
***The Institute for
Global Financial
Integrity, a.s.b.l.
Association sans but
lucratif***
Annual accounts as at
June 30, 2011

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, 2011 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, 2011, showing a balance sheet total of EUR 13 285 and a profit for the year of EUR 13 371 reflect the accounting books and vouchers which have been submitted to us.

Statutory auditor

A handwritten signature in black ink, consisting of several overlapping loops and lines, positioned above the printed name of the auditor.

Martin Flaïnet
Commissaire

Luxembourg, November 2nd, 2011

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

Balance sheet as at June 30, 2011
Denominated in EUR

	Note(s)	2011	2010
ASSETS			
Current assets			
- other debtors	3		
• becoming due and payable within one year		<u>10 390</u>	<u>750</u>
		10 390	750
• cash at bank, cash in postal cheque accounts, cheques and cash in hand		2 895	4 883
Total Assets		<u>13 285</u>	<u>5 633</u>
LIABILITIES			
Accumulated Funds			
• result brought forward		(4 186)	9 058
• result for the financial year		<u>13 371</u>	<u>(13 244)</u>
		9 185	(4 186)
Creditors			
• trade creditors			
- becoming due and payable within one year		-	2 319
• amounts owed to Bourse de Luxembourg	4		
- becoming due and payable within one year		4 000	4 000
• other creditors			
- becoming due and payable within one year		<u>-</u>	<u>2 500</u>
		4 000	8 819
Accruals and deferred income		<u>100</u>	<u>1 000</u>
Total Liabilities		<u>13 285</u>	<u>5 633</u>

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, 2011**

Denominated in EUR

	Note(s)	2011	2010
CHARGES			
Other external charges	5	8 853	20 169
Staff costs			
• Compensation of executive director		4 500	34 825
Extraordinary charges	6	566	-
Profit for the financial year/period		<u>13 371</u>	<u>-</u>
Total Charges		<u>27 290</u>	<u>54 994</u>
INCOME			
Membership dues	7	17 750	35 250
Other operating income	8	9 540	-
Extraordinary Income		-	6 500
Loss for the financial year		<u>-</u>	<u>13 244</u>
Total Income		<u>27 290</u>	<u>54 994</u>

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, 2011

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 as amended.

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 1st and ends on June 30th 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 it may 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.

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

Notes to the annual accounts as at June 30, 2011

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

2.2 Significant accounting policies

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

2.2.1 Current 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.

2.2.2 Foreign currency translation

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 Accruals and deferred income

This liability item includes income received during the financial year but relating to a subsequent financial year.

2.2.4 Recognition of the membership dues

The initial and yearly membership dues are booked based on the accounting year (from July 1, 2010 until June 30, 2011).

Note 3 – Other debtors

The other debtors are composed by the unpaid membership dues in relation with the accounting year 2010 (EUR 750) and the yearly membership dues in relation with the accounting year 2011 (EUR 8 750). Moreover, some participants have still not paid their participation to different lunches organised during the accounting year 2011 (EUR 890).

The Institute for Global Financial Integrity, a.s.b.l.**Notes to the annual accounts as at June 30, 2011****Note 4 – Amounts owed to Bourse de Luxembourg**

As charter member of the Association, Bourse de Luxembourg granted a short term loan in order to allow the Association to conduct a study “Financial Market Integrity Field Survey of Luxembourg”.

Note 5 – Other external charges

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

	(EUR)
Office supplies	219
Lunch events	8 463
Internet costs	97
Travel	66
Postage	-
Bank expenses and similar charges	<u>8</u>
Total	8 853

Note 6 – Extraordinary charges

The extraordinary charges are composed by advances given to Mr McNeill.

The Institute for Global Financial Integrity, a.s.b.l.**Notes to the annual accounts as at June 30, 2011****Note 7 – Membership dues**

As at June 30, 2011, the membership dues are composed of initial as well as yearly dues (corresponding to the 2011 accounting year) to be paid by the members of the Association. The membership dues are composed as follows:

	Yearly dues (EUR)
Sandstone Luxembourg S.A. (Charter member) ⁽¹⁾	-
Société de la Bourse de Luxembourg S.A. (Charter member)	2 000
Deloitte S.A. (Charter member)	2 000
KPMG (Institutional member) ⁽²⁾	8 000
PricewaterhouseCoopers S.à r.l. (Regular member)	500
Arendt & Medernach (Regular member)	500
Nucleus Euro-Advisors (Regular member)	1 000
Crédit Agricole Luxembourg Private Bank (Regular member)	500
European Investment Bank (Regular member)	500
ING Luxembourg S.à r.l. (Regular member)	500
Mr. Peter Spinnler (Regular member)	500
Mr. Gilbert McNeill (Individual member)	500
The CFA Institute (Individual member)	250
Mr. Jean-Noël Lequeue (Individual member)	250
Mr. David O Clark (Individual member)	250
Mr. Yves Wagner (Individual member)	250
Mr. Patrick Zurstrassen (Individual member)	<u>250</u>
Total	<u>17 750</u>

⁽¹⁾ 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.

⁽²⁾ KPMG paid the annual membership dues for the accounting years 2010 and 2011, including the initial membership dues in relation with the accounting year 2010.

Note 8 – 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 2011.

Note 9 – Contribution of services

In addition of the yearly membership dues (see note 7), certain founder-members made significant contributions of services to the Association for the accounting year 2011.