



# Independent Auditors' 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, Cash Flow Statement, the Notes to the Financial Statements and the Endowment Fund for the year ended 31. December 2012.

## **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.

## **Auditors' 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 of 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 December 31, 2012, 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 is issued for information purposes to Transparency International e.V., Berlin.

Our assignment and professional liability is governed by the General Conditions of Assignment for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2002 (Appendix 2). By reading and using the information contained in this report, each recipient confirms notice of provisions of the General Conditions of Assignment (including the limitation of our liability as stipulated in No. 9) and accepts the validity of the attached General Conditions of Assignment with respect to us.

April 23, 2013

KPMG AG  
Wirtschaftsprüfungsgesellschaft



Roloff  
Wirtschaftsprüferin



Franz  
Wirtschaftsprüfer

Appendix 1: Financial Information at 31 December 2012 of Transparency International e.V., Berlin

Appendix 2: General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

## Appendix 1

Financial Information at 31 December 2012  
of Transparency International e.V., Berlin





**TRANSPARENCY  
INTERNATIONAL**  
the global coalition against corruption

**FINANCIAL STATEMENTS**

at 31 December 2012

of

**TRANSPARENCY INTERNATIONAL e. V.**

**BERLIN, GERMANY**

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## General Information

<b>Board of Directors</b>	Huguette Labelle	Canada	Chair
	Akere T. Muna	Cameroon	Vice Chair
	Jermyn Brooks	UK/Germany	
	Delia Matilde Ferreira Rubio	Argentina	
	Rueben L. Lifuka	Zambia	
	Elena Panfilova	Russia	
	Jacques Terray	France	
	José Ugaz	Peru	
	Elizabeth Ungar Bleier	Columbia	
	J.C. Weliamuna	Sri Lanka	
	Sergej Muravjov	Lithuania	re-elected November 2012
	Iftexhar Zaman	Bangladesh	elected November 2012
Jeremy Carver	UK	until November 2012	

**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: 10/08/2007

Tax Assessed at: Finanzamt für Körperschaften I  
Bredtschneiderstraße 5  
14057 Berlin  
Germany  
Tax number: 27/678/51105  
Date of latest triennial exemption: 26/01/2011  
Value Added Tax (VAT) identification number: DE273612486

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

**Bank** Commerzbank AG  
Theodor-Heuss-Platz 6  
10877 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 2012.

### Organisation Overview

Transparency International is the global civil society organisation leading the fight against corruption; through more than 90 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 of 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 Directors of the Board are elected at the Annual Membership Meeting of TI-S, comprising representatives from National Chapters and Individual Members.

### Key Events

TI-S maintained a high level of growth in 2012 which resulted in a Total Comprehensive Income of € 29,809 increasing total reserves to € 3,349,308 (2011: € 3,319,499). Total Income (Donor, Finance and Other Income) increased from € 20,305,827 in 2011 to € 22,769,737 in 2012.

### 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:

- 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.



## Report of the Managing Director (continued)

- 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, 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.

## Risk Management

The Board has ultimate responsibility for risk management at TI-S. 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. The Board receives regular reports from the Audit Committee, 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 receives updates on risk management regularly.

An internal Risk Management Committee oversees risk management across the organisation. The new risk management process adopted in 2011 is being implemented throughout the organisation so as to enhance the effectiveness of the risk management function at TI-S.

## Auditors

KPMG have been appointed as TI-S’ auditor for 2012.

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

### **Presentation of Financial Statements**

TI-S presents the financial statements voluntarily. The decision to apply International Financial Reporting Standards (IFRS) – first time adoption in 2007– was made in keeping with our core values and to serve as a leader in going beyond that which is mandatory in terms of accountability, transparency and credibility.

23 April 2013

A handwritten signature in blue ink, appearing to read 'Cobus de Swardt', is positioned above the printed name and title.

Cobus de Swardt  
Managing Director

## Statement of Financial Position

	Note	31.12.2012 Euro	31.12.2011 Euro
<b>Assets</b>			
<b><u>Non Current Assets</u></b>			
Equipment	9	259,536	161,386
Intangible assets	9	10,782	36,921
Investment in Shares of Berlin Civil Society Center	5	2,500	2,500
Deposits	3(k)	89,918	67,936
<b>Total Non Current Assets</b>		<b>362,736</b>	<b>268,743</b>
<b><u>Current Assets</u></b>			
<b>Prepayments</b>			
Advances to National Chapters or Coalition Partners	11	6,673,418	5,868,236
Advances to Other Parties as Project Outlays	12	113,030	72,214
Other Prepayments	13	82,032	51,653
<b>Receivables</b>			
Donor commitments	10	1,557,919	1,271,860
Other Receivables	15	251,613	207,967
Loans	14	17,079	65,974
<b>Cash and cash equivalents</b>	16	<b>14,112,290</b>	<b>10,123,990</b>
<b>Total current assets</b>		<b>22,807,381</b>	<b>17,661,894</b>
<b>Total assets</b>		<b>23,170,117</b>	<b>17,930,637</b>
<b>Liabilities and Reserves</b>			
<b><u>Reserves</u> *</b>			
		<b>3,349,308</b>	<b>3,319,499</b>
<b><u>Non Current Liabilities</u></b>			
Liability to Berlin Civil Society Center	5	1,250	6,750
<b>Total Non Current Liabilities</b>		<b>1,250</b>	<b>6,750</b>
<b><u>Current Liabilities</u></b>			
Donors' Funding Received in Advance	17	11,053,576	6,909,301
Liabilities to Donors	18	6,786,449	5,940,450
Accounts Payable	19	837,749	897,529
Other Liabilities and Accruals	20	957,938	622,223
Liabilities to National Chapters or Coalition Partners	21	178,347	229,385
Liability to Berlin Civil Society Center	5	5,500	5,500
<b>Total Current Liabilities</b>		<b>19,819,559</b>	<b>14,604,388</b>
<b>Total Liabilities and Reserves</b>		<b>23,170,117</b>	<b>17,930,637</b>

\* Statement of Changes in Reserves on page 9

## Statement of Comprehensive Income

	Note	2012 Euro	2011 Euro
<b>Income</b>			
Donor income	22,23	22,342,934	20,024,264
Other income	24	358,429	162,059
<b>Total Income</b>		<b>22,701,363</b>	<b>20,186,323</b>
<b>Expense</b>			
Personnel expenses	25	8,823,833	6,783,683
Depreciation and amortisation	9	151,752	129,883
Other expenses	26	13,698,425	13,241,492
<b>Total Expense</b>		<b>22,674,010</b>	<b>20,155,058</b>
<b>Result from operating activities</b>		<b>27,353</b>	<b>31,265</b>
Finance income	27	68,374	119,504
Finance costs	27	65,918	92,243
<b>Financial result</b>		<b>2,456</b>	<b>27,261</b>
<b>Surplus of the year</b>		<b>29,809</b>	<b>58,526</b>
Appropriation of Reserves in respect of Investment (Website redesign) *		0	64,608
<b>Total Comprehensive Income</b>		<b>29,809</b>	<b>123,134</b>

\* Statement of Changes in Reserves on page 9

## Statement of Changes in Reserves

	Special Fund	Reserve for investment	Reserve for TI network support	Other free Reserves	Total
Euro					
Balance at 01 January 2011	774,500	64,608	150,000	2,271,865	3,260,973
Appropriation of Reserves in respect of Investment (Website redesign)	0	-64,608	0	0	-64,608
Transfer from Total Comprehensive Income	0	0	0	123,134	123,134
<b>Balance at 31 December 2011</b>	<b>774,500</b>	<b>0</b>	<b>150,000</b>	<b>2,394,999</b>	<b>3,319,499</b>
Euro					
Balance at 01 January 2012	774,500	0	150,000	2,394,999	3,319,499
Transfer from Total Comprehensive Income	0	0	0	29,809	29,809
<b>Balance at 31 December 2012 *</b>	<b>774,500</b>	<b>0</b>	<b>150,000</b>	<b>2,424,808</b>	<b>3,349,308</b>

\* See the Reserves Note on page 17 for more details.

## Statement of Cash Flow

	Note	2012 Euro	2011 Euro
Total Comprehensive Income		29,809	123,134
<b>Cash flows from operating activities</b>			
Adjustments for			
Depreciation and amortisation	9	151,752	129,883
Loss on disposal of fixed assets		7,499	3,492
Financial results	26	-2,456	-27,261
		<b>156,795</b>	<b>106,114</b>
Increase in current liabilities	16-20	5,215,172	3,227,433
Decrease in non current liabilities	16-20	-5,500	-5,500
Increase in current assets	10-14	-1,206,083	-1,058,075
Increase in non current assets	3 (k)	-21,982	-67,936
		<b>3,981,607</b>	<b>2,095,922</b>
Interest paid	26	-1,372	-689
Interest received	26	9,844	19,218
Appropriation of Reserves in respect of Investment (Website redesign)		0	-64,608
		<b>8,472</b>	<b>-46,079</b>
<b>Net cash flow from operating activities</b>		<b>4,176,683</b>	<b>2,279,091</b>
<b>Cash flow from investing activities</b>			
Purchase of tangible and intangible fixed assets	9	-231,262	-101,861
Proceeds from sale of fixed assets		0	1,536
<b>Net cash flow from investing activities</b>		<b>-231,262</b>	<b>-100,325</b>
<b>Cash flows from financing activities</b>			
Disbursement for granted loans	13	48,895	-65,974
<b>Net cash flow from financing activities</b>		<b>48,895</b>	<b>-65,974</b>
<b>Increase in cash and cash equivalents</b>		<b>3,994,316</b>	<b>2,112,792</b>
Cash and cash equivalents balance at 1 January	15	10,123,990	8,002,467
Increase in cash and cash equivalents		3,994,316	2,112,792
Effect of exchange rate fluctuations		-6,016	8,731
<b>Cash and cash equivalents at 31 December</b>		<b>14,112,290</b>	<b>10,123,990</b>

## 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 90 Chapters, Chapters in formation and Contact groups worldwide and an 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 have been prepared voluntarily and 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 2012.

TI-S presents individual financial statements of the organisation only. National Chapters, Chapters in Formation and Contact groups – in the following referred to as Coalition Partners - report independently.

The financial statements were authorised for issue and signed by the Managing Director on 23 April 2013. They will be 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. All IFRS, IAS Standards and associated interpretations were adopted to the extent that they had been endorsed by the EU by the date of issue of these standards.

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 International Accounting Standards Board (IASB) Framework for the Preparation and Presentation of Financial Statements.

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

### **(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.

### **(c) Functional and presentation currency**

The financial statements are presented in Euro, which is the organisation's functional currency. The Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Reserves, Statement of Cash Flow and the Notes to the Financial Statements, are presented in Euro, however, rounding differences may occur.

### **(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, donor 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 2012 which would materially affect the financial position of the organisation as at 31 December 2012.

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.

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.

## **3. Summary of significant accounting policies**

### **(a) The following amendments to IFRS are effective beginning on or before 1/1/2012:**

- Amendments to IFRS 7 Disclosures – Transfers of Financial Assets
- Amendments to IAS 12 Recovery of Underlying Assets
- Amendments to IFRS 1 Hyperinflation and Removal of Fixed Dates for First time Adopters

The described amendments had no effect on the current period or any prior periods.

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

- IFRS 9 Financial Instruments beginning on or after 1/1/2015
- Amendments to IFRS 9 and IFRS 7 Mandatory Effective Date and Transition Disclosures beginning on or after 1/1/2015
- Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities beginning on or after 1/1/2014



## Notes to the Financial Statements (continued)

**(c) The International Accounting Standards Board (IASB) has issued the following - endorsed by the EU and these standards and interpretations are effective for periods beginning after 1/1/2013:**

- Amendments to IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities beginning on or after 1/1/2013
- Amendments to IAS 1 Presentation of Items of Other Comprehensive Income beginning on or after 1/7/2012
- IAS 19 (rev. 2011) Employee Benefits beginning on or after 1/1/2013
- Amendments to IAS 27 Separate Financial Statements beginning on or after 1/1/2013
- Amendments to IAS 28 Investments in Associates and Joint Ventures beginning on or after 1/1/2013
- Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities beginning on or after 1/1/2014
- IFRS 10 Consolidated Financial Statements beginning on or after 1/1/2013
- IFRS 11 Joint Arrangements beginning on or after 1/1/2013
- IFRS 12 Disclosure of Interests in Other Entities beginning on or after 1/1/2013
- IFRS 13 Fair Value Measurement beginning on or after 1/1/2013
- Amendments to IFRS 1 Government Loans beginning on or after 1/1/2013
- Improvements to IFRS 2011 beginning on or after 1/1/2013
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine beginning on or after 1/1/2013
- Amendments to IFRS 10, IFRS 11 and IFRS 12 Transition Guidance beginning on or after 1/1/2013

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

## Notes to the Financial Statements (continued)

### (d) Accounting for Grants

Funded by contributions from donors, the Secretariat delivers projects in partnership with Transparency International National Chapters and Coalition partners across the world, providing project related grants.

Donor contributions are recognised in the accounts when there is evidence of entitlement, which normally exists when grants are awarded formally in writing, and funds have been either received or utilised.

Advances to project partners are initially recorded as receivables under "Advances to National Chapters or Coalition partners", or, if third parties are involved, as "Advances to other parties as project outlays". Correspondingly, donor contributions utilised for such advances are reclassified from "Donor funding received in advance" to "Liabilities to Donors".

Contributions spent but for which funds have not been received at year end are presented as assets in the Statement of Financial Position under "Donor Commitments".

Expenditure is recognised in the Statement of Comprehensive Income when there is evidence of costs incurred. Expenditure related to advances to 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 ("restricted funds").

When calculating "Donor income", "Donor Contributions" are adjusted to take account of the "Net changes in advances to National Chapters and Others", which reflects the difference between "Adjustments for advances sent to National Chapters and other parties" and "Reports received from National Chapters and other parties" (see note 21 and 22). Grants are accounted for in accordance with IAS 20.

Grants in currencies other than Euro are recorded at the exchange rate of the date when TI-S receives the funds; reports to donors are prepared using equivalent exchange rates.

Advances to National Chapters, Advances to other parties as project outlays and Liabilities to Donors in currencies other than Euro are recorded at the exchange rate of the date TI-S transferred the money to the counterparty. With reference to amounts in foreign currency, TI-S accounts for them at their historical exchange rate as further detailed in note c). Compliant to IAS 21, advances and liabilities related to Grants are considered non-monetary items, and therefore not revalued at year-end.

## Notes to the Financial Statements (continued)

### (e) Translation of foreign Currencies

Balances in foreign currencies are reported at the foreign exchange rate ruling at the date of the transaction. At the date of the Statement of Financial Position 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) Equipment 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.

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:

	<b>Rate</b>
Furniture bought before 31 December 2004	10%
Furniture bought after 1 January 2005	8%
Installation for telephone and network	13%
Computers, software, licences	33%

Disposals are recorded as a disposal when the assets are scrapped or sold. Cost of maintenance is expensed when occurred.

### (g) Cash and cash equivalents

For the purposes of the Statement of Financial Position, Statement of Comprehensive Income and Statement of Cash Flow, 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.

2012	1 EUR	=	.8178	GBP
	1 EUR	=	1.3216	USD
	1 EUR	=	1.2093	CHF
2011	1 EUR	=	.8367	GBP
	1 EUR	=	1.2932	USD

The usage of the cash and cash equivalents is partly restricted to projects but can be fully used by TI-S.

### (h) Taxation

No income tax has been provided in these accounts as the organisation was not in receipt of taxable income and has an income tax-exempt status. Included within other liabilities and accruals is a tax liability of € 258,236 relating to valued added tax liabilities arising under the reverse charge mechanism (2012: € 131,042, 2011: € 127,194).

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

### **(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 holds only operating leases.

TI-S leases office space, printers and water coolers under operating leases.

In 2012 the office space of TI-S has grown resulting in extensions and amendments to existing lease agreements requiring additional security deposits of € 21,847. According to the rental contracts and their latest amendments in 2012, TI has four security bank deposits for office space in Berlin with a total amount on deposit at 31 December 2012 of € 87,813.

These bank accounts also hold the accrued interest on these deposits (€ 2,105).

As the rental contracts were renewed in 2012 with expiry dates beyond 2014, all security deposits are reported as Deposits within Non-Current Assets in the Statement of Financial Position.

### **(j) 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 to the nominal value of the asset. Subsequently, financial assets are measured at amortised cost using the effective interest method less any impairment losses. Due to their nature, the carrying values are equal to the fair value of the assets. Donor commitments and other current assets are due within one year and neither past due. No impairment losses of financial assets were recorded in 2012.

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 (less than one year) maturities of the liabilities mentioned above, it is assumed that the fair value is equal to the carrying amount.

For the composition of financial instruments see note 4.

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

### **(k) Other receivables and liabilities**

Other receivables are measured at amortised cost, using the effective interest method, less an allowance for doubtful accounts.

An allowance for doubtful accounts of other 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.

Bank security deposits relating to leases are included within Deposits in Non Current Assets due to the long term nature of the property leases.

Current Assets include TI-S's Advances to National chapters and Advances to other parties as project outlays. All balances are due within one year.

Liabilities are measured at amortised cost, using the effective interest method. This category includes the Donors' funding received in advance and Liabilities to Donors. All liabilities are due within one year.

### **(l) Finance income and expenses**

Finance income and expenses comprise interest income on funds and exchange rate translation gains and losses. Foreign currency gains and losses are reported on a net basis.

### **(m) Reserves**

Reserves consist of retained earnings, accumulated from previous year's surpluses and not yet utilised at the balance sheet date.

Other Free Reserves have been built:

- to support TI-S' purposes according to its Charter, and
- to support eventual cash flow requirements.

The Special Fund was created for the long-term needs of TI-S.

The Reserve for investment was established to cover the costs of the new TI-S website. An amount of € 185,392 was utilized in 2010 and the remainder of € 64,608 was fully utilised in 2011.

The Reserve for TI network support makes funds available to strengthen the network of National Chapters. See Page 9 for the Statement of Changes in Reserves.

## Notes to the Financial Statements (continued)

### (n) Personnel expenses

The Personnel expenses consist of salaries, wage taxes and social security contributions for all staff and pension contributions for Directors made by TI-S.

TI-S concluded a defined contribution plan with Allianz insurance for Directors effective May 2007. This contract is in accordance with IAS 19. The insurance holder is TI-S; the beneficiary is the named Director, who receives 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:

	<u>Euro</u>
Managing Director	10,000
Group Director / CFO	7,500
Director	5,000

Pension contributions paid in 2012 but relating to 2013 have been prepaid (see note 13, Other prepayments, Payments related to 2013). The total costs reported as Personnel expenses relating to Pension Contributions for 2012 are € 89,584 (2011: € 69,584).

The Managing Director acts on behalf of the Board of Directors on the basis of a power of attorney that is registered. Internally, the Deputy-Managing Director and three other Group Directors have a power of attorney for signature authorities assigned to them by the Managing Director.

The total amount of salaries paid to these five individuals in 2012 was € 666,408 (2011: five individuals € 640,175).

In 2012 TI-S employed an average of 159 employees (2011: 126) of which 13 (2011: 11) were on part time. In addition, the organisation benefited enormously from a number of interns who contributed to its activities throughout the year.

## Notes to the Financial Statements (continued)

### 4. Financial Instruments

The following table shows the carrying amounts and fair values of the organisation's financial instruments as at 31 December 2012. Reported fair values can only be seen as indications of prices that might be achieved when selling these instruments in the markets.

	Note	2012			2011		
		Carrying Amount	Amortised Cost	Fair Value	Carrying Amount	Amortised Cost	Fair Value
Deposits	3(k)	89,918		89,918	67,936		67,936
Donor Commitments	13	1,557,919		1,557,919	1,271,860		1,271,860
Loans	14	17,079		17,079	65,974		65,974
Other Receivables	15	251,613		251,613	207,967		207,967
Other Prepayments	13	82,032		82,032	51,653		51,653
Cash and Cash Equivalents	16	14,112,290		14,112,290	10,123,990		10,123,990
<b>Total Financial assets</b>		<b>16,110,851</b>		<b>16,110,851</b>	<b>11,789,380</b>		<b>11,789,380</b>
Liability to Berlin Civil Society Center *	5	6,750	6,750		12,250	12,250	
Other Liabilities and Accruals	20	957,938	957,938		622,223	622,223	
Liabilities to National Chapters or Coalition Partners	21	178,347	178,347		229,385	229,385	
<b>Total Financial Liabilities</b>		<b>1,143,035</b>	<b>1,143,035</b>		<b>863,858</b>	<b>863,858</b>	

The following table shows the carrying amount of the financial instruments according to the categories of IAS 39. There were no reclassifications between the valuation categories in 2012 and 2011.

	2012		2011	
	Carrying amount		Carrying amount	
Loans and receivables		1,998,561		1,665,390
Other liabilities amortised at cost		1,143,035		863,858

In the category Other Receivables (note 15) a total amount of € 6,887 (2011: € 22,226) mainly related to invoices issued in prior years have been written off in full in 2012 since they have been seen as irrecoverable. The risk for an increase in future years is mitigated by regular monitoring. There are no financial assets past due at the end of the reporting period.

## Notes to the Financial Statements (continued)

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 exposure to credit risk is influenced by the individual characteristics of the counterparties. TI-S endeavours that all receivables are transacted with counterparties that have low default risk. Impairment losses, if any are recognised in the statement of income accordingly.

TI-S mitigates the credit risk by concluding agreements with National Chapters or Coalition partners and Other parties (note 11 and 12), ensuring that payments are made after receipt of reporting for previous advances.

The carrying amount of financial assets represents the maximum credit exposure. Except for the write-off explained on page 19, the organisation does not expect further risk for credit exposure.

### (b) Liquidity risk

Liquidity risk relates to the risk that the organisation fails to pay its debts and obligations when due because of its inability to convert assets into cash, or its failure to procure enough funds at reasonable costs.

TI-S monitors its liquidity and cash flow situation regularly to assess liquidity requirements appropriately, reporting to the Board of Directors and its Finance Committee on a regular basis.

Due to the nature of operations of TI-S, liquidity risk is deemed to be low.

### (c) Currency risk

TI-S is exposed to currency risks from grants and receivables in a currency other than the respective functional currency, primarily Pounds Sterling (GBP) and US Dollar (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.



## Notes to the Financial Statements (continued)

TI's exposure to foreign currency risk was as follows based on notional amounts:

	Note	2012				2011			
		EUR	USD	GBP	Other	EUR	USD	GBP	Other
Deposits	3(k)	89,918	0	0	0	67,936	0	0	0
Donor Commitments	10	1,027,157	86,051	444,711	0	753,795	73,354	444,711	0
Other Prepayments	13	82,032	0	0	0	61,653	0	0	0
Loans & Other Receivables	14,15	181,942	58,101	21,926	6,723	240,934	24,658	6,618	1,732
Liabilities to Berlin Civil Society Centre	5	6,750	0	0	0	12,250	0	0	0
Liabilities to National Chapters or					0				
Coalition Partners	21	158,565	10,370	866	8,547	162,165	50,393	7,113	9,714
Other Liabilities and Accruals	20	847,412	0	0	110,526	568,335	0	1,755	52,133
<b>Net exposure</b>		<b>2,393,776</b>	<b>154,522</b>	<b>467,503</b>	<b>125,796</b>	<b>1,867,068</b>	<b>148,405</b>	<b>460,197</b>	<b>63,579</b>

Of the GBP exposure outstanding at year end, GBP 306,817 was collected in January 2013. For the remaining balance there is a remaining risk for currency variability. A sensitivity analysis results in no material changes for the remaining amounts.

### 5. Related Parties

TI-S comprises the movement's secretariat which supports over 90 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 also engaged in the fight against corruption worldwide. 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). The Board of Directors is considered a non-executive Board and the Directors receive no remuneration from TI-S. Hence, neither the National Chapters nor their members as elected directors of the Board are considered related parties.

TI-S purchased 10 percent of the shares of the Berlin Civil Society Center – a convening-capacity-building research gGmbH (BCSC) registered in Berlin – in a nominal value of € 2,500 of which € 1,250 has been paid in 2009. The remaining € 1,250 due to be paid is included within Non current liabilities. The fair value of the shares amounts to € 2,500. As buyer of these shares, TI-S agreed to pay to BCSC a programme subsidy in the amount of € 26,250. An amount of € 4,250 was paid in 2009; the second, third and fourth instalments of € 5,500 were paid in each of 2010, 2011 and 2012, and the fifth instalment of € 5,500, is due by 30 November 2013.

During 2012, one director of TI-S was appointed Chair of the Advisory Board of the Berlin Civil Society Centre. As TI-S is a minority shareholder of this registered charity and given that the director of TI-S does not exert significant influence over the Berlin Civil Society Centre, in accordance with IAS 24.9 BCSC is not considered a related party.

On 25 August 2010, the Transparency International Liaison Office to the European Union a.i.s.b.l. – in the following referred to as TI-EU – was established in Brussels as a liaison office of the Transparency International movement. Three directors of TI-S form the Executive Board of TI-EU. An Operational Agreement between TI-S and TI-EU is in place.

On 13 December 2011 TI-S provided a short-term, interest free loan to TI-EU of € 60,000. This was a pre-financing agreement to provide operating funds to TI-EU until funding from the European Commission DG Justice was received. The loan was fully repaid on 30 June 2012 on receipt of funding. In accordance with IAS 24.9 TI-EU is classified as a related party.

## Notes to the Financial Statements (continued)

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

#### Commitments

TI-S rents office space in Berlin for its operations, comprising the following commitments. For the described lease agreements below the specified lease payments are also the minimum lease payments.

#### Office Alt-Moabit 96, third and fifth floor and 96a, third floor, 10559 Berlin, Germany

In May 2012 TI-S concluded an amendment to the rental contract expanding the office space from building 96 to building 96a on the third floor. Currently, the contact for both buildings comprising 1.628 m<sup>2</sup> of offices and three cellar rooms is effective from 15 July 2012 until 30 November 2016.

Rental payments monthly:	<u>Rent</u>	<u>Running costs</u>	<u>Total</u>
July 2012 – November 2016	€ 16,381	€ 5,633	€ 22,014

The commitment from rent totals the following amounts for durations of

Up to one year	€ 183,785
One to five years	€ 585,197

Operating Lease costs incurred for the year 2012 amounted to € 220,154 (2011: € 210,994)

#### Office Alt-Moabit 96, 10559 Berlin, Germany, sixth floor

In November 2008 TI-S concluded an additional rental contract for 383 m<sup>2</sup> office space. The contract is effective from 1 February 2009 until 31 January 2014, with an option to renew after that date for another year.

Rental payments monthly:	<u>Rent</u>	<u>Running costs</u>	<u>Total</u>
January 2013	€ 5,284	€ 1,149	€ 6,784
February 2013 – January 2014	€ 5,390	€ 1,500	€ 6,890

The commitment from rent totals the following amounts for durations of

Up to one year	€ 64,573
One to five years	€ 5,390

Operating Lease costs incurred for the year 2012 amounted to € 80,605 (2011: € 75,855)

## Notes to the Financial Statements (continued)

### Office Alt-Moabit 96a, 10559 Berlin, Germany, first floor

In June 2012 TI-S concluded a new rental contract for 298 m<sup>2</sup> office space. The rental contract is effective from 1 June 2012 until 31 May 2014.

Rental payments monthly:	<u>Rent</u>	<u>Running costs</u>	<u>Total</u>
June 2012 - May 2014	€ 2,089	€ 1,033	€ 3,122

The commitment from rent totals the following amounts for durations of

Up to one year	€ 25,073
One to five years	€ 10,687

Operating Lease costs incurred for the year 2012 amounted to € 21,855 (2011: € 20,168)

### Office Alt-Moabit 91b, 10559 Berlin, Germany, third floor

In February 2012 TI-S concluded a new rental contract for 185 m<sup>2</sup> office space. The rental contract is effective from 15 March 2012 until 14 March 2017.

Rental payments monthly:	<u>Rent</u>	<u>Running costs</u>	<u>Total</u>
15 March 2012 – 14 March 2017	€ 1,665	€ 555	€ 2,220

The commitment from rent totals the following amounts for durations of

Up to one year	€ 20,440
One to five years	€ 86,569

Operating Lease costs incurred for the year 2012 amounted to € 21,197 (2011: € 0)

### Printers and Water Coolers

TI-S rents printers and water coolers under operating leases based on contractual agreements effective from 1 July 2012.

#### Printers

The commitment from rent totals the following amounts for durations of

Up to one year	€ 12,469
One to five years	€ 31,173

#### Water Coolers

The commitment from rent totals the following amounts for durations of

Up to one year	€ 4,997
One to five years	€ 17,490

Operating Lease costs incurred for the year 2012 amounted to € 8,733 (2011: € 25,235)

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

### **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 still hold title to the funds, and considering that the funds can be recalled by the Donors, they are disclosed as a Contingent Asset.

The Endowment Fund is reported on separately in Annex 1

### **7. Capital Management**

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

Budget and liquidity plans are set up quarterly and updated regularly. This ensures a solid financial management of the organisation in future to ensure the implementation of the five-year strategy.

### **8. Subsequent Events**

No material events occurred between 31 December 2012 and the date of approval of these financial statements that require disclosure.

## Notes to the Financial Statements (continued)

### 9. Non Current Assets

#### Equipment (2012)

	Euro		
	Office equipment	Furniture	Total
<b>Acquisition cost</b>			
Balance at 1 January 2012	508,502	49,732	558,234
Additions	212,391	2,991	215,382
Disposals	-28,290	0	-28,290
Balance at 31 December 2012	<b>692,603</b>	<b>52,723</b>	<b>745,326</b>
<b>Depreciation</b>			
Balance at 1 January 2012	362,945	33,903	396,848
Depreciation for the year	110,683	6,549	117,232
Disposals	-28,290	0	-28,290
Accumulated depreciation	<b>445,338</b>	<b>40,452</b>	<b>485,790</b>
<b>Net-book value</b>			
Balance at 1 January 2012	145,557	15,829	161,386
Balance at 31 December 2012	<b>247,265</b>	<b>12,271</b>	<b>259,536</b>

#### Intangible Assets (2012)

	Euro		
	Software	Licences	Total
<b>Acquisition cost</b>			
Balance at 1 January 2012	134,187	46,621	180,808
Additions	4,998	10,882	15,880
Disposals	-2,495	-22,982	-25,477
Balance at 31 December 2012	<b>136,690</b>	<b>34,521</b>	<b>171,211</b>
<b>Amortisation</b>			
Balance at 1 January 2012	121,848	22,039	143,887
Amortisation for the year	17,337	17,183	34,520
Disposals	-2,495	-15,483	-17,978
Accumulated amortisation	<b>136,690</b>	<b>23,739</b>	<b>160,429</b>
<b>Net-book value</b>			
Balance at 1 January 2012	12,339	24,582	36,921
Balance at 31 December 2012	<b>0</b>	<b>10,782</b>	<b>10,782</b>

## Notes to the Financial Statements (continued)

### Equipment (2011)

	Euro		
	Office equipment	Furniture	Total
<b>Acquisition cost</b>			
Balance at 1 January 2011	458,363	80,185	538,548
Additions	81,474	3,996	85,470
Disposals	-48,590	-17,194	-65,784
Reclassifications	17,255	-17,255	0
Balance at 31 December 2011	<b>508,502</b>	<b>49,732</b>	<b>558,234</b>
<b>Depreciation</b>			
Balance at 1 January 2011	306,588	60,632	367,220
Depreciation for the year	83,493	6,892	90,385
Disposals	-44,391	-16,366	-60,757
Reclassifications	17,255	-17,255	0
Accumulated depreciation	<b>362,945</b>	<b>33,903</b>	<b>396,848</b>
<b>Net-book value</b>			
Balance at 1 January 2011	151,775	19,553	171,328
Balance at 31 December 2011	<b>145,557</b>	<b>15,829</b>	<b>161,386</b>

### Intangible Assets (2011)

	Euro		
	Software	Licences	Total
<b>Acquisition cost</b>			
Balance at 1 January 2011	136,515	30,230	166,745
Additions	0	16,391	16,391
Disposals	-2,328	0	-2,328
Balance at 31 December 2011	<b>134,187</b>	<b>46,621</b>	<b>180,808</b>
<b>Amortisation</b>			
Balance at 1 January 2011	97,979	8,738	106,717
Amortisation for the year	26,197	13,301	39,498
Disposals	-2,328	0	-2,328
Accumulated amortization	<b>121,848</b>	<b>22,039</b>	<b>143,887</b>
<b>Net-book value</b>			
Balance at 1 January 2011	38,536	21,492	60,028
Balance at 31 December 2011	<b>12,339</b>	<b>24,582</b>	<b>36,921</b>

## Notes to the Financial Statements (continued)

### 10. Donor Commitments

	31.12.2012	31.12.2011
	Euro	Euro
<b><u>Donor Commitments</u></b>		
<b>Governmental Agencies</b>		
Department for International Development, United Kingdom (DfID), Barometer	374,104	79,884
Department for International Development, United Kingdom (DFID), Vietnam	159,773	59,456
Department for International Development, United Kingdom (DFID), GTF	0	364,827
U.S. Agency for International Development (USAID)	231,610	73,354
Kingdom of Belgium Foreign Affairs, Foreign Trade and Development Cooperation	136,765	0
Ministry for Foreign Affairs of Finland	80,630	104,633
European Commission, NIS	56,780	0
Financial Mechanism Office (FMO)	44,322	68,286
Swedish International Development Cooperation Agency (Sida)	18,690	0
The Performance Management & Delivery Unit (PEMANDU), Malaysia	10,500	0
Irish Aid, Vietnam Project	0	106,073
Ministry of Foreign Affairs, The Netherlands	0	29,808
European Commission, SOL	0	49,143
European Commission, CIMAP	0	17,162
European Commission, Gateway	0	16,987
European Commission, ECHO Haiti	0	5,159
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), Germany	0	2,045
	<b>1,113,174</b>	<b>976,817</b>
<b>Foundations</b>		
EADS	0	7,000
	<b>0</b>	<b>7,000</b>
<b>Other development Organisations</b>		
University of Konstanz	44,224	0
Amarribo	21,457	202,282
Transparency International Papua New Guinea	13,440	0
United Nations Office on Drugs and Crime	1,624	0
The United Nations Democracy Fund (UNDEF)	0	57,761
	<b>80,745</b>	<b>260,043</b>
<b>Corporate Donors</b>		
Ernst & Young LPP	300,000	0
Shell International BV/Ltd.	57,000	7,000
Rio Tinto London Ltd.	7,000	7,000
SGS AG	0	7,000
PricewaterhouseCoopers	0	7,000
	<b>364,000</b>	<b>28,000</b>
<b>Total Donor commitments</b>	<b>1,557,919</b>	<b>1,271,860</b>

## Notes to the Financial Statements (continued)

### 11. Advances to National Chapters or Coalition partners

National Chapter or Coalition Partner	Euro					
	Balance 01.01.2012	Reporting Related to Previous Years	Advances in 2012	Repayment Received	Reporting Related to Advances 2012	Balance 31.12.2012
<b>Europe and Central Asia</b>						
Transparency International Schweiz	0	0	2,391	0	2,391	0
Transparency International Italia	61,863	37,087	41,909	19,481	600	46,604
Transparency International Georgia	54,816	0	3,514	0	446	57,884
Transparency International Czech Republic	50,883	36,677	14,971	0	6,000	23,177
Transparency International Mongolia	1,000	0	0	0	0	1,000
Transparency International Netherlands	36,510	36,397	16,481	0	1,081	15,513
Transparency International Sweden	149,312	149,311	61,187	0	61,188	0
Transparencia e Integridade, Associacao Civica (TIAC)	25,286	0	3,750	0	3,750	25,286
Transparence International (France)	62,608	62,608	22,546	0	9,121	13,425
MANS (The Network for the Affirmation of the NGO Sector, Montenegro)	41,013	41,013	21,231	0	19,095	2,136
Transparency International Israel/SHVIL	0	0	3,750	0	3,750	0
Kosova Democratic Institute	95,460	0	45,363	0	0	140,823
Transparency International Espana	38,032	38,032	24,636	0	1,637	22,999
Transparency Suomi	61,911	61,911	26,125	0	2,414	23,711
Transparency International Greece	36,757	36,757	61,183	0	10,421	50,762
Transparency International Belgium	62,569	34,240	8,183	0	0	36,512
Transparency International UK	58,370	58,370	702,203	0	698,564	3,639
Transparency International Norway	0	0	0	0	0	0
Transparency International Croatia/Hrvatska	121,039	21,435	97,582	0	36,311	160,875
Fundacja Instytut Spraw Publicznych	20,160	15,313	0	0	0	4,847
Transparency International Hungary	53,727	47,137	23,106	0	6,574	23,122
Transparency International Korruptsioonivaba Eesti (Estonia)	23,550	23,099	29,015	0	20,826	8,640
Transparency International Bulgaria-Transparency without Borders	65,565	55,478	19,791	0	825	29,053
Center for Regional Development	31,295	0	43,888	0	8,268	66,915
Center for Economic Development-Transparency International Slovakia	45,706	26,861	24,006	0	2,454	40,397
Transparency International Romania- Asociatia Romana pentru Transparenta	56,492	31,530	13,481	0	1,058	37,385
Transparency International Bosnia and Herzegovina	53,681	53,323	53,056	0	19,509	33,905
Transparency International Moldova	19,460	19,460	37,140	0	37,140	0
Transparency International Serbia	115,356	18,814	91,824	0	37,366	151,000
Seffaliq Azerbaycan Korruptsiya	0	0	1,849	0	1,849	0
Zero Corruption Coalition	118,235	23,120	87,140	0	39,279	142,976
Transparency International Lithuania	40,781	33,256	8,350	0	8,350	7,525
Transparency International Ireland	48,341	48,341	17,514	0	7,863	9,651
Transparency International Latvia (DELNA)	43,895	35,172	26,291	0	9,959	25,055
Citizen Advocacy Office- Transparency International Albania	111,199	10,840	68,704	12,018	16,045	141,000
Transparenz Österreich-Forum zur Korruptionsbekämpfung	0	0	2,250	0	2,250	0
Seffalik Demegi-Transparency Association	0	0	1,504	0	1,504	0
Društvo Integriteta - IDEJD	56,635	36,471	30,517	0	5,006	45,675
Creative Union TORO, Kirovohrad	39,221	39,221	0	0	0	0
Transparency International Deutschland e.V.	35,851	30,615	22,407	0	0	27,643
Transparency International Denmark	42,237	42,237	53,478	0	36,676	16,802
Association pour la Promotion de la Transparence (APPT)	0	0	4,127	0	0	4,127
	<b>1,978,816</b>	<b>1,204,126</b>	<b>1,816,443</b>	<b>31,499</b>	<b>1,119,570</b>	<b>1,440,064</b>
<b>Americas</b>						
Fundacion Nacional para el Desarrollo (FUNDE)	0	0	15,092	0	15,092	0
Transparency International Honduras	1,390	1,390	0	0	0	0
Corporacion Transparencia por Colombia	59,530	39,161	22,076	7,086	17,989	17,370
Poder Ciudadano	65,601	65,601	50,364	0	10,221	40,143
Participacion Ciudadana RD	75,339	0	117,048	0	0	192,387
Capitulo Chileno de Transparencia Internacional	42,210	0	22,226	0	0	64,436
Fundacion para el Desarrollo de la Libertad Ciudadana	1,994	1,994	26,402	0	26,402	0
Grupo Civico Etica y Transparencia (Nicaragua)	51,359	51,359	21,296	0	3,541	17,755
Uruguay Transparente	28,900	28,163	9,388	6,750	3,375	0
Proetica-Consejo Nacional para la Etica Publica (Peru)	84,350	26,825	163,530	0	6,000	215,055
Transparency International USA	0	0	5,625	0	5,625	0
Transparencia Bolivia	81	0	12,169	0	12,250	0
Transparencia Venezuela	386,747	386,747	153,877	0	3,083	150,794
Transparencia Mexicana	112,449	0	81,893	0	1,893	192,449
Accion Ciudadana (Guatemala)	23,217	22,772	50,133	0	50,133	445
Asociacion para una Sociedad mas Justa ASJ	0	0	13,047	0	3,799	9,248
Costa Rica Integra	0	0	7,500	0	7,500	0
	<b>933,168</b>	<b>624,012</b>	<b>771,665</b>	<b>13,836</b>	<b>166,903</b>	<b>900,082</b>
<b>Total</b>	<b>2,911,984</b>	<b>1,828,138</b>	<b>2,588,108</b>	<b>45,335</b>	<b>1,286,473</b>	<b>2,340,146</b>



## Notes to the Financial Statements (continued)

### 11. Advances to National Chapters or Coalition partners (continued)

National Chapter or Coalition Partner	Euro					
	Balance 01.01.2012	Reporting Related to Previous Years	Advances in 2012	Repayment Received	Reporting Related to Advances 2012	Balance 31.12.2012
Forward	2,911,984	1,828,138	2,588,108	45,335	1,286,473	2,340,146
<b>Sub-Saharan Africa</b>						
ABUCO	23,750	0	43,209	0	0	66,959
Association Nigerienne de Lutte contre la Corruption	132,622	119,028	171,605	0	19,835	165,364
Centre for Transparency and Accountability in Liberia	45,432	32,185	49,544	12,058	20,271	30,462
Centro de Integridade Publica CIP	19,508	2,612	24,050	0	24,050	16,896
Forum Civil	280,833	254,615	35,850	0	11,882	50,186
Ghana Integrity Initiative	148,025	102,201	97,934	90,266	37,587	15,905
La Fondation Heritage pour Haiti	5,905	0	-1,335	0	0	4,570
Transparency International Guinea	1,500	0	0	0	0	1,500
Transparency International Nigeria	29,592	29,592	0	0	0	0
Transparency International Zimbabwe	47,114	0	11,085	0	0	58,199
Transparency Ethiopia	0	0	0	0	0	0
Transparency International Cameroon	183,399	152,566	74,363	0	0	105,196
Transparency International Initiative Madagascar	54,969	31,917	95,000	0	0	118,052
Transparency International Kenya	105,228	17,174	181,493	0	22,187	247,360
Transparency International Sierra Leone	27,643	27,642	16,080	0	6,081	10,000
Transparency International Zambia	160,868	165,560	50,006	0	45,314	0
Transparency Mauritius	73,285	36,435	84,000	0	0	120,850
Transparency Rwanda	131,169	70,798	136,977	0	0	197,348
Transparency Uganda	101,000	97,130	38,556	0	42,426	0
	<b>1,571,839</b>	<b>1,139,455</b>	<b>1,108,420</b>	<b>102,324</b>	<b>229,633</b>	<b>1,208,847</b>
<b>Middle-East and North Africa</b>						
Coalition for Integrity and Accountability-AMAN	51,009	3,122	337,315	0	134,672	250,530
Transparency Maroc	13,805	5,467	264,078	0	155,837	116,579
Lebanese Transparency Association (LTA)	26,138	12,530	90,856	4,464	0	100,000
Yemen Team for Transparency and Integrity	0	0	93,422	0	0	93,422
	<b>90,952</b>	<b>21,119</b>	<b>785,671</b>	<b>4,464</b>	<b>290,509</b>	<b>560,531</b>
<b>Asia - Pacific</b>						
Transparency International Papua New Guinea	189,139	80,298	307,002	0	0	415,843
Transparency Maldives	127,694	0	245,210	0	10,379	362,525
Transparency International Bangladesh	85,228	0	107,513	0	0	192,741
Transparency International India	44,613	34,221	20,818	0	0	31,210
Transparency International Indonesia	201,463	184,399	236,230	0	7,957	245,337
Transparency International Nepal	37,503	0	66,844	0	0	104,347
Transparency Thailand	0	0	0	0	0	0
Transparency International Pakistan	54,765	44,598	94,414	0	34,552	70,029
Transparency International Sri Lanka	49,947	940	62,842	0	0	111,849
Transparency International Vanuatu	103,317	8,778	147,951	0	5,228	237,262
Transparency International Fiji	105,353	9,843	160,870	0	0	256,380
Transparency International Philippines	0	0	58,018	0	0	58,018
Transparency Chinese Taipei	3,200	0	-3,200	0	0	0
Transparency Solomon Islands	58,069	8,167	52,527	0	0	102,429
Towards Transparency (Vietnam)	176,354	160,098	282,490	0	32,883	265,863
Transparency International Korea (South)	18,700	0	38,483	0	0	57,183
Transparency International Malaysia	11,702	5,560	60,632	0	47,071	19,703
Transparency International Australia	6,414	6,414	8,614	0	5,439	3,175
Transparency International New Zealand	0	0	5,000	0	5,000	0
Transparency International Japan	0	0	0	0	0	0
Transparency International Cambodia	20,000	0	10,000	0	0	30,000
TI-Cambodia, Daun Penh	0	0	0	0	0	0
	<b>1,293,461</b>	<b>543,316</b>	<b>1,962,258</b>	<b>0</b>	<b>148,509</b>	<b>2,563,894</b>
<b>Total</b>	<b>5,868,236</b>	<b>3,532,028</b>	<b>6,444,457</b>	<b>152,123</b>	<b>1,955,124</b>	<b>6,673,418</b>

€ 27,626 of the reported advances to National Chapters or Coalition partners at 31 December 2011 has been written off in 2012.

## Notes to the Financial Statements (continued)

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

Recipient	31.12.2012	31.12.2011
	Euro	Euro
Helvetas Swiss Intercooperation	92,738	0
Groupement CCRE	16,000	0
International Company for Training and Development, Egypt	4,292	17,348
Destonic Consulting CC, South Africa	0	31,765
A.I.S.B.L. Brussels	0	23,101
<b>Total</b>	<b>113,030</b>	<b>72,214</b>

### 13. Other Prepayments

	31.12.2012	31.12.2011
	Euro	Euro
Prepaid expenses	82,032	51,653
<b>Total</b>	<b>82,032</b>	<b>51,653</b>

### 14. Loans

National Chapter or Other partners	31.12.2012	31.12.2011
	Euro	Euro
Drustvo Integriteta - IDEJD (TI-Slovenia)	17,079	0
A.I.S.B.L. Brussels	0	60,000
Transparency International Moldova	0	5,974
<b>Total</b>	<b>17,079</b>	<b>65,974</b>

## Notes to the Financial Statements (continued)

### 15. Other Receivables

	31.12.2012	31.12.2011
	Euro	Euro
<b>Receivables from Personnel</b>		
Other Personnel receivables	43,043	28,573
Advances for travel	13,021	89,514
<b>Total receivables from Personnel</b>	<b>56,064</b>	<b>118,087</b>
<b>Other</b>		
Thereof reimbursement requests		
towards National Chapters	90,344	31,034
from payments towards Board members	80	76
Other *)	105,125	58,770
<b>Total other</b>	<b>195,549</b>	<b>89,880</b>
<b>Total Other Receivables</b>	<b>251,613</b>	<b>207,967</b>

\* In the category Other a total amount of € 6,887 mainly related to invoices issued in prior years which were deemed irrecoverable has been written off in full in 2012. The risk for an increase in future years is mitigated by regular reminders.

### 16. Cash and Cash Equivalents

	31.12.2012		31.12.2011	
	foreign currency	Euro	foreign currency	Euro
Cash in Euro	0	3,362	0	6,332
Cash in USD	343	260	4,432	3,427
<b>Total Cash in hand</b>		<b>3,622</b>		<b>9,759</b>
<b>Bank balances / Commerzbank AG</b>				
Bank accounts in EUR	0	11,273,906	0	7,933,862
Bank accounts in GBP	1,764,424	2,157,525	1,134,423	1,355,830
Bank accounts in USD	798,999	604,569	1,066,293	824,539
Bank accounts in CHF	87,878	72,668	0	0
<b>Total bank balances</b>		<b>14,108,668</b>		<b>10,114,231</b>
<b>Total cash and cash equivalents</b>		<b>14,112,290</b>		<b>10,123,990</b>

The bank balances are

saving accounts	0	1,000,000
current accounts	8,174,587	5,732,573
programme and donor related accounts	5,934,081	3,381,658
	<b>14,108,668</b>	<b>10,114,231</b>

## Notes to the Financial Statements (continued)

### 17. Donors' Funding Received in Advance

#### Unrestricted Donor funding received in advance

Donor	31.12.2012	31.12.2011
	Euro	Euro
<b>Governmental Agencies</b>		
Department for International Development, United Kingdom (DFID), PPA	1,092,293	1,285,223
Canadian International Development Agency (CIDA)	437,677	121,351
<b>Total</b>	<b>1,529,970</b>	<b>1,406,574</b>

#### Restricted Donors' funding received in advance

Donor	31.12.2012	31.12.2011
	Euro	Euro
<b>Governmental Agencies</b>		
Australian Agency for International Development (AusAID)	2,893,243	1,723,967
Swedish International Development Cooperation Agency (Sida)	2,830,447	1,579,597
European Commission	1,579,767	341,383
Norwegian Agency for Development Cooperation (Norad)	270,673	347,174
Department for International Development, United Kingdom (DFID), CHASE	217,165	209,871
Department for International Development, United Kingdom (DFID), GTF	86,597	3,341
Department for International Development, United Kingdom (DFID), Turks&Caicos	0	22,406
New Zealand Ministry of Foreign Affairs and Trade	191,526	104,581
Swiss Agency for Development and Cooperation SDC	168,622	190,220
Ministry of Foreign Affairs of Estonia	150,000	0
Norwegian Ministry of Foreign Affairs	137,956	71,567
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), C	121,674	0
Irish Aid	101,206	0
Government of Curacao	80,474	0
Ministry for Economic Cooperation and Development (BMZ), Germany	67,220	11,597
French Ministry of Foreign and European Affairs	22,668	0
Foreign and Commonwealth Office (FCO), UK	19,293	0
Agencia Española de Cooperación Internacional para el Desarrollo (AECID)	6,423	116,620
Federal Foreign Office, Germany	3,280	7,438
Comunidad de Madrid	0	8,803
Kingdom of Belgium Foreign Affairs, Foreign Trade and Development Cooperation	0	143,868
Royal Danish Ministry of Foreign Affairs (Danida)	0	20,363
U.S. Agency for International Development (USAID)	0	6,582
<b>Sub Total</b>	<b>8,948,234</b>	<b>4,909,378</b>

## Notes to the Financial Statements (continued)

### 17. Donors' Funding Received in Advance (continued)

Donor	31.12.2012	31.12.2011
	Euro	Euro
Forward	8,948,234	4,909,378
<b>Foundations</b>		
OSI Development Foundation	167,435	58,347
William and Flora Hewlett Foundation	27,643	0
Swedish Postcode Foundation	2,726	149,194
Bill & Melinda Gates Foundation	0	197,565
TIDES Foundation, USA	0	35,180
	<b>197,804</b>	<b>440,286</b>
<b>Other development Organisations</b>		
Stockholm International Water Institute (SIWI)	134,915	18,049
Gesellschaft für internationale Zusammenarbeit (GIZ), Germany	121,601	0
Center for International Policy	50,711	22,091
Malawi Economic Justice Network (MEJN)	29,418	0
The United Nations Democracy Fund (UNDEF)	15,888	0
United Nations Development Programme (UNDP)	5,913	3,014
International IDEA	1,122	1,122
American Jewish World Service	0	57,636
University of Konstanz	0	25,851
	<b>359,568</b>	<b>127,763</b>
<b>Corporate Donors</b>		
Ernst & Young LLP	0	25,000
National Integrity Action Limited	10,000	0
PriceWaterhouseCoopers	7,000	0
Coalition for Integrity and Accountability-AMAN	1,000	0
	<b>18,000</b>	<b>25,000</b>
<b>Individual Donors</b>	0	300
	<b>0</b>	<b>300</b>
<b>Total</b>	<b>9,523,606</b>	<b>5,502,727</b>

#### Total Donors' funding received in advance

Donor	31.12.2012	31.12.2011
	Euro	Euro
Governmental Agencies	10,478,204	6,315,952
Foundations	197,804	440,286
Other Development Organisations	359,568	127,763
Corporate Donors	18,000	25,000
Individual Donors	0	300
<b>Total</b>	<b>11,053,576</b>	<b>6,909,301</b>

## Notes to the Financial Statements (continued)

### 18. Liabilities to Donors

Money received from / reports due to	31.12.2012	31.12.2011
	Euro	Euro
<u>Liabilities to Unrestricted Donors</u>	<b>255,704</b>	<b>320,979</b>
<u>Liabilities to Restricted Donors</u>		
<b><u>Governmental Agencies</u></b>		
Department for International Development, United Kingdom (DFID)	1,119,788	1,132,035
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), Germany	1,047,282	427,144
Norwegian Ministry of Foreign Affairs	908,884	729,469
Australian Agency for International Development (AusAID)	870,388	293,144
European Commission	736,199	1,112,145
New Zealand Ministry of Foreign Affairs and Trade	455,167	178,687
Swedish International Development Cooperation Agency (Sida)	428,423	144,300
U.S. Agency for International Development (USAID)	210,960	33,056
Kingdom of Belgium Foreign Affairs, Foreign Trade and Development Cooperation	184,512	101,866
Ministry for Economic Cooperation and Development (BMZ), Germany	173,079	1,500
Swiss Agency for Development and Cooperation SDC	92,738	0
Ministry for Foreign Affairs for Finland	21,514	0
Ministry of Foreign Affairs, The Netherlands	4,000	4,000
Royal Danish Ministry of Foreign Affairs (Danida)	1,471	12,364
Federal Foreign Office, Germany	90	117,524
French Ministry of Foreign and European Affairs	0	43,438
	<b>6,254,495</b>	<b>4,330,672</b>
<b><u>Foundations</u></b>		
OSI Development Foundation	214,053	285,085
Swedish Postcode Foundation	12,841	114,601
Bill & Melinda Gates Foundation	0	763,603
TIDES Foundation, USA	0	11,924
Transparency International Deutschland	0	4,570
	<b>226,894</b>	<b>1,179,783</b>
<b><u>Other Development Organisations</u></b>		
European Investment Bank (EIB)	27,800	42,800
Stockholm International Water Institute (SIWI)	16,000	0
Transparency International Germany	4,570	4,570
Gesellschaft für internationale Zusammenarbeit (GIZ), Germany	986	986
American Jewish World Service	0	65,230
	<b>49,356</b>	<b>109,016</b>
<b>Total</b>	<b>6,786,449</b>	<b>5,940,450</b>

## Notes to the Financial Statements (continued)

### 19. Accounts Payable

Vendor	31.12.2012	31.12.2011
	Euro	Euro
Gallup International	339,650	0
The Resource Alliance	34,214	0
Lufthansa	22,125	0
Berlin State Office for Integration	20,010	0
KPMG AG	16,682	0
MDF Training and Consultancy	15,149	0
Dege Consult Aps	15,000	0
PIT Solutions GmbH	14,256	26,417
The Management Centre	7,959	26,721
Vodafone D2 GmbH	2,868	15,525
M&ORI Limited	0	146,200
Ogilvy & Mather Werbeagentur GmbH	0	54,743
PricewaterhouseCoopers AG	0	44,412
Catherine Claire McKinley	0	25,563
Jonas Lövkrona	0	24,971
Barbara Kowalczyk-Hoyer	0	20,000
Control Risks Deutschland GmbH	0	17,643
MMPRO	0	16,027
Catalyst Management Services P Ltd.	0	15,370
Insightful Learning	0	15,225
Stockholm Environment Institute SEI	0	15,000
SD&C Solutions Development & Consulting GmbH	0	14,765
Others (less than 15.000 each)	349,836	418,947
<b>Total Accounts payable</b>	<b>837,749</b>	<b>897,529</b>

## Notes to the Financial Statements (continued)

### 20. Other Liabilities and Accruals

	31.12.2012	31.12.2011
	Euro	Euro
<b><u>Other Liabilities</u></b>		
Personnel Costs		
Social Contributions and Wage Taxes	137,883	96,550
Salaries and Other Personnell Costs	400	728
Pension	417	0
Personnel (Travel Cost Reimbursements)	71,146	127,414
Board Members (Travel Cost Reimbursements)	2,788	18,705
Other	36,368	198
	<b>249,002</b>	<b>243,595</b>
<b><u>Accruals</u></b>		
Vacation Entitlements of TI-S Employees	310,000	168,500
Valued Added Tax (VAT) Liability	258,236	0
Audits	100,067	111,208
Statutory Accident Insurance	20,100	16,200
Additional Leave Entitlements of TI-S Employees	19,900	11,500
Contribution for Disabled Persons	0	12,740
Other	633	58,480
	<b>708,936</b>	<b>378,628</b>
<b>Total Other Liabilities and Accruals</b>	<b>957,938</b>	<b>622,223</b>

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

The closing balance of € 178,347 (2011: € 229,385) consists of monies due to National Chapters or Coalition partners at year end. All amounts due have been invoiced but are outstanding at year end. The balance relates to direct support to National Chapters and travel cost reimbursements.



## Notes to the Financial Statements (continued)

### 22. Donor Contributions / Donor Income

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 ("restricted funds").

The actual cash receipts are presented in Annex 2.

#### Unrestricted Donor Contributions

Donors	31.12.2012 Euro	31.12.2011 Euro
<b>Governmental Agencies</b>		
Department for International Development, United Kingdom (DFID), PPA	3,503,467	2,426,163
Ministry of Foreign Affairs, The Netherlands	1,200,000	1,200,000
Ministry for Foreign Affairs for Finland	800,000	650,000
Swedish International Development Cooperation Agency (Sida)	579,235	545,305
Swiss Agency for Development and Cooperation SDC	413,907	412,043
Royal Danish Ministry of Foreign Affairs (Danida)	334,082	199,837
Canadian International Development Agency (CIDA)	235,645	870,601
Irish Aid	100,000	200,000
The Office of The National Anti-Corruption Commission, Thailand	0	40,000
	<b>7,166,336</b>	<b>6,543,949</b>
<b>Foundations</b>		
Pestalozzi Foundation	20,000	5,000
	<b>20,000</b>	<b>5,000</b>
<b>Other Development Organisations</b>		
Social Science Research Center Berlin	100,000	0
Biuro Instytucji Demokrat	0	3,500
Other (less than Euro 1,000 each)	0	2,073
	<b>100,000</b>	<b>5,573</b>
<b>Sub Total</b>	<b>7,286,336</b>	<b>6,554,522</b>

## Notes to the Financial Statements (continued)

### 22. Donor Contributions / Donor Income (continued)

#### Unrestricted Donor Contributions (continued)

Donors	31.12.2012 Euro	31.12.2011 Euro
Forward	7,286,336	6,554,522
<b>Corporate Donors</b>		
Kohlberg Kravis Roberts & Co.	80,000	0
Shell International BV/Ltd.	35,000	80,000
Wermuth Asset Management GmbH	35,000	0
University de Navarra	3,000	0
Procter and Gamble	0	40,000
Anglo American Services (UK) Ltd, London	0	40,000
	<b>153,000</b>	<b>160,000</b>
<b>Individual Donors</b>		
Johann Peter Jessen	3,000	3,000
Rolf Hellenbrand	3,000	1,200
Patrick Kinsch	2,500	1,000
John Walter	1,000	0
Andreas Ehrencrona	0	1,500
Hanafi Hadjares	0	1,424
Giovanna Longo	0	1,200
Reed Elsevier	0	1,000
Dr. René-Pierre Müller	0	1,000
Other (less than Euro 1,000 each)	15,135	9,035
	<b>24,635</b>	<b>20,360</b>
<b>Total</b>	<b>7,463,971</b>	<b>6,734,882</b>

#### Net Unrestricted Donor Contributions / Donor Income

Donors	31.12.2012 Euro	31.12.2011 Euro
Total Unrestricted Donor Contributions	7,463,971	6,734,882
Net Changes in Advances sent to National Chapters and Other Parties *)	65,275	-320,979
<b>Unrestricted Donor Income</b>	<b>7,529,246</b>	<b>6,413,903</b>

\*) The Unrestricted Donor contributions have been adjusted by € 65,275 (2011: -€ 320,979) for advances sent to National Chapters and Other Parties that have not been accounted for yet.

## Notes to the Financial Statements (continued)

### 22. Donor Contributions / Donor Income (continued)

#### Restricted Donor Contributions / Donor Income

	Euro			
	31.12.2012		31.12.2011	
	Donor Contributions	Net changes in advances sent to National Chapters and Others	Donor Income	
<b>Donors</b>				
<b>Governmental Agencies</b>				
Australian Agency for International Development (AusAID)	2,252,018	-577,244	1,674,774	864,740
European Commission	1,094,469	376,032	1,470,501	2,014,326
Federal Foreign Office, Germany	1,072,372	117,434	1,189,806	248,528
Department for International Development, United Kingdom (DFID), CHASE	862,774	0	862,774	602,050
Department for International Development, United Kingdom (DFID), GTF	792,429	49,982	842,411	1,347,430
Department for International Development, United Kingdom (DFID), GCB	294,220	0	294,220	358,388
Department for International Development, United Kingdom (DFID), Vietnam	234,769	-37,732	197,037	130,575
Department for International Development, United Kingdom (DFID), Malawi	47,762	0	47,762	0
Department for International Development, United Kingdom (DFID), NIS Turks & Caicos	22,406	0	22,406	29,576
Department for International Development, United Kingdom (DFID), TIM	0	0	0	720,923
Ministry for Economic Cooperation and Development (BMZ), Germany	972,651	-171,580	801,071	710,075
U.S. Agency for International Development (USAID)	853,784	-177,990	675,794	430,775
Swedish International Development Cooperation Agency (Sida)	894,851	-284,123	610,728	383,256
Norwegian Agency for Development Cooperation (Norad), Inst. Support	601,091	0	601,091	318,822
Norwegian Ministry of Foreign Affairs	625,268	-179,416	445,852	-9,013
Swiss Agency for Development and Cooperation (SDC)	494,568	-92,738	401,830	61,026
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), Germany	948,415	-620,138	328,277	288,489
Foreign & Commonwealth Office, UK (FCO)	254,997	0	254,997	0
Kingdom of Belgium Foreign Affairs, Foreign Trade and Development Cooperation	279,850	-82,646	197,204	165,340
French Ministry of Foreign and European Affairs	77,332	43,438	120,770	95,562
Royal Danish Ministry of Foreign Affairs (Danida)	87,598	10,893	98,491	97,145
New Zealand Ministry of Foreign Affairs and Trade	372,783	-276,480	96,303	27,082
Agencia Española de Cooperación Internacional para el Desarrollo (AECID)	96,200	0	96,200	84,734
Ministry for Foreign Affairs of Finland	117,111	-21,514	95,597	130,575
Financial Mechanism Office (FMO)	76,036	0	76,036	68,286
Government of Curacao	71,331	0	71,331	0
The Performance Management & Delivery Unit (PEMANDU), Malaysia	10,500	0	10,500	0
Ministry of Foreign Affairs, The Netherlands	0	0	0	197,424
The Office of The National Anti-Corruption Commission, Thailand	0	0	0	137,829
Irish Aid	0	0	0	74,838
Norwegian Agency for Development Cooperation (Norad), PACC REDD	0	0	0	595,564
Comunidad de Madrid	0	0	0	83,203
	<b>13,507,585</b>	<b>-1,923,822</b>	<b>11,583,763</b>	<b>10,257,547</b>
<b>Foundations</b>				
OSI Development Foundation	348,638	71,032	419,670	236,254
Swedish Postcode Foundation	146,468	101,827	248,295	66,552
William and Flora Hewlett Foundation	73,841	0	73,841	26,970
Bill & Melinda Gates Foundation	-93,642	763,535	669,893	1,705,014
TIDES Foundation, USA	0	11,924	11,924	290,678
EADS	0	0	0	7,000
	<b>475,305</b>	<b>948,318</b>	<b>1,423,623</b>	<b>2,332,467</b>
<b>Sub Total</b>	<b>13,982,890</b>	<b>-975,504</b>	<b>13,007,386</b>	<b>12,590,015</b>

## Notes to the Financial Statements (continued)

### 22. Donor Contributions / Donor Income (continued)

#### Restricted Donor Contributions / Donor Income (continued)

	Euro			
	31.12.2012			31.12.2011
	Donor Contributions	Net changes in advances sent to National Chapters and Others	Donor Income	
<b>Donors</b>				
Forward	13,982,890	-975,504	13,007,386	12,590,015
<b>Other development Organisations</b>				
Amarribo	497,718	0	497,718	202,282
Gesellschaft für internationale Zusammenarbeit (GIZ), Germany	300,000	0	300,000	-815
American Jewish World Service	69,457	65,230	134,687	52,208
Christian Michelsen Institute (CMI), Norway	122,154	0	122,154	119,311
United Nations Development Programme (UNDP)	116,027	0	116,027	110,762
United Nations Office on Drugs and Crime (UNODC)	75,485	0	75,485	38,716
University of Konstanz	60,102	0	60,102	33,643
The United Nations Democracy Fund (UNDEF)	40,881	0	40,881	153,327
Transparency International Papua New Guinea	13,440	0	13,440	0
Center for International Policy	9,533	0	9,533	38,218
European Bank for Reconstruction and Development (EBRD)	7,000	0	7,000	7,000
Malawi Economic Justice Network (MEJN)	6,987	0	6,987	0
Instituto Prensa Y Sociedad Peru (IPYS)	3,794	0	3,794	3,459
Stockholm International Water Institute (SIWI)	6,994	-16,000	-9,006	0
European Investment Bank (EIB)	0	15,000	15,000	-15,000
World Vision International	0	0	0	25,000
International IDEA	0	0	0	7,685
Transparency Serbia/Transparentnost Srbija	0	0	0	6,157
Transparency Venezuela	0	0	0	4,450
Transparency International Zimbabwe	0	0	0	-2,318
Plan International	0	0	0	160
	<b>1,329,572</b>	<b>64,230</b>	<b>1,393,802</b>	<b>784,246</b>
<b>Corporate Donors</b>				
Ernst & Young LLP	325,000	0	325,000	175,000
Shell International BV/Ltd.	22,000	0	22,000	7,000
Kohlberg Kravis Roberts & Co.	20,000	0	20,000	0
Norsk Hydro	7,000	0	7,000	7,000
BP International	7,000	0	7,000	7,000
HSBC Holdings plc	7,000	0	7,000	7,000
Sanlam Limited	7,000	0	7,000	7,000
Rio Tinto London Ltd.	7,000	0	7,000	7,000
SGS AG	7,000	0	7,000	7,000
International Federation of Inspection Agencies	3,500	0	3,500	3,500
PricewaterhouseCoopers	0	0	0	7,000
Early Warning System GmbH	0	0	0	1,000
	<b>412,500</b>	<b>0</b>	<b>412,500</b>	<b>235,500</b>
<b>Individual Donors</b>				
Other (less than Euro 1,000 each)	0	0	0	600
	<b>0</b>	<b>0</b>	<b>0</b>	<b>600</b>
<b>Total</b>	<b>15,724,962</b>	<b>-911,274</b>	<b>14,813,688</b>	<b>13,610,361</b>

## Notes to the Financial Statements (continued)

### 22. Donor Contributions / Donor Income (continued)

#### Total Donor Contributions \*

	Euro			
	31.12.2012		31.12.2011	
	Donor Contributions	Net changes in advances sent to National Chapters and Other Parties	Donor Income	
<b>Donors</b>				
Governmental Agencies	20,673,921	-1,923,822	18,750,099	16,801,496
Foundations	495,305	948,318	1,443,623	2,337,467
Other development Organisations	1,429,572	64,230	1,493,802	789,820
Corporate Donors	565,500	0	565,500	395,500
Individual Donors	24,635	0	24,635	20,960
Related to Unrestricted Donor Contributions	0	65,275	65,275	-320,979
<b>Total</b>	<b>23,188,933</b>	<b>-845,999</b>	<b>22,342,934</b>	<b>20,024,264</b>

\* For a detailed explanation on Accounting for Grants see Note 3(d) on page 14.

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

**23. Net Changes in Advances sent to National Chapters and Other Parties \***

	Euro			
	31.12.2012		31.12.2011	
	Adjustments for Advances sent to National Chapters and other parties	Reports received from National Chapters and other parties	Net changes in advances sent to National Chapters and Other Parties	
<b>Donors</b>				
<b>Unrestricted Donor Funding</b>				
From Unrestricted Donor Contributions	-496,136	561,411	65,275	-320,979
	<b>-496,136</b>	<b>561,411</b>	<b>65,275</b>	<b>-320,979</b>
<b>Restricted Donor Funding</b>				
<b>Governmental Agencies</b>				
Australian Agency for International Development (AusAID)	-748,139	170,895	-577,244	-156,846
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), Germany	-620,238	100	-620,138	-427,144
Swedish International Development Cooperation Agency (Sida)	-586,914	302,791	-284,123	-140,464
European Commission	-562,176	938,208	376,032	514,284
Department for International Development, United Kingdom (DFID), GTF	-550,952	600,934	49,982	-172,113
Department for International Development, United Kingdom (DFID), Vietnam	-78,805	41,073	-37,732	0
Department for International Development, United Kingdom (DFID), Malawi	-20,000	20,000	0	0
Department for International Development, United Kingdom (DFID), TIM	0	0	0	666,434
Norwegian Ministry of Foreign Affairs	-482,870	303,454	-179,416	0
U.S. Agency for International Development (USAID)	-369,767	191,777	-177,990	11,942
New Zealand Ministry of Foreign Affairs and Trade	-276,480	0	-276,480	-178,687
Federal Foreign Office, Germany	-188,994	306,428	117,434	-12,284
Ministry for Economic Cooperation and Development (BMZ), Germany	-171,579	0	-171,579	0
Kingdom of Belgium Foreign Affairs, Foreign Trade and Development Cooperation	-153,444	70,797	-82,647	-101,866
Swiss Agency for Development and Cooperation SDC	-92,738	0	-92,738	0
Royal Danish Ministry of Foreign Affairs (Danida)	-51,904	62,797	10,893	-10,893
Agencia Española de Cooperación Internacional para el Desarrollo (AECID)	-47,027	47,027	0	0
Ministry for Foreign Affairs for Finland	-21,514	0	-21,514	-346,679
Comunidad de Madrid	0	0	0	51,800
French Ministry of Foreign and European Affairs	0	43,438	43,438	-4,438
Ministry of Foreign Affairs, The Netherlands	0	0	0	-4,000
Irish Aid	0	0	0	2,200
	<b>-5,023,541</b>	<b>3,099,719</b>	<b>-1,923,822</b>	<b>-308,753</b>
<b>Foundations</b>				
OSI Development Foundation	-231,640	302,672	71,032	-84,603
Swedish Postcode Foundation	-27,099	128,926	101,827	-114,601
TIDES Foundation, USA	0	11,924	11,924	191,376
William and Flora Hewlett Foundation	0	0	0	26,970
Bill & Melinda Gates Foundation	19,181	744,354	763,535	382,136
	<b>-239,558</b>	<b>1,187,876</b>	<b>948,318</b>	<b>401,278</b>
<b>Other development Organisations</b>				
American Jewish World Service	-36,738	101,968	65,230	-65,230
Stockholm International Water Institute (SIWI), Sweden	-16,000	0	-16,000	0
Gesellschaft für internationale Zusammenarbeit (GIZ), Germany	-3,967	3,967	0	0
United Nations Development Programme (UNDP)	0	0	0	64,698
European Investment Bank (EIB)	0	15,000	15,000	-15,000
	<b>-56,705</b>	<b>120,935</b>	<b>64,230</b>	<b>-15,531</b>
<b>Total</b>	<b>-5,815,940</b>	<b>4,969,941</b>	<b>-845,999</b>	<b>-243,985</b>

\* For a detailed explanation on Accounting for Grants see Note 3(d) on page 14.

## Notes to the Financial Statements (continued)

### 24. Other Income

	31.12.2012	31.12.2011
	Euro	Euro
Reimbursement of travel expenses by third parties	81,687	74,991
Reimbursement of expenses for maternal leave	21,171	10,412
Speakers' fees and honoraria income	2,748	2,175
Publications	0	82
Other	252,823	74,399
<b>Total</b>	<b>358,429</b>	<b>162,059</b>

### 25. Personnel Expenses

	31.12.2012	31.12.2011
	Euro	Euro
Salaries	7,497,874	5,755,301
Employer's contributions	1,325,959	1,028,382
<b>Total</b>	<b>8,823,833</b>	<b>6,783,683</b>

Included in the salaries figure is € 89,584 (2011: € 69,584) relating to pension contributions.

## Notes to the Financial Statements (continued)

### 26. Other Expenses

	31.12.2012	31.12.2011
	Euro	Euro
Direct National Chapter and regional support	6,480,005	6,968,771
Honoraria	1,810,025	2,076,099
Travel expenses non-TI-S-personnel	1,550,361	1,091,146
Travel expenses personnel	801,471	676,418
Surveys	714,750	645,326
Miscellaneous expenses	539,071	136,002
Publications and communications	518,848	600,324
Maintenance, rent and leasing costs	474,414	401,288
Other personnel and recruitment costs	227,950	168,721
Audits, legal & advisory costs	210,436	174,644
Meetings and workshops	162,124	78,798
Office supplies	127,521	92,002
Translations	81,449	131,953
<b>Total other expenses</b>	<b>13,698,425</b>	<b>13,241,492</b>

Reports received from National Chapters or other project related partners for advances are recorded as Direct National Chapter and regional support. Not included in Direct National Chapter and Regional support are payments by TI-S, Governance Core and project funded, e.g. the support of National Chapter's attendance at the Annual Membership meeting. These costs are included in travel expenses. (see note 3 (b) on page 14)

### 27. Financial Results

	31.12.2012	31.12.2011
	Euro	Euro
<b><u>Finance income</u></b>		
Interest income	9,844	19,218
Foreign exchange translation gains	58,530	100,285
	<b>68,374</b>	<b>119,504</b>
<b><u>Finance costs</u></b>		
Interest paid	-1,373	-689
Foreign exchange translation losses	-64,545	-91,554
	<b>-65,918</b>	<b>-92,243</b>
<b>Total Financial results</b>	<b>2,456</b>	<b>27,261</b>



## Supplementary Information

### Endowment Fund

### Annex 1

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

	<u>USD</u>	<u>EUR equivalent</u>
Balance of Fund 1 January 2012	2,443,894	1,889,803
Interest received / realized gain	30,682	23,215
Service charges / Withdrawal taxes	- 9,124	- 6,904
Interest paid / realized loss	- 5,838	- 4,417
Exchange rate loss	-	40,610
Balance of Fund 31 December 2012	<u>2,459,614</u>	<u>1,861,088</u>
Represented by		
Investments, at cost	1,823,183	1,379,527
Cash at bank	636,431	481,561
	<u>2,459,614</u>	<u>1,861,088</u>
Market value of investments at 31 December 2012	<u>1,846,525</u>	<u>1,397,189</u>
Redemption value	<u>1,829,000</u>	<u>1,383,929</u>

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 of approximately USD 600,000 each, which are due to mature in December 2013 and November 2016 respectively. Notes totalling approximately USD 630,000 are due to mature in 2014 (USD 230,000 April and USD 400,000 in June). The interest income is recorded on redemption.

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

	<u>USD equivalent</u>	<u>EUR</u>
Balance of Fund 1 January 2012	2,125,100	1,643,288
Interest received	27,681	20,945
Exchange rate difference	46,670	-
Balance of Fund 31 December 2012	<u>2,199,451</u>	<u>1,664,233</u>
Represented by		
Receivable Interest Income (for period 14/12/2012 – 31/12/2012)	627	474
Cash at bank	2,198,824	1,663,759
	<u>2,199,451</u>	<u>1,664,233</u>

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

## Endowment Fund (continued)

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

	<u>USD</u>	<u>EUR equivalent</u>
Balance of Fund 1 January 2011	2,425,848	1,830,423
Interest received / realized gain	23,213	17,950
Service charges / Withdrawal taxes	-19	-15
Interest paid / realized loss	-5,148	-3,981
Exchange rate gain		45,426
Balance of Fund 31 December 2011	<u>2.443.894</u>	<u>1.889.803</u>
<b>Represented by</b>		
Investments, at cost	2.439.021	1.886.035
Cash at bank	4.873	3.768
	<u>2.443.894</u>	<u>1.889.803</u>
Market value of investments at 31 December 2011	<u>2.463.238</u>	<u>1.904.762</u>
Redemption value	<u>2.439.000</u>	<u>1.886.019</u>

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 of approximately USD 600,000 each, which are due to mature in November 2012 and December 2013 respectively. Notes totalling approximately USD 630,000 are due to mature in 2014 (USD 230,000 April and USD 400,000 in June). The interest income is recorded on redemption.

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

	<u>USD equivalent</u>	<u>EUR</u>
Balance of Fund 01 January 2011	2,143,820	1,617,619
Interest Received	33,195	25,669
Exchange Rate Difference	-	51,915
Balance of Fund 31 December 2011	<u>2,125,100</u>	<u>1,643,288</u>
<b>Represented by</b>		
Cash at Bank	2,125,100	1,643,288
	<u>2,125,100</u>	<u>1,643,288</u>

## Endowment Fund (continued)

### Endowment Funds in Total 2012

	<u>USD Equivalent</u>	<u>EUR</u>
Balance of Fund 01 January 2012		
USAID	2,443,894	1,889,803
Ford Foundation		<u>1,643,288</u>
		<u><u>3,533,091</u></u>
Balance of Fund 31 December 2012		
USAID	2,459,614	1,861,088
Ford Foundation		<u>1,664,233</u>
		<u><u>3,525,321</u></u>

### Endowment Funds in Total 2011

	<u>USD</u>	<u>EUR Equivalent</u>
Balance of Fund 01 January 2011		
USAID	2,425,848	1,830,423
Ford Foundation		<u>1,617,619</u>
		<u><u>3,448,043</u></u>
Balance of Fund 31 December 2011		
USAID	2,443,894	1,889,803
Ford Foundation		<u>1,643,288</u>
		<u><u>3,533,091</u></u>

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 recorded as a Contingent Asset on page 24 of the Financial Statements.

## Supplementary Information

### Donor Cash Payments Received in 2012

### Annex 2

Donors	31.12.2012	31.12.2011
	Euro	Euro
Governmental Agencies	24,736,850	19,931,392
Foundations	590,388	1,023,869
Other Development Organisations	1,860,283	418,122
Corporate Donors / Contributions to Project Costs	215,500	585,595
Individual Donors	24,730	20,659
	<b>27,427,751</b>	<b>21,979,637</b>

Brought Forward from 2011

Represented by:

*Donors' Funding Received in Advance*

16 6,909,301

*Less: Outstanding Donor Commitments*

10 -1,271,860

5,637,441

Cash Received in 2012

27,427,751

Less: Repayments in 2012

-344,580

Plus: Corrections in 2012

973

27,084,144

Interest Repayable to Donor

-35,691

Less: Interest Repayments in 2012

-1,304

-36,995

**Total Available in 2012**

32,684,590

Less: Carried Forward to 2013

-9,495,657

Represented by:

*Donor's Funding Received in Advance*

16 11,053,576

*Less: Outstanding Donor Commitments*

10 -1,557,919

**Donor Contributions for 2012**

23,188,933

Less: Net Changes in Advances to National Chapters and Other Parties

-845,999

**Donor Income 2012**

22,342,934

**Donor Cash Payments Received in 2012 (continued)**

Annex 2 P.2

**Unrestricted Donor Cash Received**

Donors	EURO	
	2012	2011
<b>Governmental Agencies</b>		
Department for International Development, United Kingdom (DFID), PPA	3,310,541	3,395,883
Ministry of Foreign Affairs, The Netherlands	1,200,000	1,275,000
Ministry for Foreign Affairs of Finland	800,000	650,000
Swedish International Development Cooperation Agency (Sida)	579,235	545,305
Canadian International Development Agency (CIDA)	551,876	991,952
Swiss Agency for Development and Cooperation (SDC)	413,907	412,043
Royal Danish Ministry of Foreign Affairs (Danida)	334,082	199,837
Irish Aid	200,000	200,000
The Office of The National Anti-Corruption Commission, Thailand	0	40,000
	<b>7,389,641</b>	<b>7,710,020</b>
<b>Foundations</b>		
Pestalozzi Foundation	20,000	5,000
	<b>20,000</b>	<b>5,000</b>
<b>Other Development Organisations</b>		
Social Science Research Center Berlin	100,000	0
Biuro Instytucji Demokrat (Poland)	0	3,500
Other (less than Euro 1,000 each)	0	2,073
	<b>100,000</b>	<b>5,573</b>
<b>Corporate Donors</b>		
Kohlberg Kravis Roberts & Co.	80,000	0
Wermuth Asset Management GmbH	35,000	0
University of Navarra	3,000	0
Shell International BV/Ltd.	0	100,000
Procter & Gamble CEEMEA	0	50,000
Anglo American Services (UK) Ltd, London	0	50,000
	<b>118,000</b>	<b>200,000</b>
<b>Individual donors</b>		
Johann Peter Jessen	3,000	3,000
Rolf Hellenbrand	3,000	1,200
Patrick Kinsch	2,500	1,000
John Walter	1,000	0
Nextep	0	1,424
Giovanna Longo	0	1,200
Andreas Ehrencrona	0	1,500
Reed Elsevier	0	1,000
Dr. René-Pierre Müller	0	1,000
Other (less than Euro 1,000 each)	15,230	9,035
	<b>24,730</b>	<b>20,359</b>
<b>Total</b>	<b>7,652,371</b>	<b>7,940,953</b>

**Donor Cash Payments Received in 2012 (continued)**

Annex 2 P.3

**Restricted Donor Cash Received**

Donors	EURO	
	2012	2011
<b>Governmental Agencies</b>		
Department for International Development, United Kingdom (DFID), GTF	1,241,892	1,129,228
Department for International Development, United Kingdom (DfID), CHASE	870,068	811,921
Department for International Development, United Kingdom (DfID), Barometer	0	278,504
Department for International Development, United Kingdom (DFID), Vietnam	81,617	118,368
Department for International Development, United Kingdom (DFID), Turks&Caicos	0	41,190
Department for International Development, United Kingdom (DFID), TIM	0	-31,531
Department for International Development, United Kingdom (DFID), Malawi	49,273	0
Australian Agency for International Development (AusAID)	3,422,565	2,207,265
European Commission	2,375,514	867,682
Swedish International Development Cooperation Agency (Sida)	2,175,300	1,998,343
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), Germany	1,072,193	713,529
Federal Foreign Office, Germany	1,070,343	266,377
Ministry for Economic Cooperation and Development (BMZ), Germany	1,028,407	675,000
Norwegian Agency for Development Cooperation (Norad), PACC REDD	524,591	515,817
Norwegian Agency for Development Cooperation (Norad), Inst. Support	691,991	318,822
U.S. Agency for International Development (USAID)	689,917	317,537
Swiss Agency for Development and Cooperation (SDC)	473,407	244,887
New Zealand Ministry of Foreign Affairs and Trade	459,728	310,350
Foreign and Commonwealth Office (FCO)	274,290	0
Government of Curacao	151,805	0
Government of Estonia	150,000	0
Ministry for Foreign Affairs of Finland	147,075	0
French Ministry of Foreign and European Affairs	100,000	100,000
Financial Mechanism Office (FMO)	100,000	0
Irish Aid	100,000	0
Royal Danish Ministry of Foreign Affairs (Danida)	67,426	120,240
Ministry of Foreign Affairs, The Netherlands	29,807	170,000
Kingdom of Belgium Foreign Affairs, Foreign Trade and Development Cooperation	0	410,290
Norwegian Ministry of Foreign Affairs	0	328,299
Agencia Española de Cooperación Internacional para el Desarrollo (AECID)	0	201,582
The Office of The National Anti-Corruption Commission, Thailand	0	107,672
	<b>17,347,209</b>	<b>12,221,372</b>
<b>Foundations</b>		
OSI Development Foundation	461,905	263,086
William and Flora Hewlett Foundation	101,483	-57,882
EADS	7,000	0
Swedish Postcode Foundation	0	330,347
Bill & Melinda Gates Foundation	0	483,318
	<b>570,388</b>	<b>1,018,869</b>
Balance	17,917,597	13,240,241

**Donor Cash Payments Received in 2012 (continued)**

Annex 2 P.4

**Restricted Donor Cash Received (continued)**

Donors	EURO	
	2012	2011
Forward	17,917,597	13,240,241
<b><u>Other development Organisations</u></b>		
Amarribo	700,000	0
Gesellschaft für internationale Zusammenarbeit (GIZ), Germany	421,601	-4,062
The United Nation Democracy Fund (UNDEF)	114,530	0
Stockholm International Water Institute (SIWI), Sweden	123,860	18,049
Christian Michelsen Institute (CMI), Norway	122,154	119,311
United Nations Office on Drugs and Crime (UNODC)	73,860	38,716
United Nations Development Programme (UNDP)	118,927	0
Center for International Policy	38,153	22,091
Malawi Economic Justice Network	36,405	0
European Bank for Reconstruction and Development (EBRD)	7,000	7,000
Instituto Prensa Y Sociedad Peru (IPYS)	3,794	3,459
American Jewish World Service	0	174,850
University of Konstanz	0	18,435
International IDEA	0	8,807
Transparency International Venezuela	0	4,450
Transparency International Kosovo	0	3,600
Plan International	0	160
Transparency International Zimbabwe	0	-2,318
	<b>1,760,284</b>	<b>412,549</b>
<b><u>Corporate Donors</u></b>		
Ernst & Young LLP	0	400,000
Kohlberg Kravis Roberts & Co.	20,000	0
PricewaterhouseCoopers	14,000	3,095
National Integrity Action Limited	10,000	0
Sanlam Limited	7,000	7,000
Rio Tinto	7,000	0
Norsk Hydro	7,000	7,000
BP International	7,000	7,000
HSBC Holdings plc	7,000	7,000
SGS AG	14,000	0
International Federation of Inspection Agencies	3,500	3,500
Coalition for Integrity and Accountability-AMAN	1,000	0
SAP AG	0	-50,000
Early Warning System GmbH	0	1,000
	<b>97,500</b>	<b>385,595</b>
<b><u>Individual Donors</u></b>		
Other (less than Euro 1,000 each)	0	300
	<b>0</b>	<b>300</b>
<b>Total</b>	<b>19,775,381</b>	<b>14,038,685</b>

## Detailed Programme Information: Summary

## Annex 3

Category	1. Organisational Development Unit and 2015 Implementation	2. Governance and Special Initiatives	3. Advocacy, External Relations and Fundraising	4. Research and Knowledge	5. Chapters and Programmes	Other (incl. FX Gains & Losses)	TOTAL
<b>Income</b>							
<b>Restricted Donor Contributions</b>							
Governmental Agencies	1,763,271	183,556	663,873	10,896,886			13,507,585
Foundations	73,841	73,841		401,464			475,305
Other Development Organizations	874,805	162,299	138,687	153,780			1,329,572
Corporate Donors	35,000	377,500					412,500
<b>Total Restricted Donor Contributions (A)</b>	<b>2,673,076</b>	<b>419,696</b>	<b>1,180,061</b>	<b>11,452,129</b>			<b>15,724,962</b>
<b>Net Changes in Advances Sent to National Chapters and Other Parties related to Restricted Donor Contributions (B)</b>	<b>-108,738</b>	<b>0</b>	<b>15,000</b>	<b>-817,535</b>			<b>-911,274</b>
<b>Total Restricted Donor Contributions Recognised as Income (A+B)</b>	<b>2,564,338</b>	<b>419,696</b>	<b>1,195,061</b>	<b>10,634,594</b>			<b>14,813,688</b>
<b>Other Income (C)</b>	<b>21,395</b>	<b>10,023</b>	<b>35,991</b>	<b>49,304</b>		<b>241,717</b>	<b>358,429</b>
<b>Total Income (A+B+C)</b>	<b>2,585,733</b>	<b>429,719</b>	<b>1,231,051</b>	<b>10,683,897</b>		<b>241,717</b>	<b>15,172,117</b>
<b>Total Project Costs (D)</b>	<b>62,877</b>	<b>3,832,114</b>	<b>3,009,060</b>	<b>13,071,157</b>		<b>-4,040</b>	<b>22,671,555</b>
<b>Funding Required from Unrestricted Contributions (D-A-B-C)</b>	<b>62,877</b>	<b>1,246,381</b>	<b>2,579,341</b>	<b>2,387,260</b>		<b>-245,757</b>	<b>7,499,437</b>
<b>Net Unrestricted Donor Contributions</b>							<b>7,529,246</b>
<b>Surplus of the Year</b>							<b>29,809</b>

For additional details, please see:

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## Detailed Programme Information: Group 2: Governance and Special Initiatives

## Annex 3 P.2

Category	Support Governance & Special Initiatives (SGSI)		GOV-Governance		International Anti-Corruption Conference (IACC)	Legal Unit (LEG)	SPL-Special Initiatives		Water Integrity Network (WIN)	TOTAL
	Support Governance & Special Initiatives (SGSI)	GOV-Governance	Accreditation Review	Executive support			External Initiatives, incl. Defence & Anti-Bribery Principles	Private Sector Initiatives		
<b>Income</b>										
<b>Restricted Donor Contributions</b>										
<b>Governmental Agencies</b>										
Department for International Development (DFID), United Kingdom							862,774			862,774
Swiss Agency for Development and Cooperation SDC									494,568	494,568
Swedish International Development Cooperation Agency (Sida)									293,891	293,891
Ministry for Economic Cooperation and Development (BMZ), Germany									112,039	112,039
<b>Other Development Organizations</b>										
Amarribo					497,718					497,718
Gesellschaft für internationale Zusammenarbeit (GIZ), Germany					300,000					300,000
United Nations Development Programme (UNDP)					70,094					70,094
Stockholm International Water Institute (SIWI)									6,994	6,994
<b>Corporate Donors / Contributions to Project costs</b>										
Kohlberg Kravis Roberts & Co.									20,000	20,000
Shell International BV/Ltd.									15,000	15,000
<b>Total Restricted Donor Contributions (A)</b>					<b>867,811</b>		<b>862,774</b>	<b>35,000</b>	<b>907,491</b>	<b>2,673,076</b>
<b>Net Changes in Advances Sent to National Chapters and Other Parties related to Restricted Donor Contributions (B)</b>									<b>-108,738</b>	<b>-108,738</b>
<b>Total Restricted Donor Contributions Recognised as Income (A+B)</b>					<b>867,811</b>		<b>862,774</b>	<b>35,000</b>	<b>798,753</b>	<b>2,564,338</b>
<b>Other Income (C)</b>	<b>517</b>	<b>5,307</b>			<b>233</b>				<b>15,337</b>	<b>21,395</b>
<b>Total Income (A+B+C)</b>	<b>517</b>	<b>5,307</b>			<b>868,044</b>		<b>862,774</b>	<b>35,000</b>	<b>814,090</b>	<b>2,585,733</b>
<b>Total Project Costs (D)</b>	<b>114,581</b>	<b>573,675</b>	<b>25,254</b>	<b>153,683</b>	<b>896,970</b>	<b>157,083</b>	<b>1,056,967</b>	<b>40,000</b>	<b>813,900</b>	<b>3,832,114</b>
<b>Funding Required from Unrestricted Contributions (D-A-B-C)</b>	<b>114,064</b>	<b>568,368</b>	<b>25,254</b>	<b>153,683</b>	<b>28,925</b>	<b>157,083</b>	<b>194,193</b>	<b>5,000</b>	<b>-190</b>	<b>1,246,381</b>

**Detailed Programme Information: Group 3: Advocacy, External Relations and Fundraising** Annex 3 P.3

Category	Support Communications, Advocacy & Fundraising (SCAF)	Communications	GLOB-Global Outreach and Campaign		TOTAL
			Global Outreach and Campaign	United Nations Convention against Corruption (UNCAC) Conventions Hewlett Project	
<b>Income</b>					
<b><u>Restricted Donor Contributions</u></b>					
<b>Governmental Agencies</b>					
Ministry for Economic Cooperation and Development (BMZ), Germany	50,000				50,000
Norwegian Agency for Development Cooperation (Norad)			133,556		133,556
<b>Foundations</b>					
William and Flora Hewlett Foundation				73,841	73,841
<b>Other Development Organizations</b>					
United Nations Office on Drugs and Crime			75,485		75,485
United Nations Development Programme (UNDP)			45,934		45,934
The United Nations Democracy Fund (UNDEF)			40,881		40,881
<b>Total Restricted Donor Contributions</b>	<b>50,000</b>		<b>295,855</b>	<b>73,841</b>	<b>419,696</b>
<b>Net Changes in Advances Sent to National Chapters and Other Parties related to Restricted Donor Contributions</b>					
<b>Total Restricted Donor Contributions Recognised as Income</b>	<b>50,000</b>		<b>295,855</b>	<b>73,841</b>	<b>419,696</b>
<b>Other Income</b>					
	408		9,615		10,023
<b>Total Income</b>	<b>50,408</b>		<b>9,615</b>	<b>73,841</b>	<b>429,719</b>
<b>Total Project Costs</b>	<b>472,172</b>	<b>1,444,989</b>	<b>701,116</b>	<b>73,841</b>	<b>3,009,060</b>
<b>Funding Required from Unrestricted Contributions</b>	<b>421,763</b>	<b>1,444,989</b>	<b>691,502</b>	<b>0</b>	<b>2,579,341</b>

**Detailed Programme Information: Group 4: Research and Knowledge**

**Annex 3 P.4**

Category	Support Research & Knowledge (SRSK)	KSS-Knowledge and Stakeholder Support			RES-Research		ACLAB-Anti-Corruption Lab		BIP-Business Integrity Programme	TOTAL
		Knowledge and Stakeholder	EC Helpdesk	EC Gateway	Research	Global Corruption Barometer (GCB)	Anti- Corruption Lab	ANTICORRP		
<b>Income</b>										
<b>Restricted Donor Contributions</b>										
<b>Governmental Agencies</b>										
Department for International Development (DFID), United Kingdom					294,220					294,220
European Commission Ministry for Economic Cooperation and Development (BMZ), Germany		33,628	115,310				60,215			209,153
The Performance Management & Delivery Unit (PEMANDU), Malaysia					150,000					150,000
<b>Other Development Organizations</b>										10,500
Center for International Policy Christian Michelsen Institute (CMI), Norway European Bank for Reconstruction and Development (EBRD)	122,154								9,533	9,533
Ernst & Young LLP Other Corporate Donors					175,000				7,000	7,000
<b>Corporate Donors / Contributions to Project costs</b>						175,000			52,500	325,000
<b>Total Restricted Donor Contributions (A)</b>	<b>122,154</b>	<b>33,628</b>	<b>115,310</b>	<b>604,720</b>	<b>175,000</b>	<b>604,720</b>	<b>60,215</b>	<b>69,033</b>	<b>1,180,061</b>	
<b>Net Changes in Advances Sent to National Chapters and Other Parties related to Restricted Donor Contributions (B)</b>				15,000						15,000
<b>Total Restricted Donor Contributions Recognised as Income (A+B)</b>	<b>122,154</b>	<b>33,628</b>	<b>115,310</b>	<b>604,720</b>	<b>190,000</b>	<b>604,720</b>	<b>60,215</b>	<b>69,033</b>	<b>1,195,061</b>	
<b>Other Income (C)</b>	3,015	1,864		7,744	2,526			20,841		35,991
<b>Total Income (A+B+C)</b>	<b>122,154</b>	<b>124,018</b>	<b>115,310</b>	<b>607,247</b>	<b>197,744</b>	<b>607,247</b>	<b>60,215</b>	<b>89,874</b>	<b>1,231,051</b>	
<b>Total Project Costs (D)</b>	219,596	582,240	167,655	333,971	643,444	65,972	67,412	401,446		2,700,388
<b>Funding Required from Unrestricted Contributions (D-A-B-C)</b>	<b>219,596</b>	<b>579,225</b>	<b>43,638</b>	<b>136,226</b>	<b>36,197</b>	<b>65,972</b>	<b>7,197</b>	<b>311,571</b>	<b>1,469,336</b>	

## Detailed Programme Information: Group 5: Chapters, Networks and Programmes

Annex 3 P.5

Category	Support Chapters, Network & Programmes (SCNP)	Programmes and Regional Departments					TOTAL
		Programmes (PROG)	Americas (AME)	Asia & Pacific (APD)	Europe & Central Asia (ECA)	Middle East & North Africa (MENA)	
<b>Income</b>							
<b>Restricted Donor Contributions</b>							
Governmental Agencies		2,694,424	636,832	2,521,493	921,447	2,458,880	1,644,935
Ministry for Economic Cooperation and Development (BMZ), Germany	18,875						
Foundations			348,638		146,629		-93,803
Other Development Organizations		13,440	3,794		60,102		76,444
<b>Total Restricted Donor Contributions (A)</b>	<b>18,875</b>	<b>2,707,864</b>	<b>989,264</b>	<b>2,521,493</b>	<b>1,128,177</b>	<b>2,458,880</b>	<b>1,627,576</b>
<b>Net Changes in Advances Sent to National Chapters and Other Parties related to Restricted Donor Contributions (B)</b>							
		-673,814	72,677	-825,320	519,954	-474,161	563,129
<b>Total Restricted Donor Contributions Recognised as Income (A+B)</b>	<b>18,875</b>	<b>2,034,049</b>	<b>1,061,941</b>	<b>1,696,173</b>	<b>1,648,131</b>	<b>1,984,719</b>	<b>2,190,706</b>
<b>Other Income (C)</b>	<b>1,650</b>	<b>5,271</b>	<b>5,472</b>	<b>7,480</b>	<b>7,337</b>	<b>5,119</b>	<b>16,975</b>
<b>Total Income (A+B+C)</b>	<b>20,525</b>	<b>2,039,321</b>	<b>1,067,413</b>	<b>1,703,653</b>	<b>1,655,468</b>	<b>1,989,838</b>	<b>2,207,680</b>
<b>Total Project Costs (D)</b>	<b>331,408</b>	<b>2,513,014</b>	<b>1,229,405</b>	<b>1,821,947</b>	<b>2,711,573</b>	<b>1,989,837</b>	<b>2,473,973</b>
<b>Funding Required from Unrestricted Contributions (D-A-B-C)</b>	<b>310,883</b>	<b>473,694</b>	<b>161,992</b>	<b>118,294</b>	<b>1,056,105</b>	<b>-0</b>	<b>266,292</b>

For additional details, please refer to:

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**Detailed Programme Information: Group 5: Chapters, Networks and Programmes - Programmes (PROG)** Annex 3 P.6

Category	PROG Institutional Support	Projects					TOTAL				
		People Engagement Programme (PEP)	Institutional Network Strengthening Programme (INSP)	Network & Initiatives	Anti- Corruption Delivering Change (AC:DC) - Governance Transparency Fund	Climate Governance Integrity Programme		Preventative Anti- corruption for REDD Project	Corruption in Forestry ASA		
<b>Income</b>											
<b>Restricted Donor Contributions</b>											
<b>Governmental Agencies</b>											
Department for International Development (DFID), United Kingdom					792,429						792,429
Norwegian Ministry of Foreign Affairs Ministry for Economic Cooperation and Development (BMZ), Germany		250,000	81,125					311,843			311,843
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), Germany										310,611	641,736
<b>Department for International Development, Vietnam</b> Other Development Organizations								948,415			948,415
										13,440	13,440
<b>Total Restricted Donor Contributions</b>	<b>(A)</b>	<b>0</b>	<b>250,000</b>	<b>81,125</b>	<b>0</b>	<b>792,429</b>	<b>0</b>	<b>948,415</b>	<b>311,843</b>	<b>324,051</b>	<b>2,707,864</b>
<b>Net Changes in Advances Sent to National Chapters and Other Parties related to Restricted Donor Contributions</b>	<b>(B)</b>					41,054		-620,138	76,848	-171,579	-673,814
<b>Total Restricted Donor Contributions Recognised as Income (A+B)</b>	<b>(A+B)</b>	<b>0</b>	<b>250,000</b>	<b>81,125</b>	<b>0</b>	<b>833,484</b>	<b>0</b>	<b>328,277</b>	<b>388,691</b>	<b>152,473</b>	<b>2,034,049</b>
<b>Other Income</b>	<b>(C)</b>			1,534	208	1,628		10,017	-9,306	1,190	5,271
<b>Total Income</b>	<b>(A+B+C)</b>	<b>0</b>	<b>250,000</b>	<b>82,659</b>	<b>208</b>	<b>835,112</b>	<b>208</b>	<b>338,295</b>	<b>379,385</b>	<b>153,662</b>	<b>2,039,321</b>
<b>Total Project Costs</b>	<b>(D)</b>	137,251	327,757	214,635	20,843	835,112		444,370	379,385	153,662	2,513,014
<b>Funding Required from Unrestricted Contributions</b>	<b>(D-A-B-C)</b>	<b>137,251</b>	<b>77,757</b>	<b>131,975</b>	<b>20,635</b>	<b>0</b>	<b>106,076</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>473,694</b>



**Detailed Programme Information: Group 5: Chapters, Networks and Programmes - Asia & Pacific (APD)** Annex 3 P.8

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>Income</b>						
<b>Restricted Donor Contributions</b>						
<b>Governmental Agencies</b>						
Department for International Development (DFID), United Kingdom				234,769		234,769
Ministry for Foreign Affairs for Finland				117,111		117,111
Swedish International Development Cooperation Agency (Sida)				100,863		100,863
Australian Agency for International Development (AusAID)	1,465,008		230,959			1,695,967
New Zealand Ministry of Foreign Affairs and Trade		372,783				372,783
<b>Total Restricted Donor Contributions (A)</b>	<b>1,465,008</b>	<b>372,783</b>	<b>230,959</b>	<b>452,743</b>		<b>2,521,493</b>
<b>Net Changes in Advances Sent to National Chapters and Other Parties related to Restricted Donor Contributions (B)</b>	<b>-374,056</b>	<b>-276,480</b>	<b>-103,171</b>	<b>-71,614</b>		<b>-825,320</b>
<b>Total Restricted Donor Contributions Recognised as Income (A+B)</b>	<b>1,090,953</b>	<b>96,303</b>	<b>127,788</b>	<b>381,129</b>		<b>1,696,173</b>
<b>Other Income (C)</b>	<b>4,365</b>	<b>1,987</b>	<b>782</b>	<b>7,480</b>		<b>7,480</b>
<b>Total Income (A+B+C)</b>	<b>1,091,299</b>	<b>98,291</b>	<b>127,788</b>	<b>381,910</b>		<b>1,703,653</b>
<b>Total Project Costs (D)</b>	<b>123,498</b>	<b>98,207</b>	<b>127,788</b>	<b>381,155</b>		<b>1,821,947</b>
<b>Funding Required from Unrestricted Contributions (D-A-B-C)</b>	<b>119,133</b>	<b>0</b>	<b>0</b>	<b>-756</b>		<b>118,294</b>

**Detailed Programme Information: Group 5: Chapters, Networks and Programmes - Europe and Central Asia (ECA) Annex 3 P.9**

Category	ECA	Projects						TOTAL	
	Institutional Support	National Integrity System - Ukraine	Alternative to Silence	Advocacy and Legal Advice centres (ALACs) in South East Europe	Advocacy and Advice Centres (ALAC) University Konstanz	CRINIS Western Balkans	National Integrity System		Financial Mechanism Office (FMO) Partnership
<b>Income</b>									
<b>Restricted Donor Contributions</b>									
<b>Governmental Agencies</b>									
European Commission	-545		100,435					209,724	
Norwegian Ministry of Foreign Affairs						313,425			
Federal Foreign Office, Germany	752			221,620					
Financial Mechanism Office (FMO)								45,534	30,502
<b>Foundations</b>									
Bill & Melinda Gates Foundation		160							
Swedish Postcode Foundation								34,512	111,957
<b>Other Development Organizations</b>									
University of Konstanz					60,102				60,102
<b>Total Restricted Donor Contributions (A)</b>	<b>207</b>	<b>160</b>	<b>100,435</b>	<b>221,620</b>	<b>60,102</b>	<b>313,425</b>	<b>289,770</b>	<b>30,502</b>	<b>1,128,177</b>
<b>Net Changes in Advances Sent to National Chapters and Other Parties related to Restricted Donor Contributions (B)</b>	<b>6,015</b>	<b>39,221</b>	<b>-46,574</b>	<b>117,434</b>		<b>-256,270</b>	<b>660,128</b>		<b>519,954</b>
<b>Total Restricted Donor Contributions Recognised as Income (A+B)</b>	<b>6,223</b>	<b>39,381</b>	<b>53,861</b>	<b>339,054</b>	<b>60,102</b>	<b>57,155</b>	<b>949,898</b>	<b>30,502</b>	<b>1,648,131</b>
<b>Other Income (C)</b>	<b>7,200</b>		<b>137</b>						<b>7,337</b>
<b>Total Income (A+B+C)</b>	<b>13,422</b>	<b>39,381</b>	<b>53,998</b>	<b>339,054</b>	<b>60,102</b>	<b>57,155</b>	<b>949,898</b>	<b>30,502</b>	<b>1,655,468</b>
<b>Total Project Costs (D)</b>	<b>690,184</b>	<b>39,221</b>	<b>72,362</b>	<b>338,034</b>	<b>60,937</b>	<b>57,155</b>	<b>1,311,223</b>	<b>30,502</b>	<b>2,711,573</b>
<b>Funding Required from Unrestricted Contributions (D-A-B-C)</b>	<b>676,761</b>	<b>-160</b>	<b>18,364</b>	<b>-1,020</b>	<b>834</b>	<b>0</b>	<b>361,325</b>	<b>0</b>	<b>1,056,105</b>



**Detailed Programme Information: Group 5: Chapters, Networks and Programmes - Middle East and North Africa (MENA)**

Annex 3 P.10

Category	Projects		TOTAL
	Addressing Corruption Through Information & Organised Networking (ACTION)	Transparency International MENA Programme (TIMP)	
<b>Income</b>			
<b>Restricted Donor Contributions</b>			
<b>Governmental Agencies</b>			
Swedish International Development Cooperation Agency (Sida)		500,098	500,098
U.S. Agency for International Development (USAID)	853,784		853,784
Federal Foreign Office, Germany		850,000	850,000
Foreign and Commonwealth Office (FCO), UK		254,997	254,997
<b>Total Restricted Donor Contributions</b>	<b>853,784</b>	<b>1,605,095</b>	<b>2,458,880</b>
<b>Net Changes in Advances Sent to National Chapters and Other Parties related to Restricted Donor Contributions</b>	<b>-202,406</b>	<b>-271,755</b>	<b>-474,161</b>
<b>Total Restricted Donor Contributions Recognised as Income</b>	<b>651,379</b>	<b>1,333,340</b>	<b>1,984,718</b>
<b>Other Income</b>		5,119	5,119
<b>Total Income</b>	<b>651,379</b>	<b>1,338,459</b>	<b>1,989,837</b>
<b>Total Project Costs</b>	651,379	1,338,459	1,989,837
<b>Funding Required from Unrestricted Contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Detailed Programme Information: Group 5: Chapters, Networks and Programmes - South Saharan Africa (SSA) Annex 3 P.11**

Category	SSA Institutional Support	Projects				TOTAL	
		Regional Programme	Advocacy and Advice Centres (ALACs) in Rwanda and Burundi	Creation of ALACs in Francophone Africa	Poverty and Corruption in Africa (PCA)		Transparency and Integrity in Service Delivery in Africa (TISDA)
<b>Income</b>							
<b>Restricted Donor Contributions</b>							
<b>Governmental Agencies</b>							
Department for International Development (DFID), United Kingdom						47,762	
European Commission			487,875			487,875	
Norwegian Agency for Development Cooperation (Norad)	247,535					247,535	
Australian Agency for International Development (AusAID)		504,582				504,582	
French Ministry of Foreign and European Affairs				77,332		77,332	
Kingdom of Belgium Foreign Affairs, Foreign Trade and Development Cooperation			279,850			279,850	
<b>Foundations</b>							
Bill & Melinda Gates Foundation					-93,803	-93,803	
<b>Other Development Organizations</b>							
American Jewish World Service				69,457		69,457	
Malawi Economic Justice Network (MEJN)					6,987	6,987	
<b>Total Restricted Donor Contributions</b>	<b>(A)</b>	<b>247,535</b>	<b>279,850</b>	<b>565,207</b>	<b>69,457</b>	<b>54,749</b>	<b>1,627,576</b>
<b>Net Changes in Advances Sent to National Chapters and Other Parties related to Restricted Donor Contributions</b>	<b>(B)</b>	<b>33,344</b>	<b>-82,646</b>	<b>-98,267</b>	<b>77,153</b>	<b>724,315</b>	<b>563,129</b>
<b>Total Restricted Donor Contributions Recognised as Income</b>	<b>(A+B)</b>	<b>280,879</b>	<b>197,204</b>	<b>466,940</b>	<b>146,611</b>	<b>630,512</b>	<b>2,190,706</b>
<b>Other Income</b>	<b>(C)</b>	<b>3,723</b>	<b>120</b>	<b>11,820</b>			<b>16,975</b>
<b>Total Income</b>	<b>(A+B+C)</b>	<b>284,602</b>	<b>197,324</b>	<b>478,760</b>	<b>146,611</b>	<b>54,749</b>	<b>2,207,680</b>
<b>Total Project Costs</b>	<b>(D)</b>	<b>357,135</b>	<b>201,189</b>	<b>505,906</b>	<b>142,275</b>	<b>54,749</b>	<b>2,473,973</b>
<b>Funding Required from Unrestricted Contributions</b>	<b>(D-A-B-C)</b>	<b>72,532</b>	<b>-4,548</b>	<b>27,146</b>	<b>-4,336</b>	<b>171,632</b>	<b>266,292</b>

## Appendix 2

General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften



# 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.