

The John D.V. Salvador Foundation, US

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED OCTOBER 31, 2006**

The John D.V. Salvador Foundation, US

Review Report

To The John D.V. Salvador Foundation

We have reviewed the accompanying financial statements comprising the statement of activities from November 1, 2005 to October 31, 2006 and the statement of position as of October 31, 2006 as well as the notes to the financial statements of The John D.V. Salvador Foundation. These financial statements in accordance with U.S. generally accepted accounting principles are the responsibility of the The John D.V. Salvador Foundation's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) applicable to review engagements. These standards require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements or are not presented fairly, in all material respects in accordance with U.S. generally accepted accounting principles.

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.

The John D.V. Salvador Foundation, US

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 10, 2006

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Becker
Wirtschaftsprüfer

Wiechens
Wirtschaftsprüfer

The John D.V. Salvador Foundation, US

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2006

	Unrestricted Funds	Restricted Funds	Total 2006
	\$	\$	\$
Revenues and gains			
Contributions	52,402	-	52,402
Investment income	1	-	1
Total revenues and gains	<u>52,403</u>	<u>-</u>	<u>52,403</u>
Expenses and losses			
Program	1,740	-	1,740
Management and general	11,770	-	11,770
Total expenses and losses	<u>13,510</u>	<u>-</u>	<u>13,510</u>
Increase in net assets	38,893	-	38,893
Net assets at beginning of year	-	-	-
Net assets at end of year	<u>38,893</u>	<u>-</u>	<u>38,893</u>

The accompanying notes form part of these financial statements.

The John D.V. Salvador Foundation, US

**STATEMENT OF POSITION
AS OF OCTOBER 31, 2006**

	2006
	\$
Assets	
Cash and cash equivalents	38,893
Total assets	<u>38,893</u>
Liabilities and net assets	
Unrestricted net assets	<u>38,893</u>
Total liabilities and net assets	<u><u>38,893</u></u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are material in relation to the financial statements.

- (a) Basis of preparation
The financial statements have been prepared in accordance with U.S. generally accepted accounting principles.
- (b) Incoming revenues and gains
All incoming revenues and gains are included in the Statement of Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Donations are recognised when received.
- (c) Expenses and losses expended
All expenses and losses are accounted for on an accruals basis and have been classified under headings that aggregate all costs related to the category. Management and general costs are those incurred in connection with management and administration of the charity and compliance with constitutional and statutory requirements.
- (d) Fund accounting
Funds held by the charity are unrestricted general funds. These are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- (e) Taxation
The charity is exempt from taxation on its charitable activities.