



Gauche Unitaire Européenne/Gauche Verte Nordique  
Groupe Parlementaire · PARLEMENT EUROPEEN

Francis Wurtz,  
Le Président

Bruxelles, le **27 AVR. 2006**

305756 28.04.2006

Monsieur Josep Borrell Fontelles  
Président du Parlement européen  
Bur. PHS 11B 011  
Bruxelles

Objet : Rapport poste 3701-exercice 2005

Monsieur le Président,

Conformément à l'article 2.7.1 de la Réglementation régissant l'utilisation des crédits prévus au poste 3701 du budget du Parlement européen, je vous prie de trouver ci-joint le rapport des auditeurs externes concernant les comptes du Groupe Confédéral de la Gauche Unitaire Européenne/Gauche Verte Nordique pour l'exercice 2005.

Je vous prie de croire, Monsieur le Président, à l'assurance de ma plus haute considération.

Francis WURTZ



**GUE/NGL**

Gauche Unitaire Européenne/Gauche Verte Nordique

European United Left/Nordic Green Left

*Groupe Parlementaire · Parliamentary Group*

PARLEMENT EUROPEEN · EUROPEAN PARLIAMENT

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**Annual report by the Gue-Ngl Group  
to the European Parliament**

**Budget item 3701**

**Financial year 2005**

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**BALANCE SHEET of the GUE/NGL Group**  
End of financial year 2005

	<i>Notes</i>	<u>exercice 2005</u>	<u>exercice 2004/2</u>
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
<i>Chapter 1 Intangible and tangible assets</i>			
.1 Intangible assets	3	0,00	0,00
.2 Tangible assets		<u>629,71</u>	<u>5.613,36</u>
<b>Sub total chapter 1</b>		<u><b>629,71</b></u>	<u><b>5.613,36</b></u>
<b>CURRENT ASSETS</b>			
<b>Chapter 2 Debtors, stocks and other working assets</b>			
.1 Suppliers		15.292,10	15.082,51
.2 Staff		52.050,00	18.500,00
.3 VAT		49.357,48	15.224,53
.4 Stocks		0,00	0,00
.5 Various		<u>0,00</u>	<u>0,00</u>
<b>Sub total chapter 2</b>		<u><b>116.699,58</b></u>	<u><b>48.807,04</b></u>
<i>Chapter 3 Financial assets</i>			
.1 Financial securities	4	0,00	0,00
.2 Cash and cash equivalent		<u>1.333.598,04</u>	<u>1.327.095,95</u>
<b>Sub total chapter 3</b>		<u><b>1.333.598,04</b></u>	<u><b>1.327.095,95</b></u>
<b>Chapter 4 Deferred charges and accrued income</b>			
.1 Deferred charges		0,00	0,00
.2 Accrued income		<u>0,00</u>	<u>0,00</u>
<b>Sub total chapter 4</b>		<u><b>0,00</b></u>	<u><b>0,00</b></u>
<b>TOTAL ASSETS</b>		<u><b>1.450.927,33</b></u>	<u><b>1.381.516,35</b></u>

		<u>exercice 2005</u>	<u>exercice 2004/2</u>
<b>LIABILITIES</b>	<i>Notes</i>		
<b>Chapter 1 Reserves</b>			
.1 Carry forward to next financial year	1	1.214.270,32	1.175.255,53
<b>Sub total chapter 1</b>		<u>1.214.270,32</u>	<u>1.175.255,53</u>
<b>Chapter 2 Financial debts</b>			
.1 Financial debts of a residual duration > 1 year		0,00	0,00
.2 Financial debts of a residual duration </= 1 year		0,00	0,00
<b>Sub total chapter 2</b>		<u>0,00</u>	<u>0,00</u>
<b>Chapter 3 Other debts</b>	6		
.1 Other debts		0,00	0,00
.2 Charges settled in N but paid in N+1		236.657,01	206.260,82
<b>Sub total chapter 3</b>		<u>236.657,01</u>	<u>206.260,82</u>
<b>Chapter 4 Deferred income/accrued charges</b>			
.1 Deferred income		0,00	0,00
.2 Accrued charges		0,00	0,00
<b>Sous Total Chapitre 4</b>		<u>0,00</u>	<u>0,00</u>
<b>TOTAL LIABILITIES</b>		<u>1.450.927,33</u>	<u>1.381.516,35</u>

**PROFIT AND LOSS ACCOUNT of the GUE/NGL Group  
for financial year 2005**

	<u>Year 2005</u>	<u>Year 2004-2</u>
<b><u>Revenue</u></b>	<i>Notes</i>	
<i>Chapter 1 EP Subsidies and other resources</i>		
.1 EP subsidy	2.726.400,00	1.344.744,00
.2 Other EP resources	0,00	0,00
<b>Subtotal for Chapter 1</b>	<b><u>2.726.400,00</u></b>	<b><u>1.344.744,00</u></b>
<i>Chapter 2 Own resources</i>		
.1 Interest	45.447,87	9.256,72
.2 Profit on currency exchange	0,00	0,00
.3 Miscellaneous	0,00	0,00
.4 VAT refund	2.175,20	63.308,20
.5 Amount carried forward from preceding financial year	1.175.255,53	639.775,09
<b>Subtotal for Chapter 2</b>	<b><u>1.222.878,60</u></b>	<b><u>712.340,01</u></b>
<b>Total revenue</b>	<b><u>3.949.278,60</u></b>	<b><u>2.057.084,01</u></b>
<b>Grand total revenues - expenditures</b>	<b><u>1.214.270,32</u></b>	<b><u>1.175.255,53</u></b>

<u>Expenditure</u>	<i>Notes</i>	<u>Year 2005</u>	<u>Year 2004-2</u>
<i>Chapter 1 Staff</i>			
.1 Secretariat missions		311.480,81	131.837,96
.2 Recruitment		7.289,87	0,00
.3 Traineeships		23.822,87	280,92
.4 Salaries and related costs, fees		117.933,97	33.277,82
.5 Staff training		5.050,00	1.725,00
.6 Staff entertainment		0,00	0,00
<b>Subtotal for Chapter 1</b>		<b><u>465.577,52</u></b>	<b><u>167.121,70</u></b>
<i>Chapter 2 Equipment, routine administrative costs and operating expenditure</i>			
.1 Equipment, operating expenditure, computer-related engineering and maintenance		574,22	0,00
.2 Equipment, telecommunications-related installation and maintenance expenditure, office machinery, furniture and technical installations	3	1.232,36	3.760,61
.3 Depreciation		4.983,65	4.744,25
.4 Stationery and office supplies		5.519,18	3.335,58
.5 Postage and telecommunications		28.249,74	19.227,34
.6 Printing and photocopying costs		29.692,06	15.992,16
.7 Office rental costs			
<b>Subtotal for Chapter 2</b>		<b><u>70.251,21</u></b>	<b><u>47.059,94</u></b>
<i>Chapter 3 Documentation, studies and research</i>			
.1 Newspapers, magazines, press agencies and books		16.183,59	11.087,23
.2 Studies and research		0,00	0,00
.3 Databases		0,00	0,00
<b>Subtotal for Chapter 3</b>		<b><u>16.183,59</u></b>	<b><u>11.087,23</u></b>
<i>Chapter 4 Legal and accounting costs, financial charges and other operating expenditure</i>			
.1 Legal costs		0,00	0,00
.2 Accounting costs		40.696,67	3.641,50
.3 Financial charges and losses on currency exchange trans:	2	1.324,78	510,42
.4 Other operating expenditure		0,00	0,00
<b>Subtotal for Chapter 4</b>		<b><u>42.021,45</u></b>	<b><u>4.151,92</u></b>
<i>Chapter 5 Expenditure on meetings and entertainment</i>			
.1 Group meetings		89.893,31	26.137,48
.2 Other meetings and conferences		661.564,82	240.400,52
.3 Expenditure on entertainment		12.498,99	18.719,06
.4 Guests		55.208,55	12.272,94
<b>Subtotal for Chapter 5</b>		<b><u>819.165,67</u></b>	<b><u>297.530,00</u></b>

	Year 2005	Year 2004-2
<i>Chapter 6 Publications and advertising</i>		
.1 Posters, leaflets and booklets	10.028,00	511,02
.2 Advertising inserts and audiovisual advertising	164.745,26	0,00
.3 Advertising material, novelty items...	5.481,40	0,00
.4 Internet sites	32.452,56	0,00
.5 Visits to institutions, information stands	0,00	0,00
<b>Subtotal for Chapter 6</b>	<b><u>212.707,22</u></b>	<b><u>511,02</u></b>
<i>Chapter 7 Members</i>		
.1 Mission expenses	45.312,59	15.867,98
.2 Members' political and information activities, national delegations' administrative expenditure and political and information activities <i>(in summary accounts for each chapter)</i>	<u>1.063.789,03</u>	<u>338.498,69</u>
<b>Subtotal for Chapter 7</b>	<b><u>1.109.101,62</u></b>	<b><u>354.366,67</u></b>
<i>Chapter 8 Subsidies and subscriptions</i>		
.1 Subsidies	0,00	0,00
.2 Subscriptions	0,00	0,00
<b>Subtotal for Chapter 8</b>	<b><u>0,00</u></b>	<b><u>0,00</u></b>
<b>Total expenditure</b>	<b><u>2.735.008,28</u></b>	<b><u>881.828,48</u></b>
Credits repayable to European Parliament	0,00	0,00
Carried forward to the following financial year	1.214.270,32	1.175.255,53
<b>Grand total</b>	<b><u>3.949.278,60</u></b>	<b><u>2.057.084,01</u></b>



## NOTES TO THE ANNUAL ACCOUNTS FINANCIAL YEAR 2005

The accounts, hereafter, have been prepared in conformity with:

- the 3701 financial rules approved by the Bureau of the European Parliament on 1 February 2001 and revised by the Bureau on 1 July 2003 (PE 335.475/BUR)
- the internal financial rules of the Group
- the accounting principles and the harmonised accounting plan adopted by the G.S. on 15/09/2005.

### Accounting principles

1. Movements on the accounts and the balances shall be entered in the accounting ledgers.
2. All accounting entries, including adjustments to the accounts, shall be based on dated and numbered supporting documents, to which they shall refer.
3. The accounting system must be such as to leave a trail for all accounting entries.

The financial statements shall be drawn up in accordance with the generally accepted accounting principles, namely:

- going-concern basis;
- prudence;
- consistent accounting methods;
- comparability of information;
- materiality;
- no netting;
- reality over appearance.

Pursuant to Rule 2.5.3 of the Rules on the use of appropriations from budget item 3701 the accounts are held on a modified accrual system.

All expenditure relative to activities of the current or previous financial years is registered in the accounts of the current year, upon authorisation by the authorising officer responsible and payment by the accountant, if the actual payment is made no later than during the month following the end of the financial year.

All expenditure of a financial year paid during the month following the end of the financial year is booked on the expenditure accounts of the current financial year with counterpart a balance account (chapter III.2).

All expenditure for which actual payment is made later than the end of the month following the closure of the financial period or for risks and future charges is registered in the accounts of the next financial period.

No provisions will be made for expenditure of the current financial period not paid by the end of the month following the end of this financial period or for risks and future charges.

All revenue is registered in the income accounts upon establishment by the authorising officer.

All revenue established and not received in the course of the financial year is registered on a balance sheet account in chapter IV (deferred charges and accrued income).

Given the fact that in the financial year European elections were held and in view of article 2.1.1. of the 3701 financial rules the comparison period to the 2005 amounts in both the Balance sheet and the Statement of revenue and expenditure is the period from 1st July to 31 December 2004.

Note 1: Carry forward to next financial year:

1: Credits received by our group for the financial year N:	2.726.400,00 €
2: Maximum amount of carry forward to N+1 (50% of 1):	1.363.200,00 €
3: Difference between total revenue and total expenditure at the end of the N financial year:	1.214.270,32 €
4: Credits to be returned to the EP:	0,00 €
5: Carry forward to financial year N+1:	1.214.270,32 €

Note 2: Exchange policy:

The revenue and expenditure in other currencies are converted in euro following the exchange rate of the day of the payment.

Note 3: Depreciations of fixed assets:

Assets with a unit value of 420 Euros or more and being intended to serve the activities of the group on a lasting basis are entered in the inventory and the Group's balance sheet. Fixed assets are to be valued at their acquisition price and depreciated on a monthly basis following the straight line method by the following annual percentages:

software	25.0	%
hardware:	25.0	%
telecommunications and audiovisual equipment:	25.0	%
technical equipment:	12.5	%
other installations and machines:	12.5	%
office furniture:	10.0	%

A recapitulative table of the assets in the balance sheet is annexed

Up to and including the previous financial year, the Group recorded fixed assets and calculated their written-down values in accordance with Commission Regulation (EC) No 2909/2000 of 29 December 2000. In substance, the said Regulation required that the value of fixed assets be written down annually.

In 2005, the Commission adopted Regulation (EC) No 643/2005, dated 27 April 2005, to replace the aforementioned Regulation. The substance of Regulation 643 was that the value of fixed assets was to be written down on a monthly basis. For the sake of consistency, the Group decided to use Regulation 643 in the preparation of its accounts for the present financial year.

Note 4: Valuation method for financial securities:

Not applicable.

Note 5: Valuation of receivables, debts and other assets:

Receivables, debts and other assets are stated at their nominal value. Value reductions on receivables and other assets are accounted for if there is any uncertainty regarding their collectibility.

Our group has not concluded substantial long standing (>1 year) financial commitments.

Note 6: Reimbursement to the European Parliament :

Not applicable.

DETAIL OF THE EXECUTION OF THE DECENTRALISED CREDITS  
CHAPTER 7 ARTICLE 2

Ventilation following the accounting plan annexed to the 3701 financial rules

CHAP- TER/ARTIC LE	CATEGORY	EXECUTION Year 2005	%	EXECUTION Year 2004-2	%
1	Staff	46.320,59	4,35	6.465,24	1,91
2	Secretariat – equipment and expenses	0,00	0,00	0,00	0,00
3	Documentation, studies and research	16.404,07	1,54	25.464,77	7,52
4	Legal, accounting, financial and other operating costs	9,57	0,00	0,00	0,00
52	Other meetings and conferences	314.424,57	29,56	91.543,36	27,04
53	Representation costs	240,00	0,00	255,40	0,08
54	Guests	0,00	0,00	0,00	0,00
61	Posters, leaflets and booklets	367.544,52	34,56	139.341,91	41,16
62	Advertising inserts and audio-visual advertising	214.721,10	20,19	24.494,23	7,24
63	Advertising material, gadgets, publicity by telecommunication equipments	31.656,14	2,98	0,00	0,00
64	Websites Internet sites + e-publicity	60.322,12	5,67	33.285,86	9,83
65	Visits to institutions; information stands	12.146,35	1,14	17.647,92	5,21
	TOTAL ARTICLE 7.2	1.063.789,03	100%	338.498,69	100%

Category and write-down rate	IT software	IT hardware	Telecom- munications equipment	Technical equipment and supplies	Miscellaneous machinery and installations	Movable property (seats, desks, cabinets)	Total
	25%	25%	25%	12.5%	12.5%	10%	(€)
Historical cost	(€)	(€)	(€)	(€)	(€)	(€)	(€)
Opening balances (historical cost)	17.313,92	10.865,38	9.775,25	0,00	0,00	0,00	37.954,55
Less Items sold and entered in profit-and-loss account	0,00	0,00	-1.155,08	0,00	0,00	0,00	-1.155,08
Plus Acquisitions during the financial year	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Plus Transfers	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Result Closing balance at historical cost	17.313,92	10.865,38	8.620,17	0,00	0,00	0,00	36.799,47
Accumulated depreciation							
Opening balances (accumulated depreciation)	-16.746,69	-7.519,34	-8.075,16	0,00	0,00	0,00	-32.341,19
Less Accumulated depreciation of items sold and entered in p/l account	0,00	0,00	288,77	0,00	0,00	0,00	288,77
Plus Depreciation charge for the financial year	-567,23	-2.716,34	-833,77	0,00	0,00	0,00	-4.117,34
Result Closing balance at historical cost	-17.313,92	-10.235,68	-8.620,16	0,00	0,00	0,00	-36.169,76
Written-down							
Net book value of fixed assets on 31/12/2004	567,23	3.346,04	1.700,09	0,00	0,00	0,00	5.613,36
Net book value of fixed assets on 31/12/2005	0,00	629,71	0,00	0,00	0,00	0,00	629,71



TOELEN, CATS, MORLIE & Co  
*registered auditors*

**GUEL/NGL**  
**Gauche Unitaire Européenne/Gauche Verte Nordique**  
**European United Left/Nordic Green Left**

**Auditor's Report**

**Unqualified Auditor's Report**

According to the audit mandate, we have audited the GUEL/NGL Financial Statement prepared by the Group Accountant for the year ending 31/12/2005 as laid out in pages 1 to 13 of this document.

*Respective responsibilities of the Group and the Auditors*

Pursuant to the rules on the use of appropriation from Budget Item 3701 (hereafter "the Rule"), the Group is responsible before the Institution of the conformity of appropriation usage and of the preparation of the group annual financial statements.

We have the responsibility to plan and carry out the required work to verify the financial statement prepared by the political group and to report to the Group with a reasonable assurance our audit opinions.

*Basis of Opinions*

We conducted the audit in accordance with International Standards on Auditing as issued by the IASSB. This standard requires the auditor to plan and carry out his work in such a way as to obtain sufficient and appropriate evidence and explanations to support our audit opinions. An audit includes an examination, on a sample basis, of evidence relevant to the opinions.



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TOELEN, CATS, MORLIE & Co

The audit work included specific procedures aiming at gathering sufficient and appropriate audit evidence that

- Expenditures have been charged to the correct item in the budget of the Group;
- Appropriations are available;
- Expenditures are conformed to the Rules governing appropriation item 3701;
- Principles of sound financial management have been applied;
- Payment orders are supported by original documentations (or certified true copies);
- Accounts have been laid out in accordance with the harmonised chart of account;
- Accounts have been prepared in accordance with generally accepted accounting principles as laid out in articles 186 to 196 of the Implementing Rules or, that departures are adequately explained by means of note to the prepared accounts.

Opinions

- As a result of our work, we did not identify any material non-conformity with the dispositions laid out in the Rule governing appropriation item 3701 or with the Group's internal rules;
- The overall presentation of the income and expense statement and of the balance sheet complies with the chart of account provided with the rules governing the appropriation line 3701;
- No departures from generally accepted accounting principles have been established;
- The principle of sound financial management has been applied;
- In our opinion, the balance sheet gives a true and fair view of the state of affairs of the Group at 31/12/2005 and of the revenue and expenses for the 12 months ending 31/12/2005;
- We have received all necessary explanations for the purpose of our work.

Brussels, 15 April 2006

T C L M - Toelen, Cats, Morlie & Co  
Legally represented by

Jean-François Cats  
Registered Auditor  
Partner

Karrie Morris  
Registered Auditor  
Partner