

The Secretary General

FB/pdb

507050 29.04.2009

Bruxelles, le 28 avril 2009

M. Hans-Gert POETTERING
Président
Parlement européen
Bur. PHS 11B014
Bruxelles

Objet: Crédits inscrits sur le poste 4000 – exercice 2008

Monsieur le Président,

Je vous prie de bien vouloir trouver ci-joint le rapport des auditeurs externes concernant les comptes du Groupe Union pour l'Europe des Nations pour l'exercice 2008.

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



Frank BARRETT

ANNUAL ACCOUNTS
UNION FOR EUROPE OF THE NATIONS GROUP
(UEN GROUP)

BUDGET ITEM 4000
OF THE BUDGET
OF THE EUROPEAN PARLIAMENT

FINANCIAL YEAR
ENDING 31 DECEMBER 2008

UNION FOR EUROPE OF THE NATIONS GROUP
ANNUAL ACCOUNTS FOR BUDGET ITEM 4000

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Union for Europe of the Nations Group
of the European Parliament
Building ATR 07K081
Rue Wiertz
1047 Brussels

20 April 2009

Report of the external auditors on the financial statements relative to the use of the credits of item 4000 of the budget of the European Parliament for the financial year ending 31 December 2008

In accordance with our audit mandate, we have audited the accompanying financial statements of the Union for Europe of the Nations Group prepared by the Group's Accountant, which comprise the balance sheet at 31 December 2008, the statement of revenue and expenditure for the year then ended, and a summary of significant accounting policies and other explanatory notes. These financial statements are laid out on pages 5 to 16.

Responsibilities of the Group

According to the Rules on the use of appropriation from budget item 4000 of the European Parliament (hereafter "the Rules"), the Group is responsible to the Parliament for the conformity of appropriation usage and for the preparation and fair presentation of the Group's financial statements in accordance with the principles set out in these Rules. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. It also includes ensuring the respect of the Rules of budget item 4000.

Auditor's responsibilities

Our responsibility is to verify the financial statements prepared by the political group, and to report to the Group on the results of our audit. We conducted our audit in accordance with International standards on Auditing as issued by the IASB, applied with a public sector perspective. Those standards require the auditor to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance to support his audit opinion.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessment, the auditor considers internal control relevant to the preparation and fair presentation of the entity's financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used as well as evaluating the overall presentation of the financial statements.

In accordance with the specific requirements of our audit mandate, our audit work also included specific procedures aiming at gathering reasonable audit evidence that:

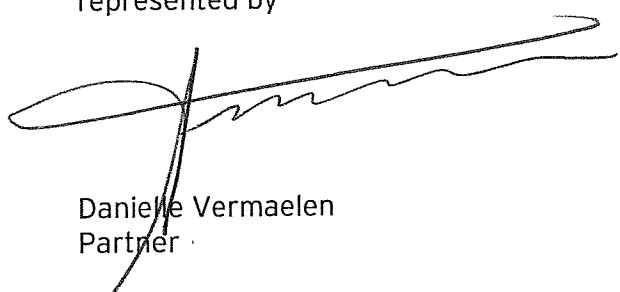
- Expenditures have been charged to the correct item in the budget of the Group.
- Appropriations are available.
- Expenditures are in conformity with the Rules governing appropriation item 4000.
- Principles of sound financial management have been applied.
- Payments orders are supported by original documentation or certified true copies.
- The accounts have been laid out in accordance with the harmonised chart of accounts included in the Rules.
- The accounts have been prepared in accordance with accounting principles as laid out in articles 124 and 125 of Council Regulation 1605/2002, or that departures are adequately explained in the notes to the accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

- As a result of our work, we did not identify any significant non conformity issues with the provisions laid out in the Rules governing appropriation item 4000 or with the Group's internal rules.
- The overall presentation of the revenue and expenditure statement and of the balance sheet complies with the harmonised chart of accounts included in the Rules.
- We do not have to report departures from accounting principles laid out in articles 124 and 125 of Council Regulation 1605/2002, unless adequately disclosed in the notes to the financial statements.
- Based on the transactions that we have tested, we did not become aware of any significant departure from the principle of sound financial management.
- In our opinion, the financial statements present fairly, in all material respects, the financial position of the UEN Group at 31 December 2008 and its revenue and expenditure for the financial year then ended, in accordance with the accounting principles and policies laid out in note 1 to the financial statements, which were applied on a basis consistent with that of the preceding financial period.

Ernst & Young Réviseurs d'Entreprises scrl
represented by



Danielle Vermaelen
Partner

UNION FOR EUROPE OF THE NATIONS GROUP

**ANNUAL ACCOUNTS FOR BUDGET ITEM 4000
FINANCIAL YEAR ENDED 31 DECEMBER 2008**

BALANCE SHEET

		Amounts in Euros	
		31 December	31 December
Notes		2008	2007
<u>ASSETS</u>			
FIXED ASSETS			
Chapter 1 Tangible and intangible fixed assets			
	1. Intangible fixed assets	-	-
	2. Tangible fixed assets	5,122.01	6,316.55
1 and 9			
CURRENT ASSETS			
Chapter 2 Debtors, stocks and other current assets			
	1. Suppliers	5,500.00	-
	2. Staff	-	-
	3. VAT	63,781.41	108,538.56
	4. Stocks	-	-
	5. Others	-	6,085.00
5			
3			
4			
Chapter 3 Cash and banks			
	1. Securities	-	-
	2. Cash	1,423,496.44	1,082,585.14
		<u>1,423,496.44</u>	<u>1,082,585.14</u>
TOTAL ASSETS		<u>1,497,899.86</u>	<u>1,203,525.25</u>
<u>LIABILITIES</u>			
Chapter 1 Reserves			
	1. Balance carried forward	1,250,711.34	902,229.67
2			
Chapter 2 Financial debts			
	1. Financial debts of more than one year	-	-
	2. Financial debts of less than one year	-	-
Chapter 3 Other debts			
	1. Other debts	26,557.00	-
	2. Charges settled in 2008 but paid in 2009	220,631.52	301,295.58
1 and 6			
TOTAL LIABILITIES		<u>1,497,899.86</u>	<u>1,203,525.25</u>

See notes annexed to the accounts

UNION FOR EUROPE OF THE NATIONS GROUP

ANNUAL ACCOUNTS FOR BUDGET ITEM 4000 FINANCIAL YEAR ENDED 31 DECEMBER 2008

STATEMENT OF REVENUE AND EXPENDITURE

	Amounts in Euros	
Notes	31 December 2008	31 December 2007
<u>REVENUE</u>		
Chapter 1 EP Subsidies and other EP revenue		
1. Allocation from EP	3,053,242.00	2,797,063.34
2. Other revenue from EP	-	-
	<u>3,053,242.00</u>	<u>2,797,063.34</u>
Chapter 2 Own resources		
1. Interest and similar receipts	64,486.13	54,256.48
2. Exchange gains	1,549.31	-
3. Miscellaneous resources	-	-
4. Amount carried forward from the preceding financial year	902,229.67	487,239.47
	<u>968,265.11</u>	<u>541,495.95</u>
TOTAL REVENUE	<u>4,021,507.11</u>	<u>3,338,559.29</u>
GRAND TOTAL	<u>4,021,507.11</u>	<u>3,338,559.29</u>
<u>EXPENDITURE</u>		
Chapter 1 Staff		
1. Secretariat missions	472,156.95	508,258.30
2. Recruitment	-	6,919.52
3. Traineeships	138,521.08	33,624.63
4. Salaries and related costs, fees	131,307.08	138,466.96
5. Staff training	2,518.70	1,315.84
6. Staff entertainment	-	-
	<u>744,503.81</u>	<u>688,585.25</u>

See notes annexed to the accounts

UNION FOR EUROPE OF THE NATIONS GROUP

**ANNUAL ACCOUNTS FOR BUDGET ITEM 4000
FINANCIAL YEAR ENDED 31 DECEMBER 2008**

STATEMENT OF REVENUE AND EXPENDITURE (CONTINUED)

		Amounts in Euros	
		31 December	31 December
Notes		2008	2007
Chapter 2 Equipment, routine administrative costs and operating costs			
	1. Equipment, operating expenditure, computer engineering and maintenance	4,105.38	8,693.88
	2. Equipment, telecommunications-related installation and maintenance expenditure, office machinery, furniture and technical installations	1,423.75	2,349.36
	3. Stationery and office supplies	15,641.53	20,660.04
	4. Postage and telecommunications	59,828.92	54,108.77
	5. Printing and photocopying costs	15,449.87	15,089.07
	6. Office rental costs	2,784.97	8,692.89
		99,234.42	109,594.01
Chapter 3 Documentation, studies and research			
	1. Newspapers, magazines, press agencies and books	30,926.82	16,455.12
	2. Studies and research	-	12,500.00
	3. Databases	-	-
		30,926.82	28,955.12
Chapter 4 Legal and accounting costs, financial and other charges			
	1. Legal costs	-	-
	2. Accounting/audit costs	17,500.00	14,500.00
	3. Financial charges and exchange losses	6,359.02	5,698.48
	4. Translation and interpreting costs	3,803.97	1,181.00
	5. Other operating expenditure	7,605.67	11,957.90
		35,268.66	33,337.38
Chapter 5 Expenditure on meetings and entertainment			
	1. Official Group meetings	180,093.89	106,017.14
	2. Other meetings and conferences	14,393.91	1,029.40
	3. Expenditure on entertainment	11,208.81	4,707.48
	4. Guests	18,802.71	22,289.37
	5. Fact-finding missions by individual Members	34,903.16	7,540.25
		259,402.48	141,583.64

See notes annexed to the accounts

UNION FOR EUROPE OF THE NATIONS GROUP

**ANNUAL ACCOUNTS FOR BUDGET ITEM 4000
FINANCIAL YEAR ENDED 31 DECEMBER 2008**

STATEMENT OF REVENUE AND EXPENDITURE (CONTINUED)

	Notes	Amounts in Euros	
		31 December 2008	31 December 2007
Chapter 6 Publications and advertising			
1. Posters, booklets, publications		-	5,629.68
2. Advertising inserts and audiovisual advertising		-	5,148.00
3. Advertising material, novelty items, telecommunications advertising		43,261.62	12,473.65
4. Internet sites and cyber advertising		5,196.22	6,452.49
5. Visits to Institutions, information stands		-	750.00
		<u>48,457.84</u>	<u>30,453.82</u>
Chapter 7 Members of Parliament			
1. Decentralised political and information activities	8	<u>1,553,001.74</u>	<u>1,403,820.40</u>
			<u>1,403,820.40</u>
Chapter 8 Subsidies and subscriptions			
1. Subsidies		-	-
2. Subscriptions		-	-
		-	-
TOTAL EXPENDITURE		<u>2,770,795.77</u>	<u>2,436,329.62</u>
Credit repayable to the European Parliament		-	-
Balance carried forward to the next financial year	2	<u>1,250,711.34</u>	<u>902,229.67</u>
GRAND TOTAL		<u>4,021,507.11</u>	<u>3,338,559.29</u>

See notes annexed to the accounts

UNION FOR EUROPE OF THE NATIONS GROUP

FINANCIAL YEAR ENDED 31 DECEMBER 2008

NOTES TO THE ANNUAL ACCOUNTS

NOTE 1: BASIS OF THE ACCOUNTS AND ACCOUNTING PRINCIPLES

Basis of the accounts

The accompanying accounts of the Union for Europe of the Nations Group have been prepared to comply with:

- the 4000 financial rules approved by the Bureau of the European Parliament on 30 June 2003 and amended by the Bureau on 22 March 2006 and 11 July 2007 (PE 335.475/BUR);
- the internal financial rules of the Union for Europe of the Nations Group;
- the accounting principles and the harmonised accounting plan included in the 4000 financial rules.

In accordance with the 4000 financial rules:

- the movements on the accounts and the balances must be entered in the accounting ledgers;
- all accounting entries, including adjustments to the accounts, must be based on dated and numbered supporting documents, to which they must refer;
- the accounting records must be organised so as to leave a trail for all accounting entries.

Accounting principles mandated by Financial Regulations and Rules

1. In accordance with the 4000 financial rules, the annual accounts are drawn up in accordance with the following generally accepted accounting principles:
 - going concern basis;
 - prudence;
 - consistent accounting methods;
 - comparability of information;
 - materiality;
 - no netting;
 - reality over appearance;
 - accrual accounting principle, subject to other provisions of the Rules as detailed in item 2 below.

These notes form an integral part of the accounts

UNION FOR EUROPE OF THE NATIONS GROUP

FINANCIAL YEAR ENDED 31 DECEMBER 2008

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

2. Pursuant to Rule 2.5.3 of the Rules on the use of appropriations from budget item 4000, the annual accounts are prepared on a modified accrual basis, based on the following rules:

- All expenditure relative to activities of the current or previous financial years is recorded 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 recorded in the expenditure accounts of the current financial year with counterpart a liability account (number chapter 3.2) in the balance sheet.
- All expenditure, for which actual payment is made later than the end of the month following the closure of the financial period, is recorded in the accounts of the next financial period. No provisions may be made for expenditure of the current financial year not paid by the end of the month following the end of that financial year, or for risks and future charges.
- All revenue is recorded 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.

3. Classification

- The classification of expenditure follows the principle of classification by destination as foreseen by article 2.5.2 of the Rules on the use of appropriations from budget item 4000.

UNION FOR EUROPE OF THE NATIONS GROUP

FINANCIAL YEAR ENDED 31 DECEMBER 2008

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Specific accounting policies

Exchange policy

The accounts are kept in Euro. Revenue and expenditure in other currencies are converted in Euro at the exchange rate applicable on the bank transfer. The balance sheet accounts in other currencies are not remeasured at the end of the financial year.

Depreciations of tangible fixed assets

Assets with a unit value of 420 Euros or more and being intended to be used for the activities of the Group on a lasting basis are entered in the inventory and in the balance sheet. Fixed assets are recorded at their acquisition cost and are depreciated on a monthly basis following the straight line method, using 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 summary of movements on tangible fixed assets during the year is presented in Note 9.

Valuation methods applied for securities and cash

Financial assets are valued at nominal value or fair market value, whichever is lower. Interest income is recognised in the accounts upon receipt.

Valuation methods applied for receivables, other assets and debts

Receivables, other assets and debts are stated at nominal value. Value reductions on receivables and other assets are recorded if there is uncertainty concerning their collectibility.

These notes form an integral part of the accounts

UNION FOR EUROPE OF THE NATIONS GROUP

FINANCIAL YEAR ENDED 31 DECEMBER 2008

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

NOTE 2: CARRY FORWARD TO THE NEXT FINANCIAL YEAR

In accordance with article 2.1.6 of the Rules on the use of appropriations from budget item 4000, appropriations that are not used during the financial year may be carried over to the following financial year up to a maximum of 50% of the annual appropriations received from the European Parliament's budget. Additionally, on 2 February 2009 the Directorate-General for Finance of the European Parliament issued a letter indicating that the Bureau of the European Parliament decided on 15 December 2008 that additional appropriations can be entirely carried forward to 2009. Appropriations not used at 31 December 2008 which may be carried forward to the following financial year are detailed below:

	€
1. Appropriations received by our group for the financial year 2008	
a. Annual appropriations for 2008	2,738,176.00
b. Additional appropriations for 2008	315,066.00
2. Maximum amount of carry forward to 2009 (50% of 1.a. + 100% of 1.b.)	1,684,154.00
3. Difference between total revenue and total expenditure at the end of the financial year 2008	1,250,711.34
4. Appropriations to be returned to the European Parliament	-
5. Carry forward to financial year 2009	<u>1,250,711.34</u>

Given the fungibility of funds, the expenditure of € 2,770,795.77 for the financial year ended 31 December 2008 can be allocated as follows:

	€
1. Appropriations carried forward from 2007 to 2008	902,229.67
2. 50% of the annual appropriations for 2008	1,369,088.00
3. 100% of the additional appropriations for 2008	315,066.00
4. Remaining expenditure allocated to annual appropriations for 2008	<u>184,412.10</u>
5. Expenditure for the year ended 31 December 2008	<u>2,770,795.77</u>

These notes form an integral part of the accounts

UNION FOR EUROPE OF THE NATIONS GROUP

FINANCIAL YEAR ENDED 31 DECEMBER 2008

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Hence, the additional appropriations for 2008 have already been used during the financial year 2008.

The amount of the authorised carry forward to financial year 2009, without taking into account the additional appropriations, would have been € 1,369,088.00 (i.e. 50% of € 2,738,176.00). The actual carry forward of the Group to 2009 (€ 1,250,711.34) is also inferior to this € 1,369,088.00.

NOTE 3: VAT RECOVERABLE

VAT paid, for which the Union for Europe of the Nations Group anticipates to obtain refund from the relevant tax authorities in application of the privileges and immunities of the European Institutions, is detailed as follows at 31 December 2008:

	€
VAT France	407.24
VAT Ireland	3,601.93
VAT Danemark	939.23
VAT Poland	34,690.08
VAT Latvia	17,139.91
VAT Lithuania	7,003.02
	€ <u>63,781.41</u>

NOTE 4: OTHER DEBTORS

The amount of € 6,085.00 recorded under this heading at 31 December 2007 represented an allocation of the European Parliament relating to the year 2007 which had not yet been received at 31 December 2007.

NOTE 5: SUPPLIERS

The amount of € 5,500 recorded under this heading at 31 December 2008 (nil at 31 December 2007) represents advance payments to suppliers.

NOTE 6: OTHER DEBTS

These notes form an integral part of the accounts

UNION FOR EUROPE OF THE NATIONS GROUP

FINANCIAL YEAR ENDED 31 DECEMBER 2008

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

The amount recorded under this heading of the balance sheet at 31 December 2008 (€ 220,631.52) consists of expenditure related to the 2008 financial year and paid until 31 January 2009 in application of article 2.5.3 of the Rule PE 335.475/BUR.

NOTE 7: FINANCIAL COMMITMENTS

At 31 December 2008 the group has concluded the following long standing (>1 year) financial commitments:

1. Renting of copying machines OCE VP, cost 9,091.92 €/year.
2. Renting of copying machines OCE OP, cost 5,532.60 €/year.

These notes form an integral part of the accounts

UNION FOR EUROPE OF THE NATIONS GROUP

FINANCIAL YEAR ENDED 31 DECEMBER 2008

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

**NOTE 8: DETAIL OF THE EXECUTION OF THE DECENTRALISED CREDITS OF CHAPTER 7
ARTICLE 1**

The detail of the decentralised credits executed for Chapter 7.1 of the accounting plan annexed to the 4000 financial rules is the following:

<u>Article</u>	<u>Category</u>	<u>Year ended 31 December 2008</u>	<u>%</u>	<u>Year ended 31 December 2007</u>	<u>%</u>
1.	Staff	2,474.70	0.2%	14,659.48	1.0%
2.	Secretariat - equipment and expenses	59,048.67	3.8%	141,659.03	10.1%
3.	Documentation, studies and research	148,222.19	9.5%	169,143.43	12.0%
4.	Legal, accounting, financial and other operating costs	169.61	0.0%	10,271.45	0.7%
52.	Other meetings and conferences	625,693.80	40.3%	454,563.95	32.4%
53.	Expenditure on entertainment	1,132.94	0.1%	6,399.30	0.5%
54.	Guests	117,150.34	7.5%	121,887.53	8.7%
61.	Posters, booklets and publications	156,407.32	10.1%	221,194.18	15.8%
62.	Advertising inserts and audiovisual advertising	205,295.09	13.2%	127,417.72	9.1%
63.	Advertising material, novelty items, telecommunications advertising	143,122.26	9.2%	113,118.24	8.1%
64.	Internet sites and cyber advertising	12,451.46	0.8%	11,935.50	0.8%
65.	Visits to institutions; information stands	81,833.36	5.3%	11,570.59	0.8%
	Total Chapter 7.1	1,553,001.74	100%	1,430,820.40	100%

These notes form an integral part of the accounts

**UNION FOR EUROPE OF THE NATIONS GROUP
FINANCIAL YEAR ENDED 31 DECEMBER 2008
NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)**

NOTE 9: RECAPITULATIVE TABLE OF FIXED ASSETS

Historical cost	Category and write-down rate							Total
	IT software	IT hardware	Telecommunications equipment	Technical equipment and supplies	Miscellaneous machinery and installations	Movable property (seats, desks, cabinets)	(€)	
Opening balances (historical cost)	4.797,16	16.733,41	7.048,94				1.040,64	29.620,15
Less Items sold and entered in profit-and-loss account								0,00
Plus Acquisitions during the financial year			2.285,41					2.285,41
Plus Transfers								0,00
Result Closing balance at historical cost	4.797,16	16.733,41	9.334,35	0,00	0,00		1.040,64	31.905,56
write-down rate	25%	25%	25%	12.5%	12.5%		10%	(€)
	(€)	(€)	(€)	(€)	(€)		(€)	(€)
Accumulated depreciation								
Opening balances (accumulated depreciation)	4.797,16	11.466,87	6.675,36				364,21	23.303,60
Less Accumulated depreciation of items sold and entered in p/l account								0,00
Plus Depreciation charge for the financial year	0,00	2.396,27	979,63				104,06	3.479,96
Result Closing balance at historical cost	4.797,16	13.863,14	7.654,99	0,00	0,00		468,27	26.783,56
Written-down values								
Net book value of fixed assets on 31/12/2007	0,00	5.266,54	373,58	0,00	0,00		676,43	6.316,55
Net book value of fixed assets on 31/12/2008	0,00	2.870,27	1.679,36	0,00	0,00		572,37	5.122,00

These notes form an integral part of the accounts