



**TRANSPARENCY  
INTERNATIONAL  
LUXEMBOURG**

**[Activity Report 2012](#)**

**[Financial Information 2012](#)**



A PROPOS

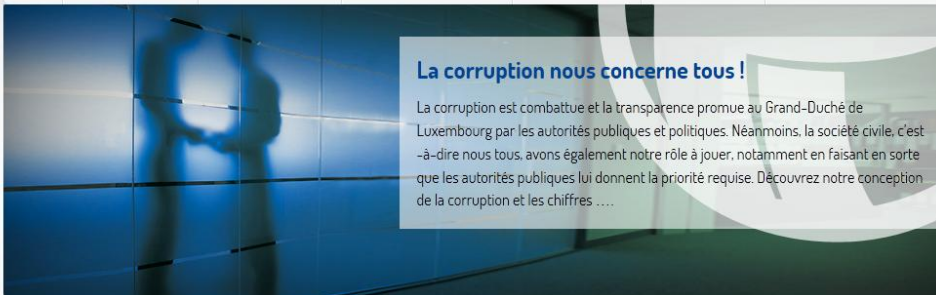
ACTUALITÉ

LA CORRUPTION

HOTLINE

PRESSE

DOCUMENTATION



**La corruption nous concerne tous !**

La corruption est combattue et la transparence promue au Grand-Duché de Luxembourg par les autorités publiques et politiques. Néanmoins, la société civile, c'est -à-dire nous tous, avons également notre rôle à jouer, notamment en faisant en sorte que les autorités publiques lui donnent la priorité requise. Découvrez notre conception de la corruption et les chiffres ....



**Venez découvrir qui nous sommes et ce que nous faisons**

Transparency International Luxembourg est le Chapitre luxembourgeois de Transparency International, mouvement mondial de lutte contre la corruption. Nous sommes une asbl de droit luxembourgeois indépendante et avons comme objectif de promouvoir la transparence, de lutter contre la corruption et de promouvoir les acquis et les atouts du Grand-Duché de Luxembourg au plan international. Venez découvrir qui nous sommes, ce que nous faisons et ce que proposons à nos membres.



**L'actualité va vite, prenons le temps de revenir sur l'essentiel qui touche à la corruption**

Nous éditons une revue de presse dans le but de ne pas laisser passer les événements importants qui touchent de près ou de loin la corruption. Nous vous invitons à la consulter, tout comme nos prises de positions officielles et autres communiqués de

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## Introduction

The year 2012 has marked a major step in the life of Transparency International Luxembourg.

While the organization has been incorporated in 2009, it immediately developed its affiliation process with Transparency International, becoming a national contact point in 2009, a National Chapter in Formation in July 2010 and was granted the “full chapter” recognition on November 2012 just before the AMM (Annual Members Meeting) held in Brasilia (Brazil). Needless to say that this has been a huge step for our organization and we are grateful for the cooperation we have with TI-S.

At the same time, the organization has been working with national partners and stakeholders in order to develop a sound working and resources base.

This process led the organization to work on different projects with national stakeholders in 2011 and 2012, participating a.o. in the OECD evaluation phase of Luxembourg in early 2011 and in the GRECO evaluation phase of Luxembourg in late 2012. The process also led in 2011 to an explicit recognition of TI Luxembourg by the Luxembourg government and an explicit support of the aims defended by our organization.

The development of the organization’s financial resources was an important step and permitted our organization to put in place the organization’s professionalization. The organization was thus able to rent office spaces from October 2011 onwards. A new Executive Director joined TI Luxembourg in 2012 and now heads the team. In 2013 a part time legal advisor also joined TI Luxembourg’s hotline (ALAC). The financial resources have taken a huge step from a meager 2.000 € in 2010 to some 99.000 € in 2012, thanks to a (limited) number of private and public donors, thereby confirming the developments of 2011. Special thanks are here directed towards these private and public donors. While TI Luxembourg’s situation is stable, it needs to further develop and solidify its fundraising in order to be financially independent and build strong foundations for a professionalization of its activities.

Our organization has also advocated for systemic changes to be adopted by the Luxembourg state authorities. Some of these have now been accepted in principle and have even been partially implemented in 2012 and in 2013, a.o. a code of conduct for members of the government, MPs,

local elects, civil servants and employees of public bodies. TI Luxembourg has been asked to provide input into how such a code of conduct should be drafted and is monitoring the efforts undertaken.

A huge development then was initiated on 9<sup>th</sup> December 2011, the international day of the fight against corruption, with the launch of our anti-corruption hotline. At the time of this report some interesting cases have been brought to our organization's attention. Our responses to these cases need however to be professionalized, development started with the hiring in 2013 of a part time legal advisor.

The upcoming year 2013 will present its own challenges, including a further professionalization of our organization's activities, development of our organization's member base, development of our financial resources and continued efforts on its advocacy to bring about systemic change, while assisting specific requests brought to it through its anti-corruption hotline.

Yann Baden

President of TI Luxembourg

## **I. Activities during the year 2012**

### **1. Meetings of the Board of Directors**

During the year 2012 seven formal Board meetings were held. The dates of the meetings were as follows:

9 February 2012  
11 April 2012  
26 July 2012  
30 August 2012  
4 October 2012  
22 November 2012  
13 December 2012

Further informal meetings and discussions were held. The members of the Board of Directors were:

Mr Yann Baden	chair
Mrs Marguerite Ries	vice-chair
Mr Serge Marx	secretary
Mr Stephen Nye	treasurer

### **2. Executive Director**

TI Luxembourg hired an Executive Director in the person of Jean-Jacques Bernard. He is a French national, who has been residing in Luxembourg since October 2000.

His background is in law and he has been working for renowned accounting firms and an international electronics manufacturer. He is now leading a growing team of highly dedicated people running TI Luxembourg on a daily basis.

### **3. Annual General Meeting**

The ordinary Annual General Meeting of TI Luxembourg relating to the year 2011 was held on 15 March and 12 July 2012. The report on activities and the financials for the year ending 31 December 2011 were unanimously approved by the meeting. The meeting appointed Christian Steichen as the internal auditor for the year ending 31 December 2011. The 4 members of the Board of Directors of TI Luxembourg, Mrs Marguerite Ries, Mr Serge Marx, Mr Stephen Nye and Mr Yann Baden were reelected unanimously for the year 2012 (with a mandate ending with the approval of the 2012 accounts).

### **4. Luxembourg public authorities**

#### **1. Ongoing relationship with the Luxembourg government**

The relationship with the Luxembourg government normalized over the year 2012 and is today a good working relationship.

The government has decided to grant TI Luxembourg an annual subsidy of 15.000,00 €.

#### **2. Codes of Conducts**

TI Luxembourg has been pressing for enactment of codes of conducts at government-, Parliament-, municipal- and public servant level since TI Luxembourg's inception.

TI Luxembourg has lobbied for such codes with the press and in 2012 intervened directly with these public authorities. A.o. TI Luxembourg has assisted the Luxembourg government with draft codes and suggestions. The Luxembourg government has finally published a draft code in early 2013. Parliament's draft code is set to follow in 2013.

#### **3. Draft legislation on military and police discipline**

TI Luxembourg has provided comments on a piece of draft legislation on discipline within the military, the grand-ducal police and the inspection of the police. In particular TI Luxembourg has asked for a specific change in the draft. The government accepted TI Luxembourg's position and undertook to change the draft accordingly.

#### 4. MEP

In support of an initiative taken by TI-S, TI Luxembourg intervened with the Luxembourg MEPs in order to ask for their support of the anti-corruption provisions in the European Parliament discussions on the EU public procurement directive 2011/0438.

### **5. Accreditation**

TI Luxembourg together with the ECA team at TI-S prepared and filed information and documentation in light of TI Luxembourg's accreditation hearing in August 2012. This exercise required both from TI-S and from the national chapter an important workload to be performed and therefore tied an important amount of resources for a couple of months.

TI Luxembourg is proud to have been accepted by the relevant committees of TI-S.

It was then on 4 November, one day before the AMM in Brasilia that TI Luxembourg has been formally accepted as full member of TI-S and therefore now is a full national chapter with voting rights at the AMM.

The accreditation process by TI-S which sets high standards is repeated every 3 years to check whether the chapter is still on course and in line with the movement's requirements.

### **6. Fundraising and office**

TI Luxembourg has undertaken efforts to raise funds and donations in order to become more productive and more professional in its operations.

The income realized by TI Luxembourg has grown from a mere 2.250,00 € in 2010 to approx. 99.000,00 € in 2012, thanks to private donations and government support and subsidies.

This important increase in available funding has allowed TI Luxembourg to rent a small office space in 11C, Bd. Joseph II, Luxembourg. These offices are open to the public at large during business hours (8.30 am – 12.00 and 13.30 – 17.00 generally).



## 7. Communication with its members

TI Luxembourg has started in 2012 to publish a corruption related press review. This review has originally been disseminated to its members via e-mail. It is now published on TI Luxembourg's new internet site ([www.transparency.lu](http://www.transparency.lu)).

After a break in 2012, TI Luxembourg has again started publishing its "Corruption Newsletter" informing its members of its activities in 2013. The Newsletter should serve as a general forum and all members and non-members are invited to share their thoughts for inclusion in the Newsletter.

## 8. Communication with the public

In order to promote its cause and familiarize the public with its activities, TI Luxembourg continued to meet with external stakeholders/partners, met with members and gave some interviews as follows:

### **Interviews (printed press, radio and television):**

- Radio interview (RTL) on the then German Bundespresident Christian Wulff of 4 January 2012
- Magazine interview (Forum; [www.forum.lu](http://www.forum.lu)) in May 2012
- Radio interview (100,7) of 14 June 2012
- Newspaper interview (Wort) on 14 June 2012
- Magazine Interview (Revue) on 21 June 2012
- Newspaper Interview (Le Jeudi) on 20 August 2012

### **Press releases:**

- 13 June 2012 on the "Léiweng" situation
- 10 July 2012 on TI-S report "Transparency in corporate reporting: Assessing the world's largest companies"
- 5 December 2012 on TI-S' CPI

### **Meetings with stakeholders/partners:**

- 12 January 2012, meeting with representatives of Piratenpartei
- 7 February 2012, meeting with MP Félix Braz on the Code of Conducts for MPs

## **9. GRECO evaluation, 4<sup>th</sup> evaluation cycle**

TI Luxembourg has been invited by the Luxembourg government to participate at the GRECO 4<sup>th</sup> Evaluation Round on Corruption Prevention in respect of Members of Parliament, Judges and Prosecutors, as part of the civil society panel.

Jean-Jacques Bernard and Yann Baden thus participated during these discussions on 3 October 2012.

## **10. OECD Progress Report**

As in the past, TI Luxembourg has been cooperating with TI-S on its OECD Progress Report. TI Luxembourg is of the opinion that the report is seriously flawed conceptually and also in its details.

TI Luxembourg has raised these concerns in 2012 with TI-S, to no avail. TI Luxembourg then informed the Luxembourg government of the concerns.

While the methodology has slightly changed in 2013, the most conceptual flaws remain. TI Luxembourg has again raised its concerns with TI-S in 2013 – to this date to no avail.

TI Luxembourg needs to check what position to take in the future in relation to this report.

## **11. Cooperation with TI-S**

Apart from several conference calls with TI-S (on diverse subjects such as organized crime and the global corruption barometer), several international meetings were organised which were attended by a representative of TI Luxembourg.

Jean-Jacques Bernard and Yann Baden participated at the Internal ECA regional meeting, which covered a variety of topics relevant to the work of TI chapters in the ECA region as well as the movement in general. The meetings took place from 17 June to 19 June 2012 in Berlin.

Jean-Jacques Bernard attended the Annual Membership Meeting (AMM) of TI during the week of 5 November 2012 in Brasilia, Brazil. The representative of TI Luxembourg participated in different workshops and conferences held during these events. The AMM was followed by the IACC (International Anti-Corruption Conference) in which TI Luxembourg was also represented.

## **12. Global Corruption Barometer (GCB)**

TI-S informed TI Luxembourg that it would conduct a further GCB survey in 2012, to be published in 2013, but that for budgetary reasons Luxembourg would not be part of the survey.

After several discussions and conference calls with TI-S, it was then decided that TI Luxembourg would have the relevant survey conducted, with the partial financial assistance of TI-S. The survey was conducted at the request of TI Luxembourg by TNS-Ilres in the last quarter of 2012 and will be published in July 2013 as part of TI-S' GCB.

## **13. Advocacy and Legal Advice Center (ALAC) / Hotline**

TI Luxembourg has opened in December 2011 an ALAC in the form of an anti-corruption hotline.

While TI Luxembourg didn't expect too many calls to its hotline, TI Luxembourg was still surprised by the steady number of quality cases that have been referred. Meetings were held at different levels with callers and a more in-depth report of TI Luxembourg's findings is included hereafter.

TI Luxembourg needs to learn from these experiences on how to best react and professionalize its services. TI Luxembourg is also studying possibilities to offer further services to the private and public sector in this respect.

The hotline can be reached under TI Luxembourg's internet site at the following addresses: [www.transparency.lu](http://www.transparency.lu), [www.transparence.lu](http://www.transparence.lu), [www.corruption.lu](http://www.corruption.lu), [www.korruption.lu](http://www.korruption.lu) and

[www.korruptioun.lu](http://www.korruptioun.lu). The hotline can also be reached through its mail address at [info@transparency.lu](mailto:info@transparency.lu) or through its phone number 26 38 99 29.

Under the auspices of a EU financed project, TI Luxembourg was able to hire a part-time legal advisor for the hotline in early 2013.

## **14. Providing an Alternative to Silence: Towards Greater Protection and Support for Whistleblowers in the EU**

TI Luxembourg participated with TI-S in a EU tender to study and promote whistleblowing. TI has been granted the project which is to be supplemented during the year 2012-2013.

The project will be implemented by seven partners: TI-S acts as the Co-ordinator while TI Luxembourg along with five other national chapters of TI (Belgium, Estonia, Greece, Italy, Latvia) as the project partners will implement the activities in their respective countries.

The Project will run for twenty months (or twenty four if an extension is granted) and builds on and complements JLS/2007/ISEC/495 which analysed whistleblowing legislation in ten EU Member States and developed draft principles for whistleblowing legislation.

The aim of this project is to promote the concept of whistleblowing and to enhance the protection of whistleblowers in the EU. Specifically, the project aims at:

- enhancing whistleblower protection in EU Member States and
- promoting the value and importance of whistleblowing towards European citizens and decision makers.

Its key activities are:

- expert and planning meeting,
- validation and publication of the best practice principles for whistleblowing legislation,
- assessment of current whistleblowing legislation across the EU against these principles (update of existing research in ten countries, new research in 17 countries),

- publication of a report, compiling and analysing the research results in all 27 EU Member States,
- advocacy towards national and European/international decision makers for enhanced whistleblower protection legislation, complying with best practice,
- distribution of popular material towards key target audience in EU member states, using print, media and social media tools.

The Project results should be:

- best practice principles for whistleblowing legislation,
- EU-wide comparative whistleblowing legislation assessment,
- greater understanding among European decision makers about the need for adequate whistleblowing legislation,
- greater awareness among the European public and potential whistleblowers about the value of whistleblowing.

The project results will be disseminated through print, online and social media. Key target audiences will be national and European/international policy makers, whistleblowers, employees, experts, law enforcement, media, business and the general public.

TI Luxembourg has finalized its report on the legal status in Luxembourg and is now preparing an expert conference to be held in the course of 2013.

## **15. Speak Up : Replicating and Strengthening ALACs in Europe**

TI Luxembourg is participating, together with TI chapters in Czech Republic, Greece, Hungary, Ireland, Latvia, Lithuania in a second EU funded program which will run from end 2012 until early 2015. This program has just started and the kick off meeting was held in 2013. Its official debut was in November 2012.

Overall concept: This project will deliver a new and specialised support service (ALACs) to corruption victims, witnesses and whistleblowers in two EU countries, as well as strengthen and expand services in five others. Based on citizen complaints, it will generate a unique set of qualitative and quantitative data on people's experiences of corruption across various EU countries, as well as on anti-corruption enforcement gaps. The project will mobilise European

citizens to report corruption and to participate in bringing greater transparency to the workings of government. Campaigning to raise awareness of corruption and steps people can take to address it will be an integral part of the project.

Activities:

Providing Legal Advice and Support to People:

- Opening and running of a new Advocacy and Legal Advice Centre (ALAC) in Greece;
- Expanding and strengthening the work of ALACs in Ireland, Czech Republic, Hungary, Latvia, Lithuania and Luxembourg (this program is funding our Legal Adviser position) .

Campaigning, Mobilisation and Advocacy for Change:

- National-level campaign and advocacy work to encourage citizen engagement for transparency and against corruption, aiming to achieve concrete changes in policy and practice to stop and prevent corruption (building on key issues identified in previous EC-funded projects (NIS, Whistleblowers, etc.)
- Producing communications materials (human interest stories, audio-visual products, campaigning materials) that offer a compelling account of citizen action for transparency and integrity

Generating and Sharing Knowledge:

- Direct exchange of practitioners across the project countries to share learning on citizen engagement to detect and prevent corruption, within and beyond the TI network
- Integrating new technology solutions to facilitate citizen engagement and reporting of corruption (ALAC database, integration with mapping and other tools)
- Smaller-scale piloting of quantitative and qualitative research into people's perspectives on corruption in various EU countries, on the basis of citizens complaints

## 16. Internet presence

TI Luxembourg has been working heavily on a new and more professional internet presence. After much effort and with the help of a professional agency, the new internet site finally went online in the beginning of 2013, the bulk of the work being performed in 2012. It can now be reached through the following addresses: [www.transparency.lu](http://www.transparency.lu), [www.transparence.lu](http://www.transparence.lu), [www.corruption.lu](http://www.corruption.lu), [www.korruption.lu](http://www.korruption.lu) and [www.korruptioun.lu](http://www.korruptioun.lu).

The new site includes both the former chapter site and the former hotline site.

TI Luxembourg's new main e-mail address has then been changed to: [info@transparency.lu](mailto:info@transparency.lu).

TI Luxembourg is also present on Facebook under (Transparency International Luxembourg).

## 17. Members

TI Luxembourg is seeking popular support. Corruption being a difficult and technical issue, TI Luxembourg will never attract a very large popular support basis. Nevertheless, its membership basis has been increasing slowly but steadily. Further efforts are however necessary to reach further popular support.

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Transparency International is a non-governmental organization (NGO) created in 1993 with the aim to fight corruption. For further information please refer to Transparency International's website at [www.transparency.org](http://www.transparency.org).

Our organization, Transparency International Luxembourg<sup>1</sup>, can be reached by e-mail at [info@transparency.lu](mailto:info@transparency.lu), by telephone under 26 38 99 29 and through its web-site at [www.transparency.lu](http://www.transparency.lu). TI Luxembourg's offices are located at 11C, Bd. Joseph II, Luxembourg. Persons interested in joining our organization can do so by filling out the membership form available on our web-site.

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<sup>1</sup> The organization is doing business as Transparency International Luxembourg, its legal name is Association Pour la Promotion de la Transparence a.s.b.l.

TI Luxembourg has been recognized by grand-ducal decree of 12 Mai 2011 as being of public interest and it is listed, under its official denomination of Association pour la Promotion de la Transparence a.s.b.l., among the entities whose donations can be deducted from taxable income within the scope of articles 109 and 112 L.I.R.

Transparency International Luxembourg is dependent on private donations to maintain its activities and its independence.



## II. Financial Information

### FINANCIAL INFORMATION

at

31 December 2012

of

Association pour la Promotion de la Transparence Asbl  
exerçant sous Transparency International Luxembourg

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## Balance Sheet

	<b>31/12/2012 Euro</b>	<b>31/12/2011 Euro</b>
<b>Assets</b>		
<b><u>Fixed assets</u></b>		
Internet website	5 043,90 €	0,00 €
<b>Total fixed assets</b>	<b>5 043,90 €</b>	
<b><u>Current assets</u></b>		
Cash and cash equivalents	9 233,71 €	5 584,66 €
Subsidy receivable	21 600,00 €	8 400,00 €
<b>Total current assets</b>	<b>30 833,71 €</b>	<b>13 984,66 €</b>
<b>Total assets</b>	<b>35 877,61 €</b>	<b>13 984,66 €</b>
<b>Liabilities</b>		
<b><u>Reserves</u></b>	<b>35 377,61 €</b>	<b>13 984,66 €</b>
<b><u>Creditors</u></b>		
Invoices to be received	500,00 €	0,00 €
<b>Total liabilities</b>	<b>35 877,61 €</b>	<b>13 984,66 €</b>

## Income Statement

	<b>2012 Euro</b>	<b>2011 Euro</b>
<b>Income</b>		
Membership fees	3 245,00 €	2 097,50 €
Donor contributions in cash	25 315,00 €	7 475,00 €
Donor contributions in kind	44 990,89 €	25 792,51 €
Government subsidy	21 600,00 €	8 400,00 €
EU Project "An Alternative to Silence"	4 126,60 €	-
EU Project "Speak Up"	0,00 €	-
<b>Total Income</b>	<b>99 277,49 €</b>	<b>43 765,01 €</b>
Administrative expenses	1 837,97 €	149,90 €
Travel and representation	2 837,17 €	7 547,39 €
Rent	9 767,00 €	2 475,00 €
Salaries and wages	49 216,27 €	21 213,51 €
PR expenses	0,00 €	644,47 €
Salary costs	1 793,05 €	-
Internet website	199,98 €	-
Research costs	8 510,00 €	-
IT Equipment	3 723,10 €	-
EU Project "An Alternative to Silence"	0,00 €	-
EU Project "Speak Up"	0,00 €	-
<b>Total Expenditure</b>	<b>77 884,54 €</b>	<b>32 030,27 €</b>
<b>Result from operating activities</b>	<b>21 392,95 €</b>	<b>11 734,74 €</b>
<b>Net surplus</b>	<b>21 392,95 €</b>	<b>11 734,74 €</b>

## Statement of Changes in Reserves

	<b>Special Fund Euro</b>
Opening balance at 1 January 2011	€ 2 249,92
Appropriation from net surplus for 2011	€ 11 734,74
Balance at 31 December 2011	€ 13 984,66
Appropriation from net surplus for 2012	€ 21 392,95
<b>Balance at 31 December 2012</b>	<b>€ 35 377,61</b>

## Cash Flow Statement

	<b>2012</b>		<b>2011</b>
	<b>Euro</b>		<b>Euro</b>
<b>Net surplus of the year</b>	21 392,95		11 734,74
<b>Movement in receivables</b>	(13 200,00)		(8 400,00)
<b>Movement in payables</b>	500,00		
<b>Net cash flow from operating activities</b>	<b>8 692,95</b>		3 334,74
<b>Increase in cash and cash equivalents</b>	<b>8 692,95</b>		3 334,74
Cash paid for purchase fixed assets	(5 043,90)		
Opening cash and cash equivalents	5 584,66		2 249,92
<b>Cash and cash equivalents at 31 December</b>	<b>9 233,71</b>		5 584,66

## Notes to the financial statements

### 1) Reporting entity

The Association pour la Promotion de la Transparence a.s.b.l (hereafter “APPT” or the “Association”) was established on 9 June 2009 as an *Association sans but lucratif* (non-profit association) in Accordance with Luxembourg Law. The Association was established for an indefinite period and has its registered address at:

27, rue J.B. Esch, L-1473 Luxembourg.

The principal object of APPT is to promote transparency and integrity in public life.

The financial statements were set-up by the Board of Directors of APPT on 13 May 2013.

### 2) Basis of preparation

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

The Association is not in scope of the Luxembourg Law of December 2010 with regard to the Preparation of annual accounts. The annual accounts have been set up with the objective to present a true and fair view of the assets, liabilities, charges and revenues of the Association as at 31.12.2012. Without respecting formally the International Financial Reporting Standards (IFRS) as adopted by the European Union, the annual accounts have been set-up in accordance with the main Standards of IFRS representing the main frame although the Association has no specific legal requirement.

Currently, the IFRS do not contain specific guidelines for non-profit and non-governmental organisations concerning the accounting treatment and the presentation of the financial statements. Where the IFRS are silent or do not give guidance on how to treat transactions specific to the not-for-profit sector, accounting policies have been defined in a sense to respect as much as possible the general IFRS principles, as detailed in the IASB Framework for the Preparation and Presentation of Financial Statements.

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

The financial statements have been prepared on the historical cost basis.

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

The financial statements are presented in Euro, which is the Association’s functional currency.

#### **(d) Use of estimates and judgements**

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions.

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

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

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

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

There are no new or revised standards to be adopted in future periods that are likely to have a significant impact on the financial statements of the Association.

#### **(b) Income**

Membership fees are recognised as unrestricted funds in the year in which the subscription is paid.

Donor contributions are recognised in the year of the donation and allocated to general funds unless the donor specifies a particular project.

Subsidies are recognised on an accruals basis in the year to which they relate.

#### **(c) Cash and cash equivalents**

Cash and cash equivalents consist only in cash at bank.

#### **(d) Taxation**

No income tax or VAT taxation has been provided in these financial statements as the Association does not carry out any commercial activity and was not in receipt of any taxable income.



**(e) Financial assets**

The Association has only cash at bank and short-term receivables as at 31 December 2012 and 2011 for which the carrying values are equal to the fair value due to their liquid and short-term nature.

**(f) Finance income**

Finance income comprises interest on bank accounts.

**(g) Reserves**

The Reserves of APPT consist of retained earnings.

**4) Financial Instruments**

The Association has only cash at bank and short-term receivables as at 31 December 2012 and 2011. Cash at bank funds is held at a bank in Luxembourg with a good credit rating. The Association faced no currency or liquidity risk in 2011 and 2011. The receivables are due from the Luxembourg government which enjoys a triple A rating.

**5) Related Parties**

Neither the members of the Board of Directors nor any other related parties have received any remuneration from the Association. The subscriptions received by the Association have been paid by members of the Board of Directors.