

**LAUREUS SPORT FOR GOOD FOUNDATION**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2007**

**Registered Charity Number: 1111364**

**Registered Company Number: 5083331**

**LAUREUS SPORT FOR GOOD FOUNDATION**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2007**

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## **LAUREUS SPORT FOR GOOD FOUNDATION**

### **REFERENCE AND ADMINISTRATIVE INFORMATION**

**YEAR ENDED 31 DECEMBER 2007**

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#### **Trustees and Directors**

Edwin Moses (Chairman)  
Dr Guy Sanan  
Boris Becker  
Nawal el Moutawakel (retired 12 November 2007)  
Dame Tanni Grey-Thompson (appointed 7 November 2007)  
Dr Olaf Goettgens (appointed 7 November 2007)

#### **Company Secretary**

Nicholas Garside

#### **Principal Address**

460 Fulham Road  
London  
SW6 1BZ

#### **Registered Office**

15 Hill Street  
London  
W1J 5QT

#### **Registered Charity Number**

1111364

#### **Registered Company Number**

5083331

#### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered accountants and registered auditors  
The Atrium  
1 Harefield Road  
Uxbridge  
UB8 1EX

#### **Bankers**

HSBC  
Poultry & Princes St Branch  
27-32 Poultry  
London  
EC2P 2BX

#### **Solicitors**

Farrer & Co  
66 Lincoln's Inn Fields  
London  
WC2A 3LH

# LAUREUS SPORT FOR GOOD FOUNDATION

## TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2007

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The Trustees, who are also directors of the Laureus Sport for Good Foundation ("Foundation") for the purposes of company law, present their annual report and audited financial statements of the charity for the year ended 31 December 2007. The financial statements have been prepared under the provisions of the Statement of Recommended Practice (SORP 2005) Accounting and Reporting by Charities, which was issued in March 2005, the Companies Act 1985 and the accounting policies set out on page 10.

### Reference and Administrative Information

Details of the current Trustees, senior management and advisers are given on page 1.

### Structure, Governance and Management

#### **Constitution**

The Foundation was incorporated as a company limited by guarantee on 24 March 2004 (Company No. 5083331) and registered as a charity with the UK Charity Commission on 19 September 2005 (Charity No. 1111364). It was established by its founding patrons, Richemont and Daimler.

#### **Organisation**

The day to day operations are controlled by the Foundation management team. This comprises a Global Director, International Development Manager, Global Project Coordinator. The management team report to the Board of Trustees.

The Trustees, who have overall control of the Foundation's operations, meet bi-annually to discuss Foundation performance and review and approve strategic business plans.

In addition, the management team report to the Trustees on a quarterly basis on the following:

- Financial Reporting
- Project Status
- Global and National Foundation reports

#### **Appointment of Trustees**

Trustees' appointments require approval from the members and existing trustees.

Trustees are appointed on the basis of what they can bring to the Foundation. Currently the board consists of trustees from Richemont and Daimler who bring corporate expertise and experience and sports people who bring their profile and sporting standing to help raise awareness.

Trustees are inducted when they join as to the objects of the Foundation, are given copies of the Memorandum and Articles together with the accounts and details of their responsibilities as trustees. Charity sector developments are discussed at Board meetings.

#### **Related Entities**

The Foundation receives administrative support from Laureus World Sports Awards Limited, whose principal activity is the promotion and staging of an annual world-wide sports awards ceremony. The Foundation has granted licenses to a number of national foundations which have similar objectives to the Foundation. Their results have not been consolidated with those of the Foundation as they are separately constituted charities and no control is exercised over their activities.

On 30 March 2006 Laureus Sport for Good Trading Limited was formed being 100% owned by the Foundation. The Foundation is therefore the ultimate parent entity of Laureus Sport for Good Trading Limited.

#### **Risk Management**

The Trustees have undertaken a review of the major risks that could face the charity and are satisfied that adequate measures are in place to minimise the impact of those risks. The major financial risks relate to exchange rate movements. The charity operates in stable markets and no measures are considered necessary to mitigate these risks.

## LAUREUS SPORT FOR GOOD FOUNDATION

### TRUSTEES' REPORT (continued)

YEAR ENDED 31 DECEMBER 2007

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#### Objects and Activities

##### ***Project funding policies and procedures***

All potential projects that request funding are sent an application for funding. This requires a financial report, project evaluation and a project budget. The applications are reviewed by management and the trustees of the Foundation annually and they decide what level of funding to award.

##### ***Objects***

The charitable objects of the Foundation are:

- the advancement through the medium of sport such charitable purposes as are capable of being so advanced; and
- such other charitable purposes associated with sport or physical recreation as the Trustees in their absolute discretion from time to time think fit.

This is achieved through the funding of suitable projects and promoting the awareness of sport through marketing and promotional activity.

##### ***Achievements and performance***

Notable achievements for the period include:

- During its third year of operation the foundation received a €166,730 donation from ICAP and raised further funds through activities held with ICAP.
- Donations from founding patrons totalled €1,649,253.
- Further donations in the year totalled €994,911 (2006: €160,566).
- These total donations funded 21 (2006: 28) projects in 2007.
- The total project funding was €1,908,266 (2006: €1,785,044) including project development and project support costs.
- Laureus Sport for Good Trading Limited raised €400,000 (2006: €410,161).

##### ***Financial Review***

In the Foundation's third year of trading, it has performed impressively generating consolidated donations of €2,810,894 (2006: €2,223,815). This was achieved through a solid business plan aimed at targeting existing partnerships and high net worth individuals with the potential to donate large sums to the Foundation.

Notable donations made this year included the following:

ICAP - €166,730 (2006: €558,608)

Daimler - €652,340 (2006: €651,000)

Richemont - €996,913 (2006: €853,641) of which €402,985 were for restricted purposes

Laureus Sport For Good Foundation, Monaco €898,225 (2006: €nil)

Resources expended consisted of €1,908,266 (2006: €1,785,044) spent on projects and €211,607 (2006: €248,528) spent on marketing and promoting awareness of sport. These figures include related support costs not just for projects financed by the Foundation but also support given to projects developed by the National Foundations. The level of support costs this year reflects the costs associated with evaluating and managing all the projects.

The net result for the year was a surplus of €488,769 (2006: €23,210), after accounting for costs borne on behalf of the charity.

Laureus Sport for Good Trading Limited, 100% owned by the Laureus Sport for Good Foundation, raised donations of €400,000 (2006: €410,161) and made donations of €400,000 (2006: €410,161) in the year. At 31 December 2007 the company had total assets of €100,656 (2006: €150,161) and total liabilities of €102,874 (2006: €150,161).

## LAUREUS SPORT FOR GOOD FOUNDATION

### TRUSTEES' REPORT (continued)

YEAR ENDED 31 DECEMBER 2007

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#### ***Reserves policy***

The trustees at the November trustees meeting determined the reserves policy. It was agreed that a prudent reserves policy would be to attain an accumulated reserves balance by the end of the 2009 financial year to match 3 months of fixed overheads and 25% of yearly project costs.

The trustees determined the policy after consideration to future charity needs and forecasts of donation income and expenditure based on planned activity.

The balance of the unrestricted funds account of €511,979 has been carried forward.

#### ***Future Plans***

The Foundation plans to focus on consolidating the growth that has been set in motion in 2007 and concentrate on developing the following areas:

##### Global Foundation Management

- Strengthening governance, particularly project management, managing application, evaluation and grant making methodology
- Coordinating and strengthening National Foundation Infrastructure

##### Fundraising

- Increasing fundraising activities directed at both corporate and individual donor communities.

##### Projects

- Funding existing and new projects that use the power of sport to achieve positive social change. The global foundation will aim to evaluate and support existing projects.
- Strengthening partnerships with key supported projects, which exemplify the Laureus Sport For Good Foundation mission.
- Identifying new projects aligned to the Foundations mission for potential support from the Foundation
- Working more closely with supporter project networks to research methodologies, successes and failures to enhance understanding of sports impact on communities.

##### Awareness and Marketing

- Renewing focus on communications and promotion of the Foundations mission to stakeholders.
- The Laureus Sport For Good Foundation is focused on communicating that sport is an effective tool for development amongst the international community.

#### ***Trustees' responsibilities in relation to the financial statements***

The Trustees, who are also directors of the charity for the purposes of Company Law are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period.

**LAUREUS SPORT FOR GOOD FOUNDATION**

**TRUSTEES' REPORT (continued)**

**YEAR ENDED 31 DECEMBER 2007**

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***Trustees' responsibilities in relation to the financial statements (continued)***

In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business,

The trustees confirm that they have complied with the above requirements in preparing the financial statements.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

***Disclosure of information to Auditors***

Each of the persons who is a trustee at the date of approval of this report confirms that:

1. so far as the trustee is aware, there is no relevant audit information of which the Company's auditors are unaware; and
2. the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

***Auditors***

During the year, PricewaterhouseCoopers LLP were re-appointed as auditors of the Foundation.

Approved by the Trustees on 8 July 2008 and signed on their behalf by:



Trustee, Chairman  
Date: 8 July 2008

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF LAUREUS SPORT FOR GOOD FOUNDATION

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We have audited the group and parent charity financial statements ("the financial statements") of Laureus Sport for Good Foundation for the year ended 31 December 2007, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of trustees and auditors**

The responsibilities of the trustees (who are also the directors of Laureus Sport for Good Foundation for the purposes of company law) for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the charitable company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group and charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent charitable company's affairs as at 31 December 2007 and of the consolidated incoming resources and application of resources, including the consolidated Statement of Financial Activities, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985: and
- the information given in the Trustees' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
West London



**LAUREUS SPORT FOR GOOD FOUNDATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

	<b>Note s</b>	<b>Unrestricted Funds 2007 €</b>	<b>Restricted Funds 2007 €</b>	<b>Total 2007 €</b>	<b>Total 2006 (Restated) €</b>
<b>Income and expenditure</b>					
<i>Incoming resources from generated funds</i>					
Donations	2	2,319,981	490,913	2,810,894	2,223,815
<b>Total incoming resources</b>		<u>2,319,981</u>	<u>490,913</u>	<u>2,810,894</u>	<u>2,223,815</u>
<b>Resources expended</b>					
<i>Cost of generating funds</i>					
Fundraising Costs	3	119,157	23,940	143,097	121,930
<i>Charitable Activities</i>					
Project Grants	4	1,441,293	466,973	1,908,266	1,785,044
Promotion & Awareness	5	211,607	-	211,607	248,528
<i>Governance Costs</i>	6	59,155	-	59,155	45,103
<b>Total resources expended</b>		<u>1,831,212</u>	<u>490,913</u>	<u>2,322,125</u>	<u>2,200,605</u>
<b>Net income</b>		488,769	-	488,769	23,210
Fund balances brought forward		<u>23,210</u>	<u>-</u>	<u>23,210</u>	<u>-</u>
<b>Fund balances carried forward as at 31 December 2007</b>	12	<u>511,979</u>	<u>-</u>	<u>511,979</u>	<u>23,210</u>

The accounts are prepared in Euros as the Trustees consider this to be the functional currency of the Foundation.

All of the above results relate to continuing activities.

All gains and losses recognised in the year are included above.

The notes on pages 10 to 15 form part of these financial statements.

LAUREUS SPORT FOR GOOD FOUNDATION

CONSOLIDATED BALANCE SHEET

AT 31 DECEMBER 2007

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	Notes	2007 €	2006 €
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	10	47,038	540,150
Cash at bank and in hand		1,586,015	768,677
		<u>1,633,053</u>	<u>1,308,827</u>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	11	<u>(1,121,074)</u>	<u>(1,285,617)</u>
		<u>511,979</u>	<u>23,210</u>
<b>NET CURRENT ASSETS AND TOTAL NET ASSETS</b>			
<b>Represented by:</b>			
Unrestricted Funds	12	511,979	23,210
Restricted Funds	12	-	-
		<u>511,979</u>	<u>23,210</u>

The Financial Statements were approved by the Trustees on 8 July 2008 and signed on their behalf by:



Trustee, Chairman  
Date: 8 July 2008

The notes on pages 10 to 15 form part of these financial statements.

LAUREUS SPORT FOR GOOD FOUNDATION

COMPANY BALANCE SHEET

AT 31 DECEMBER 2007

	Notes	2007 €	2006 €
<b>FIXED ASSETS</b>			
Investments	13	-	-
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	10	149,911	540,150
Cash at bank and in hand		1,485,359	768,677
		<u>1,635,270</u>	<u>1,308,827</u>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	11	<u>(1,121,074)</u>	<u>(1,285,617)</u>
<b>NET CURRENT ASSETS AND TOTAL NET ASSETS</b>		<u>514,196</u>	<u>23,210</u>
<b>Represented by:</b>			
Unrestricted Funds	12	514,196	23,210
Restricted Funds	12	-	-
		<u>514,196</u>	<u>23,210</u>

The Financial Statements were approved by the Trustees on 8 July 2008 and signed on their behalf by:



Trustee, Chairman  
Date: 8 July 2008

The notes on pages 10 to 15 form part of these financial statements.

**1. PRINCIPAL ACCOUNTING POLICIES**

**Basis of consolidation and preparation**

The consolidated statement of financial activities and balance sheet incorporate, using the acquisition accounting method, the results of the Laureus Sport for Good Foundation and its' subsidiary undertaking for the year ended 31 December 2007. Intra-group donations and expenses are eliminated fully on consolidation.

The financial statements are prepared under the historical cost convention in accordance with applicable accounting standards and the Statement of Recommended Practice, *Accounting and Reporting by Charities* (SORP 2005), issued in March 2005 and the Companies Act 1985. No parent company statement of financial activities is prepared, as permitted in the exemptions contained in SORP 2005. The results for the parent company are shown in note 12 to the accounts. The Foundation has taken advantage of the exemption from preparing a cash flow statement under FRS 1 on the basis that it is below the small companies thresholds.

The 2006 statement of financial activities has been restated to reclassify VAT expense from support costs to the category that the VAT expense related to, as the trustees believe this presents a fairer view of the Foundation's activities. The result of this reclassification was to decrease fundraising costs by €382, decrease project grants by €5,560, decrease promotion & awareness costs by €776 and increase governance costs by €6,718.

**Company status**

The Foundation is a company limited by guarantee. There are currently two members. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

**Donations and gifts**

Donations and gifts are included in the accounts in the year in which they are pledged.

**Fundraising**

Fundraising costs comprise those costs incurred in securing donations.

**Project grants**

Grants are included in the financial statements when approved by the Trustees and notified to recipients. The value of any committed grants unpaid at the year end is accrued. Grants offered that are subject to conditions that have not been met at the year end are noted as a commitment but not accrued as expenditure.

**Awareness and marketing**

Awareness and marketing costs comprise those costs incurred in generating awareness about the Foundation and what role sport can play in society.

**Support costs**

Support costs consist of costs associated with managing the charity and have been allocated to the principal activities of project grants, promotion and awareness and fundraising on the basis of the proportion of time spent.

**Governance costs**

Governance costs consist of those costs associated with the governance of the charity and are primarily in connection with constitutional and statutory requirements.

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

**Fund accounting**

Unrestricted funds are those funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Restricted funds are those which are required to be spent in accordance with the wishes of the donor.

LAUREUS SPORT FOR GOOD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2007

	2007 €	2006 € (Restated)
<b>2. DONATIONS</b>		
<b>Charitable donations</b>		
Richemont	593,928	443,641
Daimler	652,340	651,000
ICAP	166,730	558,608
Laureus Sport For Good Foundation, Monaco	898,225	-
Other	8,758	70,361
Laureus World Sports Awards Ltd	-	10,000
	<u>2,319,981</u>	<u>1,733,610</u>
<b>Fundraising Activities – Restricted Donations</b>		
Laureus Sport For Good Foundation, Argentina	87,928	41,030
Richemont	402,985	410,000
Operation Sneaker, Germany	-	39,175
	<u>490,913</u>	<u>490,205</u>
<b>Total Donations</b>	<u><u>2,810,894</u></u>	<u><u>2,223,815</u></u>
<b>3. FUNDRAISING</b>		<b>(Restated)</b>
Direct costs	96,605	80,324
Support costs	46,492	41,606
	<u>143,097</u>	<u>121,930</u>
<b>4. PROJECT GRANTS</b>		<b>(Restated)</b>
Grenada Relief Fund, Grenada	38,000	-
It's a Goal, UK	60,000	70,000
Mathare Youth Sports Association, Kenya	45,000	48,170
Perez Center, Israel / Palestine	45,000	45,000
Fight for Peace, Brazil	72,308	45,000
Special Olympics, Unified Sports Programme, China	50,000	45,000
Community Based Aids Project, Uganda	23,000	30,000
SKSN Project, India	24,000	15,500
Youth Sports Foyle, Ireland / Northern Ireland	28,000	27,000
Indigenous Sports Programme, Australia	20,000	22,000
Sao Paulo Meninos do Morumbi, Brazil	25,000	32,000
West City Mendoza, Argentina	25,000	25,000
Magic Bus Project, India	28,000	28,000
Foundation Gonzolo, Uruguay	20,985	25,000
Operation Breakthrough, Hong Kong	15,000	11,000
Spirit of Soccer, Cambodia	70,000	65,000
Right to Play, Sierra Leone	40,000	40,000
San Isidro Foundation, Argentina	10,000	25,000
Laureus Sport For Good Foundation, Italy	50,000	50,000
Laureus Sport For Good Foundation, France	50,000	50,000
Laureus Sport For Good Foundation, USA	50,000	50,000

**LAUREUS SPORT FOR GOOD FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 DECEMBER 2007**

	<b>2007</b> €	<b>2006</b> € (Restated)
<b>4. PROJECT GRANTS (continued)</b>		
Laureus Sport For Good Foundation, South Africa	100,000	-
Laureus Sport For Good Foundation, Spain	50,000	50,000
Laureus Sport For Good Foundation, Germany	50,000	50,350
Laureus Sport For Good Foundation, Switzerland	50,000	160,000
Laureus Sport For Good Foundation, Argentina	163,988	37,518
Foundation of Goodness, Sri Lanka	12,000	10,000
ISLP, Britain	-	65,476
Fight for Peace, London	53,000	-
Association Marocaine Sport ET Development, Morocco	20,000	-
Playing For Peace, South Africa	-	3,960
Social Impact Research Grant	-	49,957
Project development & support costs – Foundation projects	268,100	348,066
Project development & support costs – National Foundation Projects	351,885	261,047
	<u>1,908,266</u>	<u>1,785,044</u>
<b>5. PROMOTION &amp; AWARENESS</b>		
Project visits	48,075	78,206
Promotional activities	94,782	85,517
Project visit & promotional support costs – Foundation projects	29,730	48,460
Project visit & promotional support costs – National Foundation Projects	39,020	36,345
	<u>211,607</u>	<u>248,528</u>
<b>6. GOVERNANCE COSTS</b>		
Audit fee	20,034	17,624
Legal and other professional fees	39,121	27,479
	<u>59,155</u>	<u>45,103</u>
The audit fee is in relation to the parent company only.		
<b>7. SUPPORT COSTS</b>		
Management costs	544,151	532,051
Accountancy	3,619	15,020
Exchange losses	39,391	25,974
Other	148,066	162,478
	<u>735,227</u>	<u>735,523</u>

# LAUREUS SPORT FOR GOOD FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2007

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### 7. SUPPORT COSTS (continued)

Support costs are allocated to the primary activities of the Foundation being funding projects and developing and promoting the Foundation. The allocation is based on the time required by management and the supporting function to achieve these objectives. These costs are further analysed between supporting the Foundation and national foundations on the same time allocation basis.

#### Foundation Team Members

The following Foundation team members are on secondment from Laureus World Sports Awards Ltd:

- Global Director (appointed position June 2007);
- International Development Manager; and
- Global Project Coordinator

The salary related costs of €384,734 (2006: €318,815) are recharged by Laureus World Sports Awards Limited to the company and are included within management costs. In addition to this, a service level agreement is in place with Laureus World Sports Awards Ltd to provide key personnel in an advisory capacity to the Foundation. One employee is paid between €80,000 and €90,000 and also receives a contribution to a stakeholder pension.

### 8. TAXATION

The Foundation has no liability to corporation tax in the year (2006: €Nil). The Foundation is entitled to certain exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the Foundation's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Foundation is not registered for VAT.

### 9. TRUSTEES' REMUNERATION

The trustees neither received nor waived any emoluments nor were any expenses reimbursed to the trustees during the year.

10. DEBTORS: amounts falling due within one year	2007	2007	2006
	€	€	€
	Group	Company	Group and Company
Donation receivable	-	-	437,338
Laureus Sport for Good Trading Limited	-	102,873	-
Laureus Sport for Good Foundation – Monaco	45,690	45,690	94,500
Other Debtors	1,348	1,348	8,312
	<u>47,038</u>	<u>149,911</u>	<u>540,150</u>

LAUREUS SPORT FOR GOOD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2007

11. CREDITORS: amounts falling due within one year	2007 € Group and Company	2006 € Group and Company
Accruals	340,952	141,634
Laureus World Sports Awards Ltd	780,122	1,143,983
	<u>1,121,074</u>	<u>1,285,617</u>

Repayment terms between entities within the Laureus group are 12 months. The 2006 liability of €1,143,983 has been fully repaid in 2007.

12. GROUP AND COMPANY STATEMENT OF FUNDS

Group	1 January 2007 €	Income €	Expenditure €	31 December 2007 €
<i>Unrestricted</i>	23,210	2,319,981	(1,831,212)	511,979
<i>Restricted</i>	-	490,913	(490,913)	-
<b>Total Group</b>	<u>23,210</u>	<u>2,810,894</u>	<u>(2,322,125)</u>	<u>511,979</u>
Company	1 January 2007 €	Income €	Expenditure €	31 December 2007 €
<i>Unrestricted</i>	23,210	2,319,981	(1,828,995)	514,196
<i>Restricted</i>	-	490,913	(490,913)	-
<b>Total Company</b>	<u>23,210</u>	<u>2,810,894</u>	<u>(2,319,908)</u>	<u>514,196</u>

## LAUREUS SPORT FOR GOOD FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2007

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#### 12. GROUP AND COMPANY STATEMENT OF FUNDS (Continued)

The unrestricted fund represents the free funds of the charity that have not been designated for particular purposes.

The restricted fund consists of a donation specifically for the following charities:

- Laureus Sport For Good Foundation, Italy
- Laureus Sport For Good Foundation, France
- Laureus Sport For Good Foundation, USA
- Laureus Sport For Good Foundation, Spain
- Laureus Sport For Good Foundation, Germany
- Laureus Sport For Good Foundation, Switzerland
- Laureus Sport For Good Foundation, Argentina
- Laureus Sport For Good Foundation, South Africa

The restricted fund was fully spent during the year.

#### 13. INVESTMENTS

On 30 March 2006 Laureus Sport for Good Trading Limited was formed in the UK and is 100% owned by the Laureus Sport for Good Foundation. Laureus Sport for Good Trading Limited will support charitable purposes through the medium of sport or activities associated with sport or physical recreation. Laureus Sport for Good Trading Limited raised donations of €400,000 (2006: €410,161) and made donations of €400,000 (2006: €410,161) in the year. At 31 December 2007 the company had total assets of €100,656 (2006: €150,161) and total liabilities of €102,874 (2006: €150,161).

#### 14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption conferred by Financial Reporting Standard No 8 paragraph 3c not to make disclosures concerning transactions with entities that are part of the group.

Dr Guy Sanan and Dr Olaf Goettgens, who are trustees of the Foundation, are also directors of Laureus World Sports Awards Limited. Laureus World Sports Awards Limited is a related entity as a result of these common directors. In the year Laureus World Sports Awards Limited donated €Nil (2006: €10,000) to the company, paid costs of €981,777 (2006: €1,143,982) on the company's behalf and recharged these costs to the company.

Donations from the founding patrons were €996,913 (2006: €853,641) from Richemont and €652,340 (2006: €651,000) from Daimler.