	0	0	27.421
Allocation to provisions	(9.009)	9.009	0	0
Use of funds	0	(7.500)	0	(7.500)

End of year	78.421	129.031	0	207.452
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**Privacy law**

Pursuant to the provision 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 requirements.

THE PRESIDENT