



**TRANSPARENCY  
INTERNATIONAL**  
the global coalition against corruption

**TRANSPARENCY INTERNATIONAL e. V.**

**BERLIN, GERMANY**

FINANCIAL STATEMENTS

for the year ended 31 December 2014



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## General information

<b>Board of Directors</b>	José Ugaz	Peru	Chair, elected Oct. 2014
	Elena A. Panfilova	Russia	Vice Chair, elected Oct. 2014
	Sion Assidon	Morocco	elected Oct. 2014
	Emile Carr	Sierra Leone	elected Oct. 2014
	Jeremy Carver	United Kingdom	elected Oct. 2014
	Mercedes de Freitas	Venezuela	elected Oct. 2014
	Mark Mullen	Georgia	elected Oct. 2014
	Sergej Muravjov	Lithuania	
	Natalia Soebagjo	Indonesia	
	Elizabeth Ungar Bleier	Columbia	
	J.C. Weliamuna	Sri Lanka	
	Iftekhar Zaman	Bangladesh	
	Huguette Labelle	Canada	Chair, until Oct. 2014
	Akere T. Muna	Cameroon	Vice Chair, until Oct. 2014
	Jermyn Brooks	UK/Germany	until Oct. 2014
	Rueben L. Lifuka	Zambia	until Oct. 2014
	Delia Matilde Ferreira Rubio	Argentina	until Oct. 2014

**Managing Director** Cobus de Swardt

**Registered Office** Alt Moabit 96  
10559 Berlin  
Germany  
Tel: +49 - 30 - 34 38 20 0  
Fax: +49 - 30 - 34 70 39 12  
email: [ti@transparency.org](mailto:ti@transparency.org)  
website: [www.transparency.org](http://www.transparency.org)

Registered at: Amtsgericht Charlottenburg  
Vereinsregister number: VR 13598 B  
Date of latest change: 02/12/2014

Tax Assessed at: Finanzamt für Körperschaften I  
Bredtschneiderstraße 5  
14057 Berlin  
Germany  
Tax number: 27/678/51105  
Date of latest triennial exemption: 05/05/2014  
Value Added Tax (VAT) identification number: DE273612486

## General Information

**Auditors** KPMG AG  
Wirtschaftsprüfungsgesellschaft  
Klingelhöferstraße 18  
10785 Berlin  
Germany

**Banks** Commerzbank AG  
Theodor-Heuss-Platz 6  
10877 Berlin  
Germany

Deutsche Bank  
Unter den Linden 13/15  
10117 Berlin  
Germany

## **Report of the Managing Director**

The Managing Director has the pleasure of presenting the Financial Statements of Transparency International e.V. (Secretariat) – henceforth referred to as TI-S or the Secretariat, for the year ended 31 December 2014.

### **Organisation Overview**

Transparency International is the global civil society organisation leading the fight against corruption; through more than 100 chapters, chapters in formation and contact groups worldwide and an international Secretariat in Berlin, it raises awareness of the damaging effects of corruption and works with partners in government, business and civil society to develop and implement effective measures to tackle corruption.

The Secretariat, Transparency International e.V., a Berlin registered not-for-profit association, serves a charitable purpose in compliance with its charter and is recognised by the Berlin authorities as being exempt from income tax.

The Secretariat is led by a Board of Directors, which is responsible for determining the organisation's strategy and policies and supervising its activities. The Board is elected by the Association's members, comprising representatives from national chapters and individual members at the Annual Membership Meeting.

The Managing Director acts on behalf of the Board of Directors on the basis of a power of attorney that is registered.

The Management Group of the Secretariat, composed of all Group Directors, have conducted a thorough review of the current and future financial situation of the organisation and consider that the organisation remains a going concern.

### **Key Events**

Total income for TI-S for 2014 remained in line with 2013, with total income (Donor, Finance and Other income) decreasing slightly from €27,034,173 in 2013 to €26,906,872. Total Comprehensive Income reached €161,761 (2013: €110,675) increasing total reserves to €3,621,744 (2013: €3,459,983).

### **Strategy**

In November 2010 Transparency International adopted a new five-year strategy that set out a number of important directions for the TI movement over the coming years, focusing on six strategic priorities, which are being addressed as follows:

## Report of the Managing Director (continued)

- Priority 1- People: “Increased empowerment of people and partners around the world to take action against corruption”.
  - This is being implemented by the development and management of a comprehensive People Engagement Programme, supporting our national chapters to engage new audiences and stakeholder groups in the fight against corruption, with a particular focus on the victims and witnesses of corruption.
- Priority 2- Institutions: “Improved implementation of anti-corruption programmes in leading institutions, businesses and the international financial system”.
  - We are implementing a Public Sector Integrity Programme that works with national chapters to diagnose and help to solve priority corruption risks and supports thematic network initiatives– involving both the movement and external partners on key public sector integrity issues around the world.
- Priority 3- Laws: “More effective enforcement of laws and standards around the world and reduced impunity for corrupt acts”.
  - As well as undertaking global advocacy, we are supporting national chapters and external partners to leverage international conventions and existing legal frameworks to further their national anti-corruption agendas and in their fight against impunity for corruption offenses by acting as a learning platform.
- Priority 4- Values: “Higher levels of integrity demonstrated by organisations and people, especially youth and those in leadership positions around the world”.
  - The Secretariat is supporting the establishment of a Youth Network and works to enhance the integrity of future business leaders, via the Business Integrity Programme.
- Priority 5- Network: “Strengthened ability to work together”.
  - We are expanding the knowledge base of our diverse movement, to promote ever more effective anti-corruption solutions that have a real impact on people’s lives.
  - The Secretariat provides support to thematic networks that involve national chapters and takes the lead in establishing effective knowledge management platforms and processes and continues to lead on global Research and Knowledge tools.
- Priority 6- Impact: “Enhance responsiveness, presence, performance and impact at all levels”.
  - We are strengthening the individual and collective performance of all parts of our diverse movement, ensuring that we have a strong presence and anti-corruption voice nationally, regionally and globally. Additionally, by implementing the Institutional Network Strengthening Programme, the Secretariat is supporting chapters at different levels of development to enhance their capacity.

## **Report of the Managing Director (continued)**

### **Risk Management**

The Board has ultimate responsibility for risk management at the Secretariat. To that extent, it has ensured that there are structures and processes in place to facilitate the effective management of risk.

The Board has delegated responsibility for routine oversight of risk management arrangements to the Audit Committee, from which it receives regular reports, as well as direct reports from the Management Group, on the management of major risks.

The Audit Committee has reviewed the risk management arrangements, and considers that they are sufficient to ensure that major risks are identified and systems are established to manage them. The Audit Committee regularly receives updates on risk management and reviews the overall systems and processes on risk management yearly.

An internal Risk Management Committee oversees organisational risk management across the Secretariat. The institutional risk management process adopted in 2011 has been implemented throughout the organisation so as to enhance the effectiveness of the risk management function at TI-S.

### **Auditors**

KPMG was appointed as TI-S' auditor for 2014.

### **Presentation of Financial Statements**

The Secretariat presents the financial statements voluntarily. The decision to apply International Financial Reporting Standards (IFRS) as adopted by the EU was first applied in 2007 in keeping with our core values and to serve as a leader in terms of accountability, transparency and credibility.

26 March 2015



Cobus de Swardt  
Managing Director



# Independent Auditor's Report

To Transparency International e.V., Berlin

## **Report on the Financial Statements**

We have audited the accompanying financial statements of Transparency International e.V., Berlin, which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Cash Flows and the Notes to the Financial Statements for the year ended 31 December 2014.

## **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of Transparency International e.V., Berlin as at 31 December 2014, and of its financial performance for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.



## Final Remarks

This report, including the opinion, has been prepared for Transparency International e.V., Berlin only and for no other purpose.

Our assignment and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated 1 January 2002 (Appendix). By reading and using the information contained in this report, each recipient confirms notice of provisions of the General Engagement Terms (including the limitation of our liability as stipulated in No. 9) and accepts the validity of the attached General Engagement Terms with respect to us.

Berlin, 26 March 2015

KPMG AG  
Wirtschaftsprüfungsgesellschaft



Roloff  
Wirtschaftsprüferin



Dr. Thiere  
Wirtschaftsprüfer

## Statement of Financial Position

	Note	31.12.2014		31.12.2013	
		Euro		Euro	
<b>ASSETS</b>					
<b><u>Non Current Assets</u></b>					
Intangible assets	10	39,048		4,435	
Tangible assets	10	169,265		228,344	
Investments	5	2,500		2,500	
Deposits on leases	9	100,683		99,992	
<b>Total Non Current Assets</b>		<b>311,496</b>		<b>335,271</b>	
<b><u>Current Assets</u></b>					
<b>Receivables</b>					
Donor commitments	11	811,104		2,871,603	
Debtors	12	269,435	1,080,539	246,402	3,118,005
<b>Loans</b>	13	<b>0</b>	<b>0</b>	<b>17,079</b>	<b>17,079</b>
<b>Deposits on leases</b>	9	<b>16,028</b>	<b>16,028</b>	<b>16,307</b>	<b>16,307</b>
<b>Prepayments</b>	14	<b>149,135</b>	<b>149,135</b>	<b>199,920</b>	<b>199,920</b>
<b>Advances</b>					
Advances to national chapters and coalition partners	15	5,351,307		8,047,716	
Advances to other parties as project outlays	16	207,852	5,559,159	300,362	8,348,078
<b>Cash and cash equivalents</b>	17	<b>8,922,597</b>	<b>8,922,597</b>	<b>11,812,200</b>	<b>11,812,200</b>
<b>Total Current Assets</b>		<b>15,727,458</b>		<b>23,511,589</b>	
<b>Total Assets</b>		<b>16,038,954</b>		<b>23,846,860</b>	
<b>LIABILITIES AND RESERVES</b>					
<b><u>Reserves</u></b>					
	3(l)	3,621,744	3,621,744	3,459,983	3,459,983
<b><u>Non Current Liabilities</u></b>					
Creditors: amounts falling due after one year	5	1,250	1,250	1,250	1,250
<b><u>Current Liabilities</u></b>					
Creditors: amounts falling due within one year	18	294,693		617,971	
Other liabilities and accruals	19	802,048		978,861	
Liabilities to national chapters or coalition partners	21	114,961		332,243	
Liabilities to donors	20	5,586,359		8,348,078	
Donors' funding received in advance	22	5,617,899		10,108,474	
<b>Total Current Liabilities</b>		<b>12,415,960</b>		<b>20,385,627</b>	
<b>Total Liabilities and Reserves</b>		<b>16,038,954</b>		<b>23,846,860</b>	

The notes on pages 13 to 41 form part of these Financial Statements

## Statement of Comprehensive Income

	Note	2014 Euro	2013 Euro
<b>Operating Income</b>			
Donor income	23	26,707,753	26,808,609
Other income	24	142,341	183,943
<b>Total Operating Income</b>		<b>26,850,094</b>	<b>26,992,552</b>
<b>Expenses</b>			
Personnel expenses	25	10,362,854	10,746,841
National chapter and partner support	26	10,887,399	8,322,277
Other expenses	27	5,341,069	7,599,027
Depreciation and amortisation	10	122,900	126,561
<b>Total Expenses</b>		<b>26,714,222</b>	<b>26,794,706</b>
<b>Result from Operating Activities</b>		<b>135,872</b>	<b>197,846</b>
Finance income	28	56,778	41,621
Finance costs	28	30,889	128,792
<b>Financial Result</b>		<b>25,889</b>	<b>-87,171</b>
<b>Total Comprehensive Income</b>		<b>161,761</b>	<b>110,675</b>

The notes on pages 13 to 41 form part of these Financial Statements

## Statement of Changes in Reserves

	Free Reserves	Designated Reserves		Total
		Special Fund	Network Reserve	
	Euro			
Balance at 01 January 2013	2,424,808	774,500	150,000	3,349,308
Transfer from Total Comprehensive Income in 2013	110,675	0	0	110,675
<b>Balance at 31 December 2013</b>	<b>2,535,483</b>	<b>774,500</b>	<b>150,000</b>	<b>3,459,983</b>
Balance at 01 January 2014	2,535,483	774,500	150,000	3,459,983
Transfer from Total Comprehensive Income in 2014	161,761	0	0	161,761
<b>Balance at 31 December 2014</b>	<b>2,697,244</b>	<b>774,500</b>	<b>150,000</b>	<b>3,621,744</b>

The notes on pages 13 to 41 form part of these Financial Statements

## Statement of Cash Flows

	Note	2014 Euro	2013 Euro
Total Comprehensive Income		161,761	110,675
<b>Cash flows from operating activities</b>			
Adjustments for			
Depreciation and amortisation	10	122,900	126,561
Loss on disposal of fixed assets	10	12,887	20,857
Financial results	28	-25,889	87,171
		<b>109,898</b>	<b>234,589</b>
Increase in non-current assets	3 (i)	-691	-10,074
Decrease/Increase in current assets	11-16	4,877,449	-3,004,297
Decrease/Increase in current liabilities	18-22	-7,969,667	566,068
		<b>-3,092,909</b>	<b>-2,448,303</b>
Interest income received	28	10,951	14,466
Interest expense paid	28	-1,249	-1,085
		<b>9,702</b>	<b>13,381</b>
<b>Net cash flow from operating activities</b>		<b>-2,811,548</b>	<b>-2,089,658</b>
<b>Cash flow from investing activities</b>			
Purchase of tangible and intangible fixed assets	10	-111,754	-110,129
Proceeds from sale of fixed assets	10	433	250
<b>Net cash flow from investing activities</b>		<b>-111,321</b>	<b>-109,879</b>
<b>Cash flows from financing activities</b>			
Disbursement for granted loans	13	17,079	0
<b>Net cash flow from financing activities</b>		<b>17,079</b>	<b>0</b>
<b>Decrease/Increase in cash and cash equivalents</b>		<b>-2,905,790</b>	<b>-2,199,537</b>
Cash and cash equivalents balance at 01 January	17	11,812,200	14,112,290
(Decrease) / Increase in cash and cash equivalents		-2,905,790	-2,199,537
Effect of exchange rate fluctuations		16,187	-100,553
<b>Cash and cash equivalents at 31 December</b>		<b>8,922,597</b>	<b>11,812,200</b>

The notes on pages 13 to 41 form part of these Financial Statements

## **Notes to the Financial Statements**

### **1. Reporting Entity**

Established in 1993, Transparency International e.V. –henceforth referred to as TI-S, is registered in Germany as an association (“eingetragener Verein”) at the following address:

Alt-Moabit 96, 10559 Berlin, Germany

TI-S is the Secretariat of Transparency International (TI), the global civil society organisation leading the fight against corruption. Through more than 100 chapters, chapters in formation and contact groups worldwide and its International Secretariat in Berlin, TI raises awareness of the damaging effects of corruption and works with partners in government, business and civil society to develop and implement effective measures to tackle corruption.

The financial statements comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Cash Flows and the Notes to the Financial Statements for the year ended 31 December 2014.

TI-S presents the financial statements of the organisation only. National chapters, chapters in formation and contact groups – in the following referred to as coalition partners – are independent legal entities that report separately.

The financial statements were authorised for issue and signed by the Managing Director on 26 March 2015. They were subsequently endorsed by the Board of Directors of TI-S.

### **2. Basis of Preparation**

#### **(a) Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Currently, IFRS do not contain specific guidelines for non-profit and non-governmental organisations concerning the accounting treatment and the presentation of financial statements. Accounting policies have been based on general IFRS principles, as detailed in the IASB Framework for the Preparation and Presentation of Financial Statements.

#### **(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except in the case of financial assets and financial liabilities in foreign currencies, which are stated and measured at fair value at year end.

## Notes to the Financial Statements (continued)

### (c) Functional and presentation currency

The financial statements are presented in Euro, the organisation's functional currency.

### (d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the valuation of assets, income, liabilities and expenses. The estimates and assumptions are based on historical experience. Actual results may differ from these estimates.

No significant estimates or judgements were made in 2014 which would materially affect the financial position of the organisation as at 31 December 2014.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

## 3. Summary of Significant Accounting Policies

The relevant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented.

### (a) Adoption of new and revised International Financial Reporting Standards (IFRS):

- IFRS 10 Consolidated Financial Statements beginning on or after 1/1/2014
- IFRS 11 Joint Arrangements beginning on or after 1/1/2014
- IFRS 12 Disclosure of Interests in Other Entities beginning on or after 1/1/2014
- IAS 27 (amended 2011) Separate Financial Statements beginning on or after 1/1/2014
- IAS 28 (amended 2011) Investments in Associates and Joint Ventures beginning on or after 1/1/2014
- IFRIC 21 Levies beginning on or after 17/6/2014
- Amendments to IFRS 10, IFRS 11 and IFRS 12: Transition Guidance beginning on or after 1/1/2014
- Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities beginning on or after 1/1/2014
- Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities beginning on or after 1/1/2014
- Amendments to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets beginning on or after 1/1/2014
- Amendments to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting beginning on or after 1/1/2014



## Notes to the Financial Statements (continued)

**(b) The International Accounting Standards Board (IASB) has issued the following standards not yet endorsed by the EU. These standards and interpretations have not been adopted by TI-S:**

- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture beginning on or after 1/1/2016
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities - Applying the Consolidation Exception beginning on or after 1/1/2016
- Amendment to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations beginning on or after 1/1/2016
- Amendments to IAS 1: Disclosure Initiative beginning on or after 1/1/2016
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation beginning on or after 1/1/2016
- Amendments to IAS 16 and IAS 41: Agriculture - Bearer Plants beginning on or after 1/1/2016
- Amendment to IAS 27: Equity Method in Separate Financial Statements beginning on or after 1/1/2016
- Improvements to IFRS (2012-2014) IFRS 5, IFRS 7, IAS 19 and IAS 34 beginning on or after 1/1/2016
- IFRS 14 Regulatory Deferral Accounts beginning on or after 1/1/2016
- IFRS 15 Revenue from Contracts with Customers beginning later than 1/1/2017
- IFRS 9 (2014) Financial Instruments beginning later than 1/1/2018

**(c) The International Accounting Standards Board (IASB) has issued the following standards endorsed by the EU. These standards and interpretations are effective for periods beginning on or after 1/1/2015.**

- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
- Improvements to IFRS (2011-2013) IFRS 1, IFRS 3, IFRS 13 and IAS 40
- Improvements to IFRS (2010-2012) IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38

None of these new standards or amended standards and interpretations are expected to have a significant effect on the financial statements of TI-S.

### **(d) Accounting for Grants**

Mainly funded by grants from governmental agencies, foundations and development organisations, the Secretariat delivers projects in partnership with Transparency International national chapters and coalition partners across the world. Grants are accounted for in accordance with IAS 20.

Donor grants are recognised in the accounts when there is evidence of entitlement, which normally exists when grants are awarded formally in writing.

## Notes to the Financial Statements (continued)

Donor grants received but not yet utilised are included as liabilities under "Donors' funding received in advance"; while grants committed and utilised but where funds have not yet been received at year end are presented as receivables under "Donor commitments" in the Statement of Financial Position.

Advances to project partners are initially recorded as assets under "Advances to national chapters or coalition partners", or, if other third parties are involved, as "Advances to other parties as project outlays". Correspondingly, donor grants utilised for such advances are reclassified from "Donors' funding received in advance" to "Liabilities to donors".

Expenditure is recognised in the Statement of Comprehensive Income when there is evidence of costs incurred. Expenditure related to advances to project partners is only recognised as expenditure when TI-S receives evidence of expenditure in the form of project audit reports, original receipts, or any other proof as required by the relevant donor contract.

"Donor income" is recognised in the Statement of Comprehensive Income

- where entitlement is demonstrable and there are no grant related restrictions in place ("unrestricted" funds) or
- in line with expenditure incurred for project related grants which have been fully evidenced and reported upon ("restricted" funds).

### (e) Translation of foreign currencies

Grant related balances in foreign currencies, including those advanced to project partners are reported at the historical foreign exchange rate ruling at the date of the transaction and are not revalued. At the date of the Statement of Financial Position all other monetary assets and liabilities denominated in foreign currency are converted into Euro at the rate of exchange prevailing at that date.

Foreign exchange differences arising on translation are reported as income or expense.

### (f) Tangible and intangible assets

Equipment comprises office equipment and furniture, which are initially recorded at cost and thereafter stated at historical cost less accumulated depreciation and impairment losses.

Intangible assets comprise software and licenses, which are initially recorded at cost and thereafter stated at historical cost less accumulated amortisation and impairment losses.

Donations of tangible and intangible assets in kind for which no consideration, cash or otherwise has been paid are not included in the Financial Statements. The fair value of in-kind donations of intangible assets received in 2014 was € nil (2013: €252,032).

Disposals are recorded when the assets are scrapped or sold. Cost of maintenance is expensed when incurred.

## Notes to the Financial Statements (continued)

Depreciation and amortisation is recognised on a straight line basis over the estimated useful lives of each item taking into account its residual value, using annual rates as follows:

	Rate
Furniture bought before 31 December 2004	10%
Furniture bought after 01 January 2005	8%
Installation for telephone and network	13%
Computers, software, licences	33%

### (g) Cash and cash equivalents

For the purposes of the Statement of Financial Position and Statement of Cash Flows, "Cash and cash equivalents" comprise cash on hand and bank balances. Cash and cash equivalents in foreign currencies are measured at fair value, using the bank exchange rates at 31 December.

2014	1 EUR	=	.7806	GBP
	1 EUR	=	1.2185	USD
2013	1 EUR	=	.8348	GBP
	1 EUR	=	1.3798	USD
	1 EUR	=	1.2289	CHF

### (h) Taxation

Income tax has not been accounted for in these financial statements as the organisation was not in receipt of taxable income and has an income tax exempt status.

### (i) Accounting for leases

Leases of assets under which a significant portion of the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease. TI-S leases office space, printers and water coolers under operating leases.

See note 9 for more information.

### (j) Current assets and liabilities

Current assets and liabilities are measured at amortised cost, using the effective interest method. All balances are due within one year.

An allowance for impairment of receivables is established if the collection of a receivable becomes doubtful. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The impairment loss, if any, is recognised in the Statement of Comprehensive Income. The value of provision for doubtful debts recognised in 2014 is €27,200 (2013: € nil).

## Notes to the Financial Statements (continued)

### (k) Finance income and costs

Finance income comprises interest income on deposits and exchange rate gains. Finance costs comprise interest expense and exchange rate losses. Foreign currency gains and losses are reported on a gross basis in the Statement of Comprehensive Income.

### (l) Reserves

TI-S reserves funds are established in accordance with IFRS are unrestricted and include designated funds; the composition is as follows:

- Free reserves: unrestricted funds available for any purpose.
- Designated reserves: funds designated for a special purpose as follows:
  - **Special Fund**: earmarked to support the endowment fund programme.
  - **Network Reserve**: established to support chapters in emergency situations or facing governance challenges.

See page 11 for the Statement of Changes in Reserves.

### (m) Personnel expenses

Personnel costs consist of salaries, wage taxes and social security contributions for all staff and pension contributions for Directors.

TI-S concluded a defined contribution plan with Allianz insurance, effective May 2007 for Directors who receive benefits, a maximum at their legal retirement age, a minimum only five years before. According to this contract the following contributions per position were made, each for one calendar year:

	Euro
Managing Director	10,000
Group Directors	7,500
Directors	5,000

At period end, there was 1 Managing Director, 5 Group Directors and 13 Directors. Total employer pension contributions for 2014 were €113,750 (22 individuals) (2013: €108,125, 20 individuals).

The total amount of salaries paid to the Managing Director and Group Directors in 2014 was €870,662 (6 individuals) (2013: €877,397, 7 individuals).

In 2014 TI-S employed an average of 180 employees (2013: 189) of which 20 (2013: 18) were part time. In addition, the organisation benefited immensely from a number of interns who contributed to the delivery of its activities throughout the year.

## Notes to the Financial Statements (continued)

### 4. Financial Instruments

Non-derivative financial assets comprise receivables with fixed or determinable payments that are not quoted in an active market and are neither classified as held for trading nor as available for sale. Initial recognition is done at fair value which generally equals the nominal value of the asset. Subsequently, financial assets are measured at amortised cost using the effective interest method less any impairment losses. The carrying values of all financial assets are equal to the fair values of the assets.

Non-derivative financial liabilities are recognised at fair value that either equals the amount received or the net present value of future obligations. Subsequently, they are measured at amortised cost using the effective interest method. Due to the short-term maturities (less than one year) of these liabilities, it is assumed that the fair value is equal to the carrying amount.

TI-S does not hold any derivative financial instruments.

TI-S has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Currency risk

#### (a) Credit risk

Credit risk is the risk of financial loss if the counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of financial assets represents the maximum credit exposure. Impairment losses, if any, are recognised in the Statement of Comprehensive Income.

The exposure to credit risk is influenced by the individual characteristics of the counterparties. TI-S endeavours that assets are transacted with counterparties assessed as having low default risk. TI-S holds bank accounts with Commerzbank AG and Deutsche Bank AG whom have been assigned a long term rating by Standard and Poor's of A- and A respectively.

TI-S mitigates the credit risk by concluding agreements with accredited national chapters or coalition partners and other parties, ensuring that any advances are reported on in a timely manner and that further advances are made only after receipt of reporting for previous advances. For a breakdown of outstanding advances to national chapters by geographic region please see note 15.

In the category "Debtors" (note 12) a total of €20,817 (2013: €27,948) has been written off in 2014 as they have been deemed irrecoverable. €17,799 of this (2013: €17,608) relates to the write-off of balances due from national chapters, while the remainder relates to unrecoverable amounts from invoices to third parties. The risk for an increase in future years is mitigated by regular monitoring.

In the category "Advances to National Chapters and Coalition Partners" (note 15) a provision was made for €27,200 (2013: €nil) which relates to advances outstanding from two national chapters which may be deemed unrecoverable. No other impairments have been recognised in 2014 or 2013.

Both the bad debt write-off and the provision are recognised in the Statement of Comprehensive Income within Other Expenses.

## Notes to the Financial Statements (continued)

The aging of unimpaired receivables within Debtors was as follows.

	<b>2014</b>	<b>2013</b>
	<b>Euro</b>	<b>Euro</b>
Neither past due nor impaired	167,963	58,417
Past due 1-30 days	15,053	5,502
Past due 31-90 days	2,091	7,412
Past due 91-180 days	30,600	58,032
Past due greater than 180 days	32,386	75,873
<b>Total</b>	<b>248,093</b>	<b>205,236</b>

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectable in full based on an assessment of each individual case and counterparty.

### **(b) Liquidity risk**

Liquidity risk is the risk that the organisation will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by the delivery of cash or another financial asset. The organisation's approach to managing liquidity is to ensure that, as far as possible, it will have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the organisation's reputation.

TI-S has a robust financial monitoring and reporting system; liquidity and cash flows are monitored regularly to assess liquidity requirements and to ensure that the donor receipts and forecast expenditure is consistent with project specifications. TI-S also reports to the Board of Directors and its Finance Committee on a regular basis.

### **(c) Currency risk**

TI-S is exposed to currency risks from grants and receivables in currencies other than the Euro, primarily British Pounds (GBP) and US Dollars (USD).

TI-S ensures that its exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances. See note 3(g) for exchange rates at 31 December 2014.

## Notes to the Financial Statements (continued)

A summary of currency exposure at period end presented below.

	Euro Equivalent- 2014					Euro Equivalent- 2013				
	EUR	GBP	USD	OTHER	TOTAL	EUR	GBP	USD	OTHER	TOTAL
Donor commitments	293,039	444,711	73,354	0	811,104	2,353,538	444,711	73,354	0	2,871,603
Debtors	155,230	5,197	109,008	0	269,435	176,014	8,404	61,984	0	246,402
Loans	0	0	0	0	0	17,079	0	0	0	17,079
Deposits on leases	16,028	0	0	0	16,028	16,307	0	0	0	16,307
Prepaid expenses	116,673	26,914	876	4,673	149,135	174,513	24,405	0	1,002	199,920
Advances to national chapters and coalition partners	4,761,882	462,380	127,045	0	5,351,307	7,183,742	684,380	179,594	0	8,047,716
Advances to other parties as project outlays	197,852	0	10,000	0	207,852	73,402	0	0	226,960	300,362
Cash and cash equivalents	8,041,506	752,618	128,473	0	8,922,597	11,356,488	183,170	233,714	38,828	11,812,200
<b>Total Current Assets</b>	<b>13,582,210</b>	<b>1,691,819</b>	<b>448,755</b>	<b>4,673</b>	<b>15,727,458</b>	<b>21,351,083</b>	<b>1,345,070</b>	<b>548,646</b>	<b>266,790</b>	<b>23,511,589</b>
Creditors: amounts falling due within one year	-203,132	-18,408	-73,053	-100	-294,693	-521,266	-39,064	-33,601	-24,040	-617,971
Other liabilities and accruals	-802,422	27,115	-8,343	-18,398	-802,048	-845,608	0	0	-133,253	-978,861
Liabilities to national chapters or coalition partners	-99,392	-210	-14,924	-434	-114,961	-314,549	0	-17,364	-330	-332,243
Liabilities to donors	-4,986,934	-462,380	-137,045	0	-5,586,359	-7,257,144	-684,380	-179,594	-226,960	-8,348,078
Donor's funding received in advance	-4,866,886	-497,469	-253,544	0	-5,617,899	-9,005,355	-916,887	-186,232	0	-10,108,474
<b>Total Current Liabilities</b>	<b>-10,968,766</b>	<b>-951,352</b>	<b>-486,909</b>	<b>-18,932</b>	<b>-12,415,960</b>	<b>-17,943,923</b>	<b>-1,640,330</b>	<b>-416,792</b>	<b>-384,582</b>	<b>-20,385,627</b>

Within current assets the foreign currency balances relate in the majority to “Donor commitments” and “Advances to national chapters and coalition partners”. As the receipt of both the funding from donors and the reporting from chapters is expected to be received in the same currency as that in which the assets were recorded, no material exposure occurs. The remaining balances are deemed immaterial.

Within current liabilities the foreign currency balances relate in the majority to “Liabilities to donors” and “Donor funding received in advance”. In accordance with the policy on accounting for grants (note 3d) donor funding and advances to national chapters are recorded in the functional currency.

### 5. Related Parties

TI-S comprises the movement's Secretariat which supports over 100 national chapters, chapters in formation and contact groups and leads the implementation of the organisation's international agenda. National chapters, chapters in formation and contact groups are legally and financially independent organisations registered in their countries.

TI-S' Board of Directors is elected by the Members of the Association (consisting of accredited national chapters and individual members) at the Annual Membership Meeting (AMM). See details of board members on page 2. Members of the Board of Directors, as part of the key management personnel of the organisation, are considered to be a related party and receive no remuneration. In 2014, reimbursements totalling €77,115 (2013: €58,461), in the majority relating to travel, were paid to Board members.

On 25 August 2010, the Transparency International Liaison Office to the European Union a.i.s.b.l. (henceforth referred to as TI-EU) was established as an association in Brussels with ten members. Each of these ten members are Directors of TI-S who elect the Executive Board composed of three of these members. In accordance with IAS 24.9, TI-EU is classified as a related party. An Operational Agreement between TI-S and TI-EU is in place. During 2014, TI-S supported the activities of TI-EU with an operating grant of €130,000. As at 31 December 2014, €68,694 remains outstanding as an advance to TI-EU, disclosed within “Advances to other parties as project outlays” (note 16). This is expected to be accounted for in 2015.

TI-S owns 10 percent of the International Civil Society Centre (ICSC), the global action platform for international civil society organisations to learn from each other, exchange information and initiate

## Notes to the Financial Statements (continued)

collective action. TI-S purchased shares in the nominal amount of €2,500, of which €1,250 was paid up in 2009. The remaining €1,250 due to be paid is included within non-current liabilities. As buyer of these shares, TI-S agreed to pay to ICSC a programme subsidy in the amount of €26,250; €4,250 was paid in 2009 and the remaining instalments of €5,500 were paid in each of 2010, 2011, 2012 and 2013. During 2012, one director of TI-S was appointed Chair of the Advisory Board of the ICSC. As TI-S is a minority shareholder of this Berlin registered charity and given that the director of TI-S does not exert significant influence over the Centre, in accordance with IAS 24.9 it is not considered a related party.

### 6. Commitments, Contingent Liabilities and Contingent Assets

#### (a) Commitments

TI-S rents office space in Berlin for its operations. A breakdown of rental and operation costs along with rental commitments in the next five years is presented in the table below. A new contract for additional office space in Alt Moabit 96 was concluded in 2013 for which there is a rental free period of 20 months. Leasehold improvements with a total value of €83,185 were incurred in 2013 and will be released over this 20 month period at a monthly rate of €4,160. Expenses totalling €49,920 were released in 2014, included within the annual rental costs in the table below.

	Rent	Printers	Water coolers
<b>Total Operating Costs 2013</b>	<b>410,866</b>	<b>3,736</b>	<b>4,997</b>
Annual rental costs 2014	305,047	12,466	4,997
Annual operating costs 2014	114,699	-	-
<b>Total Operating Costs 2014</b>	<b>419,746</b>	<b>12,466</b>	<b>4,997</b>
Monthly rental costs 2015 (average)	25,632	1,039	416
Monthly operating costs 2015	9,558	-	-
<b>Total Monthly Operating Costs 2015</b>	<b>35,190</b>	<b>1,039</b>	<b>416</b>
Rental commitment up to one year	325,178	12,466	4,997
Rental commitment 2-5 years	486,994	18,700	12,493

#### (b) Contingent Assets

##### Endowment Fund

Transparency International's (TI) endowment fund has been set up with the intention of supporting the work of the movement permanently. As such the grants that have been made to the endowment by the United States Agency for International Development (USAID) and the Ford Foundation are in principle not limited by a specified grant period or otherwise, so long as expenditure under the grants is made in full observance of the purpose for which the Grant was made and if all reporting obligations are met. In accordance with IAS 37, as USAID and the Ford Foundation impose some restrictions on the use of the funds, and considering that under some circumstances the funds can be recalled by the Donors, they are disclosed as a contingent asset. See Annex 1 for more information.



## **Notes to the Financial Statements (continued)**

### **7. Reserves**

TI-S is subject to externally imposed reserves requirements which stipulate that the surplus and the reserves might only be used for purposes complying with the non-profit-making purpose of the association (Gemeinnützigkeit), according to paragraph 3 of its Charter.

### **8. Subsequent Events**

No material events occurred between 31 December 2014 and the date of approval of these financial statements that require disclosure.

### **9. Deposits on Leases**

TI-S has five security bank deposits for office space in Berlin with a total amount on deposit at 31 December 2014 of €116,711 including interest of €2,804.

Of these five lease agreements, one was terminated in September 2013 and one was terminated as at 31 December 2014. The security deposits for both of these lease agreements, totalling €16,028 are expected to be repaid in 2015 and are therefore classified within current assets. Due to the long term nature of the remaining property leases, the other three security deposits are reported as such under non-current assets in the Statement of Financial Position.

## Notes to the Financial Statements (continued)

### 10. Non-Current Assets

	Euro 2014				
	Intangible Assets		Tangible Assets		Total
	Software	Licences	Equipment	Furniture	
<b>Acquisition Cost</b>					
Balance at 01 January 2014	136,690	33,349	757,553	57,310	984,902
Additions	0	42,420	69,334	0	111,754
Disposals	-39,643	-14,665	-158,984	-42,223	-255,515
<b>Balance at 31 December 2014</b>	<b>97,047</b>	<b>61,104</b>	<b>667,903</b>	<b>15,087</b>	<b>841,141</b>
<b>Depreciation</b>					
Balance at 01 January 2014	136,690	28,914	541,395	45,124	752,123
Depreciation for the Year	0	7,685	113,871	1,344	122,900
Disposals	-39,643	-14,543	-145,786	-42,223	-242,195
<b>Balance at 31 December 2014</b>	<b>97,047</b>	<b>22,056</b>	<b>509,480</b>	<b>4,245</b>	<b>632,828</b>
<b>Book Value</b>					
Balance at 01 January 2014	0	4,435	216,158	12,186	232,779
<b>Balance at 31 December 2014</b>	<b>0</b>	<b>39,048</b>	<b>158,422</b>	<b>10,843</b>	<b>208,313</b>

	Euro 2013				
	Intangible Assets		Tangible Assets		Total
	Software	Licences	Equipment	Furniture	
<b>Acquisition Cost</b>					
Balance at 01 January 2013	136,690	34,521	692,603	52,723	916,537
Additions	0	534	104,312	5,283	110,129
Disposals	0	-1,706	-39,362	-696	-41,764
<b>Balance at 31 December 2013</b>	<b>136,690</b>	<b>33,349</b>	<b>757,553</b>	<b>57,310</b>	<b>984,902</b>
<b>Depreciation</b>					
Balance at 01 January 2013	136,690	23,739	445,338	40,452	646,219
Depreciation for the Year	0	6,218	115,642	4,701	126,561
Disposals	0	-1,043	-19,585	-29	-20,657
<b>Balance at 31 December 2013</b>	<b>136,690</b>	<b>28,914</b>	<b>541,395</b>	<b>45,124</b>	<b>752,123</b>
<b>Book Value</b>					
Balance at 01 January 2013	0	10,782	247,265	12,271	270,318
<b>Balance at 31 December 2013</b>	<b>0</b>	<b>4,435</b>	<b>216,158</b>	<b>12,186</b>	<b>232,779</b>

## Notes to the Financial Statements (continued)

### 11. Donor Commitments

	31.12.2014	31.12.2013
	Euro	Euro
<b><u>Governmental Agencies</u></b>		
Ministry of Foreign Affairs, The Netherlands	240,000	0
Department for International Development, United Kingdom (DfID)	207,001	159,200
Foreign and Commonwealth Office (FCO), UK	103,160	522,660
Financial Mechanism Office (FMO)	42,689	160,331
European Commission, NIS	21,827	359,031
U.S. Agency for International Development (USAID)	15,989	209,900
Islamic Republic of Mauritania	94	0
Ministry for Foreign Affairs of Finland	0	857,628
Government of Tunisia	0	296,122
Swiss Agency for Development and Cooperation SDC	0	3,340
	<b>630,760</b>	<b>2,568,212</b>
<b><u>Foundations</u></b>		
National Endowment for Democracy (NED)	0	117,575
OSI Development Foundation	0	22,987
	<b>0</b>	<b>140,562</b>
<b><u>Other Development Organisations</u></b>		
Christian Michelsen Institute (CMI), Norway	35,962	31,778
University of Konstanz	31,794	44,224
United Nations Development Programme (UNDP)	8,446	0
United Nations Office on Drugs and Crime (UNODC)	4,448	0
Transparency International Papua New Guinea	0	13,440
Malawi Economic Justice Network (MEJN)	0	2,387
	<b>80,650</b>	<b>91,829</b>
<b><u>Corporate Donors</u></b>		
Ernst & Young LPP	71,768	0
PriceWaterhouseCoopers	14,000	7,000
BP International	7,000	7,000
Shell International BV/Ltd.	0	50,000
HSBC Holdings plc	0	7,000
	<b>92,768</b>	<b>71,000</b>
<b><u>Individual Donors</u></b>		
Individual Donors	6,926	0
	<b>6,926</b>	<b>0</b>
<b>Total</b>	<b>811,104</b>	<b>2,871,603</b>

## Notes to the Financial Statements (continued)

### 12. Debtors

	31.12.2014 Euro	31.12.2013 Euro
<b><u>Receivables from Personnel</u></b>		
Personnel receivables	14,190	32,597
Cash advances for travel	7,152	8,569
	<b>21,342</b>	<b>41,166</b>
<b><u>Reimbursement requests</u></b>		
towards National Chapters	74,609	118,176
towards Third Parties	173,484	82,075
towards Donors	0	4,922
towards Board members	0	63
	<b>248,093</b>	<b>205,236</b>
<b>Total</b>	<b>269,435</b>	<b>246,402</b>

### 13. Loans

	31.12.2014 Euro	31.12.2013 Euro
Drustvo Integriteta - IDEJD (TI-Slovenia)	0	17,079
<b>Total</b>	<b>0</b>	<b>17,079</b>

## Notes to the Financial Statements (continued)

### 14. Prepayments

	31.12.2014	31.12.2013
	Euro	Euro
Pension	50,002	52,710
Licenses	21,292	3,433
Rent	20,800	70,720
Membership fee	18,671	17,513
Honorarium	16,714	26,851
Travel	11,443	18,811
Insurance	5,054	2,733
Other	5,159	7,149
<b>Total</b>	<b>149,135</b>	<b>199,920</b>

## Notes to the Financial Statements (continued)

### 15. Advances to National Chapters and Coalition Partners

	31.12.2014	31.12.2013
	Euro	Euro
<b>Europe and Central Asia</b>		
Transparency International Russia	178,418	409,300
Transparency International Lithuania	166,331	109,991
Creative Union TORO, Kirovohrad	139,147	58,677
Transparency International Ireland	128,101	128,101
Drustvo Integriteta - IDEJD	124,958	42,355
Transparency International Czech Republic	108,548	84,605
Transparency International Italia	99,088	61,441
Transparency International Bulgaria-Transparency without Borders	83,936	42,707
Sabiedriba Par Atklatibu Delna	75,813	69,131
Seffalik Demegi-Transparency Association	67,607	0
Transparency International Greece	65,086	63,990
Transparency Cyprus	64,202	0
Transparency International Hungary	63,661	91,565
Transparency International Georgia	54,898	23,384
Transparency International Serbia	54,495	40,745
Asociatia Romana pentru Transparenta	54,270	0
Transparency International Bosnia and Herzegovina	53,182	17,820
Zero Corruption Coalition Macedonia	52,444	37,620
MANS (The Network for the Affirmation of the NGO Sector, Montegro)	52,157	16,225
Kosova Democratic Institute	51,549	0
Citizen Advocacy Office	50,596	17,820
Transparencia e Integridade, Associacao Civica (TIAC)	50,361	0
Association pour la Promotion de la Transparence (APPT)	49,530	65,109
Transparency International Espana	44,653	44,653
Cyprus University of Technology	44,472	44,472
Transparence International (France)	42,314	42,314
Transparency International Anti-Corruption Center Public Organisation	39,341	20,668
Transparency International UK	35,340	303,630
MTÜ Korruptsioonivaba Eesti	34,000	34,000
Transparenz Österreich-Forum zur Korruptionsbekämpfung	33,467	33,467
Transparency International Moldova	28,035	63,112
Center for Economic Development-Transparency International Slovakia	22,256	27,321
Seffaliq Azerbaycan Korruptsiya	17,687	25,521
Transparency International Deutschland e.V.	12,662	37,577
SHVIL - Transparency International Israel	1,500	0
	<b>2,244,105</b>	<b>2,057,321</b>
<b>Americas</b>		
Transparencia Venezuela	148,360	139,360
Proetica-Consejo Nacional para la Etica Publica	85,457	344,972
Transparencia Mexicana	0	336,429
Participacion Ciudadana RD	0	258,011
Accion Ciudadana	0	5,136
La Fondation Heritage pour Haiti	0	4,570
Corporacion Transparencia por Colombia	0	2,695
Poder Ciudadano	0	139
	<b>233,817</b>	<b>1,091,312</b>
<b>Subtotal</b>	<b>2,477,922</b>	<b>3,148,633</b>

## Notes to the Financial Statements (continued)

### 15. Advances to National Chapters and Coalition Partners (continued)

	31.12.2014	31.12.2013
	Euro	Euro
Forward	2,477,922	3,148,633
<b><u>Sub-Saharan Africa</u></b>		
Ghana Integrity Initiative	155,308	63,667
Transparency International Cameroon	102,693	0
Transparency International Zambia	53,000	12,000
Transparency Rwanda	25,037	24,093
ABUCO	25,000	23,956
Forum Civil	35,650	17,023
TI-Zimbabwe	28,486	17,559
CENTAL	24,253	14,000
Transparency International Initiative Madagascar	11,413	16,829
Transparency International Sierra Leone	8,288	23,436
Association Nigerienne de Lutte contre la Corruption	7,766	2,770
CISLAC Civil Society Legislative Advocacy Centre	3,000	12,000
Transparency Mauritius	2,011	22,000
Transparency International Kenya	0	236,715
Centro de Integridade Publica CIP	0	16,896
	<b>481,905</b>	<b>502,944</b>
<b><u>Middle-East and North Africa</u></b>		
Coalition for Integrity and Accountability-AMAN	275,790	177,756
Transparency Maroc	226,890	236,685
Rasheed for Transparency and Integrity	153,547	0
Lebanese Transparency Association (LTA)	115,231	49,781
Yemen Team for Transparency and Integrity	114,341	70,182
I Watch	103,815	19,300
One World Foundation	0	40,161
Partners Jordan	0	25,000
Egyptian without Borders	0	6,500
International Center for Justice	0	5,222
Free Man Center for Rights and Freedom	0	5,000
South Center for Rights Aswan	0	5,000
	<b>989,614</b>	<b>640,587</b>
<b><u>Asia - Pacific</u></b>		
Cong ty TNHH Huong toi Minh bach	460,508	286,982
Transparency International Indonesia	248,121	498,115
Transparency International Papua New Guinea	181,741	516,750
Transparency International Vanuatu	99,825	408,547
Transparency Maldives	73,157	511,828
Transparency International Fiji	59,274	360,145
Transparency International Sri Lanka	55,781	299,968
Transparency Solomon Islands	52,701	136,106
Transparency International Philippines	35,429	127,608
Transparency International Pakistan	54,015	82,299
Transparency International Nepal	30,088	70,010
Transparency International New Zealand	23,750	5,750
Transparency International Cambodia	22,357	0
Transparency International Malaysia	16,106	10,606
Transparency International Mongolia	9,000	10,070
Transparency International Bangladesh	7,213	274,090
Transparency International India	0	108,735
Transparency International Korea (South)	0	37,974
Transparency International China	0	5,969
Transparency Chinese Taipei	0	4,000
	<b>1,429,066</b>	<b>3,755,552</b>
Provision for doubtful debts	-27,200	0
<b>Total</b>	<b>5,351,307</b>	<b>8,047,716</b>

## Notes to the Financial Statements (continued)

### 16. Advances to Other Parties as Project Outlays

	31.12.2014	31.12.2013
	Euro	Euro
A.I.S.B.L. Brussels	68,694	35,750
One World Foundation	40,254	0
Instituto de Ciencias Sociais da Universidade de Lisboa (University Institute of Lisbon)	34,229	9,276
Ahead of the Curve	28,376	28,376
100Reporters	20,000	0
Lawyers for Justice and Peace	10,099	0
Corruption Watch South Africa	5,000	0
Reflection and Concrete Actions for African Development	600	0
Réseau National de Lutte Anti-Corruption	600	0
Helvetas Swiss Intercooperation	0	226,960
<b>Total</b>	<b>207,852</b>	<b>300,362</b>

### 17. Cash and Cash Equivalents

	31.12.2014		31.12.2013	
	foreign currency	Euro	foreign currency	Euro
<b>Petty Cash</b>				
Cash in Euro	0	6,284	0	4,055
Cash in USD	3,530	2,897	918	665
<b>Total Petty Cash on hand</b>		<b>9,181</b>		<b>4,720</b>
<b>Bank balances</b>				
Bank accounts in EUR	0	8,035,222	0	11,352,433
Bank accounts in GBP	597,493	752,618	152,910	183,170
Bank accounts in USD	153,015	125,576	321,561	233,049
Bank accounts in CHF	0	0	47,716	38,828
<b>Total bank balances</b>		<b>8,913,416</b>		<b>11,807,480</b>
<b>Total</b>		<b>8,922,597</b>		<b>11,812,200</b>



## Notes to the Financial Statements (continued)

### 18. Creditors: Amounts falling due within one year

Creditors with amounts falling due within one year are disclosed in the table below according to category of expense.

	31.12.2014	31.12.2013
	Euro	Euro
Honoraria	178,369	283,768
Travel	43,789	87,761
Utilities	28,082	40,625
Audit fees	22,772	61,368
Printing	7,718	22,673
Legal fees	831	27,005
Training and workshops	0	35,067
Membership	0	21,015
Balances repayable to donors	0	6,096
Other	13,132	32,594
<b>Total</b>	<b>294,693</b>	<b>617,971</b>

### 19. Other Liabilities and Accruals

	31.12.2014	31.12.2013
	Euro	Euro
<b><u>Other Liabilities</u></b>		
VAT liability	71,914	141,301
Personnel (travel cost reimbursements)	40,889	48,273
Board members (travel cost reimbursements)	18,732	19,031
<b><u>Personnel costs</u></b>		
Social contributions and wage taxes	0	156,179
Salaries and other personnel costs	0	4,838
Other	25,543	35,813
	<b>157,078</b>	<b>405,435</b>
<b><u>Accruals</u></b>		
Performance related compensation	210,000	200,000
Vacation entitlements of TI-S employees	261,856	247,234
Audit	75,661	75,826
Statutory accident insurance	36,290	25,153
Additional leave entitlements of TI-S employees	12,315	15,165
Other	48,848	10,048
	<b>644,970</b>	<b>573,426</b>
<b>Total</b>	<b>802,048</b>	<b>978,861</b>

## Notes to the Financial Statements (continued)

### 20. Liabilities to Donors

	31.12.2014	31.12.2013
	Euro	Euro
<b><u>Governmental Agencies</u></b>		
European Commission	2,447,438	1,336,673
Swedish International Development Cooperation Agency (Sida)	693,395	277,520
Australian Department of Foreign Affairs and Trade (DFAT)	691,141	1,814,745
Norwegian Agency for Development Cooperation (Norad)	299,192	432,742
Department for International Development, United Kingdom (DFID)	290,553	372,056
New Zealand Ministry of Foreign Affairs and Trade	245,334	816,450
Irish Aid	100,000	100,000
Ministry for Foreign Affairs for Finland	100,000	0
Foreign and Commonwealth Office (FCO), UK	35,760	277,520
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), Germany	0	1,536,612
Swiss Agency for Development and Cooperation SDC	0	226,960
Ministry for Economic Cooperation and Development (BMZ), Germany	0	205,001
Federal Foreign Office, Germany	0	170,941
	<b>4,902,813</b>	<b>7,567,220</b>
<b><u>Foundations</u></b>		
William and Flora Hewlett Foundation	320,068	180,668
National Endowment for Democracy (NED)	178,418	409,300
OSI Development Foundation	148,360	22,144
Foundation to Promote Open Society	0	139,360
	<b>646,846</b>	<b>751,472</b>
<b><u>Other Development Organisations</u></b>		
Gesellschaft für internationale Zusammenarbeit (GIZ), Germany	25,000	5,000
United Nations Development Programme (UNDP)	9,000	0
Task Force for Financial Integrity	1,500	0
United Nations Office on Drugs and Crime	1,200	0
Transparency International Germany	0	4,570
Association of European Professional Football Leagues EPFL	0	9,908
	<b>36,700</b>	<b>19,478</b>
<b><u>Corporate Donors</u></b>		
DFL Deutsche Fußball Liga GmbH	0	9,908
	<b>0</b>	<b>9,908</b>
<b>Total</b>	<b>5,586,359</b>	<b>8,348,078</b>

## Notes to the Financial Statements (continued)

### 21. Liabilities to National Chapters or Coalition Partners

The closing balance of €114,961 (2013: €332,243) consists of monies due to national chapters or coalition partners outstanding at year end.

### 22. Donors Funding Received in Advance

Donor funding received in advance is broken down between restricted and unrestricted funding.

#### Total of Unrestricted and Restricted Donor Funding Received in Advance

	31.12.2014 Euro	31.12.2013 Euro
Governmental Agencies	4,651,236	9,187,364
Foundations	481,863	296,691
Other Development Organisations	477,659	387,790
Corporate Donors	7,141	236,629
<b>Total</b>	<b>5,617,899</b>	<b>10,108,474</b>

#### Unrestricted Donor Funding Received in Advance

	31.12.2014 Euro	31.12.2013 Euro
<b>Governmental Agencies</b>		
Department for International Development, United Kingdom (DFID), PPA	495,000	915,386
<b>Total</b>	<b>495,000</b>	<b>915,386</b>

## Notes to the Financial Statements (continued)

### 22. Donors Funding Received in Advance (continued)

#### Restricted Donor Funding Received in Advance

	31.12.2014 Euro	31.12.2013 Euro
<b>Governmental Agencies</b>		
Australian Department of Foreign Affairs and Trade (DFAT)	1,668,283	2,104,902
European Commission	1,558,238	1,094,525
Swedish International Development Cooperation Agency (Sida)	507,569	2,978,388
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), Germany	111,104	171,972
Irish Aid	100,000	100,000
Norwegian Agency for Development Cooperation (Norad)	91,910	105,332
Ministry of Foreign Affairs of Estonia	63,772	104,836
Government of Saint Maarten	22,052	168,756
Dutch Ministry of the Interior and Kingdom Relations	13,968	0
New Zealand Ministry of Foreign Affairs and Trade	13,799	195,799
Ministry for Economic Cooperation and Development (BMZ), Germany	3,072	57,422
Department for International Development, United Kingdom (DFID), APD	2,469	0
Ministry of Foreign Affairs, The Netherlands	0	671,720
French Ministry of Foreign and European Affairs	0	300,000
Swiss Agency for Development and Cooperation SDC	0	194,719
U.S. Agency for International Development (USAID)	0	21,332
Department for International Development, United Kingdom (DFID), CHASE	0	1,501
Federal Foreign Office, Germany	0	774
	<b>4,156,236</b>	<b>8,271,978</b>
<b>Foundations</b>		
William and Flora Hewlett Foundation	253,544	164,900
Stichting Adessium	138,974	0
Sigrid Rausing Trust	44,018	0
OSI Development Foundation	22,704	117,107
The Tony Elumelu Foundation	19,402	0
National Endowment for Democracy (NED)	3,221	0
Foundation to Promote Open Society	0	7,815
The Christensen Fund	0	6,869
	<b>481,863</b>	<b>296,691</b>
<b>Other Development Organisations</b>		
Gesellschaft für internationale Zusammenarbeit (GIZ), Germany	388,349	144,560
United Nations Development Programme (UNDP)	76,868	93,502
Task Force for Financial Integrity	12,000	38,342
Transparency International Deutschland e.V	446	0
Christian Michelsen institute (CMI), Norway	0	22,866
Association of European Professional Football Leagues EPFL	0	18,939
Stockholm International Water Institute (SIWI)	0	16,775
TI Liaison Office to the European Union	0	13,239
European Bank for Reconstruction and Development (EBRD)	0	783
The United Nations Democracy Fund (UNDEF)	-4	38,784
	<b>477,659</b>	<b>387,790</b>
<b>Corporate Donors</b>		
Warburg Pincus LLC	7,141	0
Ernst & Young LLP	0	192,909
DFL Deutsche Fußball Liga GmbH	0	24,286
Sanlam Limited	0	7,000
SGS AG	0	7,000
Rio Tinto London Ltd.	0	3,598
International Federation of Inspection Agencies	0	1,836
	<b>7,141</b>	<b>236,629</b>
<b>Total</b>	<b>5,122,899</b>	<b>9,193,088</b>

## Notes to the Financial Statements (continued)

### 23. Donor Income

The funds actually received are presented in Annex 2.

For a detailed explanation on accounting for grants see Note 3(d) on page 15.

#### Summary of Donor Income

	2014 Euro	2013 Euro
Governmental Agencies	23,995,455	24,762,474
Foundations	1,134,546	471,527
Other Development Organisations	641,088	965,967
Corporate Donors	585,033	277,463
Individual Donors	351,631	331,178
<b>Total</b>	<b>26,707,753</b>	<b>26,808,609</b>

## Notes to the Financial Statements (continued)

### 23. Donor Income (continued)

#### Unrestricted Donor Income

	2014 Euro	2013 Euro
<b>Governmental Agencies</b>		
Department for International Development, United Kingdom (DFID)	2,769,226	3,537,242
Ministry of Foreign Affairs, The Netherlands	1,200,000	1,200,000
Swedish International Development Cooperation Agency (Sida)	1,083,510	1,123,050
Ministry for Foreign Affairs for Finland	1,000,000	800,000
Swiss Agency for Development and Cooperation SDC	543,986	403,096
Royal Danish Ministry of Foreign Affairs (Danida)	333,027	333,036
Irish Aid	200,000	200,000
Canadian International Development Agency (CIDA)	0	437,677
	<b>7,129,749</b>	<b>8,034,101</b>
<b>Foundations</b>		
Pestalozzi Foundation	20,000	20,000
Fondation Pierre Pfister	4,576	0
	<b>24,576</b>	<b>20,000</b>
<b>Corporate Donors</b>		
Kohlberg Kravis Roberts & Co.	50,000	50,000
Copenhagen Business School	1,000	0
Shell International BV/Ltd.	0	25,000
Velik AB	0	3,500
University de Navarra	0	0
	<b>51,000</b>	<b>78,500</b>
<b>Individual Donors</b>		
Dorothy Parker Maloff	320,370	307,290
Detleve Elsner	2,500	1,000
Johann Peter Jessen	2,260	3,000
Linus Boman	1,750	0
Giovanna Longo	1,500	0
Patrick Kinsch	1,500	0
Henrik Bendix	1,050	0
Johannes Wery	1,000	1,000
Rolf Hellenbrand	0	3,000
Linda Wery-Hennig	0	1,000
Other (less than Euro 1,000 each)	19,439	14,888
	<b>351,369</b>	<b>331,178</b>
<b>Total</b>	<b>7,556,694</b>	<b>8,463,779</b>

## Notes to the Financial Statements (continued)

### 23. Donor Income (continued)

#### Restricted Donor Income

	2014 Euro	2013 Euro
<b>Governmental Agencies</b>		
Australian Department of Foreign Affairs and Trade (DFAT)	4,332,245	3,412,534
Department for International Development, United Kingdom (DFID):		
Project: CHASE	870,307	835,379
Project: Vietnam	435,232	174,856
Project: Global Corruption Barometer	33,668	113,659
Project: Global Transparency Fund	0	1,448,927
Swedish International Development Cooperation Agency (Sida)	2,901,540	1,067,003
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), Germany	1,714,455	167,759
European Commission	1,387,022	2,086,016
Ministry for Economic Cooperation and Development (BMZ), Germany	1,106,546	702,595
Norwegian Agency for Development Cooperation (Norad), Inst. Support	1,083,037	1,004,690
New Zealand Ministry of Foreign Affairs and Trade	916,189	264,011
Foreign & Commonwealth Office, UK (FCO)	644,226	264,432
French Ministry of Foreign and European Affairs	300,000	122,668
Government of Tunisia	253,878	546,122
Government of Sint Maarten	188,919	102
Financial Mechanism Office (FMO, UK)	182,358	116,009
Federal Foreign Office, Germany	170,359	1,198,944
Swiss Agency for Development and Cooperation (SDC)	136,455	399,696
Irish Aid	100,000	0
Ministry for Foreign Affairs of Finland	50,000	84,959
Ministry of Foreign Affairs of Estonia	41,064	45,164
Dutch Ministry of the Interior and Kingdom Relations	18,112	0
Republic Islamic of Mauritania	94	0
Norwegian Ministry of Foreign Affairs	0	823,850
Ministry of Foreign Affairs, The Netherlands	0	532,280
Kingdom of Belgium Foreign Affairs, Foreign Trade and Development Cooperation	0	184,512
Government of Curacao	0	131,142
Agencia Española de Cooperación Internacional para el Desarrollo (AECID)	0	244
U.S. Agency for International Development (USAID)	0	1,000,820
	<b>16,865,706</b>	<b>16,728,373</b>
<b>Foundations</b>		
National Endowment for Democracy (NED)	647,103	18,581
Foundation to Promote Open Society	147,175	3,484
OSI Development Foundation	142,368	300,535
William and Flora Hewlett Foundation	137,427	71,300
Sigrid Rausing Trust	17,976	0
Stichting Adessium	11,026	0
The Christensen Fund	6,869	39,374
The Tony Elumelu Foundation	26	0
Swedish Postcode Foundation	0	12,155
Charities Aid Foundation	0	6,030
Bill & Melinda Gates Foundation	0	68
	<b>1,109,970</b>	<b>451,527</b>
<b>Subtotal</b>	<b>17,975,676</b>	<b>17,179,900</b>

## Notes to the Financial Statements (continued)

### 23. Donor Income (continued)

#### Restricted Donor Income (continued)

	2014	2013
	Euro	Euro
Forward	17,975,676	17,179,900
<b><u>Other Development Organisations</u></b>		
United Nations Development Programme (UNDP)	160,886	61,273
Christian Michelsen Institute (CMI), Norway	155,752	102,875
Gesellschaft für internationale Zusammenarbeit (GIZ), Germany	136,116	222,299
Task Force for Financial Integrity	62,875	49,715
The United Nations Democracy Fund (UNDEF)	38,788	52,089
Association of European Professional Football Leagues EPFL	28,847	21,153
TI Liaison Office to the European Union	18,239	16,679
United Nations Office on Drugs and Crime (UNODC)	10,589	12,291
European Bank for Reconstruction and Development (EBRD)	7,783	6,217
Transparency International Germany	4,124	0
CAFOD	2,587	0
Action Aid	2,531	0
Sightsavers	2,525	0
Oxfam GB	2,523	0
British Red Cross	2,522	0
Bond	1,277	0
Worldvision International	1,255	0
HelpAge International	1,235	0
Conciliation Resources	634	0
Stockholm International Water Institute (SIWI)	0	306,711
Malawi Economic Justice Network (MEJN)	0	63,445
European Investment Bank (EIB)	0	27,800
Transparency International Cambodia	0	9,696
Drusto Integriteta (TI-Slovenia)	0	5,177
Transparency Venezuela	0	4,450
Instituto Prensa Y Sociedad Peru (IPYS)	0	3,675
TI-Bosnia Herzegovina	0	3,150
International IDEA	0	1,122
Amarribo	0	-3,850
	<b>641,088</b>	<b>965,967</b>
<b><u>Corporate Donors</u></b>		
Ernst & Young LLP	264,676	107,091
ENI SpA	100,000	0
Kohlberg Kravis Roberts & Co.	50,000	0
DFL Deutsche Fußball Liga GmbH	34,194	15,806
Sanlam Limited	14,000	0
SGS AG	14,000	0
Fundacion Ceddet	9,600	0
PriceWaterhouseCoopers	7,000	14,000
BP International	7,000	7,000
HSBC Holdings plc	7,000	7,000
Norsk Hydro	7,000	7,000
Stora Enso	7,000	0
International Federation of Inspection Agencies	5,336	1,664
Rio Tinto London Ltd.	3,598	3,402
Aseguradora Fidelis	3,583	0
Warburg Pincus LLC	46	0
Shell International BV/Ltd.	0	25,000
National Integrity Action Limited	0	10,000
Coalition for Integrity and Accountability-AMAN	0	1,000
	<b>534,033</b>	<b>198,963</b>
<b><u>Individual Donors</u></b>		
Other individuals	262	0
	<b>262</b>	<b>0</b>
<b>Total</b>	<b>19,151,059</b>	<b>18,344,830</b>



## Notes to the Financial Statements (continued)

### 24. Other Income

	2014 Euro	2013 Euro
Travel expenses reimbursed by third parties	81,498	118,110
Maternity leave expenses reimbursed by insurance providers	21,012	22,033
Publications	1,224	132
Speakers' fees and honoraria income	513	1,250
Other	38,094	42,418
<b>Total</b>	<b>142,341</b>	<b>183,943</b>

### 25. Personnel Expenses

	2014 Euro	2013 Euro
Salaries	8,804,000	9,151,965
Employer's social insurance	1,445,104	1,486,752
Employer's pension contributions	113,750	108,125
<b>Total</b>	<b>10,362,854</b>	<b>10,746,841</b>

## Notes to the Financial Statements (continued)

### **26. National Chapter, Partner and Other Party Support**

This support includes expenditure reported for advances made in current and prior years, in addition to direct support paid to national chapters, partners and other parties. It also includes payments made directly to national chapters, partners and to other parties for workshops and other events in support of the TI movement.

In addition to this, further support was made to national chapters and partners through other expenditure categories, such as travel reimbursements. These items are recorded within note 27 "Other Expenses". The total value of other expenses which were paid directly to a national chapter or partner totalled €230,993 in 2014 (2013: €320,072). These are included separately in the table below.

See Annex 4 for a detailed breakdown by Chapter.

	<b>2014 Euro</b>	<b>2013 Euro</b>
Reported expenditure related to advances in previous years	2,568,669	4,213,886
Reported expenditure related to advances in current years	6,811,196	1,251,404
Expenditure incurred in current year	1,105,581	1,789,266
Expenditure related to workshops and other events	401,953	1,067,721
<b>Subtotal</b>	<b>10,887,399</b>	<b>8,322,277</b>
Other Expenses	230,993	320,072
<b>Total</b>	<b>11,118,392</b>	<b>8,642,349</b>

## Notes to the Financial Statements (continued)

### 27. Other Expenses

	2014 Euro	2013 Euro
Honoraria	1,839,035	2,591,920
Travel expenses	1,559,523	2,404,612
Maintenance, rent and leasing costs	563,232	525,837
Publications and communications	374,544	559,844
Miscellaneous expenses	246,899	251,024
Audits, Legal & advisory costs	173,599	242,386
Translations	165,835	169,436
Surveys	160,000	180,811
Other Personnel and recruitment costs	149,143	251,565
Meetings and workshops	78,948	313,535
Office supplies	30,311	108,057
<b>Total other expenses</b>	<b>5,341,069</b>	<b>7,599,027</b>

### 28. Financial Result

	2014 Euro	2013 Euro
<u>Finance income</u>		
Interest income	10,951	14,467
Foreign exchange translation gains	45,827	27,154
	<b>56,778</b>	<b>41,621</b>
<u>Finance costs</u>		
Interest paid	-1,249	-1,085
Foreign exchange translation losses	-29,640	-127,707
	<b>-30,889</b>	<b>-128,792</b>
<b>Total Financial results</b>	<b>25,889</b>	<b>-87,171</b>

## Notes to the Financial Statements (continued)

### Endowment Fund

### Annex 1

#### Donation from U.S. Agency for International Development (Cooperative Agreement DFD-A-00-03-00109-00)

	2014		2013	
	USD	EUR equivalent	USD	EUR equivalent
Balance of Fund 01 January	2,483,937	1,800,215	2,459,614	1,861,089
Interest received / realized gain	33,137	27,195	24,846	18,007
Service charges / Withdrawal taxes	-5	-4	-20	-14
Interest paid / realized loss	-2,268	-1,862	-502	-364
Exchange rate gain/loss	0	238,306	0	-78,501
Balance of Fund 31 December	<b>2,514,801</b>	<b>2,063,850</b>	<b>2,483,937</b>	<b>1,800,215</b>
Represented by				
Investments, at cost	2,494,021	2,046,796	2,482,061	1,798,856
Cash at bank	20,780	17,054	1,876	1,360
	<b>2,514,801</b>	<b>2,063,850</b>	<b>2,483,937</b>	<b>1,800,215</b>
Market value of investments at 31 December	<b>2,496,322</b>	<b>2,048,684</b>	<b>2,469,501</b>	<b>1,789,753</b>
Redemption value	<b>2,518,000</b>	<b>2,066,475</b>	<b>2,490,000</b>	<b>1,804,609</b>

Money is recorded in a separate bank account into which the interest received is also credited. Under the agreement with the Donor the above endowment must be held in USD. The investments comprise two US Treasury notes totalling USD 657,000, which are due to mature in 2019 and three other notes at with a value of USD 580,000, USD 636,000 and USD 645,000 which are due to mature 2016, 2017 and 2018 respectively.

The interest income is recorded on redemption.

#### Donation from Ford Foundation (Grant number 1070-0705)

	2014		2013	
	USD Equivalent	EUR	USD Equivalent	EUR
Balance of Fund 01 January	2,309,718	1,673,952	2,199,450	1,664,233
Interest received	13,767	11,298	13,410	9,719
Exchange rate difference	-270,008	0	96,859	0
Balance of Fund 31 December	<b>2,053,477</b>	<b>1,685,250</b>	<b>2,309,718</b>	<b>1,673,952</b>
Represented by				
Receivable Interest Income (for period 14.12 - 31.12)	128	105	797	577
Cash at bank	2,053,349	1,685,145	2,308,922	1,673,374
	<b>2,053,477</b>	<b>1,685,250</b>	<b>2,309,718</b>	<b>1,673,952</b>

Money is recorded in a separate bank account into which the interest received is also credited.

#### Endowment Funds in total

	2014		2013	
	USD Equivalent	EUR	USD Equivalent	EUR
Balance of Fund 31 December 2014				
USAID	2,514,801	2,063,850	2,483,937	1,800,215
Ford Foundation		1,685,250		1,673,952
		<b>3,749,100</b>		<b>3,474,167</b>

Transparency International's (TI) endowment fund has been set up with the intention of supporting the work of the organisation permanently. As such the Grants that have been made to the endowment by the United States Agency for International Development (USAID) and the Ford Foundation are in principle not limited by a specified Grant period or otherwise, so long as expenditure under the Grants is made in full observance of the purpose for which the Grant was made and if all reporting obligations are met by TI.

In the case of the Grant made to TI by USAID, a specific condition was included to provide for the possibility of a change of the terms of the Grant agreement should TI not have met the original December 2008 fundraising goal that was specified at the time the Grant was awarded in 2003. This provision was discussed at the end of 2009 and an activity report covering the period 2003 – 2009 was sent to USAID. This report is currently under review by USAID Legal Department.

The endowment fund has been disclosed as a contingent asset on page 22 of the Financial Statements.

## Donor Funding Schedule Unrestricted Funds

## Annex 2

	Opening Balance		Cash Received/ Repaid	Subtotal Available for use in 2014	Income Recognised as Income	Closing Balance	
	Donor Funding Received in Advance	Liabilities to Donors				Donor Funding Received in Advance	Liabilities to Donors
<b>Euro</b>							
<b>Governmental Agencies</b>	915,386	45,279	2,508,413	3,469,078	-2,769,226	495,000	204,852
DfID-Department for International Development (UK)			960,000	960,000	-1,200,000		
Ministry of Foreign Affairs, The Netherlands			1,083,510	1,083,510	-1,083,510		
Swedish International Development Cooperation Agency (Sida)		-800,000	1,800,000	1,000,000	-1,000,000		
Ministry for Foreign Affairs for Finland			543,986	543,986	-543,986		
Swiss Agency for Development and Cooperation SDC			333,027	333,027	-333,027		
Royal Danish Ministry of Foreign Affairs (Danida)			200,000	200,000	-200,000		
Irish Aid							-240,000
	<b>915,386</b>	<b>45,279</b>	<b>7,428,936</b>	<b>7,589,601</b>	<b>-7,129,749</b>	<b>495,000</b>	<b>204,852</b>
<b>Foundations</b>			20,000	20,000	-20,000		
Pestalozzi Foundation			4,576	4,576	-4,576		
Fondation Pierre Pfister							
	<b>0</b>	<b>0</b>	<b>24,576</b>	<b>24,576</b>	<b>-24,576</b>	<b>0</b>	<b>0</b>
<b>Corporate Donors</b>			50,000	50,000	-50,000		
Kohlberg Kravis Roberts & Co.			1,000	1,000	-1,000		
Copenhagen Business School			25,000	0	0		
Shell International BVL/Ltd.							
	<b>0</b>	<b>0</b>	<b>76,000</b>	<b>51,000</b>	<b>-51,000</b>	<b>0</b>	<b>0</b>
<b>Individual Donors</b>			320,370	320,370	-320,370		
Dorothy Parker Maloff Estate			2,500	2,500	-2,500		
Detteve Eisner			2,260	2,260	-2,260		
Johann Peter Jenssen			1,750	1,750	-1,750		
Linus Boman			1,500	1,500	-1,500		
Patrick Kinsch			1,500	1,500	-1,500		
Giovanna Longo			1,050	1,050	-1,050		
Henrik Bendix			1,000	1,000	-1,000		
Johannes Wery			12,851	12,851	-19,439		-6,664
Other (less than Euro 1,000 each)			344,781	344,781	-351,369	0	0
	<b>0</b>	<b>0</b>	<b>344,781</b>	<b>344,781</b>	<b>-351,369</b>	<b>0</b>	<b>-6,664</b>
<b>Total Unrestricted Funding</b>	<b>915,386</b>	<b>45,279</b>	<b>7,874,293</b>	<b>8,009,958</b>	<b>-7,556,694</b>	<b>495,000</b>	<b>204,852</b>
							<b>-246,664</b>

## Donor Funding Schedule Restricted Funds

## Annex 2

	Opening Balance			Cash Cash Received/ (repaid)	Subtotal Available for use in 2014	Income Recognised as Income	Adjustments Adjustment for interest and prior year corrections	Closing Balance				
	Donor Funding Received in Advance	Liabilities to Donors	Donor Commit- ments					Donor Funding Received in Advance	Liabilities to Donors	Donor Commit- ments		
<b>Governmental Agencies</b>												
Australian Department of Foreign Affairs and Trade (DFAT)	2,104,902	1,814,745	0	2,772,174	6,691,822	-4,332,245	-153	1,668,283	691,141	0	0	0
Swedish International Development Cooperation Agency (Sida)	2,978,388	277,520	0	846,596	4,102,504	-2,901,540		507,569	693,395	0	0	0
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), Germany	171,972	1,536,612	0	116,976	1,825,560	-1,714,455		111,104	0	0	0	0
European Commission	1,094,525	1,336,673	-359,031	3,298,704	5,370,871	-1,387,022		1,558,238	2,447,438	-21,827		
DfID-Department for International Development (UK)	1,501	326,777	-159,200	1,051,298	1,220,376	-1,339,207		2,469	85,701	-207,001		
Ministry for Economic Cooperation and Development (BMZ), Germany	57,422	205,001	0	847,195	1,109,618	-1,106,546		3,072	0	0		
Norwegian Agency for Development Cooperation (Norad)	105,332	432,742	0	936,065	1,474,138	-1,083,037		91,910	299,192	0		
New Zealand Ministry of Foreign Affairs and Trade	195,799	816,450	0	163,074	1,175,323	-916,189		13,799	245,334	0		
Foreign & Commonwealth Office (FCO), UK	0	277,520	-522,660	821,966	576,826	-644,226		0	35,760	-103,160		
French Ministry of Foreign and European Affairs	300,000	0	0	0	300,000	-300,000		0	0	0		
Government of Tunisia	0	0	-296,122	550,000	253,878	-253,878		0	0	0		
Government of Sint Maarten	168,756	0	0	42,215	210,971	-188,919		22,052	0	0		
Financial Mechanism Office (FMO)	0	0	-160,331	300,000	139,669	-182,358		0	0	-42,689		
Federal Foreign Office, Germany	774	170,941	0	-1,357	170,358	-170,359		0	0	0		
Swiss Agency for Development and Cooperation SDC	194,719	226,960	-3,340	3,340	421,679	-136,455		0	0	0		
Irish Aid	100,000	100,000	0	100,000	300,000	-100,000		100,000	100,000	0		
Ministry for Foreign Affairs for Finland	0	0	-57,628	207,630	150,002	-50,000		0	0	0		
Ministry of Foreign Affairs of Estonia	104,836	0	0	0	104,836	-41,064		63,772	0	0		
Dutch Ministry of the Interior and Kingdom Relations	0	0	0	32,080	32,080	-18,112		13,968	0	0		
Islamic Republic of Mauritania	0	0	0	0	0	-94		0	0	0		
Ministry of Foreign Affairs, The Netherlands	671,720	0	0	-671,720	0	0		0	0	0		
U.S. Agency for International Development (USAID)	21,332	0	-209,900	193,911	5,343	0		0	0	0		
	<b>8,271,978</b>	<b>7,521,941</b>	<b>-1,768,212</b>	<b>11,610,147</b>	<b>25,635,854</b>	<b>-16,865,706</b>		<b>-153</b>	<b>4,156,236</b>	<b>4,697,961</b>		<b>-390,760</b>

## Donor Funding Schedule Restricted Funds (continued)

## Annex 2

	Opening Balance		Cash Received/ (repaid)	Subtotal Available for use in 2014	Income Recognised as Income	Adjustments for interest and prior year corrections	Donor Funding Received in Advance	Closing Balance	
	Donor Funding Received in Advance	Liabilities to Donors						Liabilities to Donors	Donor Commitments
<b>Foundations</b>									
National Endowment for Democracy (NED)	0	409,300	537,017	828,742	-647,103		3,221	178,418	0
Foundation to Promote Open Society	7,815	139,360	0	147,175	-147,175		0	0	0
OSI Development Foundation	117,107	22,144	197,167	313,431	-142,368		22,704	148,360	0
William and Flora Hewlett Foundation	164,900	180,668	0	365,470	-137,427		253,544	320,068	0
Sigrid Rausing Trust	0	0	61,994	61,994	-17,976		44,018	0	0
Stichting Adessium	0	0	150,000	150,000	-11,026		138,974	0	0
The Christensen Fund	6,869	0	0	6,869	-6,869		0	0	0
The Tony Elumelu Foundation	0	0	19,428	19,428	-26		19,402	0	0
	<b>296,691</b>	<b>751,472</b>	<b>1,331,076</b>	<b>2,238,677</b>	<b>-1,109,970</b>	<b>0</b>	<b>481,863</b>	<b>646,846</b>	<b>0</b>
<b>Corporate Donors / Contributions to Project costs</b>									
Ernst & Young LLP	192,909	0	0	192,909	-264,676		0	0	-71,768
ENI SpA	0	0	100,000	100,000	-100,000		0	0	0
Kohlberg Kravis Roberts & Co.	0	0	50,000	50,000	-50,000		0	0	0
DFL Deutsche Fußball Liga GmbH	24,286	9,908	0	34,194	-34,194		0	0	0
Sanlam Limited	7,000	0	7,000	14,000	-14,000		0	0	0
SGS AG	7,000	0	7,000	14,000	-14,000		0	0	0
Fundacion Ceddet	0	0	9,600	9,600	-9,600		0	0	0
BP International	0	0	7,000	7,000	-7,000		0	0	-7,000
HSBC Holdings plc	0	0	14,000	14,000	-7,000		0	0	0
Norsk Hydro	0	0	7,000	7,000	-7,000		0	0	0
PriceWaterhouseCoopers	0	0	7,000	7,000	-7,000		0	0	-14,000
Stora Enso	0	0	7,000	7,000	-7,000		0	0	0
International Federation of Inspection Agencies	1,836	0	3,500	5,336	-5,336		0	0	0
Rio Tinto London Ltd.	3,598	0	0	3,598	-3,598		0	0	0
Aseguradora Fideis	0	0	3,583	3,583	-3,583		0	0	0
Warburg Pincus LLC	0	0	7,188	7,188	-46		7,141	0	0
Shell International BV/Ltd.	0	0	25,000	25,000	0		0	0	0
	<b>236,629</b>	<b>9,908</b>	<b>247,871</b>	<b>448,408</b>	<b>-534,033</b>	<b>0</b>	<b>7,141</b>	<b>0</b>	<b>-92,768</b>
<b>SUBTOTAL RESTRICTED FUNDING</b>	<b>8,805,298</b>	<b>8,283,321</b>	<b>13,189,094</b>	<b>28,322,939</b>	<b>-18,509,709</b>	<b>-153</b>	<b>4,645,240</b>	<b>5,344,807</b>	<b>-483,528</b>

## Donor Funding Schedule Restricted Funds (continued)

## Annex 2

	Opening Balance			Cash	Subtotal	Income Recognised as Income	Adjustments for interest and prior year corrections	Closing Balance				
	Donor Funding Received in Advance	Liabilities to Donors	Donor Commitments					Donor Funding Received in Advance	Liabilities to Donors	Donor Commitments		
<b>Other Development Organizations</b>												
United Nations Development Programme (UNDP)	93,502	0	0	144,807	238,309	-160,886		76,868	9,000	-8,446		
Christian Michelsen Institute (CMI), Norway	22,866	0	-31,778	128,701	119,789	-155,752		0	0	-35,962		
Gesellschaft für internationale Zusammenarbeit (GIZ), Germany	144,560	5,000	0	400,000	549,560	-136,116		388,349	25,000	0		
Task Force for Financial Integrity	38,342	0	0	38,032	76,374	-62,875		12,000	1,500	0		
The United Nations Democracy Fund (UNDEF)	38,784	0	0	0	38,784	-38,788		-4	0	0		
Association of European Professional Football Leagues EPFL	18,939	9,908	0	0	28,847	-28,847		0	0	0		
TI Liaison Office to the European Union	13,239	0	0	5,000	18,239	-18,239		0	0	0		
United Nations Office on Drugs and Crime	0	0	0	7,341	7,341	-10,589		0	1,200	-4,448		
European Bank for Reconstruction and Development (EBRD)	783	0	0	7,000	7,783	-7,783		0	0	0		
Transparency International Germany	0	4,570	0	0	4,570	-4,124		446	0	0		
CAFOD	0	0	0	2,587	2,587	-2,587		0	0	0		
Action Aid	0	0	0	2,531	2,531	-2,531		0	0	0		
Sightsavers	0	0	0	2,525	2,525	-2,525		0	0	0		
Oxfam GB	0	0	0	2,523	2,523	-2,523		0	0	0		
British Red Cross	0	0	0	2,522	2,522	-2,522		0	0	0		
Bond	0	0	0	1,277	1,277	-1,277		0	0	0		
World Vision International	0	0	0	1,255	1,255	-1,255		0	0	0		
HelpAge International	0	0	0	1,235	1,235	-1,235		0	0	0		
Conciliation Resources	0	0	0	634	634	-634		0	0	0		
Malawi Economic Justice Network (MEJN)	0	0	-2,387	2,387	0	0		0	0	0		
Stockholm International Water Institute (SIWI)	16,775	0	0	0	16,775	0		0	0	0		
Transparency International Papua New Guinea	0	0	-13,440	13,440	0	0		0	0	0		
University of Konstanz	0	0	-44,224	0	-44,224	0	12,429	0	0	-31,794		
	<b>387,790</b>	<b>19,478</b>	<b>-91,829</b>	<b>763,797</b>	<b>1,079,236</b>	<b>-641,088</b>	<b>12,429</b>	<b>477,659</b>	<b>36,700</b>	<b>-80,650</b>		
<b>Individual Donors</b>												
Individual Donors	0	0	0	0	0	-262		0	0	-262		
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-262</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-262</b>		
<b>TOTAL RESTRICTED FUNDING</b>	<b>9,193,088</b>	<b>8,302,799</b>	<b>-2,046,603</b>	<b>13,952,891</b>	<b>29,402,175</b>	<b>-19,151,059</b>	<b>12,276</b>	<b>5,122,899</b>	<b>5,381,507</b>	<b>-564,440</b>		
<b>TOTAL UNRESTRICTED AND RESTRICTED FUNDING</b>	<b>10,108,474</b>	<b>8,348,078</b>	<b>-2,871,603</b>	<b>21,827,184</b>	<b>37,412,133</b>	<b>-26,707,753</b>	<b>12,276</b>	<b>5,617,899</b>	<b>5,586,359</b>	<b>-811,104</b>		



**Detailed Programme Information: Summary\***

Category	Governance and Special Initiatives	External Relations and Partnerships	Advocacy and Research	Network, Chapters and Programmes	Other (incl. FX Gains & Losses)	TOTAL
<b>Incoming Funds</b>						
<b>Restricted Donor Income</b>						
Governmental Agencies	1,476,588	50,000	274,725	15,064,392		16,865,704
Foundations	17,976			1,091,995		1,109,971
Other Development Organizations	255,707	17,089	155,752	212,539		641,087
Corporate Donors	50,000		264,676	219,357		534,034
Individual Donors		263				263
	<b>1,800,271</b>	<b>67,352</b>	<b>695,152</b>	<b>16,588,283</b>		<b>19,151,059</b>
<b>Subtotal (A)</b>						
<b>Other Income</b>	53,310	312	8,375	72,310	8,034	142,341
<b>Financial Result</b>	-7,384	-643	-3	297	33,622	25,889
	<b>1,846,197</b>	<b>67,021</b>	<b>703,524</b>	<b>16,660,891</b>	<b>41,656</b>	<b>19,319,288</b>
<b>Total Incoming Funds (D=A+B+C)</b>						
<b>Project Costs</b>	3,666,455	2,127,029	1,980,655	18,960,655	-20,573	26,714,222
<b>Required Unrestricted Donor Income (E-D)</b>	<b>1,820,259</b>	<b>2,060,008</b>	<b>1,277,130</b>	<b>2,299,765</b>	<b>-62,229</b>	<b>7,394,933</b>
<b>Total Unrestricted Donor Income</b>						<b>7,556,694</b>
<b>Surplus of the Year</b>						<b>161,761</b>

For additional details, please see:

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Note: \* Figures in Euros (€). Due to rounding, numbers presented may not add up precisely to totals provided.

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Detailed Programme Information: Governance and Special Initiatives

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Category	Support & Governance & Special Initiatives (SGSI)	GOV-Governance		CONV-Conventions		Legal Affairs Unit	International Anti-Corruption Conference (IACC)	SPI-Special Initiatives		Water Integrity Network (WIN)	TOTAL
		Governance	Accreditation Review	Conventions Exporting Corruption	United Nations Convention Against Corruption (UNCAC)			External Initiatives, incl. Defence & Anti-Bribery Principles	Private Sector Initiatives		
<b>Incoming Funds</b>											
<b>Restricted Donor Income</b>											
<b>Governmental Agencies</b>											
DfID-Department for International Development (UK)							253,878	870,307			870,307
Government of Tunisia										136,455	253,878
Swiss Agency for Development and Cooperation SDC										122,836	136,455
Ministry for Economic Cooperation and Development (BMZ), Germany											122,836
Norwegian Agency for Development Cooperation (Norad)				18,112	75,000						75,000
Dutch Ministry of the Interior and Kingdom Relations											18,112
<b>Foundations</b>											
Sigrid Rausing Trust				17,976							17,976
<b>Other Development Organizations</b>											
United Nations Development Programme (UNDP)				23,845	38,554		60,526				122,924
Gesellschaft für internationale Zusammenarbeit (GIZ), Germany							83,406				83,406
The United Nations Democracy Fund (UNDEF)											38,788
United Nations Office on Drugs and Crime											10,589
<b>Corporate Donors / Contributions to Project costs</b>											
Kohlberg Kravis Roberts & Co.										50,000	50,000
<b>Subtotal (A)</b>	-	-	-	<b>70,521</b>	<b>152,341</b>	-	<b>397,810</b>	<b>870,307</b>	<b>50,000</b>	<b>259,291</b>	<b>1,800,271</b>
<b>Other Income</b>	711	50,595		1,764						6	53,310
<b>Financial Result</b>		-7,387							234	3	-7,384
<b>Total Incoming Funds (D=A+B+C)</b>	<b>711</b>	<b>43,208</b>	-	<b>72,285</b>	<b>152,341</b>	-	<b>397,820</b>	<b>870,541</b>	<b>50,000</b>	<b>259,291</b>	<b>1,846,197</b>
<b>Project Costs</b>	133,719	869,078	40,443	186,374	152,884	209,202	767,120	999,302	50,042	259,291	3,666,455
<b>Required Unrestricted Donor Income</b>	<b>133,008</b>	<b>825,870</b>	<b>40,443</b>	<b>114,089</b>	<b>543</b>	<b>208,202</b>	<b>369,301</b>	<b>128,762</b>	<b>42</b>	<b>0</b>	<b>1,820,259</b>

**Detailed Programme Information: External Relations & Partnerships**

Category	Support External Relations & Partnerships	Communications	No Impunity Campaign	Resource Mobilisation and Sustainability Programme	TOTAL
<b>Incoming Funds</b>					
<b><u>Restricted Donor Contributions</u></b>					
<b>Governmental Agencies</b>				50,000	50,000
Ministry for Economic Cooperation and Development (BMZ), Germany					
<b>Other Development Organizations</b>				17,089	17,089
Various Contributions ("Comparing Donor Approaches to Unrestricted Funding for Civil Society)					
<b>Individual Donors</b>				263	263
				<b>67,352</b>	<b>67,352</b>
<b>Subtotal (A)</b>					
<b><u>Other Income</u></b>	173	125	14		312
<b><u>Financial Result</u></b>		-28		-614	-643
	<b>173</b>	<b>96</b>	<b>14</b>	<b>66,738</b>	<b>67,021</b>
<b>Total Incoming Funds (D=A+B+C)</b>					
<b>(E)</b>	401,206	1,486,982	89,951	148,890	2,127,029
<b>Project Costs</b>					
<b>Required Unrestricted Donor Income (E-D)</b>	<b>401,033</b>	<b>1,486,885</b>	<b>89,937</b>	<b>82,152</b>	<b>2,060,008</b>

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Detailed Programme Information: Advocacy and Research

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Category	Support Advocacy and Research	RES-Research		KSS-Knowledge and Stakeholder Support			ACLAB-Anti-Corruption Lab	POC Policy Outreach & Campaigns	TOTAL
		Research	Global Corruption Barometer (GCB)	Monitoring, Evaluation & Learning	Knowledge and Stakeholder	Helpdesk			
<b>Incoming Funds</b>									
<b>Restricted Donor Contributions</b>									
<b>Governmental Agencies</b>									
European Commission						121,906			166,057
Ministry for Economic Cooperation and Development (BMZ), Germany			75,000					44,150	75,000
Department for International Development (DFID), United Kingdom			33,668						33,668
<b>Other Development Organizations</b>									
Center for International Policy						22,567			155,752
Christian Michelsen institute (CMI), Norway				133,185					
<b>Corporate Donors / Contributions to Project costs</b>									
Ernst & Young LLP		264,676							264,676
	0	264,676	108,668	0	133,185	144,473	0	44,150	695,152
<b>Subtotal (A)</b>									
<b>Other Income</b>	1,075	40		5,598					8,375
<b>Financial Result</b>						1,224			-3
	1,075	264,716	108,668	0	133,185	144,473	0	44,150	703,524
<b>Total Incoming Funds (D=A+B+C)</b>									
<b>Project Costs</b>	267,723	266,212	113,844	71,627	145,156	160,675	73,111	81,703	1,980,655
	266,648	1,496	5,176	71,627	11,970	16,203	73,111	37,552	1,277,130
<b>Required Unrestricted Donor Income</b>									

Detailed Programme Information: Networks, Chapters and Programmes

Category	Support Networks, Chapters and Programmes	Programmes and Regional Departments					TOTAL			
		Programmes (PROG)	Network Services (NS)	Americas (AME)	Asia & Pacific (APD)	Europe & Central Asia (ECA)		Middle East & North Africa (MENA)	South Saharan Africa (SSA)	
<b>Incoming Funds</b>										
<b>Restricted Donor Contributions</b>										
Governmental Agencies		2,925,006	225,000	535,758	5,136,982	1,320,297	3,492,609	1,428,739	15,064,392	
Foundations		137,427		293,451		658,129		2,987	1,091,995	
Other Development Organizations		141,606				28,847		42,086	212,539	
Corporate Donors / Contributions to Project costs		171,980		13,183		34,194			219,357	
<b>Subtotal (A)</b>		<b>3,376,020</b>	<b>225,000</b>	<b>842,392</b>	<b>5,136,982</b>	<b>2,041,468</b>	<b>3,492,609</b>	<b>1,473,812</b>	<b>16,588,283</b>	
<b>Other Income</b>		19,825	110	2,143	23,660	4,624	3,178	18,771	72,310	
<b>Financial Result</b>		35		-1,207	104	39	-200	1,526	297	
<b>Total Incoming Funds (D=A+B+C)</b>		<b>3,395,880</b>	<b>225,110</b>	<b>843,328</b>	<b>5,160,745</b>	<b>2,046,131</b>	<b>3,495,587</b>	<b>1,494,109</b>	<b>16,660,891</b>	
<b>Project Costs</b>		351,286	3,654,679	324,919	5,236,110	3,103,343	3,497,143	1,748,445	18,960,655	
<b>Required Unrestricted Donor Income</b>		<b>351,286</b>	<b>258,799</b>	<b>99,809</b>	<b>75,364</b>	<b>1,057,212</b>	<b>1,556</b>	<b>254,335</b>	<b>2,299,765</b>	

For additional details, please refer to:

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Detailed Programme Information: Networks, Chapters and Programmes - Programmes (PROG)

Category	Programmes Support		Programmes					TOTAL
	People Engagement Programme (PEP)	Public Sector Integrity Programme (PSIP)	Open Governance	Business Integrity Programme (BIP)	Transparency in Corporate Reporting	Climate Finance Integrity Programme (GFIP)	Preventative Anti-corruption for REDD+ Project	
<b>Incoming Funds</b>								
<b>Restricted Donor Contributions</b>								
<b>Governmental Agencies</b>								
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), Germany						1,714,455		1,714,455
Ministry for Economic Cooperation and Development (BMZ), Germany	265,000			135,000				633,710
Norwegian Agency for Development Cooperation (Norad)			130,080				405,698	405,698
Foreign and Commonwealth Office (FCO), UK								130,080
Ministry of Foreign Affairs of Estonia	41,064							41,064
<b>Foundations</b>								
William and Flora Hewlett Foundation			137,427					137,427
<b>Other Development Organizations</b>								
Task Force for Financial Integrity				62,875				62,875
Gesellschaft für internationale Zusammenarbeit (GIZ), Germany					52,709			52,709
Ti Liaison Office to the European Union		18,239						18,239
European Bank for Reconstruction and Development (EBRD)				7,783				7,783
<b>Corporate Donors / Contributions to Project costs</b>								
ENI SPA				100,000				100,000
SGS AG				14,000				14,000
Sanlam Limited				14,000				14,000
BP International				7,000				7,000
HSBC Holdings plc				7,000				7,000
Norsk Hydro				7,000				7,000
PriceWaterhouseCoopers				7,000				7,000
Stora Enso				7,000				7,000
International Federation of Inspection Agencies				5,336				5,336
Rio Tinto London Ltd.				3,598				3,598
Warburg Pincus LLC				46				46
<b>Subtotal (A)</b>	-	18,239	267,507	377,638	52,709	1,714,455	405,698	3,376,020
<b>Other Income</b>								
(B)		303		18,134				19,825
(C)		88		-92				35
<b>Financial Result</b>								
<b>Total Incoming Funds (D=A+B+C)</b>	-	306,454	267,507	395,680	52,709	1,714,356	405,698	3,395,880
<b>Project Costs</b>								
(E)	82,933	308,631	267,507	399,202	52,709	1,761,591	407,653	3,654,679
<b>Required Unrestricted Donor Income</b>								
(E-D)	82,933	2,177	-	3,521	-	47,235	1,955	258,799

Category	AME Institutional Support	Projects				TOTAL
		Americas Regional Programme	Access to Information (Venezuela)	Economic Equality in Latin America (EELA II)	National Integrity System in St Maarten	
<b>Incoming Funds</b>						
<b>Restricted Donor Contributions</b>						
<b>Governmental Agencies</b>						
Australian Department of Foreign Affairs and Trade (DFAT)		216,839				216,839
Government of Sint Maarten					188,919	188,919
Norwegian Agency for Development Cooperation (Norad)	130,000					130,000
<b>Foundations</b>						
Foundation to Promote Open Society			147,175			147,175
OSI Development Foundation			156	103,102		139,407
Fundacion Ceddet	9,600					9,600
The Christensen Fund		6,869				6,869
<b>Other Development Organizations</b>						
Aseguradora Fidelis	3,583					3,583
<b>Subtotal (A)</b>	<b>143,183</b>	<b>223,708</b>	<b>147,331</b>	<b>103,102</b>	<b>188,919</b>	<b>842,392</b>
<b>Other Income</b>						
<b>Financial Result</b>						
(B)	2,143					2,143
(C)	-1,242			35		-1,207
<b>Total Incoming Funds (D=A+B+C)</b>	<b>144,084</b>	<b>223,708</b>	<b>147,331</b>	<b>103,137</b>	<b>188,919</b>	<b>843,328</b>
<b>Project Costs</b>						
(E)	316,064	223,708	147,331	130,299	188,919	1,044,732
<b>Required Unrestricted Donor Income</b>	<b>171,980</b>	<b>-</b>	<b>-</b>	<b>27,162</b>	<b>-</b>	<b>201,403</b>

Category	APD Institutional Support	Projects				TOTAL
		Regional Programme	Pacific Institutional and Network Strengthening Programme (PINSP)	Citizens Against Corruption in South Asia	Strengthening Anti-corruption Demand from Society, Public & Private Sector in Vietnam	
<b>Incoming Funds</b>						
<b>Restricted Donor Contributions</b>						
<b>Governmental Agencies</b>						
Australian Department of Foreign Affairs and Trade (DFAT)		2,790,475		490,448	9,992	3,290,915
New Zealand Ministry of Foreign Affairs and Trade			916,189			916,189
DfID-Department for International Development (UK)				435,232		435,232
Norwegian Agency for Development Cooperation (Norad)					313,944	313,944
Irish Aid				100,000		100,000
Ministry for Foreign Affairs for Finland				50,000		50,000
Foreign and Commonwealth Office (FCO), UK	30,701					30,701
	<b>30,701</b>	<b>2,790,475</b>	<b>916,189</b>	<b>490,448</b>	<b>595,224</b>	<b>313,944</b>
<b>Subtotal (A)</b>						<b>5,136,982</b>
<b>Other Income</b>	18,246	1,657		30	1,469	23,660
<b>Financial Result</b>	63				39	103
	<b>49,010</b>	<b>2,792,131</b>	<b>916,189</b>	<b>490,478</b>	<b>596,732</b>	<b>316,204</b>
<b>Total Incoming Funds (D=A+B+C)</b>						<b>5,160,745</b>
<b>Project Costs</b>	127,487	2,792,131	916,189	487,366	596,732	5,236,110
<b>Required Unrestricted Donor Income</b>	<b>78,477</b>	<b>-</b>	<b>-</b>	<b>-3,112</b>	<b>-</b>	<b>75,364</b>



Transparency International e.V.  
Financial Statements for the year ended 31 December 2014

Detailed Programme Information: Networks, Chapters and Programmes - Europe and Central Asia (ECA)

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Category	ECA		Projects					TOTAL		
	Institutional Support	National Integrity System - West Balkans	Staying on Side - How to Stop Match Fixing	European Neighbourhood Programme - National Integrity System	Speak Up - Engaging Citizens in Fighting Corruption in Europe	Speak Up II - Engaging Citizens in Fighting Corruption in Europe	Financial Mechanism Office (FMO) Partnership		Advocacy and Legal Advice centres (ALACs) in South East Europe	Lifting the Lid on Lobbying
<b>Incoming Funds</b>										
<b>Restricted Donor Contributions</b>										
<b>Governmental Agencies</b>										
European Commission	2,552	49,866	201,891	229,652	272,194	39,395	182,358	172,031		967,581
Financial Mechanism Office (FMO)										182,358
Federal Foreign Office, Germany							170,359			170,359
<b>Foundations</b>										
National Endowment for Democracy (NED)									647,103	647,103
Stichting Adessium	78				8,818	2,130				11,026
<b>Other Development Organizations</b>										
Association of European Professional Football Leagues EPFL			28,847							28,847
<b>Corporate Donors / Contributions to Project costs</b>										
DFL Deutsche Fußball Liga GmbH			34,194							34,194
<b>Other Income</b>										
<b>Financial Result</b>										
	2,630	49,866	264,932	229,652	281,012	41,525	182,358	172,031	647,103	2,041,468
<b>Subtotal (A)</b>										
(B)	3,252	80	24	117	63		741	347		4,624
(C)								39		39
<b>Total Incoming Funds (D=A+B+C)</b>	5,882	49,946	264,956	229,769	281,075	41,525	183,099	172,417	647,103	2,046,131
<b>Project Costs</b>										
(E)	711,654	130,765	308,025	264,684	322,924	73,572	183,099	170,360	649,035	3,103,343
<b>Required Unrestricted Donor Income</b>	705,772	80,819	43,070	34,915	41,849	32,047	-	1	1,932	1,057,212

Category	Projects			TOTAL
	Transparency International MENA Programme (TIMP)	National Integrity System in the MENA Region	National Integrity System in the MENA Region Phase II	
<b>Incoming Funds</b>				
<b>Restricted Donor Contributions</b>				
<b>Governmental Agencies</b>				
Swedish International Development Cooperation Agency (Sida)	2,901,540			2,901,540
Foreign and Commonwealth Office (FCO), UK	483,445			483,445
European Commission		88,364	19,167	107,531
Islamic Republic of Mauritania	94			94
	<b>3,385,079</b>	<b>88,364</b>	<b>19,167</b>	<b>3,492,609</b>
<b>Subtotal (A)</b>				<b>-</b>
<b>Other Income</b>	3,166	11		3,178
<b>Financial Result</b>	-200			-200
	<b>3,388,045</b>	<b>88,375</b>	<b>19,167</b>	<b>3,495,587</b>
<b>Total Incoming Funds (D=A+B+C)</b>				<b>-</b>
<b>Project Costs</b>	3,388,045	88,375	19,167	3,497,143
				1,556
<b>Required Unrestricted Donor Income (E-D)</b>	-	-	-	<b>1,556</b>

Category	Projects			TOTAL
	Regional Programme	Governance & Finance Integrity in REDD+	Advocacy and Advice Centres (ALACs) in Francophone Africa	
<b>Incoming Funds</b>				
<b>Restricted Donor Contributions</b>				
<b>Governmental Agencies</b>				
Australian Department of Foreign Affairs and Trade (DFAT)	774,843	49,648	-	824,491
French Ministry of Foreign and European Affairs	158,394	300,000	-	300,000
Norwegian Agency for Development Cooperation (Norad)	2,703	143,151	-	158,394
European Commission			145,854	145,854
<b>Foundations</b>				
OSI Development Foundation	2,961			2,961
The Tony Elumelu Foundation	26			26
<b>Other Development Organizations</b>				
United Nations Development Programme (UNDP)		37,962		37,962
Transparency International Germany	4,124			4,124
	<b>943,051</b>	<b>230,761</b>	<b>300,000</b>	<b>1,473,812</b>
<b>Subtotal (A)</b>				
<b>Other Income</b>				
(B)	18,771			18,771
(C)	1,526			1,526
<b>Total Incoming Funds (D=A+B+C)</b>	<b>963,348</b>	<b>230,761</b>	<b>300,000</b>	<b>1,494,109</b>
<b>Project Costs</b>				
(E)	1,160,982	287,463	300,000	1,748,445
<b>(E-D)</b>	<b>197,634</b>	<b>56,702</b>	<b>-</b>	<b>254,335</b>
<b>Required Unrestricted Donor Income</b>				

National Chapter and Partner Support

Annex 4

	Euro						
	Reported expenditure related to advances in previous years	Reported expenditure related to advances in current years	Expenditure incurred in current year	Expenditure related to workshops and other events	SUBTOTAL	Other Expenditure	TOTAL
<b>Europe and Central Asia</b>							
Transparency International UK	97,153	280,931	666,610	0	1,044,694	2,456	1,047,150
Transparency International Russia	202,186	409,300	0	0	611,486	0	611,486
Transparency International Liaison Office to the European Union AISBL	24,909	0	130,000	0	154,909	2,066	156,975
HELVETAS Swiss Intercooperation	0	136,455	0	0	136,455	0	136,455
Transparency International Moldova	14,177	63,112	0	0	77,289	0	77,289
Transparency International Greece	24,042	51,872	0	0	75,914	363	76,277
Association pour la Promotion de la Transparence (APPT)	8,609	65,109	0	0	73,718	0	73,718
Transparency International Hungary	13,641	57,025	0	0	70,666	958	71,624
Transparency International Italia	25,970	20,097	4,100	0	50,167	1,747	51,914
Transparency International Lithuania	28,619	11,814	900	0	41,333	7,088	48,421
Seffaliq Azerbaycan Korruptsiya	17,740	25,521	0	0	43,261	0	43,261
Transparency International Serbia	0	40,715	0	0	40,715	929	41,644
Zero Corruption Coalition Macedonia	0	37,620	0	0	37,620	631	38,251
Transparency International Anti-Corruption Center Public Organisation	16,422	20,668	157	0	37,247	0	37,247
Transparency International Czech Republic	0	29,228	0	0	29,228	1,479	30,707
Transparency International Georgia	1,940	23,384	501	0	25,825	3,890	29,715
Transparency International Deutschland e.V.	0	24,915	3,276	0	28,191	690	28,881
TI-Ukraine	14,005	13,510	0	0	27,515	0	27,515
Sabiedriba Par Atklatibu Delna	2,888	21,872	0	0	24,760	1,660	26,420
Instituto Universitario de Lisboa	16,666	9,276	0	0	25,942	0	25,942
MANS (The Network for the Affirmation of the NGO Sector, Montenegro)	5,500	16,225	0	0	21,725	445	22,170
Transparency International Albania	0	17,280	0	0	17,280	1,204	18,484
Transparency International Bosnia and Herzegovina	0	17,810	0	0	17,810	637	18,447
Transparency International Netherlands	0	0	12,719	0	12,719	0	12,719
Transparence International (France)	4,700	0	3,000	0	7,700	1,274	8,974
Transparencia e Integridade, Associacao Civica (TIAC)	5,000	0	0	0	5,000	1,741	6,741
Center for Economic Development-Transparency International Slovakia	2,000	4,226	1,000	0	7,226	808	8,034
Seffaflik Demegi-Transparency Association	1,650	0	0	0	1,650	801	2,451
Transparency International Schweiz	2,080	0	0	0	2,080	189	2,269
Transparency Cyprus	1,500	0	0	0	1,500	334	1,834
Transparency International Bulgaria-Transparency without Borders	0	0	1,000	0	1,000	624	1,624
Transparency International Sweden	1,396	0	0	0	1,396	159	1,555
Transparency International Norway	0	0	1,500	0	1,500	0	1,500
Transparency International Ireland	0	0	0	0	0	1,053	1,053
Transparency International Israel/SHVIL	0	0	300	0	300	469	769
	<b>532,793</b>	<b>1,397,965</b>	<b>825,063</b>	<b>0</b>	<b>2,755,821</b>	<b>33,696</b>	<b>2,789,517</b>
<b>Americas</b>							
Transparencia Mexicana	5,500	336,429	10,049	0	351,978	1,748	353,726
Proetica-Consejo Nacional para la Etica Publica	13,618	299,805	4,722	0	318,145	1,992	320,137
Participacion Ciudadana RD	0	254,617	0	0	254,617	241	254,858
Transparencia Venezuela	10,000	139,360	7,533	0	156,893	170	157,063
Transparency International USA	0	0	50,000	0	50,000	597	50,597
Accion Ciudadana	6,512	4,492	8,972	0	19,976	0	19,976
Amaribo	13,000	0	1,724	0	14,724	0	14,724
Corporacion Transparencia por Colombia	8,300	2,695	2,395	0	13,390	0	13,390
Poder Ciudadano	7,390	139	2,387	0	9,916	0	9,916
Costa Rica Integra	0	0	0	5,185	5,185	0	5,185
La Fondation Heritage pour Haiti	0	4,124	0	0	4,124	0	4,124
Grupo Civico Etica y Transparencia	2,411	0	0	0	2,411	0	2,411
Asociacion para una Sociedad mas Justa ASJ	1,101	0	0	0	1,101	0	1,101
	<b>67,832</b>	<b>1,041,661</b>	<b>87,782</b>	<b>5,185</b>	<b>1,202,460</b>	<b>4,748</b>	<b>1,207,208</b>
Subtotal	<b>600,625</b>	<b>2,439,626</b>	<b>912,845</b>	<b>5,185</b>	<b>3,958,281</b>	<b>38,444</b>	<b>3,996,725</b>

## National Chapter and Partner Support

## Annex 4

	Euro						
	Reported expenditure related to advances in previous years	Reported expenditure related to advances in current years	Expenditure incurred in current year	Expenditure related to workshops and other events	SUBTOTAL	Other Expenditure	TOTAL
<b>Forward</b>	600,625	2,439,626	912,845	5,185	3,958,281	38,444	3,996,725
<b>Sub-Saharan Africa</b>							
Transparency International Kenya	37,000	235,293	8,613	0	280,906	1,487	282,393
Transparency International Zimbabwe	61,841	17,180	0	0	79,021	0	79,021
Association Nigerienne de Lutte contre la Corruption	41,332	0	11,891	0	53,223	0	53,223
Transparency International Initiative Madagascar	37,842	11,187	0	0	49,029	500	49,529
Transparency International Cameroon	47,337	0	500	0	47,837	0	47,837
Transparency Mauritius	18,512	22,000	0	0	40,512	1	40,513
Transparency International Sierra Leone	8,483	23,436	2,000	0	33,919	0	33,919
Transparency Rwanda	10,712	14,593	0	0	25,305	2,838	28,143
Forum Civil	0	14,373	0	0	14,373	10,961	25,334
Ghana Integrity Initiative	7,768	10,000	1,717	443	19,928	117	20,045
Centro de Integridade Publica CIP	0	16,896	0	0	16,896	0	16,896
CISLAC Civil Society Legislative Advocacy Centre	0	11,173	0	0	11,173	0	11,173
ABUCO	0	6,403	0	0	6,403	53	6,456
Transparency Uganda	0	0	1,340	0	1,340	128	1,468
Transparency International Zambia	0	0	0	0	0	0	0
	<b>270,827</b>	<b>382,534</b>	<b>26,061</b>	<b>443</b>	<b>679,865</b>	<b>16,085</b>	<b>695,950</b>
<b>Middle-East and North Africa</b>							
Transparency Maroc	149,935	197,029	1,727	0	348,691	4,577	353,268
The Coalition for Accountability and Integrity - AMAN	96,849	117,900	0	1,809	216,558	10,372	226,930
Yemen Team for Transparency and Integrity	76,322	69,562	0	0	145,884	38	145,922
Lebanese Transparency Association (LTA)	102,520	35,000	0	0	137,520	3,525	141,045
I Watch	99,350	12,102	0	195	111,647	3,102	114,749
Egyptian without Borders	87,672	6,500	1,361	0	95,533	458	95,991
Partners Jordan	43,968	25,000	0	0	68,968	0	68,968
Rural Studies Center	62,293	0	4,916	0	67,209	0	67,209
The Arab Program for Human Rights Activists	56,313	0	0	0	56,313	120	56,433
One World Foundation	0	0	0	53,316	53,316	0	53,316
International Center for Justice	41,879	5,222	0	0	47,101	0	47,101
Rasheed for Transparency and Integrity	38,631	0	0	0	38,631	0	38,631
Centre for Safety and Development	0	0	0	1,745	1,745	22,648	24,393
Lawyers for Justice and Peace	11,901	0	0	0	11,901	0	11,901
Free Man Center for Rights and Freedom	0	5,000	0	0	5,000	0	5,000
South Center for Rights Aswan	0	5,000	0	0	5,000	0	5,000
The Libyan Transparency Association	3,689	0	0	0	3,689	0	3,689
	<b>871,322</b>	<b>478,315</b>	<b>8,004</b>	<b>57,065</b>	<b>1,414,706</b>	<b>44,840</b>	<b>1,459,546</b>
<b>Asia-Pacific</b>							
Transparency International Papua New Guinea	70,152	540,506	3,865	0	614,523	3,557	618,080
Transparency Maldives	52,580	506,939	785	0	560,304	3,873	564,177
Transparency International Indonesia	51,083	448,733	2,317	912	503,045	6,849	509,894
Transparency International Vanuatu	88,924	348,651	0	0	437,575	6,210	443,785
Transparency International Fiji	80,110	338,461	0	0	418,571	8,958	427,529
Transparency International Sri Lanka	168,845	178,393	1,130	0	348,368	1,947	350,315
Transparency International Bangladesh	46,680	274,090	0	0	320,770	12,816	333,586
Cong ty TNHH Huong toi Minh bach	12,691	284,255	0	0	296,946	16,149	313,095
Transparency International Philippines	41,631	127,608	0	0	169,239	4,387	173,626
Transparency Solomon Islands	14,996	134,401	0	0	149,397	6,357	155,754
Transparency International Pakistan	17,400	82,299	0	0	99,699	22,541	122,240
Transparency International India	750	108,734	358	62	109,904	3,090	112,994
Transparency International Nepal	6,814	70,138	6,833	0	83,785	2,555	86,340
Transparency International Korea (South)	19,982	37,974	0	2,521	60,477	2,422	62,899
Transparency International Mongolia	24,761	10,070	0	0	34,831	2,883	37,714
Transparency International Malaysia	14,597	9,500	0	5,723	29,820	2,702	32,522
Transparency International Cambodia	16,956	0	1,833	0	18,789	6,283	25,072
Transparency International New Zealand	0	0	12,671	0	12,671	5,471	18,142
Transparency International China	5,000	5,969	0	0	10,969	3,276	14,245
Transparency International Australia	7,000	0	0	0	7,000	6,639	13,639
Transparency Chinese Taipei	0	4,000	0	0	4,000	2,659	6,659
	<b>740,952</b>	<b>3,510,721</b>	<b>29,792</b>	<b>9,218</b>	<b>4,290,683</b>	<b>131,624</b>	<b>4,422,307</b>
<b>Other Parties</b>							
WIN e.V.	0	0	122,836	0	122,836	0	122,836
Other	84,943	0	6,043	330,042	421,028	0	421,028
	<b>84,943</b>	<b>0</b>	<b>128,879</b>	<b>330,042</b>	<b>543,864</b>	<b>0</b>	<b>543,864</b>
<b>Total</b>	<b>2,568,669</b>	<b>6,811,196</b>	<b>1,105,581</b>	<b>401,953</b>	<b>10,887,399</b>	<b>230,993</b>	<b>11,118,392</b>

# **Appendix**

## **General Engagement Terms**

# General Engagement Terms

for

## Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

[German Public Auditors and Public Audit Firms]  
as of January 1, 2002

This is an English translation of the German text, which is the sole authoritative version

### 1. Scope

(1) These engagement terms are applicable to contracts between Wirtschaftsprüfer [German Public Auditors] or Wirtschaftsprüfungsgesellschaften [German Public Audit Firms] (hereinafter collectively referred to as the "Wirtschaftsprüfer") and their clients for audits, consulting and other engagements to the extent that something else has not been expressly agreed to in writing or is not compulsory due to legal requirements.

(2) If, in an individual case, as an exception contractual relations have also been established between the Wirtschaftsprüfer and persons other than the client, the provisions of No. 9 below also apply to such third parties.

### 2. Scope and performance of the engagement

(1) Subject of the Wirtschaftsprüfer's engagement is the performance of agreed services – not a particular economic result. The engagement is performed in accordance with the Grundsätze ordnungsmäßiger Berufsausübung [Standards of Proper Professional Conduct]. The Wirtschaftsprüfer is entitled to use qualified persons to conduct the engagement.

(2) The application of foreign law requires – except for financial attestation engagements – an express written agreement.

(3) The engagement does not extend – to the extent it is not directed thereto – to an examination of the issue of whether the requirements of tax law or special regulations, such as, for example, laws on price controls, laws limiting competition and Bewirtschaftungsrecht [laws controlling certain aspects of specific business operations] were observed; the same applies to the determination as to whether subsidies, allowances or other benefits may be claimed. The performance of an engagement encompasses auditing procedures aimed at the detection of the defalcation of books and records and other irregularities only if during the conduct of audits grounds therefor arise or if this has been expressly agreed to in writing.

(4) If the legal position changes subsequent to the issuance of the final professional statement, the Wirtschaftsprüfer is not obliged to inform the client of changes or any consequences resulting therefrom.

### 3. The client's duty to inform

(1) The client must ensure that the Wirtschaftsprüfer – even without his special request – is provided, on a timely basis, with all supporting documents and records required for and is informed of all events and circumstances which may be significant to the performance of the engagement. This also applies to those supporting documents and records, events and circumstances which first become known during the Wirtschaftsprüfer's work.

(2) Upon the Wirtschaftsprüfer's request, the client must confirm in a written statement drafted by the Wirtschaftsprüfer that the supporting documents and records and the information and explanations provided are complete.

### 4. Ensuring independence

The client guarantees to refrain from everything which may endanger the independence of the Wirtschaftsprüfer's staff. This particularly applies to offers of employment and offers to undertake engagements on one's own account.

### 5. Reporting and verbal information

If the Wirtschaftsprüfer is required to present the results of his work in writing, only that written presentation is authoritative. For audit engagements the long-form report should be submitted in writing to the extent that nothing else has been agreed to. Verbal statements and information provided by the Wirtschaftsprüfer's staff beyond the engagement agreed to are never binding.

### 6. Protection of the Wirtschaftsprüfer's intellectual property

The client guarantees that expert opinions, organizational charts, drafts, sketches, schedules and calculations – especially quantity and cost computations – prepared by the Wirtschaftsprüfer within the scope of the engagement will be used only for his own purposes.

### 7. Transmission of the Wirtschaftsprüfer's professional statement

(1) The transmission of a Wirtschaftsprüfer's professional statements (long-form reports, expert opinions and the like) to a third party requires the Wirtschaftsprüfer's written consent to the extent that the permission to transmit to a certain third party does not result from the engagement terms.

The Wirtschaftsprüfer is liable (within the limits of No. 9) towards third parties only if the prerequisites of the first sentence are given.

(2) The use of the Wirtschaftsprüfer's professional statements for promotional purposes is not permitted; an infringement entitles the Wirtschaftsprüfer to immediately cancel all engagements not yet conducted for the client.

### 8. Correction of deficiencies

(1) Where there are deficiencies, the client is entitled to subsequent fulfillment [of the contract]. The client may demand a reduction in fees or the cancellation of the contract only for the failure to subsequently fulfill [the contract]; if the engagement was awarded by a person carrying on a commercial business as part of that commercial business, a government-owned legal person under public law or a special government-owned fund under public law, the client may demand the cancellation of the contract only if the services rendered are of no interest to him due to the failure to subsequently fulfill [the contract]. No. 9 applies to the extent that claims for damages exist beyond this.

(2) The client must assert his claim for the correction of deficiencies in writing without delay. Claims pursuant to the first paragraph not arising from an intentional tort cease to be enforceable one year after the commencement of the statutory time limit for enforcement.

(3) Obvious deficiencies, such as typing and arithmetical errors and formelle Mängel [deficiencies associated with technicalities] contained in a Wirtschaftsprüfer's professional statements (long-form reports, expert opinions and the like) may be corrected – and also be applicable versus third parties – by the Wirtschaftsprüfer at any time. Errors which may call into question the conclusions contained in the Wirtschaftsprüfer's professional statements entitle the Wirtschaftsprüfer to withdraw – also versus third parties – such statements. In the cases noted the Wirtschaftsprüfer should first hear the client, if possible.

### 9. Liability

(1) *The liability limitation of § ["Article"] 323 (2) ["paragraph 2"] HGB ["Handelsgesetzbuch": German Commercial Code] applies to statutory audits required by law.*

(2) *Liability for negligence; An individual case of damages*

If neither No. 1 is applicable nor a regulation exists in an individual case, pursuant to § 54a (1) no. 2 WPO ["Wirtschaftsprüferordnung": Law regulating the Profession of Wirtschaftsprüfer] the liability of the Wirtschaftsprüfer for claims of compensatory damages of any kind – except for damages resulting from injury to life, body or health – for an individual case of damages resulting from negligence is limited to € 4 million; this also applies if liability to a person other than the client should be established. An individual case of damages also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty without taking into account whether the damages occurred in one year or in a number of successive years. In this case multiple acts or omissions of acts based on a similar source of error or on a source of error of an equivalent nature are deemed to be a uniform breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the Wirtschaftsprüfer is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(3) *Preclusive deadlines*

A compensatory damages claim may only be lodged within a preclusive deadline of one year of the rightful claimant having become aware of the damage and of the event giving rise to the claim – at the very latest, however, within 5 years subsequent to the event giving rise to the claim. The claim expires if legal action is not taken within a six month deadline subsequent to the written refusal of acceptance of the indemnity and the client was informed of this consequence.

The right to assert the bar of the preclusive deadline remains unaffected. Sentences 1 to 3 also apply to legally required audits with statutory liability limits.

## 10. Supplementary provisions for audit engagements

(1) A subsequent amendment or abridgement of the financial statements or management report audited by a Wirtschaftsprüfer and accompanied by an auditor's report requires the written consent of the Wirtschaftsprüfer even if these documents are not published. If the Wirtschaftsprüfer has not issued an auditor's report, a reference to the audit conducted by the Wirtschaftsprüfer in the management report or elsewhere specified for the general public is permitted only with the Wirtschaftsprüfer's written consent and using the wording authorized by him.

(2) If the Wirtschaftsprüfer revokes the auditor's report, it may no longer be used. If the client has already made use of the auditor's report, he must announce its revocation upon the Wirtschaftsprüfer's request.

(3) The client has a right to 5 copies of the long-form report. Additional copies will be charged for separately.

## 11. Supplementary provisions for assistance with tax matters

(1) When advising on an individual tax issue as well as when furnishing continuous tax advice, the Wirtschaftsprüfer is entitled to assume that the facts provided by the client – especially numerical disclosures – are correct and complete; this also applies to bookkeeping engagements. Nevertheless, he is obliged to inform the client of any errors he has discovered.

(2) The tax consulting engagement does not encompass procedures required to meet deadlines, unless the Wirtschaftsprüfer has explicitly accepted the engagement for this. In this event the client must provide the Wirtschaftsprüfer, on a timely basis, all supporting documents and records – especially tax assessments – material to meeting the deadlines, so that the Wirtschaftsprüfer has an appropriate time period available to work therewith.

(3) In the absence of other written agreements, continuous tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporation tax and business tax, as well as net worth tax returns on the basis of the annual financial statements and other schedules and evidence required for tax purposes to be submitted by the client
- b) examination of tax assessments in relation to the taxes mentioned in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) participation in tax audits and evaluation of the results of tax audits with respect to the taxes mentioned in (a)
- e) participation in Einspruchs- und Beschwerdeverfahren [appeals and complaint procedures] with respect to the taxes mentioned in (a).

In the afore-mentioned work the Wirtschaftsprüfer takes material published legal decisions and administrative interpretations into account.

(4) If the Wirtschaftsprüfer receives a fixed fee for continuous tax advice, in the absence of other written agreements the work mentioned under paragraph 3 (d) and (e) will be charged separately.

(5) Services with respect to special individual issues for income tax, corporate tax, business tax, valuation procedures for property and net worth taxation, and net worth tax as well as all issues in relation to sales tax, wages tax, other taxes and dues require a special engagement. This also applies to:

- a) the treatment of nonrecurring tax matters, e. g. in the field of estate tax, capital transactions tax, real estate acquisition tax
- b) participation and representation in proceedings before tax and administrative courts and in criminal proceedings with respect to taxes, and
- c) the granting of advice and work with respect to expert opinions in connection with conversions of legal form, mergers, capital increases and reductions, financial reorganizations, admission and retirement of partners or shareholders, sale of a business, liquidations and the like.

(6) To the extent that the annual sales tax return is accepted as additional work, this does not include the review of any special accounting prerequisites nor of the issue as to whether all potential legal sales tax reductions have been claimed. No guarantee is assumed for the completeness of the supporting documents and records to validate the deduction of the input tax credit.

## 12. Confidentiality towards third parties and data security

(1) Pursuant to the law the Wirtschaftsprüfer is obliged to treat all facts that he comes to know in connection with his work as confidential, irrespective of whether these concern the client himself or his business associations, unless the client releases him from this obligation.

(2) The Wirtschaftsprüfer may only release long-form reports, expert opinions and other written statements on the results of his work to third parties with the consent of his client.

(3) The Wirtschaftsprüfer is entitled – within the purposes stipulated by the client – to process personal data entrusted to him or allow them to be processed by third parties.

## 13. Default of acceptance and lack of cooperation on the part of the client

If the client defaults in accepting the services offered by the Wirtschaftsprüfer or if the client does not provide the assistance incumbent on him pursuant to No. 3 or otherwise, the Wirtschaftsprüfer is entitled to cancel the contract immediately. The Wirtschaftsprüfer's right to compensation for additional expenses as well as for damages caused by the default or the lack of assistance is not affected, even if the Wirtschaftsprüfer does not exercise his right to cancel.

## 14. Remuneration

(1) In addition to his claims for fees or remuneration, the Wirtschaftsprüfer is entitled to reimbursement of his outlays: sales tax will be billed separately. He may claim appropriate advances for remuneration and reimbursement of outlays and make the rendering of his services dependent upon the complete satisfaction of his claims. Multiple clients awarding engagements are jointly and severally liable.

(2) Any set off against the Wirtschaftsprüfer's claims for remuneration and reimbursement of outlays is permitted only for undisputed claims or claims determined to be legally valid.

## 15. Retention and return of supporting documentation and records

(1) The Wirtschaftsprüfer retains, for ten years, the supporting documents and records in connection with the completion of the engagement – that had been provided to him and that he has prepared himself – as well as the correspondence with respect to the engagement.

(2) After the settlement of his claims arising from the engagement, the Wirtschaftsprüfer, upon the request of the client, must return all supporting documents and records obtained from him or for him by reason of his work on the engagement. This does not, however, apply to correspondence exchanged between the Wirtschaftsprüfer and his client and to any documents of which the client already has the original or a copy. The Wirtschaftsprüfer may prepare and retain copies or photocopies of supporting documents and records which he returns to the client.

## 16. Applicable law

Only German law applies to the engagement, its conduct and any claims arising therefrom.