

**THE INSTITUTE FOR GLOBAL  
FINANCIAL INTEGRITY, A.S.B.L.  
Association sans but lucratif**

**Comptes annuels au  
30 juin 2010**

**THE INSTITUTE FOR GLOBAL FINANCIAL INTEGRITY, A.S.B.L.  
Association sans but lucratif  
F7942**

**The Institute for Global Financial Integrity,  
a.s.b.l.  
Association sans but lucratif**

**Annual accounts as at June 30, 2010**

5-7, rue Munster  
L-2160 Luxembourg  
**R.C.S. Luxembourg : F0007942**

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

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

## REPORT OF THE *COMMISSAIRE*

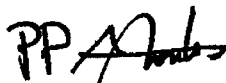
In accordance with the legal and statutory provisions, we have the honour to report on the execution for the year ended June 30, 2010 of the assignment as statutory auditor which you have entrusted to us.

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, 2010, showing a balance sheet total of EUR 5 633 and a loss for the year of EUR 13 244 reflect the accounting books and vouchers which have been submitted to us.

Statutory auditor

Deloitte S.A.



Martin Flaunet  
*Partner*

Luxembourg, November 18, 2010

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

Balance sheet as at June 30, 2010  
Denominated in EUR

	Note(s)	2010	2009
<b>ASSETS</b>			
Current assets			
- other debtors • becoming due and payable within one year	3	<u>750</u> 750	<u>21 000</u> 21 000
• cash at bank, cash in postal cheque accounts, cheques and cash in hand		4 883	1 498
<b>Total Assets</b>		<b><u>5 633</u></b>	<b><u>22 498</u></b>
<b>LIABILITIES</b>			
Accumulated Funds			
• result brought forward		9 058	-
• result for the financial year		(13 244) (4 186)	<u>9 058</u> 9 058
Creditors			
• trade creditors - becoming due and payable within one year		2 319	4 440
• amounts owed to Bourse de Luxembourg - becoming due and payable within one year	4	4 000	-
• other creditors - becoming due and payable within one year	5	<u>2 500</u> 8 819	<u>9 000</u> 13 440
Accruals and deferred income		<u>1 000</u>	-
<b>Total Liabilities</b>		<b><u>5 633</u></b>	<b><u>22 498</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, 2010  
Denominated in EUR

	Note(s)	2010	From 12/05/09 to 30/06/09
<b>CHARGES</b>			
Other external charges	7	20 169	4 442
Staff costs			
• Compensation of executive director		<u>34 825</u>	<u>9 000</u>
<b>Profit for the financial year/period</b>		<u>-</u>	<u>9 058</u>
<b>Total Charges</b>		<u>54 994</u>	<u>22 500</u>
<b>INCOME</b>			
Membership dues	8	35 250	22 500
Extraordinary Income	9	6 500	-
<b>Loss for the financial year/period</b>		<u>13 244</u>	<u>-</u>
<b>Total Income</b>		<u>54 994</u>	<u>22 500</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, 2010**

**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 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 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.

**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.

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

**Notes to the annual accounts as at June 30, 2010**

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

**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, 2009 until June 30, 2010).

**Note 3 – Other debtors**

The other debtors are composed by unpaid initial and yearly membership dues in relation with the accounting year 2010.

**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 creditors**

As at June 30, 2010, the Association booked an accrual corresponding to fees in relation with the services provided by the executive director.

**Note 6 - Accruals and deferred income**

During the current accounting year, the Association received yearly membership dues from certain members in relation with the accounting year 2011.



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

**Notes to the annual accounts as at June 30, 2010**

**Note 7 – Other external charges**

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

	(EUR)
Office supplies	6 425
Reception and representation expenses	9 751
Internet costs	1 311
Travel	946
Postage	1 713
Bank expenses and similar charges	<u>23</u>
<b>Total</b>	<b>20 169</b>

**Note 8 – Membership dues**

As at June 30, 2010, the membership dues are composed of initial as well as yearly dues (corresponding to the 2010 accounting year) paid by the members of the Association. The membership dues are composed as follows:

	Initial dues (EUR)	Yearly dues (EUR)
Sandstone S.A. (Charter member) (*)	-	-
Bourse de Luxembourg (Charter member)	-	2 000
Deloitte S.A. (Charter member as from 2010)	10 000	2 000
PricewaterhouseCoopers S.à r.l. (Regular member)	-	500
Arendt & Medernach (Regular member)	-	500
Nucleus Euro-Advisors (Regular member as from 2010)	2 500	500
Crédit Agricole (Regular member as from 2010)	2 500	500
BEI (Regular member as from 2010)	2 500	500
Robeco (Regular member as from 2010)	2 500	500
ING (Regular member as from 2010)	2 500	500
Mr. Gilbert McNeill (Individual)	-	250
Mr. Jean-Noël Lequeue (Individual member as from 2010)	1 250	250
Mr. David O Clark (Individual member as from 2010)	1 250	250
Mr. Charles Cronin (Individual member as from 2010)	1 250	250
Mr. Yves Wagner (Individual member)	-	250
Mr. Patrick Zurstrassen (Individual member)	<u>-</u>	<u>250</u>
<b>Total</b>	<b><u>26 250</u></b>	<b><u>9 000</u></b>

(\*) By decision of the board of directors, the contribution fees made by Sandstone S.A. for the set-up funding of the Association, will be allocated for the payment of the current and future dues.

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

**Notes to the annual accounts as at June 30, 2010**

**Note 9 – Extraordinary Income**

During the accounting year 2010, Sandstone S.A. made a contribution for studies amounting to EUR 5 000.

Moreover, Mr. McNeill (Individual member) has decided to pay additional membership dues for a total amount of EUR 1 500.

**Note 10 – Contribution of services**

In addition of the yearly membership dues (see note 8), certain founder-members made significant contributions of services to the Association for the accounting year 2010.