



association of the
luxembourg fund industry

Annual Accounts 2023

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To the Members of
**ASSOCIATION OF THE LUXEMBOURG FUND
INDUSTRY**
Association sans but lucratif

R.C.S. Luxembourg F 4428

12, rue Erasme
L-1468 LUXEMBOURG

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Opinion

We have audited the annual accounts of ASSOCIATION OF THE LUXEMBOURG FUND INDUSTRY (the « Association »), which comprise the balance sheet as at December 31, 2023, and profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Association as at December 31, 2023, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for opinion

We conducted our audit in accordance with the Law of the 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "Réviseur d'Entreprises Agréé" for the Audit of the Annual Accounts» section of our report. We are also independent of the Association in accordance with the International Code Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors of Those Charged with Governance for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the « Réviseur d'Entreprises Agréé » for the Audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of « Réviseur d'Entreprises Agréé » that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the Law dated 23 July 2016, and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:


- Identify and assess the risks of material misstatement of the annual accounts whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of « Réviseur d'Entreprises Agréé » to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of « Réviseur d'Entreprises Agréé ». However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Luxembourg, May 30th 2024

For AUDITEURS ASSOCIES, Cabinet de révision agréé
30, boulevard Joseph II
L-1840 Luxembourg



Philippe SLENDZAK
Partner

Appendix:

- Annual accounts as at December 31st, 2023

Balance sheet
As of December, 31 2023

Reference(s)	31 December 2023 (€)	31 December 2022 (€)
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ASSETS

Reference(s)	31 December 2023 (€)	31 December 2022 (€)
ASSETS		
A. Fixed assets	379,690.32	377,527.31
I. Intangible assets	325,572.58	306,660.93
1. Concessions, patents, licences, trade marks and similar rights and assets, if they were	295,452.58	168,285.93
a) acquired for valuable consideration and need not be shown under C.I.3	295,452.58	168,285.93
2. Payments on account and intangible fixed assets under development	30,120.00	138,375.00
II. Tangible assets	54,117.74	70,866.38
1. Other fixtures and fittings, tools and equipment	54,117.74	70,866.38
B. Current assets	6,781,021.46	6,510,287.81
I. Debtors	468,070.70	333,353.77
1. Trade debtors	288,924.81	246,123.38
a) becoming due and payable within one year	288,924.81	246,123.38
2. Other debtors	179,145.89	87,230.39
a) becoming due and payable within one year	179,145.89	87,230.39
II. Investments	2,005,450.52	0.00
1. Other investments	2,005,450.52	0.00
III. Cash at bank and in hand	4,307,500.24	6,176,934.04
C. Prepayments	216,364.22	201,416.22
TOTAL	7,377,076.00	7,089,231.34

Balance sheet As of December, 31 2023
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Reference(s)	31 December 2023 (€)	31 December 2022 (€)
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CAPITAL, RESERVES AND LIABILITIES

A. Capital and reserves		6,239,886.02	6,187,014.46
I. Profit or loss brought forward		6,187,014.46	4,919,232.63
II. Profit or loss for the financial year		52,871.56	1,267,781.83
B. Creditors	Note 2.2.8	1,124,949.98	902,116.88
1. Trade creditors		408,621.96	350,978.49
a) becoming due and payable within one year		408,621.96	350,978.49
2. Other creditors		330,387.83	182,435.18
a) Tax authorities		91,387.21	30,520.76
b) Social security debts		239,000.62	151,914.42
c) Other creditors		385,940.19	368,703.21
i) becoming due and payable within one year		385,940.19	368,703.21
C. Deferred income	Note 2.2.9	12,240.00	100.00
TOTAL		7,377,076.00	7,089,231.34

Profit and Loss Financial year from January, 1st to December, 31 2023
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	Reference(s)	31 December 2023 (€)	31 December 2022 (€)
PROFIT AND LOSS ACCOUNT			
1. Net turnover	Note 2.2.10	9,364,951.81	9,542,005.95
2. Other operating income		278,600.91	229,678.46
3. Raw materials and consumables and other external expenses		-4,271,706.90	-3,796,195.66
a) Other external expenses		-4,271,706.90	-3,796,195.66
4. Staff costs	Note 5	-4,930,830.13	-4,275,587.75
a) Wages and salaries		-4,231,756.51	-3,690,327.97
b) Social security costs		-453,755.00	-399,079.61
i) relating to pensions		-286,131.13	-248,714.05
ii) other social security costs		-167,623.87	-150,365.56
c) Other staff costs		-245,318.62	-186,180.17
5. Value adjustments		-131,191.42	-114,690.09
a) in respect of formation expenses and of tangible and intangible fixed assets		-131,391.42	-119,990.09
b) in respect of current assets		200.00	5,300.00
6. Other operating expenses	Note 6	-354,708.75	-318,598.53
7. Income form other investments and loans forming part of the fixed assets		0.00	12,141.49
a) derived from affiliated undertakings			
b) other interest and similar income		0.00	12,141.49
8. Other interest receivable and similar income		107,289.66	1,768.69
a) derived from affiliated undertakings			
b) other interest and similar income		107,289.66	1,768.69
9. Value adjustments in respect of financial assets and of investments held as current assets		0.00	0.00
10. Interest payable and similar expenses		-9,533.62	-9,721.72
a) payable to affiliated undertakings			
b) other interest and similar expenses		-9,533.62	-9,721.72
11. Profit or loss after taxation		52,871.56	1,270,800.84
12. Other taxes not shown under items 1 to 16		0.00	-3,019.01
13. Profit or loss for the financial year		52,871.56	1,267,781.83

Association of the Luxembourg Fund Industry ASBL (ALFI)
12, rue Erasme
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R.C.S F4428
NOTES TO THE ANNUAL ACCOUNTS

NOTE 1 - GENERAL INFORMATION

The Association of the Luxembourg Fund Industry, ALFI (hereafter the “Association”) was incorporated on November 9th, 1988 under the laws of Luxembourg as a non-profit-making association for an unlimited period.

The registered office of the Association is established in L-1468 Luxembourg 12, rue Erasme.

The Association’s financial year starts on 1st January and ends on 31 December of each year.

The main activity of the Association is to lead industry efforts to make Luxembourg the most attractive international centre for investment funds.

Derived from this mission, ALFI’s main objectives are to:

- Help members capitalise on industry trends
- Shape Regulation
- Encourage professionalism, integrity, quality and investor protection
- Promote the Luxembourg investment fund industry

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost of purchase.

Accounting policies and valuation rules are, besides the ones laid down by the modified Law of 19 December 2002, determined and applied by the Board of Directors.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the accounting policies. Change in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

2.2 Significant accounting policies

The main valuation rules applied by the Association are the following:

2.2.1 Intangible fixed assets

Intangible fixed assets are valued at purchase price including the expenses incidental thereto or at production cost, less cumulated depreciation amounts written off and value adjustments. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

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 NOTES TO THE ANNUAL ACCOUNTS

The depreciation rates and methods applied are as follows:

	Depreciation rate	Depreciation method
Concession, patents, licenses, trademarks and similar rights and assets	20% - 25%	Straight-line Basis

2.2.2 Tangible fixed assets

Tangible fixed assets are valued at purchase price including the expenses incidental thereto or at production cost. Tangible fixed assets are depreciated over their estimated useful economic lives.

The depreciation rates and methods applied are as follows:

	Depreciation rate	Depreciation method
Other fixtures and fittings, tools and equipment	10% - 25%	Straight-line Basis

Where the Association considers that a tangible fixed asset has suffered a durable depreciation in value, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.2.3 Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.2.4 Transferable securities

Transferable securities are valued at the lower of purchase price, including expenses incidental thereto or market value, expressed in the currency in which the annual accounts are prepared. A value adjustment is recorded where the market value is lower than the purchase price. These value adjustments are not continued if the reasons for which the valued adjustments were made have ceased to apply.

2.2.5 Cash at bank and in hand

Cash at bank and in hand includes deposits with financial institutions

2.2.6 Foreign currency translation

Transactions expressed in currencies other than Euro are translated into Euro at the exchange rate effective at the time of the transaction.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealized exchange losses are recorded in the profit and loss account. The exchange gains are recorded in the profit and loss account at the moment of their realization.

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NOTES TO THE ANNUAL ACCOUNTS

2.2.7 Prepayments

This asset item includes expenditures incurred during the financial year but relating to a subsequent financial year.

2.2.8 Creditors

Creditors are recorded at their estimated reimbursement value.

2.2.9 Deferred income

This liability item includes income received during the financial year but relating to a subsequent financial year.

2.2.10 Net turnover

The net turnover comprises the amounts derived from the sale of services falling within the Association's ordinary activities, after deductions of sales rebates and value added tax and other taxes directly linked to the turnover.

NOTE 3 - INTANGIBLE FIXED ASSETS

Intangible fixed assets are composed by an IT project under development as at 31 December 2023.

	Concessions, patents, licenses, trademarks and similar	Payments on account and intangible fixed assets under development	Intangible fixed assets
Acquisition cost - 31 December 2022	605.956,11	138.375,00	744.331,11
Addition of the year	118.704,47	0,00	118.704,47
Transfers of the year	108.255,00	-108.255,00	0,00
Disposals of the year	-868,00	0,00	-868,00
Acquisition cost - 31 December 2023	832.047,58	30.120,00	862.167,58
Value adjustments 31 December 2022	(437.670,18)	0,00	(437.670,18)
Depreciation of the year	(99.792,82)	0,00	(99.792,82)
Reversal of the year	868,00	0,00	868,00
Value adjustments 31 December 2023	(536.595,00)	0,00	(536.595,00)
Net book value at the end of the financial year	295.452,58	30.120,00	325.572,58
Net book value at the beginning of the financial year	168.285,93	138.375,00	306.660,93

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NOTES TO THE ANNUAL ACCOUNTS

NOTE 4 - TANGIBLE FIXED ASSETS

Other fixtures and fittings, tools and equipment	
Acquisition cost - 31 December 2022	166.540,51
Addition of the year	14.849,96
Disposals of the year	0,00
Acquisition cost - 31 December 2023	181.390,47
Value adjustments 31 December 2022	(95.674,13)
Depreciation of the year	(31.598,60)
Reversal of the year	0,00
Value adjustments 31 December 2023	(127.272,73)
Net book value at the end of the financial year	54.117,74
Net book value at the beginning of the financial year	70.866,38

NOTE 5 - WAGES AND SALARIES

During the year 2023 the number of employees is on average of 39 (Full time employees (FTE): 35,95) (in 2022: 38 employees / 34,95 FTE)

NOTE 6 - OTHER OPERATING CHARGES

As at 31 December 2023, other operating charges are mainly composed by non-deductible Luxembourg VAT EUR 283.729,99 (2022: VAT EUR 268.477,70).

NOTE 7 - Advances and loans granted to the members of Board of Directors

Neither advances nor loans have been granted during the financial year to members of Board of Directors.

NOTE 8 - Off Balance sheet items

The association has commitments and contingencies as at 31 December 2023 for EUR 1.309.256,01 mainly related to the rents and other suppliers contracts and time credit account.