

Gabriele Zimmer
Présidente du groupe GUE/NGL

Bruxelles, le 3 mars 2017

Monsieur Antonio TAJANI
Président du Parlement européen
Bur. PHS 09 B 111
Bruxelles

Objet : Rapport poste 400-période budgétaire 2016

Monsieur le Président,

Conformément à l'article 2.7.1 de la Réglementation régissant l'utilisation des crédits prévus au poste 400 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 la période budgétaire 2016.

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



Gabriele Zimmer



GUE/NGL

Gauche Unitaire Européenne/Gauche Verte Nordique
European United Left/Nordic Green Left
Groupe Parlementaire · Parliamentary Group
PARLEMENT EUROPÉEN · EUROPEAN PARLIAMENT

**ANNUAL REPORT BY THE GUE/NGL GROUP
TO THE EUROPEAN PARLIAMENT**

BUDGET ITEM 400

FINANCIAL YEAR 2016

Contents

	<u>Page</u>
<u>Audit report</u>	
Report of the external auditors	1
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 accounts in financial year 2016	9
Execution of chapter 7, article 1	12
Financial inventory financial year 2016	13

Confederal Group of the European United Left/Nordic Green Left
GUE/NGL Group
Rue Wiertz 43
B-1047 Brussels

20 March 2017

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 financial year ending 31 December 2016

UNQUALIFIED AUDITOR'S REPORT

According to the audit mandate, we have audited the Group Financial Statement prepared by the Group Accountant for the year ending 31 December 2016 as laid out in the following pages.

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;

- 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 financial statements gives a true and fair view of the state of affair of the Group at 31 December 2016 and of the revenue and expenses for the 12 months ending 31 December 2016;
- We have received all necessary explanations for the purpose of our work.

Ernst & Young Réviseurs d'Entreprises scrl
Represented by



Daniëlle Vermaelen
Partner*
* Acting on behalf of a BVBA/SPRL

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BALANCE SHEET Group GUE / NGL
End of financial year 2016 (31/12/2016)

	<i>Notes</i>	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>			
FIXED ASSETS			
<i>Chapter 1 Intangible and tangible assets</i>	3		
.1 Intangible assets		0,00	0,00
.2 Tangible assets		6.839,07	10.483,09
Subtotal for Chapter 1		<u>6.839,07</u>	<u>10.483,09</u>
CURRENT ASSETS			
<i>Chapter 2 Debtors, stocks and other working assets</i>	5		
.1 Suppliers		0,00	0,00
.2 Staff		0,00	0,00
.3 VAT		4.294,04	52.595,12
.4 Stocks		0,00	0,00
.5 Various		0,00	0,00
Subtotal for Chapter 2		<u>4.294,04</u>	<u>52.595,12</u>
<i>Chapter 3 Financial assets</i>			
.1 Financial securities	4	0,00	0,00
.2 Cash and cash equivalent		1.792.045,72	1.943.773,91
Subtotal for Chapter 3		<u>1.792.045,72</u>	<u>1.943.773,91</u>
<i>Chapter 4 Deferred charges and accrued income</i>			
.1 Deferred charges		7.714,28	0,00
.2 Accrued income		396,31	0,00
Subtotal for Chapter 4		<u>8.110,59</u>	<u>0,00</u>
TOTAL ASSETS		<u>1.811.289,42</u>	<u>2.006.852,12</u>

BALANCE SHEET Group GUE / NGL
End of financial year 2016 (31/12/2016)

	<i>Notes</i>	<u>2016</u>	<u>2015</u>
<u>LIABILITIES</u>			
<i>Chapter 1 Reserves</i>			
.1 Carry forward to next financial year	1	1.406.672,91	1.728.908,75
Subtotal for Chapter 1		<u>1.406.672,91</u>	<u>1.728.908,75</u>
<i>Chapter 2 Financial debts</i>			
.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
Subtotal for Chapter 2		<u>0,00</u>	<u>0,00</u>
<i>Chapter 3 Other debts</i>			
.1 Other debts			0,00
.2 Charges settled in N but paid in N+1		402.155,54	238.989,49
Subtotal for Chapter 3		<u>402.155,54</u>	<u>238.989,49</u>
<i>Chapter 4 Deferred income / accrued charges</i>			
.1 Deferred income		460,97	6.250,30
.2 Accrued charges		2.000,00	32.703,58
Subtotal for Chapter 4		<u>2.460,97</u>	<u>38.953,88</u>
 TOTAL LIABILITIES		 <u>1.811.289,42</u>	 <u>2.006.852,12</u>



**PROFIT AND LOSS ACCOUNT of the GUE/NGL Group
for financial year 2016**

	<i>Notes</i>	<u>2016</u>	<u>2015</u>
Receipts			
<i>Chapter 1 Grants and other receipts from the European Parliament</i>			
.1 EP allocation		4.339.560,31	4.304.623,35
.2 Other EP resources		0,00	0,00
Subtotal for Chapter 1		<u>4.339.560,31</u>	<u>4.304.623,35</u>
<i>Chapter 2 Own resources</i>			
.1 Interest and assimilated products		0,00	842,64
.2 Profit on currency exchange	2	2,27	16,50
.3 Miscellaneous		0,00	0,00
.4 VAT reimbursements		0,00	0,00
.5 Amount carried forward from previous financial year		1.728.908,75	1.255.250,86
Subtotal for Chapter 2		<u>1.728.911,02</u>	<u>1.256.110,00</u>
Total receipts		<u>6.068.471,33</u>	<u>5.560.733,35</u>
Grand total		<u>6.068.471,33</u>	<u>5.560.733,35</u>

**PROFIT AND LOSS ACCOUNT of the GUE/NGL Group
for financial year 2016**

Expenditure	<i>Notes</i>	<u>2016</u>	<u>2015</u>
<i>Chapter 1 Staff</i>			
.1 Secretariat missions		734.978,24	641.542,19
.2 Recruitment		4.553,30	6.040,73
.3 Traineeships		35.093,39	10.028,71
.4 Salaries and related costs, fees		18.811,07	2.344,01
.5 Staff training		33.454,24	11.822,99
.6 Staff representation costs		0,00	0,00
Subtotal for Chapter 1		<u>826.890,24</u>	<u>671.778,63</u>
<i>Chapter 2 Equipment, routine administrative costs and operating costs</i>			
.1 Equipment, operating expenditure, computer-related engineering and maintenance	3	9.829,47	1.906,85
.2 Equipment, telecommunications-related installation and maintenance expenditure, office machinery, furniture and technical installations	3	5.463,15	7.732,75
.3 Stationery and office supplies		2.888,49	66,01
.4 Postage and telecommunications		23.669,34	20.970,24
.5 Printing and photocopying costs		42.042,45	36.167,75
.6 Office rental costs		0,00	0,00
Subtotal for Chapter 2		<u>83.892,90</u>	<u>66.843,60</u>
<i>Chapter 3 Documentation, studies and research</i>			
.1 Newspapers, magazines, press agencies and books		4.766,28	13.080,94
.2 Studies and research		59.040,53	23.289,26
.3 Databases		1.452,00	0,00
Subtotal for Chapter 3		<u>65.258,81</u>	<u>36.370,20</u>

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**PROFIT AND LOSS ACCOUNT of the GUE/NGL Group
for financial year 2016**

	<i>Notes</i>	<u>2016</u>	<u>2015</u>
<i>Chapter 4 Legal and accountancy fees, financial and other charges</i>			
.1		685,00	1.500,00
.2		15.711,32	9.266,86
.3		1.417,51	2.697,31
	2		
.4		7.600,00	0,00
.5		7.170,68	10.345,41
Subtotal for Chapter 4		<u>32.584,51</u>	<u>23.809,58</u>
<i>Chapter 5 Cost of meetings and representation</i>			
.1		62.290,69	107.603,81
.2		542.224,85	388.968,34
.3		48.493,39	52.361,22
.4		14.663,46	8.314,33
.5		121.361,25	142.328,59
Subtotal for Chapter 5		<u>789.033,64</u>	<u>699.576,29</u>
<i>Chapter 6 Publications and publicity</i>			
.1		19.371,00	778,60
.2			
		0,00	0,00
.3		75.056,80	137.913,13
.4		19.919,54	18.390,88
.5		4.260,10	10.087,40
Subtotal for Chapter 6		<u>118.607,44</u>	<u>167.170,01</u>

to

	<i>Notes</i>	<u>2016</u>	<u>2015</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)	2.745.530,88	2.166.276,29
Subtotal for Chapter 7		<u>2.745.530,88</u>	<u>2.166.276,29</u>
<i>Chapter 8 Grants, subscriptions and contributions</i>			
.1	Subsidies	0,00	0,00
.2	Subscriptions	0,00	0,00
Subtotal for Chapter 8		<u>0,00</u>	<u>0,00</u>
Total expenditure		<u>4.661.798,42</u>	<u>3.831.824,60</u>
Credits repayable to European Parliament		0	0
Amount carried forward to next financial year		1.406.672,91	1.728.908,75
Grand total		<u>6.068.471,33</u>	<u>5.560.733,35</u>

NOTES TO THE ANNUAL ACCOUNTS FINANCIAL YEAR 2016

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, revised by the Bureau on 22 March 2006 (PE 335.475/BUR), on 11 July 2007, on 20 September 2010, on 23 March 2011, on 26 September 2011, on 02 July 2012, on 11 March 2013, on 24 February 2014 and on 14 April 2014 and 27 April 2015.
- The internal financial rules of the Group.
- The accounting principles and the harmonized accounting plan adopted by the Secretaries-General of the political groups 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 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 financial 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 year or for risks and future charges is registered in the accounts of the next financial year.

No provisions will be made for expenditure of the current financial year not paid by the end of the month following the end of this financial year 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).

CLASSIFICATION

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 1: Carry forward to next financial year:

1: Credits received by our group for 2016 financial year	€	4.339.560,31
2: Maximum amount of carry forward to 2017 financial year	€	2.169.780,16
3: Difference between total revenue and total expenditure at the end of the 2016 financial year	€	1.406.672,91
4: Credits to be returned to the EP	€	0.00
5: Carry forward to 2017 financial year	€	1.406.672,91

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. The balance sheet accounts in other currencies are translated into euro at the exchange rate of the end of the financial year.

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

Note 4: Valuation method for financial securities:

Non 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 collectability.

Our group has concluded the substantial long standing (>1 year) financial commitments, for the renting of 5 photocopiers:

- Canon Belgium SA, renting of 5 photocopiers for € 31.884,00 a year

Note 6: Comparison of figures:

According to article 2.1.1. of the financial rules governing budget item 400 this report covers the financial year 2016 which lasts from 01/01/2016 to 31/12/2016. Please note that the comparative figures cover the financial year 2015, which covers from 01/01/2015 to 31/12/2015.

Note 7: Technical support to European political parties and foundations Regulation: (CE) 2004/2003

The GUE/NGL Group has not granted any technical support to political parties and foundations as defined in article 11 of the EP Bureau decision dated 29 March 2004.



DETAIL OF THE EXECUTION OF THE DECENTRALISED CREDITS

CHAPTER 7, ARTICLE 1.

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

Chapter / article	Heading	Execution budget period 2016	%	Execution budget period 2015	%
10	Staff	519.423,81	18,92	359.946,78	16,62
20	Secretariat - equipment and expenses	4.673,41	0,17	0,00	0,00
30	Documentation, studies and research	105.475,84	3,84	94.735,11	4,37
40	Legal, accounting, financial and other operating costs	3.053,60	0,11	0,00	0,00
52	Other meetings and conferences	825.048,22	30,05	689.868,44	31,85
53	Representation costs	195,23	0,01	0,00	0,00
54	Guests	3.684,52	0,13	809,16	0,04
61	Posters, leaflets and booklets	424.269,48	15,45	425.577,12	19,65
62	Advertising inserts and audiovisual advertising	472.294,27	17,20	280.751,95	12,96
63	Advertising material, gadgets, publicity by telecommunication equipments	238.745,81	8,70	213.924,06	9,88
64	Websites Internet Sites + e-publicity	134.720,49	4,91	91.175,09	4,21
65	Visits to institutions; information stands	13.946,20	0,51	9.488,58	0,44
	<u>TOTAL ART. 7.1.</u>	2.745.530,88	100,00	2.166.276,29	100,00

Financial inventory financial year 2016



Financial inventory financial year 2016

Category and	IT software	IT hardware	Telecom- munications equipment	Technical equipment and supplies	Miscellaneo us machinery and installations	Movable property (seats, desks, cabinets)	Total
write-down rate	25%	25%	25%	12.5%	12.5%	10%	
	(€)	(€)	(€)	(€)	(€)	(€)	(€)
Historical cost							
Opening balances (historical cost)	2.775,00	16.185,33	27.518,15	0,00	0,00	0,00	46.478,48
Less Items sold and entered in profit-and-loss account	0,00	-701,65	-2.893,83				-3.595,48
Plus Acquisitions during the financial year	0,00	0,00	619,01				619,01
Plus Transfers	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Result Closing balance at historical cost	2.775,00	15.483,68	25.243,33	0,00	0,00	0,00	43.502,01
Accumulated depreciation							
Opening balances (accumulated depreciation)	-2.775,00	-12.876,92	-20.343,47	0,00	0,00	0,00	-35.995,39
Less Accumulated depreciation of items sold and entered in p/l account	-	701,65	2.432,44				3.134,09
Plus Depreciation charge for the financial year	0,00	-854,65	-2.947,00				-3.801,64
Result Closing balance at historical cost	-2.775,00	-13.029,92	-20.858,03	0,00	0,00	0,00	-36.662,94
Written-down							
Net book value of fixed assets on 31/12/2015	0,00	3.308,41	7.174,68	0,00	0,00	0,00	10.483,09
Net book value of fixed assets on 31/12/2016	0,00	2.453,76	4.385,30	0,00	0,00	0,00	6.839,07