

The John D.V. Salvador  
Foundation, US

Financial Statements

for the year ended October 31, 2008  
(including Attestation Report)



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## Exhibit

|   |          |
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| <b>General Conditions of Assignment for Wirtschaftsprüfer and<br/>Wirtschaftsprüfungsgesellschaften in the version dated<br/>January 1, 2002.....</b> | <b>1</b> |
|---|----------|



# 1 Attestation Report Based on the Review

To The John D.V. Salvador Foundation

We have reviewed the accompanying annual financial statements comprising the statement of activities from November 1, 2007 to October 31, 2008 and the balance sheet as of October 31, 2008 as well as the notes to the annual financial statements of The John D.V. Salvador Foundation, New York. The preparation of the annual financial statements in accordance with accounting principles generally accepted in the United States is the responsibility of the The John D.V. Salvador Foundation's management. Our responsibility is to issue an attestation report on the annual financial statements based on our review.

We performed our review of the annual financial statements in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and conduct the review so that we can preclude through critical evaluation, with a certain level of assurance, that the annual financial statements have not been prepared, in material respects, in accordance with the requirements of accounting principles generally accepted in the United States. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review no matters have come to our attention that causes us to presume that the annual financial statements have not been prepared in material respects in accordance with the requirements of accounting principles generally accepted in the United States.

This review report is issued for information purposes to The John D.V. Salvador Foundation and must not be used in any other context than information purposes to the directors and officers of The John D.V. Salvador Foundation. This review report must not, in particular, be handed out to third parties or included in sales prospectuses or similar public documents or media.

Our assignment and professional liability is governed by the General Conditions of Assignment for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2002. By reading and using the information contained in this report, each recipient confirms notice of provisions of the General Conditions of Assignment (including the limitation of our liability as stipulated in No. 9) and accepts the validity of the attached General Conditions of Assignment with respect to us.

Frankfurt am Main, December 8, 2008

KPMG AG  
Wirtschaftsprüfungsgesellschaft

(vormals  
KPMG Deutsche Treuhand-Gesellschaft  
Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft)

|                   |                   |
|-------------------|-------------------|
| Becker            | Wiechens          |
| Wirtschaftsprüfer | Wirtschaftsprüfer |



## 2 Statement of Activities for the year ended October 31, 2008

|                                  | 2008*          | 2007*         |
|----------------------------------|----------------|---------------|
|                                  | \$             | \$            |
| <b>Revenues</b>                  |                |               |
| Contributions                    | 37,322         | 50,304        |
| Investment income                | 925            | 134           |
| <b>Total revenues</b>            | <b>38,247</b>  | <b>50,438</b> |
| <b>Expenses</b>                  |                |               |
| Program                          | -              | -             |
| Management and general           | 4,436          | 7,508         |
| <b>Total expenses</b>            | <b>4,436</b>   | <b>7,508</b>  |
| Increase in net assets           | 33,811         | 42,930        |
| Net assets at beginning of year  | 81,823         | 38,893        |
| <b>Net assets at end of year</b> | <b>115,634</b> | <b>81,823</b> |

\* All funds held by the foundation are unrestricted general funds.

See accompanying notes to financial statements.

### 3 Balance Sheet as of October 31, 2008

|   | 2008           | 2007          |
|---|----------------|---------------|
|   | \$             | \$            |
| <b>Assets</b>                           |                |               |
| Cash and cash equivalents               | 115,634        | 81,823        |
| <b>Total assets</b>                     | <b>115,634</b> | <b>81,823</b> |
| <b>Liabilities and net assets</b>       |                |               |
| Liabilities                             |                | -             |
| Unrestricted net assets                 | 115,634        | 81,823        |
| <b>Total liabilities and net assets</b> | <b>115,634</b> | <b>81,823</b> |

See accompanying notes to financial statements.

## 4 Notes to the Financial Statements

### **Note 1 - Nature of activities**

The John D.V. Foundation (the “Foundation”) was established in 2005. The objects of the charity are to relieve poverty, hardship and distress and to further the education of children and young people, in particular but not exclusively, in the Philippines by providing such funds to finance and support such projects as the trustees think fit.

### **Note 2 - Summary of accounting policies**

The following summary of accounting policies is to enhance the usefulness of the financial statements.

#### (a) Basis of presentation

The financial statements are presented in accordance with accounting principles generally accepted in the United States, in particular with the requirements of Statement of Financial Accounting Standard No. 117, *Financial Statements of Not-For-Profit Organizations*.

#### (b) Basis of accounting

The accompanying financial statements have been prepared using the accrual method of accounting. Under this method, revenue is recognized when earned and expenses are recognized when incurred.

#### (c) Contributions

Contributions are reported as revenues in the period received. All contributions to the Foundation to date have been unrestricted.

#### (d) Expenses

The cost of providing the program and supporting services have been summarized on a functional basis in the statement of activities.

(e) Taxation

The Foundation is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Exhibit