



**ALLIANCE OF LIBERALS AND  
DEMOCRATS FOR EUROPE**



**ANNUAL REPORT BY  
THE ALDE GROUP  
TO THE EUROPEAN  
PARLIAMENT**

**BUDGET ITEM 400**

**FINANCIAL YEAR 2011**

product of  
Toelen Cats Dupont Koevoets group  
member of  
**RSM International**

## CONTENTS

	<u>Page</u>
<u>Audit report</u>	
BALANCE SHEET – ASSETS	3
BALANCE SHEET – LIABILITIES	4
PROFIT AND LOSS ACCOUNTS - STATEMENTS OF REVENUE	5
PROFIT AND LOSS ACCOUNTS - STATEMENTS OF EXPENDITURE	6
NOTES TO THE ANNUAL ACCOUNT	8
EXECUTION OF CHAPTER 7, ARTICLE 1	11
FINANCIAL INVENTORY FINANCIAL YEAR 2011	12

**REPORT OF THE EXTERNAL AUDITORS ON THE ANNUAL ACCOUNTS  
RELATIVE TO THE USE OF THE CREDITS OF ITEM 400  
OF THE BUDGET OF THE EUROPEAN PARLIAMENT  
FOR THE PERIOD FROM 1 JANUARY 2011 TO 31 DECEMBER 2011**

**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 2011 ending 31/12/2011 as laid out in pages 1 to 12 of this document.

*Respective responsibilities of the Group and the Auditors*

Pursuant to the rules on the use of appropriation from Budget Item 400 (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 400;
- 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 194 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 400 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 400;
- 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 31/12/2011 and of the revenue and expenses for the year ending 31/12/2011;
- We have received all necessary explanations for the purpose of our work.

Zaventem, April 23, 2012

RSM INTERAUDIT  
LEGALLY REPRESENTED BY



BERNARD DE GRAND RY  
REGISTERED AUDITOR  
PARTNER



KARINE MORRIS  
REGISTERED AUDITOR  
PARTNER

**BALANCE SHEET Group ALDE**  
**End of financial year 2011**

	<i>notes</i>	<u>31/12/11</u>	<u>31/12/10</u>
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
<b>Chapter 1 Intangible and tangible assets</b>	<b>5</b>		
.1 Intangible assets		26.468,33	18.952,80
.2 Tangible assets		<u>51.029,68</u>	<u>61.832,09</u>
<b>Subtotal chapter 1</b>		<u>77.498,01</u>	<u>80.784,89</u>
<b>CURRENT ASSETS</b>			
<b>Chapter 2 Debtors, stocks and other working assets</b>	<b>6</b>		
.1 Suppliers		57.416,00	15.822,66
.2 Staff		---	---
.3 VAT		44.386,75	39.460,10
.4 Stocks		---	---
.5 Various		---	---
<b>Subtotal chapter 2</b>		<u>101.802,75</u>	<u>55.282,76</u>
<b>Chapter 3 Financial assets</b>			
.1 Financial securities		---	---
.2 Cash and cash equivalent		<u>2.424.461,98</u>	<u>2.941.202,12</u>
<b>Subtotal chapter 3</b>		<u>2.424.461,98</u>	<u>2.941.202,12</u>
<b>Chapter 4 Deferred charges and accrued income</b>			
.1 Deferred charges		145.708,08	23.209,25
.2 Accrued income		---	---
<b>Subtotal chapter 4</b>		<u>145.708,08</u>	<u>23.209,25</u>
<b>TOTAL ASSETS</b>		<u>2.749.470,82</u>	<u>3.100.479,02</u>

**BALANCE SHEET Group ALDE**  
**End of financial year 2011**

**LIABILITIES**

*notes*      31/12/11      31/12/10

<b>Chapter 1 Reserves</b>			
.1	Carry forward to next financial year	3	2.217.011,66      2.341.959,74
<b>Subtotal chapter 1</b>			<u>2.217.011,66</u> <u>2.341.959,74</u>
 <b>Chapter 2 Financial debts</b>			
.1	Financial debts of a residual duration > 1 year		---      ---
.2	Financial debts of a residual duration </= 1 year		---      ---
<b>Subtotal chapter 2</b>			<u>---</u> <u>---</u>
 <b>Chapter 3 Other debts</b>			
		5	
.1	Other debts		---      ---
.2	Charges settled in N but paid in N+1		532.459,16      758.519,28
<b>Subtotal chapter 3</b>			<u>532.459,16</u> <u>758.519,28</u>
 <b>Chapter 4 Deferred income/accrued charges</b>			
.1	Deferred income		---      ---
.2	Accrued charges		---      ---
<b>Subtotal Chapter 4</b>			<u>---</u> <u>---</u>
 <b>TOTAL LIABILITIES</b>			 <u>2.749.470,82</u> <u>3.100.479,02</u>

**PROFIT AND LOSS ACCOUNT of the ALDE Group  
for financial year 2011**

	<i>notes</i>	<u>Year 2011</u>	<u>Year 2010</u>
<b>Receipts</b>			
<i>Chapter 1 Grants and other receipts from the European Parliament</i>			
.1 EP allocation	3	6.477.389,00	6.262.198,32
.2 Other EP resources		---	---
<b>Subtotal for Chapter 1</b>		<u>6.477.389,00</u>	<u>6.262.198,32</u>
<i>Chapter 2 Own resources</i>			
.1 Interest and assimilated products		73.927,92	60.213,14
.2 Profit on currency exchange	2	---	---
.3 Miscellaneous			1.379,47
.4 VAT reimbursements			582,07
.5 Amount carried forward from previous financial year		<u>2.341.959,74</u>	<u>2.177.720,25</u>
<b>Subtotal for Chapter 2</b>		<u>2.415.887,66</u>	<u>2.239.894,93</u>
<b>Total receipts</b>		<u>8.893.276,66</u>	<u>8.502.093,25</u>
<b>Grand total</b>		<u>8.893.276,66</u>	<u>8.502.093,25</u>

**PROFIT AND LOSS ACCOUNT of the ALDE Group  
for financial year 2011**

<u>Expenditure</u>	<i>notes</i>	<u>Year 2011</u>	<u>Year 2010</u>
<i>Chapter 1 Staff</i>			
.1 Secretariat missions		1.436.506,65	1.345.399,18
.2 Recruitment		3.030,51	4.824,91
.3 Traineeships		157.108,66	147.685,46
.4 Salaries and related costs, fees		---	---
.5 Staff training		45.639,25	37.181,85
.6 Staff representation costs			3.118,00
<b>Subtotal for Chapter 1</b>		<u>1.642.285,07</u>	<u>1.538.209,40</u>
<i>Chapter 2 Equipment, routine administrative costs and operating costs</i>			
.1 Equipment, operating expenditure, computer-related engineering and maintenance		37.903,41	1.981,83
.2 Equipment, telecommunications-related installation and maintenance expenditure, office machinery, furniture and technical installations	5	41.317,30	41.708,25
.3 Stationery and office supplies		14.765,54	8.664,57
.4 Postage and telecommunications		112.400,21	71.826,04
.5 Printing and photocopying costs		56.223,84	63.029,08
.6 Office rental costs		---	---
<b>Subtotal for Chapter 2</b>		<u>262.610,30</u>	<u>187.209,77</u>
<i>Chapter 3 Documentation, studies and research</i>			
.1 Newspapers, magazines, press agencies and books		1.239,00	12.200,95
.2 Studies and research		967,50	---
.3 Databases		---	---
<b>Subtotal for Chapter 3</b>		<u>2.206,50</u>	<u>12.200,95</u>
<i>Chapter 4 Legal and accountancy fees, financial and other charges</i>			
.1 Legal costs		3.639,17	---
.2 Accounting costs/audits		16.050,00	13.125,00
.3 Financial charges and losses from currency exchange		3.790,99	2.182,10
.4 Translation and interpretation costs		43.396,89	56.874,90
.5 Other operating expenditure		13.868,18	2.068,95
<b>Subtotal for Chapter 4</b>		<u>80.745,23</u>	<u>74.250,95</u>



**PROFIT AND LOSS ACCOUNT of the ALDE Group  
for financial year 2011**

<u>Expenditure</u>	<i>notes</i>	<u>Year 2011</u>	<u>Year 2010</u>
<i>Chapter 5 Cost of meetings and representation</i>			
.1 Official Group meetings	5	139.903,18	114.893,21
.2 Other meetings and conferences		964.416,96	816.061,38
.3 Expenditure on entertainment		75.774,16	79.428,34
.4 Guests	5	3.940,63	---
.5 Individual fact finding missions of members		---	---
<b>Subtotal for Chapter 5</b>		<u>1.184.034,93</u>	<u>1.010.382,93</u>
<i>Chapter 6 Publications and publicity</i>			
.1 Posters, leaflets and booklets		178.789,53	247.451,56
.2 Advertising inserts and audiovisual Advertising		244.190,48	161.891,13
.3 Advertising material, gadgets, publicity by telecommunication equipments		31.776,23	129.018,73
.4 Internet sites + e-publicity		32.541,03	52.252,13
.5 Visits to institutions, information stands		69.059,94	141.561,93
<b>Subtotal for Chapter 6</b>		<u>556.357,21</u>	<u>732.175,48</u>
<i>Chapter 7 Members of Parliament</i>			
.1 Members' political and information activities, administrative expenses and political and information activities of national delegations (details attached)	5	2.906.671,68	2.564.731,19
<b>Subtotal for Chapter 7</b>		<u>2.906.671,68</u>	<u>2.564.731,19</u>
<i>Chapter 8 Grants, subscriptions and contributions</i>			
.1 Subsidies		35.000,00	35.000,00
.2 Subscriptions		6.354,08	5.972,84
<b>Subtotal for Chapter 8</b>		<u>41.354,08</u>	<u>40.972,84</u>
<b>Total expenditure</b>		<u>6.676.265,00</u>	<u>6.160.133,51</u>
Credits repayable to European Parliament		---	---
Amount carried forward to next financial year	3	<u>2.217.011,66</u>	<u>2.341.959,74</u>
<b>Grand total</b>		<u>8.893.276,66</u>	<u>8.502.093,25</u>

### ***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.

#### **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 400 financial rules approved by the Bureau of the European Parliament on 30 June 2003 and revised by the Bureau on 22 March 2006, on 11 July 2007 (PE 335,475/BUR) and on 20 September 2010.
- the internal financial rules of the Group
- the accounting principles and the harmonized accounting plan adopted by the Political Groups on 15 September 2005.

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Pursuant to Rule 2.5.3 of the Rules on the use of appropriations from budget item 400 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 4 - CARRY FORWARD TO NEXT FINANCIAL YEAR (IN EUR)**

1. Credits received by our group for the financial year N	6.477.389,00
2. Maximum amount of carry forward to 2012 budgeting period	3.283.694,50
3. Difference between total revenue and total expenditure at the end of the financial year	2.217.011,66
4. Credits to be returned to the European Parliament:	
5. Carry forward to financial year 2012:	2.217.011,66

**NOTE 5 - 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 6 - FIXED ASSETS (IN EURO)**

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	25,00 % *
Hardware:	25,00 %
Telecommunications and audiovisual equipment:	25,00 %
Technical equipment:	12,50 %
Other installations and machines:	12,50 %
Office furniture:	10,00 %

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

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

**NOTE 7 - 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 collectability.

**NOTE 8 - FINANCIAL COMMITMENTS**

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

Renting of photocopy machines from OCE Belgium up to 30/11/2015:  
Cost: 30.000 €/ year

Renting of photocopy machines from XEROX up to 30/03/2015 and 30/03/2016  
Cost: 13.860 €/ year

**DETAIL OF THE EXECUTION OF THE DECENTRALISED CREDITS**

**CHAPTER 7, ARTICLE 1**

Ventilation following the accounting plan annexed to the 400 financial rules.

<b>Chapter / Article</b>	<b>Heading</b>	<b>Execution Year 2011</b>	<b>%</b>	<b>Execution Year 2010</b>	<b>%</b>
.	Staff			0,00	0,00
2	Secretariat - equipment and expenses	217.426,77		317.860,26	12,00
3	Documentation, studies and research			0	0,00
4	Legal, accounting, financial and other operating costs			0,00	0,00
52	Other meetings and conferences	644.479,67		498.879,22	19,00
53	Representation costs	133.583,19		152.087,24	6,00
54	Guests			0	0,00
61	Posters, leaflets and booklets	0		4.598,33	1,00
62	Advertising inserts and audiovisual advertising	1.226.411,35		964.627,01	37,00
63	Advertising material, gadgets, publicity by telecommunication equipments	245.161,08		160.900,32	6,00
64	Websites Internet Sites + e-publicity	184.441,12		317.046,60	13,00
65	Visits to institutions; information stands	255.168,50		148.732,21	6,00
	<b>TOTAL ART. 7.1</b>	<b>2.906.671,68</b>	<b>100,00</b>	<b>2.564.731,19</b>	<b>100,00</b>

Category and depreciation rate	IT software 25% 5	IT hardware 25% 10	Telecom- munications equipment 25% 30	Technical equipment and supplies 12,5% 45	Miscellaneous machinery and installations 12,5% 45	Movable property (seats, desks, cabinets) 10% 50	TOTAL
Opening balances 2011 (historical cost)	832.285,12	86.458,14	15.301,28	9.201,69	33.284,87	26.368,68	1.002.899,78
Less Items sold and entered in profit and loss account in 2011	-673.768,42	-577,64	-5.343,28	0,00	0,00	0,00	-679.689,32
Plus Acquisitions during the budgetary period 2011	18.715,00	5.933,39	1.672,35	0,00	2.458,92	0,00	28.779,66
Plus Transfers	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Result Closing balance at historical cost</b>	<b>177.231,70</b>	<b>91.813,89</b>	<b>11.630,37</b>	<b>9.201,69</b>	<b>35.743,79</b>	<b>26.368,68</b>	<b>351.990,12</b>
Opening balances (accumulated depreciation)	813.332,32	69.181,72	7.674,25	6.644,79	16.955,98	8.325,82	922.114,88
Less Accumulated depreciation of items sold and entered in p/l account	-673.768,42	0,00	-5.343,26	0,00	0,00	0,00	-679.111,68
Plus Depreciation charge for the budgetary period 2011	11.199,47	9.775,45	2.587,51	965,27	4.324,31	2.636,89	31.488,90
<b>Result Closing balance at historical cost</b>	<b>150.763,37</b>	<b>78.957,17</b>	<b>4.918,50</b>	<b>7.610,06</b>	<b>21.280,29</b>	<b>10.962,71</b>	<b>274.492,10</b>
Net book value of fixed assets on 31/12/2010	18.952,80	17.276,42	7.627,03	2.356,90	16.328,89	18.042,86	80.784,89
Net book value of fixed assets on 31/12/2011	26.468,33	12.856,72	6.741,87	1.591,63	14.463,50	15.405,97	77.498,02