



Alliance of  
**LIBERALS and  
DEMOCRATS**  
for Europe

**Secretariat ALDE Group**

European Parliament  
Rue Wiertz · Wiertzstraat  
B-1047 Bruxelles · Brussel

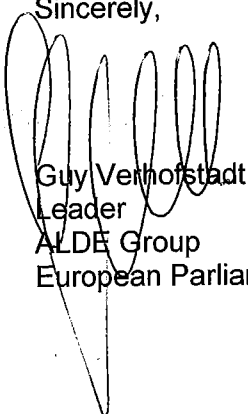
Mr Martin SCHULZ  
President of the European Parliament  
PHS 09B012  
European Parliament  
Brussels

Brussels, 13 April 2015

Mr President,

I have the pleasure to present to you herewith the unqualified auditors' report pertaining to the ALDE Group's accounts for the 2014-B financial year, as required by articles 2.7.1 and 2.7.2 of the Rules on the use of appropriations from budget item 400.

Sincerely,



Guy Verhofstadt  
Leader  
ALDE Group  
European Parliament

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EUROPEAN PARLIAMENT - PARLEMENT EUROPEEN

Group of the Alliance of Liberals and Democrats for Europe  
Groupe de l'Alliance des Démocrates et des Libéraux pour l'Europe  
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working world

# ALDE Group

31 December 2014

By  
Ernst & Young Réviseurs d'Entreprises  
represented by  
Danielle Vermaelen  
Partner



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Alliance Of Liberals & Democrats Group for Europe  
Rue Wiertz 60  
B-1000 Brussels

4 March 2015

## **Report of the external auditors on the financial statements relative to the use of the credits of Item 400 of the budget of the European Parliament for the second part of the financial year 2014 ending 31 December 2014**

### **UNQUALIFIED AUDITOR'S REPORT**

According to the audit mandate, we have audited the Group Financial Statement prepared by the Group Accountant for the second part of year 2014 ending 31/12/2014 as laid out in pages 5 to 15 of this document.

#### **Respective responsibilities of the Group and the auditors**

Pursuant to the rules on the use of appropriations from Budget Item 400 (hereafter "the Rules"), 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 IASB. 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

- The statement of revenue and expenditure gives a true and fair view of the group's financial position for the financial year concerned;
- The balance sheet gives a true and fair view of the group's assets at the end of the financial year;
- The group's internal rules have been observed;
- 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 harmonized accounting plan;



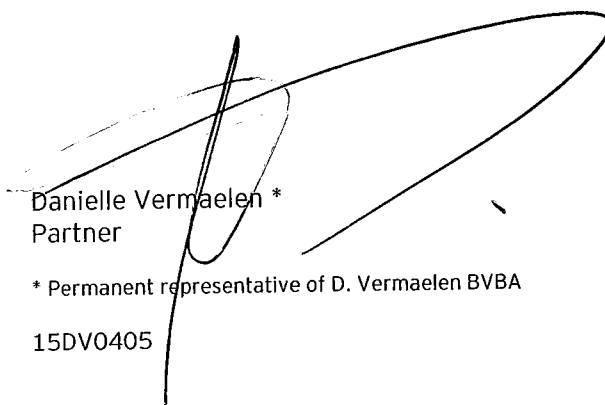
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- The overall considerations on financial statements in the rules adopted by the Accounting Officer of the Commission referred to in Articles 143 and 144 of the Financial Regulation (Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25.10.2012 on the financial rules applicable to the general budget of the Union (Official Journal L 298, 26.10.2012, p.1)) have been observed in the preparation and presentation of the accounts or, where appropriate, a divergence from these overall considerations is adequately explained by a note to the financial statements;
- An effective and efficient internal control system for the management of operations, which includes effective segregation of the duties of authorizing officer and accounting officer or of the equivalent functions, is in place.

### Opinions

- As a result of our work, we did not identify any material non conformity with the dispositions laid out in the Rules governing appropriation Item 400 or with the Group 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;
- Payment orders are supported by original documentations (or certified true copies);
- Appropriations are available;
- Expenditures have been charged to the correct item in the budget of the Group;
- Expenditures are conformed to the Rules governing appropriation Item 400;
- The principle of sound financial management has been applied;
- An effective and efficient internal control system for the management operations, which includes effective segregation of the duties of authorizing officer and accounting officer or of the equivalent functions;
- In our opinion, the half-year financial statements gives a true and fair view of the state of affair of the Group at 31/12/2014 and of the revenue and expenses for the 6 months ending 31/12/2014;
- We have received all necessary explanations for the purpose of our work.

Ernst & Young Réviseurs d'Entreprises scrl  
Represented by




Danielle Vermaelen \*  
Partner

\* Permanent representative of D. Vermaelen BVBA

15DV0405

**BALANCE SHEET Group ALDE**  
**END OF FINANCIAL YEAR FROM 01/07/2014 TO 31/12/2014**

		<u>2014/2</u>	<u>2014/1</u>
	<i>notes</i>		
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
<b>Chapter 1 Intangible and tangible assets</b>	6	3.799,20	6.137,29
.1 Intangible assets		34.723,71	36.173,71
.2 Tangible assets			
<b>Sub total chapter 1</b>		<u><u>38.522,91</u></u>	<u><u>42.311,00</u></u>
<b>CURRENT ASSETS</b>			
<b>Chapter 2 Debtors, stocks and other working assets</b>	7		
.1 Suppliers		32.784,45	18.288,97
.2 Staff			
.3 VAT		7.241,86	64.978,68
.4 Stocks			
.5 Various			
<b>Sub total chapter 2</b>		<u><u>40.026,31</u></u>	<u><u>83.267,65</u></u>
<b>Chapter 3 Financial assets</b>	8		
.1 Financial securities		2.786.176,79	1.819.775,72
.2 Cash and cash equivalent		<u>2.786.176,79</u>	<u>1.819.775,72</u>
<b>Sub total chapter 3</b>			
<b>Chapter 4 Deferred charges and accrued income</b>			
.1 Deferred charges		49.856,67	40.542,14
.2 Accrued income			
<b>Sub total chapter 4</b>		<u><u>49.856,67</u></u>	<u><u>40.542,14</u></u>
<b>TOTAL ASSETS</b>		<u><u>2.914.582,68</u></u>	<u><u>1.985.896,51</u></u>



**LIABILITIES**

	notes	<u>2014/2</u>	<u>2014/1</u>
<b>Chapter 1 Reserves</b>			
.1 Carry forward to next financial year	4	<u>2.497.681,96</u>	<u>1.516.005,42</u>
<b>Sub total chapter 1</b>		<u><b>2.497.681,96</b></u>	<u><b>1.516.005,42</b></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>Sub total chapter 2</b>		<u>-</u>	<u>-</u>
<b>Chapter 3 Other debts</b>	3		
.1 Other debts		-	-
.2 Charges settled in N but paid in N+1		<u>416.900,72</u>	<u>449.158,39</u>
<b>Sub total chapter 3</b>		<u><b>416.900,72</b></u>	<u><b>449.158,39</b></u>
<b>Chapter 4 Deferred income/accrued charges</b>			
.1 Deferred income		-	20.732,70
.2 Accrued charges		-	-
<b>Sous Total Chapitre 4</b>		<u>-</u>	<u>20.732,70</u>
<b>TOTAL LIABILITIES</b>		<u><b>2.914.582,68</b></u>	<u><b>1.985.896,51</b></u>

**PROFIT AND LOSS ACCOUNT of the ALDE Group**  
**BUDGET PERIOD FROM 01/07/14 TO 31/12/2014**

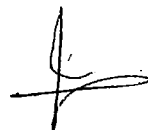
	<u>2014/2</u>	<u>2014/1</u>
	<i>Notes</i>	
<b><u>Receipts</u></b>		
<i>Chapter 1 Grants and other receipts from the European Parliament</i>		
.1 EP allocation	2.813.289,69	3.400.585,55
.2 Other EP resources		
<b>Subtotal for Chapter 1</b>	<b><u>2.813.289,69</u></b>	<b><u>3.400.585,55</u></b>
<i>Chapter 2 Own resources</i>		
.1 Interest and assimilated products	7.208,45	2.686,85
.2 Profit on currency exchange	5 35,25	333,56
.3 Miscellaneous	6.051,37	6.891,84
.4 VAT reimbursements	1.667,55	
.5 Amount carried forward from previous financial year	1.516.005,42	1.749.037,76
<b>Subtotal for Chapter 2</b>	<b><u>1.530.968,04</u></b>	<b><u>1.758.950,01</u></b>
<b>Total receipts</b>	<b><u>4.344.257,73</u></b>	<b><u>5.159.535,56</u></b>
<b>Grand total</b>	<b><u>4.344.257,73</u></b>	<b><u>5.159.535,56</u></b>





**PROFIT AND LOSS ACCOUNT of the ALDE Group**  
**BUDGET PERIOD FROM 01/07/14 TO 31/12/2014**

<u>Expenditure</u>	Notes	<u>2014/2</u>	<u>2014/1</u>
<i>Chapter 1 Staff</i>			
.1 Secretariat missions		500.405,96	595.295,03
.2 Recruitment		1.652,94	-
.3 Traineeships		61.056,75	48.003,51
.4 Salaries and related costs, fees		-	-
.5 Staff training		16.048,45	39.425,94
.6 Staff representation costs		660,00	-
<b>Subtotal for Chapter 1</b>		<b><u>579.824,10</u></b>	<b><u>682.724,88</u></b>
<i>Chapter 2 Equipment, routine administrative costs and operating costs</i>			
.1 Equipment, operating expenditure, computer-related engineering and maintenance	3	29.310,42	42.096,93
.2 Equipment, telecommunications-related installation and maintenance expenditure, office machinery, furniture and technical installations	3	11.878,51	10.940,47
.3 Stationery and office supplies		1.631,31	1.006,35
.4 Postage and telecommunications		22.433,09	33.537,43
.5 Printing and photocopying costs		24.922,10	27.003,70
.6 Office rental costs		-	-
<b>Subtotal for Chapter 2</b>		<b><u>90.175,43</u></b>	<b><u>114.584,88</u></b>
<i>Chapter 3 Documentation, studies and research</i>			
.1 Newspapers, magazines, press agencies and books		2.600,10	4.909,99
.2 Studies and research		-	-
.3 Databases		-	-
<b>Subtotal for Chapter 3</b>		<b><u>2.600,10</u></b>	<b><u>4.909,99</u></b>
<i>Chapter 4 Legal and accountancy fees, financial and other charges</i>			
.1 Legal costs		-	-
.2 Accounting costs/audits		21.520,00	41.550,00
.3 Financial charges and losses from currency exchange	5	489,13	3.998,60
.4 Translation and interpretation costs		11.911,00	10.727,91
.5 Other operating expenditure		5.759,60	6.035,23
<b>Subtotal for Chapter 4</b>		<b><u>39.679,73</u></b>	<b><u>62.311,74</u></b>



**PROFIT AND LOSS ACCOUNT of the ALDE Group**  
**BUDGET PERIOD FROM 01/07/14 TO 31/12/2014**

<b>Expenditure</b>	<i>Notes</i>	<u>2014/2</u>	<u>2014/1</u>
<i>Chapter 5 Cost of meetings and representation</i>			
.1 Official Group meetings		7.416,77	-
.2 Other meetings and conferences		129.518,76	447.773,71
.3 Expenditure on entertainment		46.941,27	39.664,95
.4 Guests		-	-
.5 Individual fact finding missions of members		-	-
<b>Subtotal for Chapter 5</b>		<u><b>183.876,80</b></u>	<u><b>487.438,66</b></u>
<i>Chapter 6 Publications and publicity</i>			
.1 Posters, leaflets and booklets		72.613,80	70.931,33
.2 Advertising inserts and audiovisual advertising		54.960,00	159.840,00
.3 Advertising material, gadgets, publicity by telecommunication equipments		21459,71	6.002,14
.4 Internet sites + e-publicity		6.216,18	13.016,40
.5 Visits to institutions, information stands, press events		1.605,00	43.838,02
<b>Subtotal for Chapter 6</b>		<u><b>156.854,69</b></u>	<u><b>281.623,61</b></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)		780.214,40	1.974.936,78
<b>Subtotal for Chapter 7</b>		<u><b>780.214,40</b></u>	<u><b>1.974.936,78</b></u>
<i>Chapter 8 Grants, subscriptions and contributions</i>			
.1 Subsidies		13.350,52	35.000,00
.2 Subscriptions		-	-
<b>Subtotal for Chapter 8</b>		<u><b>13.350,52</b></u>	<u><b>35.000,00</b></u>
<b>Total expenditure</b>		<u><b>1.846.575,77</b></u>	<u><b>3.643.530,14</b></u>
Credits repayable to European Parliament		-	-
Amount carried forward to next financial year		2.497.681,96	1.516.005,42
<b>Grand Total</b>		<u><b>4.344.257,73</b></u>	<u><b>5.159.535,56</b></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 Budget period begins on 1 July and ends on 31 December 2014.

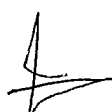
### ***Prerequisite***

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

*Valérie Lathière* 

## ***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); on 20 September 2010, on 23 March 2011, on 26 September 2011, on 2 July 2012, on 11 March 2013, on 24 February 2014 and on 14 April 2014
- 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 authorisation 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).

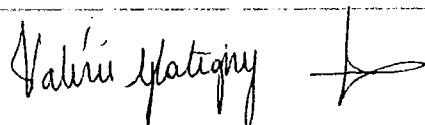
All expenditure for which actual payment is made later than the end of the month following the closure of the financial period or for risks and future charges is registered in the accounts of the next financial period.

No provision will be made for expenditure of the current budget period not paid by the end of the month following the end of this budget 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 400.



#### NOTE 4 - CARRY FORWARD TO NEXT FINANCIAL YEAR (IN EUR)

1. Credits received by our group for the budget period 2014/1	3.400.585,55
Credits received by our group for the budget period 2014/2	2.813.289,69
2. Maximum amount of carry forward to financial year 2015	3.106.937,62
3. Difference between total revenue and total expenditure at the end of the budget period	2.497.681,69
4. Credits to be returned to the European Parliament	0.00
5. Carry forward to financial year 2015	2.497.681.69

#### 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 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	25,00%
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.



## **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**

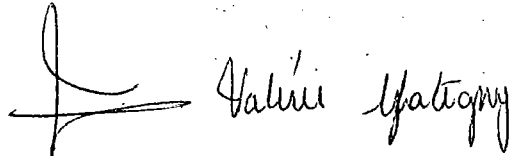
Our group has concluded the following substantial long standing (> 1 year) financial commitments, for:

Renting of photocopier machines from OCE Belgium up to 20/11/2015  
Cost: 30.000€/year

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

## **NOTE 9 COMPARISON OF THE FIGURES**

According to article 2.1.1 of the financial rules governing budget item '400 Expenditure for political and information activities and secretarial costs of the groups and members with no affiliation to any political party', this report covers the period from 1 July 2014 to 31 December 2014. Comparative figures for the previous budgeting period from 1 January to 30 June 2014 are also presented.



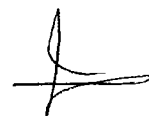
Valérie Glatigny

Head of Unit Accounts

DETAIL OF THE EXECUTION OF THE DECENTRALISED CREDITSCHAPTER 7, ARTICLE 1

Ventilation following the accounting plan annexed to the 400 financial rules

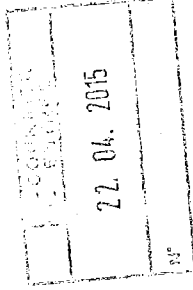
Chapter/ Article	Heading	Execution 01/07/14-31/12/14	%	Execution 01/01/14-30/06/14	%
1	Staff	48.937,47	6%	97.995,50	4,96%
2	Secretariat - equipment and expenses	-	-	0,00	0,00%
3	Documentation, studies and research	-	0%	0,00	0,00%
4	Legal, accounting, financial and other operating costs	-	0%	0,00	0,00%
52	Other meetings and conferences	231.000,47	30%	380.867,27	19,29%
53	Representation costs	58.066,64	7%	113.659,87	5,76%
54	Guests	-	0%	0,00	0,00%
61	Posters, leaflets and booklets	-	0%	0,00	0,00%
62	Advertising inserts and audiovisual advertising	155.588,83	20%	902.609,69	45,70%
63	Advertising material, gadgets, publicity by telecommunication equipments	100.544,06	13%	170.409,62	8,63%
64	Websites Internet Sites + e-publicity	126.184,48	16%	119.666,87	6,06%
65	Visits to institutions, information stands	59.892,45	8%	189.727,96	9,61%
	<b>TOTAL ART.7.1.</b>	<b>780.214,40</b>	<b>100%</b>	<b>1.974.936,78</b>	<b>100,00%</b>



SITUATION AU 31/12/2014

Category and write-down rate	IT SOFTWARE	IT HARDWARE	TELECOMMUNICATIONS EQUIPMENT	TECHNICAL EQUIPMENT AND SUPPLIES	MISCELLANEOUS EQUIPMENT MACHINERY AND INSTALLATIONS	MOVABLE PROPERTY (seats, desks, cabinets)	TOTAL
<b>HISTORICAL COST</b>							
Opening balances (historical cost)	177.231,70	107.684,08	16.273,53	9.853,59	36.652,05	27.059,68	374.754,63
Less items sold and entered in P&L account	0,00	0,00	-32,87	0,00	0,00	0,00	-32,87
Plus Acquisitions during the financial year	0,00	2.846,58	0,00	1.116,52	0,00	0,00	3.963,10
Plus transfers	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Result Closing balance at historical cost	177.231,70	110.530,66	16.240,66	10.970,11	36.652,05	27.059,68	378.684,86
<b>ACCUMULATED DEPRECIATION</b>							
Opening balances (accumulated depreciation)	171.094,41	94.765,40	8.565,31	8.894,23	31.849,26	17.275,01	332.443,62
Less accumulated depreciation of items sold	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Plus depreciation charge for the financial year	2.338,09	2.509,11	67,84	160,78	1.359,87	1.282,63	7.718,32
Result closing balance at historical cost	173.432,50	97.274,51	8.633,15	9.055,01	33.209,13	18.557,64	340.161,94
<b>WRITTEN-DOWN VALUES</b>							
Net book value of fixed assets on 30/06/2014	6.137,29	12.918,68	7.708,22	959,36	4.802,79	9.784,67	42.311,01
Net book value of fixed assets on 31/12/2014	3.799,20	13.256,15	7.607,51	1.915,10	3.442,92	8.502,04	38.522,92





Mr. Martin Schulz  
President of the European Parliament  
PHS 09 6012  
European Parliament  
Brussels

Secretary ALD6 G-Group

PHS S.S.C. 18  
European Parliament  
Bureau