

**Alliance of Liberals and Democrats for Europe**

**Report of the annual accounts  
of budget article 4000  
for  
the period from 1 July 2009  
to 31 December 2009**

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**REPORT OF THE EXTERNAL AUDITORS ON THE ANNUAL ACCOUNTS  
RELATIVE TO THE USE OF THE CREDITS OF ITEM 4000  
OF THE BUDGET OF THE EUROPEAN PARLIAMENT  
FOR THE PERIOD FROM 1 JULY 2009 TO 31 DECEMBER 2009**

**ALLIANCE OF LIBERALS AND DEMOCRATS FOR EUROPE**

**Unqualified Auditor's Report**

According to the audit mandate, we have audited the Financial Statement prepared by the Group Accountant for the budget period 2009-2 ending 31/12/2009 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 4000 (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.

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 4000;
- Principles of sound financial management have been applied;
- Payment orders are supported by original documentations (or certified true copies);

**RSM InterAudit BV CVBA – SC SCRL**

registered auditors

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RSM Belgium is an independent member

firm of **RSM International**

an affiliation of independent accounting

and consulting firms

- 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 4000 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 4000;
- 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 31/12/2009 and of the revenue and expenses for the 6 months ending 31/12/2009;
- We have received all necessary explanations for the purpose of our work.

Zaventem, April 22, 2010

RSM INTERAUDIT  
Legally represented by



Bernard de Grand Ry  
Registered Auditor  
Partner



Karine Morris  
Registered Auditor  
Partner

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**Balance sheet**  
As of 31 December 2009  
(Budgeting period 2009-2)  
(expressed in EUR)

<b><u>ASSETS</u></b>	<b>31 December 2009</b>	<b>30 June 2009</b>
<b>Chapter 1 : Intangible and tangible assets (note 5)</b>		
.1 Intangible assets	177.196,93	370.395,97
.2 Tangible assets	81.281,47	71.212,06
<b>Sub total chapter 1</b>	<u>258.478,40</u>	<u>441.608,03</u>
<b>CURRENT ASSETS</b>		
<b>Chapter 2 : Debtors, stocks and other working assets (note 6)</b>		
.1 Suppliers	18.041,05	8.155,12
.2 Staff	---	---
.3 VAT	40.981,73	59.187,64
.4 Stocks	---	---
.5 Various	---	---
<b>Sub total Chapter 2</b>	<u>59.022,78</u>	<u>67.342,76</u>
<b>Chapter 3 : Financial assets</b>		
.1 Financial securities	---	---
.2 Cash and cash equivalent	2.357.856,61	1.642.474,08
<b>Sub total Chapter 3</b>	<u>2.357.856,61</u>	<u>1.642.474,08</u>
<b>Chapter 4 : Deferred charges and accrued income</b>		
.1 Deferred charges	25.508,30	36.721,22
.2 Accrued income	---	---
<b>Sub total Chapter 4</b>	<u>25.508,30</u>	<u>36.721,22</u>
<b>TOTAL ASSETS</b>	<u><u>2.700.866,09</u></u>	<u><u>2.188.146,09</u></u>

<b><u>LIABILITIES</u></b>	<b>31 December 2009</b>	<b>30 June 2009</b>
<b>Chapter 1 : Reserves</b>		
.1 Carry forward to next budgeting period (note 3)	2.177.720,25	1.666.897,31
<b>Sub total chapter 1</b>	<u>2.177.720,25</u>	<u>1.666.897,31</u>
<b>Chapter 2 : Financial debts</b>		
.1 Financial debts of residual duration > 1 year	---	---
.2 Financial debts of residual duration ≤ 1 year	---	---
<b>Sub total Chapter 2</b>	<u>---</u>	<u>---</u>
<b>Chapter 3 : Other debts</b>		
.1 Other debts	---	---
.2 Charges settled in 2008 but paid in 2009	522.745,84	521.248,78
<b>Sub total Chapter 3</b>	<u>522.745,84</u>	<u>521.248,78</u>
<b>Chapter 4 : Deferred income / accrued income</b>		
.1 Deferred income	---	---
.2 Accrued charges	---	---
<b>Sub total Chapter 4</b>	<u>---</u>	<u>---</u>
<b>TOTAL LIABILITIES</b>	<u><u>2.700.466,09</u></u>	<u><u>2.188.146,09</u></u>

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**Profit and loss account**

For the period from 1 July to 31 December 2009  
(Budgeting period 2009-2)  
(expressed in EUR)

<b><u>A. RECEIPTS</u></b>	<b>6 months ended 31 December 2009</b>	<b>6 months ended 30 June 2009</b>
<b>Chapter 1 : Grants and other receipts from the European Parliament</b>		
.1 EP allocation (Note 3)	3.058.425,00	3.382.277,00
.2 Other EP resources	---	---
<b>Sub total chapter 1</b>	<u>3.058.425,00</u>	<u>3.382.277,00</u>
<b>Chapter 2 : Own resources</b>		
.1 Interest and assimilated products	27.064,58	8.733,16
.2 Profit on currency exchange (note 2)	---	---
.3 Miscellaneous	2.432,47	7.264,68
.4 VAT refund	1.233,19	---
.5 Amount carried forward from previous financial year	1.666.897,31	3.018.475,29
<b>Sub total Chapter 2</b>	<u>1.697.627,55</u>	<u>3.034.473,13</u>
<b>TOTAL RECEIPTS</b>	<u><b>4.756.052,55</b></u>	<u><b>6.416.750,13</b></u>
 <b>GRAND TOTAL</b>	 <u><u><b>4.756.052,55</b></u></u>	 <u><u><b>6.416.750,13</b></u></u>

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**Profit and loss account (continued)**  
 For the period from 1 July to 31 December 2009  
 (Budgeting period 2009-2)  
 (expressed in EUR)

<u>B. EXPENDITURES</u>	<b>6 months ended 31 December 2009</b>	<b>6 months ended 30 June 2009</b>
<b>Chapter 1 : Staff</b>		
.1 Secretariat missions	539.283,19	679.084,79
.2 Recruitment	7.995,42	---
.3 Traineeships	48,69	53.395,71
.4 Salaries and related costs, fees	---	19.196,83
.5 Staff training	32.771,97	31.142,49
.6 Staff representation costs	---	2.157,13
<b>Sub total chapter 1</b>	<u>580.099,27</u>	<u>784.976,95</u>
<b>Chapter 2 : Equipment, routine administrative costs and operating costs</b>		
.1 Equipment, operating expenditure, computer- related engineering and maintenance	1.974,57	12.494,29
.2 Equipment, telecommunications-related installation and maintenance expenditure, office machinery, furniture and technical installations (note 5)	28.584,78	24.192,29
.3 Stationery and office supplies	7.326,90	2.856,14
.4 Postage and telecommunications	35.029,92	72.428,39
.5 Printing and photocopying costs	33.042,21	43.310,60
.6 Office rental costs	---	---
<b>Sub total chapter 2</b>	<u>105.958,38</u>	<u>155.281,71</u>
<b>Chapter 3 : Documentation, studies and research</b>		
.1 Newspapers, magazines, press agencies and books	7.345,59	7.906,30
.2 Studies and research	---	---
.3 Databases	---	---
<b>Sub total chapter 3</b>	<u>7.345,59</u>	<u>7.906,30</u>



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**Profit and loss account (continued)**  
 For the period from 1 July to 31 December 2009  
 (Budgeting period 2009-2)  
 (expressed in EUR)

<u>B. EXPENDITURES (continued)</u>	<b>6 months ended 31 December 2009</b>	<b>6 months ended 30 June 2009</b>
<b>Chapter 4 : Legal and accountancy fees, financial and other charges</b>		
.1 Legal costs		---
.2 Accounting costs/audits	31.850,00	28.700,00
.3 Financial charges and losses from currency exchange	1.347,38	7.097,47
.4 Translation and interpretation costs	11.594,76	34.640,00
.5 Other operating expenditure	1.469,39	311,70
<b>Sub total chapter 4</b>	<u>46.261,53</u>	<u>70.749,17</u>
<b>Chapter 5 : Cost of meetings and representation</b>		
.1 Official group meetings	79.697,27	137.799,00
.2 Other meetings and conferences	200.789,15	531.772,40
.3 Expenditure on entertainment	40.909,47	31.685,17
.4 Guests		---
.5 Individual fact finding missions of members		---
<b>Sub total chapter 5</b>	<u>321.395,89</u>	<u>701.256,57</u>
<b>Chapter 6 : Publications and publicity</b>		
.1 Posters, leaflets and booklets (note 5)	201.096,06	257.319,45
.2 Advertising inserts and audiovisuel advertising	92.680,33	109.248,33
.3 Advertising material, gadgets, publicity by telecommunication equipments	-18.056,99	10.969,02
.4 Internet sites and e-publicity (note 5)	30.682,36	31.380,73
.5 Visits to institutions, information stands	26.412,44	272.436,79
<b>Sub total chapter 6</b>	<u>332.814,20</u>	<u>681.354,32</u>

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**Profit and loss account (continued)**  
 For the period from 1 July to 31 December 2009  
 (Budgeting period 2009-2)  
 (expressed in EUR)

<u>B. EXPENDITURES (continued)</u>	<b>6 months ended 31 December 2009</b>	<b>6 months ended 30 June 2009</b>
<b>Chapter 7 : Members</b>		
.1 Member's political and information activities, administrative expenses and political and information activities of national delegations (note 5)	1.181.509,01	2.310.347,37
<b>Chapter 8 : Grants, subscriptions and contributions</b>		
.1 Subsidies		35.000,00
.2 Subscriptions	<u>2.980,43</u>	<u>2.980,43</u>
<b>Sub total chapter 8</b>	<u>2.980,43</u>	<u>37.980,43</u>
<b>TOTAL EXPENDITURE</b>	<b><u><u>2.578.332,30</u></u></b>	<b><u><u>4.749.852,82</u></u></b>
Credits repayable to European Parliament	0,00	---
Amount carried forward to next budgeting period (Note 3)	2.177.720,25	1.666.897,31
<b>GRAND TOTAL</b>	<b><u><u>4.756.052,55</u></u></b>	<b><u><u>6.416.750,13</u></u></b>

**Notes to the annual accounts**  
For the period from 1 July to 31 December 2009  
(Budgeting period 2009-2)

**Note 1 - Corporate information**

The present financial statements relate to the Alliance of Liberals and Democrats for Europe (ALDE) in the European Parliament.

The financial year begins on 1 January and ends on 31 December.

These financial statements cover 6 months period from 1 July 2009 to 31 December 2009, due to the change of legislature at the European Parliament.

**Prerequisite**

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 trail for all accounting entries.

**Note 2 - Summary of significant accounting policies**

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,
- substance over form.

**Basis of preparation**

The accounts hereafter have been prepared in conformity with:

- the 4000 financial rules approved by the Bureau of the European Parliament on 30 June 2003 and revised by the Bureau on 22 March 2006 and on 11 July 2007 (PE 335,475/BUR).
- the internal financial rules of the Group
- the accounting principles and the harmonized accounting plan adopted by the Political Groups on 15 September 2005.

**Notes to the annual accounts (continued)**  
For the period from 1 July to 31 December 2009  
(Budgeting period 2009-2)

**Note 2 - Summary of significant accounting policies (continued)**

Pursuant to Rule 2.5.3 of the Rules on the use of appropriations from budget item 4000 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 authorization by the authorizing 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 authorizing 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).

The classification of the expenditure on the charge accounts follows the principle of classification by destination by the accounting plan annexed to the Rules on the use of appropriations from Article 4000.

**Note 3 - Carry forward to next financial year (in eur)**

1. Credits received by our group for the 2009-1 budgeting period	3.382.277,00
Credits received by our group for the 2009-2 budgeting period	3.058.425,00
2. Maximum amount of carry forward to 2010 budgeting period	3.220.351,00
3. Difference between total revenue and total expenditure at the end of the 2009-2 budgeting period	2.177.720,25
4. Credits to be returned to the European Parliament:	-
5. Carry forward to financial year 2010:	2.177.720,25

**Notes to the annual accounts (continued)**  
For the period from 1 July to 31 December 2009  
(Budgeting period 2009-2)

**Note 4 - Foreign currency transaction**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

**Note 5 - Fixed assets (in eur)**

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

\* However web sites are amortized on the useful life basis.

**Note 6 - Debtors, stocks and other working assets**

Receivable, 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.

**Note 7- Financial commitments**

Our group has concluded the following substantial long standing (> 1 year) financial commitments, for :

- Renting of photocopier machines (4) from OCE Belgium up to 28/02/2010:  
Cost : 26.030 €/ year
- Renting of photocopier machines (5) from XEROX up to 01/12/2009 for three of them, 01/01/2011 and 09/05/2012 for the two others:  
Cost : 19.600 €/ year

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**Notes to the annual accounts (continued)**  
For the period from 1 July to 31 December 2009  
(Budgeting period 2009-2)

CATEGORY AND WRITE-DOWN RATE	IT SOFTWARE 25% *	IT HARDWARE 25%	TELECOMMUNICATIONS EQUIPMENT 25%	TECHNICAL EQUIPMENT AND SUPPLIES 12.5%	MISCELLANEOUS MACHINERY AND INSTALLATIONS 12.5%	MOVABLE PROPERTY (seats, desks, cabinets) 10%	TOTAL
<b>HISTORICAL COST</b>							
Opening balances (historical cost)	832.285,12	85.914,61	5.952,55	9.201,69	30.630,07	15.470,45	979.454,49
Less items sold and entered in profit and loss account		-2.571,55					-2.571,55
Plus Acquisitions during the financial year		3.688,74	5.578,50		2.654,80	10.898,23	22.820,27
Plus Transfers							
Result Closing balance at historical cost	832.285,12	87.031,80	11.531,05	9.201,69	33.284,87	26.368,68	999.703,21
<b>ACCUMULATED DEPRECIATION</b>							
Opening balances (accumulated depreciation)	461.889,15	50.873,01	4.725,62	5.030,47	10.816,98	4.511,23	537.846,46
Less Accumulated depreciation of items sold and entered in p/l account		-1.821,51					-1.821,51
Plus Depreciation charge for the financial year	193.199,04	7.417,33	852,29	575,11	1.978,39	1.177,70	205.199,86
Result Closing balance at historical cost	655.088,19	56.468,83	5.577,91	5.605,58	12.795,37	5.688,93	741.224,81
<b>WRITTEN-DOWN VALUES</b>							
Net book value of fixed assets on 30/06/2009	370.395,97	35.041,60	1.226,93	4.171,22	19.813,09	10.959,22	441.608,03
Net Book value of fixed assets on 31/12/2009	177.196,93	30.562,97	5.953,14	3.596,11	20.489,50	20.679,75	258.478,40

\* Web sites included in this caption are amortized on the useful life basis.

**Notes to the annual accounts (continued)**  
For the period from 1 July to 31 December 2009  
(Budgeting period 2009-2)

**DETAIL OF THE EXECUTION OF THE DECENTRALISED CREDITS**  
**CHAPTER 7 ARTICLE 1**

Ventilation following the accounting plan annexed to the 4000 financial rules

<b>Chapter / article</b>	<b>Category</b>	<b>Execution Year 2009-2</b>	<b>%</b>	<b>Execution Year 2009-1</b>	<b>%</b>
1	Staff	---	---	---	---
2	Secretariat – equipment and expenses	125.554,79	11	334.715,35	14
3	Documentation, studies and research	---	---	6.924,79	1
4	Legal, accounting, financial and other operating costs	---	---	---	---
52	Other meetings and conferences	146.628,88	12	492.670,15	21
53	Representation costs	45.662,67	4	51.625,91	2
54	Guests	---	---	---	---
61	Posters, leaflets and booklets	47.143,00	4	793.702,97	34
62	Advertising inserts and audiovisual advertising	438.064,77	37	97.498,36	4
63	Advertising material, gadgets, publicity by telecommunication equipments	99.944,31	8	194.372,81	8
64	Websites Internet sites + e-publicity	224.771,81	19	157.750,40	7
65	Visits to institutions; information stands	53.738,78	5	181.086,63	9
	<b>Total</b>	<b>1.181.509,01</b>		<b>2.310.347,37</b>	