

IFIAR Verein

Financial Statements

for the period from March 22, 2010 to December 31, 2010

Chair's Statement

The IFIAR Verein was established on March 22, 2010. Its sole purpose is to facilitate the effective administration and organisation of IFIAR, the International Forum of Independent Audit Regulators. It does this by being the vehicle for the joint funding by IFIAR Members of the provision of IFIAR's organisational and administrative support, which is currently provided by staff of the organisations of the Chair and Vice-Chair of IFIAR. In 2010, these organisations were the Netherlands' Authority for Financial Markets (AFM) and the UK's Financial Reporting Council (FRC). Much of the work for IFIAR is done outside of the Verein, f.i. in Working Groups, and is provided in kind by the Members. These costs are not reflected in these financial statements.

The income of the Verein is thus the Membership fees paid by IFIAR Members and the expenditure is payments to the AFM and FRC for their staff time and expenses relating to the organisational and administrative support for the Officers, together with the administrative costs of the Verein such as the audit fee. At the time of establishment, the Members agreed that the costs of organisational and administrative support for IFIAR for the period from January 1, 2010 to the establishment of the Verein would be incurred by the Verein.

The Executive Committee of the IFIAR Verein comprises the Chair and Vice-Chair of IFIAR. The IFIAR Treasurer is responsible for overseeing the activities of the IFIAR Verein. In 2010, these positions were held by:

IFIAR Chair:	Steven Maijoor, Managing Director, Netherlands Authority for Financial Markets.
IFIAR Vice-chair:	Paul George, Director of Audit, UK Financial Reporting Council.
IFIAR Treasurer:	Frank Schneider, Executive Director, Swiss Federal Audit Oversight Authority (FAOA).

The first general meeting of the members of the Verein, which comprise all the Members of IFIAR, was held on March 22, 2010. The meeting adopted the Articles of Association of the Verein and appointed the Swiss Federal Audit Office as auditors to the Verein.

My term as Chair of IFIAR and of the IFIAR Verein will end on the 15th of March 2011. I have greatly enjoyed serving IFIAR as its Chair and wish the very best to my successors in office.

Steven Maijoor

IFIAR Chair



Reg. Nr. 1.11338.914.00421.02

INDEPENDENT AUDITOR'S REPORT

to the General Meeting of the „IFIAR Verein“, Berne

Report on the Financial Statements

We have audited the accompanying financial statements of the „IFIAR Verein“ for the period from March 22, 2010 to December 31, 2010, which comprise the statement of financial position as at December 31, 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements.

Executive Committee's responsibility for the Financial Statements

The Executive Committee is responsible for the fair preparation of these financial statements in accordance with International Financial Reporting Standards for SMEs, and for such internal control as the Executive Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 of the effectiveness on the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the "IFIAR Verein" as at December 31, 2010, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards for SMEs.

Report on Regulatory Requirements

Furthermore, we verified that the disbursements were consistent with the IFIAR budget and the criteria for disbursement.

Berne, 8 March 2011

SWISS FEDERAL AUDIT OFFICE



Walter Risler
Licensed audit expert



Paul Ackermann
Licensed audit expert

Enclosure: „IFIAR Verein“, Financial Statements for the period from March 22, 2010 to December 31, 2010

Statement of Comprehensive Income for the period ended 31 December 2010

	Note	2010
		€
Staff costs		271,863
Travel expenses		40,943
Meeting expenses		3,138
Bookkeeping/accounting expenses		52
Audit expenses		4,019
Website development and other expenses		22,418
Operational expenditure	3	342,433
Interest income		0
Net operating expenditure		342,433
Revenue	4	345,000
Surplus		2,567

Statement of Financial Position at 31 December 2010

	Note	2010
		€
Assets		
Current assets:		
Trade and other receivables		10,000
Cash and cash equivalents		186,068
Total assets		196,068
Liabilities		
Current liabilities:		
Accruals	5	193,501
Net Assets		2,567
Equity		
Retained surplus		2,567

Statement of Changes in Equity for the period ended 31 December 2010

	Note	2010
		€
As at March 22, 2010		-
Surplus for the year		2,567
As at December 31, 2010		2,567

Cash Flow Statement for the period ended 31 December 2010

	Note	2010
		€
Surplus on ordinary activities		2,567
Increase in receivables		(10,000)
Increase in payables		193,501
Cash flows from operating activities		186,068
Interest received		0
Net increase in cash		186,068
Cash at March 22, 2010		-
Cash at December 31, 2010		186,068

Notes to the financial statements

1 General information

The IFIAR Verein is a Swiss Verein which is established solely for the collection of membership fees and distribution of these amounts in recompense of the provision of administrative and organisational support of IFIAR, currently provided by staff from the organisations of the IFIAR Chair and Vice-Chair. It is a Swiss Verein pursuant to article 60 of the Swiss Civil Code. It is domiciled at the Offices of the FAOA, Switzerland. Its correspondence address is at the AFM.

These financial statements were authorised for issue by the IFIAR Verein Executive Committee on 8 March 2011.

2 Summary of significant accounting policies

This is the first set of financial statements prepared by the IFIAR Verein. The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1 Basis of presentation

The financial statements of the IFIAR Verein have been prepared in accordance with the 'International Financial Reporting Standard for Small and Medium-sized Entities' (IFRS for SMEs) issued by the International Accounting Standards Board. They have been prepared under the historical cost convention.

2.2 Cash

The measurement basis for cash amounts is the balance at the IFIAR Verein bank account.

2.3 Receivables

Receivables are recognised at the transaction price, with a provision if deemed necessary.

2.5 Revenue recognition

Revenue comprises the Membership fees of the Members of the IFIAR Verein. Revenues are recognized at the date of the invoice for the year.

2.6 Foreign currencies

The base currency for the IFIAR Verein is the Euro. Exchange rates to foreign currencies are set at the date of the transaction, or as of balance sheet date.

2.7 Assumptions/key sources of uncertainty

There were no significant assumptions made or key sources of uncertainty in the preparation of these financial statements.

3 Operational expenditure

The operational expenditure is analysed by organisation and against budget below.

	AFM €	FRC €	Other €	2010 €	Budget €	Difference €
Staff costs	137,563	134,300		271,863	305,000	33,318
Travel expenses	23,354	17,589		40,943	40,000	(943)
Meeting expenses	1,841	1,297		3,138	20,000	16,862
Bookkeeping/accounting expenses			52	52	5,000	4,948
Audit expenses			4,019	4,019	10,000	5,981
Website development and other expenses		22,418		22,418	20,000	(2,418)
Operational expenditure	162,758	173,824	4,071	342,433	400,000	57,577

Although the IFIAR Verein was established on March 22, 2010, the operational expenses cover the activities of the organisational and administrative support for the Officers during the *full* calendar year 2010, which was agreed at the IFIAR Plenary meeting in Singapore in September 2009. A further analysis of the differences between the operational expenditure and the budget will be discussed at the next IFIAR Plenary meeting.

4 Revenue

Revenue comprised:

	2010
	€
33 Members paid €10,000	330,000
2 Members joined in 2010 and paid €5,000	10,000
2 Members were allowed a fee waiver and paid a reduced amount of €2,500	5,000
Total revenue	345,000

5 Accruals

The accruals at the end of the period comprised operational expenses incurred but not invoiced by AFM and FRC as follows:

	AFM €	FRC €	Other €	2010 €
Staff costs	72,375	85,100		157,475
Travel expenses	4,809	6,593		11,402
Meeting expenses				
Bookkeeping/accounting expenses				
Audit expenses			4,019	4,019
Website development and other expenses		20,605		20,605
Operational expenses	77,184	112,298	4,019	193,501

The amounts due to the AFM and the FRC were invoiced to IFIAR Verein in January 2011. The audit will be invoiced after its finalization.

6 Related-party transactions

The majority of the activity of IFIAR Verein is conducted with related parties, being the Members of IFIAR (who are also the members of the Verein). All revenues are obtained from Members, whilst the majority of operating expenses are paid to the organisations of the Chair and Vice-Chair of IFIAR. In 2010 the only third parties with which the Verein interacted were the auditors and the Verein's bank, Credit Suisse.

Approved on March 8, 2011 by

IFIAR Chairman



Steven Maijoor

IFIAR Vice-Chairman



Paul George