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***The Institute for  
Global Financial  
Integrity, a.s.b.l.  
Association sans but  
lucratif***  
Annual accounts as at  
June 30, 2016

## The Institute for Global Financial Integrity, a.s.b.l.

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To the shareholders of  
The Institute for Global Financial Integrity, a.s.b.l.  
LUXEMBOURG

### **Report of the *Commissaire***

In accordance with the legal and statutory provisions, we have the honour to report on the execution for the year ended June 30, 2016 of the assignment as statutory auditor which you have entrusted to us.

We have carried out our mandate on the basis of article 62 of the law of August 10, 1915, as amended, which does not oblige the statutory auditor to give an opinion on the annual accounts. We therefore have not examined the annual accounts in accordance with International Standards on Auditing or International Standard on Review engagements and accordingly express no opinion thereon.

We have ascertained that the annual accounts as at June 30, 2016, showing a balance sheet total of EUR 32 971 and a loss for the year of EUR 3 980 reflect the accounting books and vouchers which have been submitted to us.

Statutory auditor



Martin Flaunet  
*Commissaire*

Luxembourg, November 14<sup>th</sup>, 2016



# The Institute for Global Financial Integrity, a.s.b.l.

## Balance sheet as at June 30, 2016

Denominated in EUR

	Note(s)	2016	2015
<b>ASSETS</b>			
Current assets			
• trade receivables			
- becoming due and payable within one year	3	4 160	6 040
• cash at bank, cash in postal cheque accounts, cheques and cash in hand		28 811	31 711
<b>Total Assets</b>		<b><u>32 971</u></b>	<b><u>37 751</u></b>
<b>LIABILITIES</b>			
Accumulated Funds			
• result brought forward		35 951	46 279
• result for the financial year		<u>(3 980)</u>	<u>(10 328)</u>
		31 971	35 951
Non subordinated debts			
• trade creditors			
- becoming due and payable within one year		1 000	1 800
<b>Total Liabilities</b>		<b><u>32 971</u></b>	<b><u>37 751</u></b>

The accompanying notes form an integral part of these annual accounts.

**The Institute for Global Financial Integrity, a.s.b.l.**

**Profit and loss account for the year ended June 30, 2016**  
**Denominated in EUR**

	Note(s)	2016	2015
<b>CHARGES</b>			
Other external charges	4	26 385	27 603
Other operating charges	5	2 500	-
<b>Total Charges</b>		<b><u>28 885</u></b>	<b><u>27 603</u></b>
<b>INCOME</b>			
Membership dues for the year	6	15 625	17 250
Membership fees – credit notes		-	(6 500)
Other operating income	7	9 280	6 525
<b>Loss for the financial year</b>		<b><u>3 980</u></b>	<b><u>10 328</u></b>
<b>Total Income</b>		<b><u>28 885</u></b>	<b><u>27 603</u></b>

The accompanying notes form an integral part of these annual accounts.

# **The Institute for Global Financial Integrity, a.s.b.l.**

## **Notes to the annual accounts as at June 30, 2016**

### **Note 1 - General information**

The Institute for Global Financial Integrity, a.s.b.l., (hereafter “the Association”) was incorporated on May 12, 2009 for an unlimited period under the amended law of April 21, 1928 on non profit organizations and foundations.

The Articles of Incorporation were published in the Memorial C, Recueil Spécial des Sociétés et Associations on May 12, 2009.

The registered office of the Association is established at 5-7, rue Munster, L-2160 Luxembourg.

The Association’s financial year starts on July 1<sup>st</sup> and ends on June 30<sup>th</sup> of each year.

The main activity of the Association is to be a platform for all key players engaged in the Global Financial Sector and its related activities in order to serve as a Centre of Excellence and a Forum on the four core areas affected by financial integrity (hereinafter called the “Four Core Areas”), namely:

- regulation, oversight and enforcement of such regulation,
- compliance, governance and social responsibility,
- money laundering,
- funding of terrorism and organized crime.

The Association shall provide also research and advisory services in support of its members, with regard to the Four Core Areas. The association may carry out any operation which is deemed useful in the accomplishment of its purpose, remaining always, however within the limits established by the law of April 21, 1928 as amended.

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

#### **2.1 Basis of preparation**

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements and generally accepted accounting practices.

#### **2.2 Significant accounting policies**

The main valuation rules applied by the Association are the following:

##### **2.2.1 Debtors**

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

# The Institute for Global Financial Integrity, a.s.b.l.

## Notes to the annual accounts as at June 30, 2016

### Note 2 - Summary of significant accounting policies (cont.)

#### 2.2 Significant accounting policies (cont.)

##### 2.2.2 Foreign currency translation

The Association maintains its books and records in EUR.

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historic exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses are recorded in the profit and loss account. The realized exchange gains are recorded in the profit and loss account at the moment of their realisation.

##### 2.2.3 Recognition of the membership dues

The initial and yearly membership dues are booked based on the accounting year (from July 1, 2015 until June 30, 2016).

### Note 3 – Trade receivables

The trade receivables are composed by the unpaid yearly membership dues in relation with the accounting year 2015 (EUR 1 500) and the unpaid yearly membership dues in relation with the accounting year 2016 (EUR 2 250). Moreover, some participants have still not paid their participation to different lunches organised during the accounting years 2015 and 2016 (EUR 410).

### Note 4 – Other external charges

The other external charges correspond to the general expenses of the Association and are composed as follows:

	(EUR)
Lunch events	9 229
Travel expenses	1 728
Consultancy fees	12 000
Office expenses and telecommunication costs	3 397
Bank expenses and similar charges	31
<b>Total</b>	<b><u>26 385</u></b>



## The Institute for Global Financial Integrity, a.s.b.l.

### Notes to the annual accounts as at June 30, 2016

#### Note 5 – Other operating charges

The other operating charges are composed by unpaid lunches and membership fees prior to the accounting year 2015.

#### Note 6 – Membership dues

As at June 30, 2016, the membership dues are composed of initial as well as yearly dues (corresponding to the 2016 accounting year) to be paid by the members of the Association. The membership dues are composed as follows:

	<b>Yearly dues (EUR)</b>
Sandstone Luxembourg S.A. (Charter member) <sup>(1)</sup>	-
Société de la Bourse de Luxembourg S.A. (Charter member)	2 000
Deloitte Audit S.à r.l. (Charter member)	2 000
KPMG (Sustaining member)	2 000
Arendt & Medernach (Corporate/Institutional member)	1 000
PwC, Société coopérative (Corporate/Institutional member)	1 000
Beerens & Leeremakers (Corporate/Institutional member)	1 000
Clifford Chance (Corporate/Institutional member)	1 000
Chambre de Commerce (Corporate/Institutional member)	1 000
European Investment Fund (Corporate/Institutional member)	1 000
Mr. Peter Spinnler (Professional individual member)	250
Mr. David O Clark (Professional individual member)	250
Mr. Greg Robinson-Kok (Professional individual member)	250
Mr. Patrick Zurstrassen (Professional individual member)	250
Mrs. Rosa Villalobos (Academe individual member)	250
Mrs. Deidre McCabe (Professional individual member)	250
Mr. Serge Kolb (Professional individual member)	250
Mr. Michel Maquil (Professional individual member)	250
Mr. Eric Van de Kerkhove (Professional individual member)	250
Mr. Claes-Johan Geijer (Professional individual member)	250
Mr. Clive Munn (Professional individual member)	1 125
<b>Total</b>	<b><u>15 625</u></b>

<sup>(1)</sup> By decision of the board of directors, the contribution fees made by Sandstone Luxembourg S.A. for the set-up funding of the Association, will be allocated for the payment of the current and future dues.

#### Note 7 – Other operating income

The other operating income is composed by the lunches paid by the participants to the different lunch events organized by the Association during the accounting year 2016.

# **The Institute for Global Financial Integrity, a.s.b.l.**

## **Notes to the annual accounts as at June 30, 2016**

### **Note 8 – Contribution of services**

In addition of the yearly membership dues (see note 6), certain founder-members and other members made significant contributions of services to the Association for the accounting year 2016.