

**Financial Audit Report  
for the year ended December 31, 2011**

**TRANSFORM EUROPE ASBL  
RUE DU PARNASSE 30  
1050 BRUXELLES  
BELGIUM**

**Convention FINS-2011-16**

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**BEDRIJFSREVISOR FRANK HUYBRECHTS BVBA**

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**Ondernemingsnummer 0889.872.951 - ING 363-0163175-61**

According to the audit mandate, I have audited the financial statements, the balance sheet and the profit and loss account for the period of eligibility defined by the grant agreement of the foundation, of TRANSFORM EUROPE ASBL prepared by its accountant for the year ending December 31, 2011 as laid out on pages 4 to 5 of this document.

1. Respective responsibilities of the Foundation and the auditors

The Foundation is responsible to the European Parliament for the use of the grant and must comply with the provisions of the Regulation EC (No) 2004/2003 and the underlying acts. It is further responsible for the preparation of its annual financial statements.

I have the responsibility to plan and carry out the required work to verify the financial statements prepared by the Foundation and to report to the Foundation with a reasonable assurance my audit opinions.

2. Basis of Opinions

I conducted the audit in accordance with International Standards on Auditing issued by the IAASB. This standard requires the auditor to plan and carry out his work in a way to obtain sufficient and appropriate evidences and explanations to support his audit opinions. An audit includes an examination, on a sample basis, of evidence relevant to these opinions.

The audit work included specific procedures to gather sufficient and appropriate audit evidence that

- the financial statements have been prepared in accordance with the national legislation applicable to the Foundation, are free of material misstatement and show a true and fair view of the financial position and the operating results;
- the financial documents submitted by the Foundation to Parliament are consistent with the financial provisions of the grant agreement;
- the expenditure declared was actually incurred;
- the statement of revenue is exhaustive;
- the obligations arising out of Articles 6, 7, 8, 9(2) and 10(2) of Regulation (EC) No 2004/2003 have been met;
- the obligations arising from Article II.12 - Eligible expenditure, of the grant agreement have been met;
- the obligations arising from Article II.7 - Award of contracts, of the grant agreement have been met.



### 3. Opinions

In my opinion,

- the financial statements have been prepared in accordance with the national legislation applicable to the beneficiary, are free of material misstatement and show a true and fair view of the financial position and the operating results;
- the financial documents submitted by the Foundation to Parliament are consistent with the financial provisions of the grant agreement;
- the expenditure declared was actually incurred;
- the statement of revenue is exhaustive;
- the obligations arising out of Articles 6, 7, 8, 9(2) and 10(2) of Regulation (EC) No 2004/2003 have been met;
- the obligations arising from the Bureau decision have been met;
- We have received all necessary explanations for the purpose of our work;
- the obligations arising from Article II.12 - Eligible expenditure, of the grant agreement have been met and we were able to reconcile the eligible expenditure with the financial statements;
- the obligations arising from Article II.7 - Award of contracts, of the grant agreement have not been met for every expenditure above 5.000,00 EUR: the total amount for which no formal offers were asked amount to 82.731,70 EUR. Although no formal offers were asked for these expenditures, the Foundation made the analysis to buy at the best quality/price report.
- We have received all necessary explanations for the purpose of our work.

**This report replaces an earlier audit opinion dated May 14, 2012.**

#### Appendices: 3 pp

- **Financial Statements as of December 31, 2011**
- **Budget 2011**

Geel, June 26, 2012

BEDRIJFSREVISOR FRANK HUYBRECHTS BURG BVBA

Represented by



Frank Huybrechts



<b>LIABILITIES</b>		<b>ASSETS</b>	
<b>CAPITAL AND RESERVES</b>	<b>- 25.586,04</b>	<b>FIXED ASSETS</b>	<b>1.198,62</b>
140000 Accumulated profits/losses (-)	- 62.935,36	Tangible assets	1.198,62
14010 Result of the period	37.349,32	<b>Plant, machinery and equipment</b>	<b>1.198,62</b>
		231000 Plant, machinery & equipment	10.103,09
		231009 Plant, machinery & equipment: depreciations	- 8.904,47
<b>CREDITORS</b>		<b>CURRENT ASSETS</b>	<b>206.714,54</b>
<b>Amounts payable within one year</b>	<b>110.051,68</b>	Amounts receivable within one year	125.733,93
<b>Financial debts</b>	<b>110.051,68</b>	<b>Trade debtors</b>	<b>123.977,80</b>
550030 KBC 877-34030388-94	110.051,68	400000 Customers	123.977,80
<b>Trade debts</b>	<b>108.749,29</b>	<b>Other amounts receivable</b>	<b>1.756,13</b>
440000 Suppliers	12.886,29	416001 Tax office	1.756,13
444000 Invoices to be received	95.863,00	Cash in bank and in hand	3.475,31
<b>Taxes, remunerations and social security</b>	<b>14.698,23</b>	550010 Berliner Volksbank eG 2036189005	874,40
453000 Taxes withheld	2.090,38	550020 BAWAG	2.600,91
453001 Taxes Autrich	870,83	Defer. Charges and accrued income	77.505,30
454000 Social security contribution	2.279,46	491000 Accrued income	77.505,30
454001 Municipal Tax	750,06		
456000 Holiday pay	8.707,50		
<b>TOTAL LIABILITIES</b>	<b>207.913,16</b>	<b>TOTAL ASSETS</b>	<b>207.913,16</b>

**TRANSFORM EUROPE ASBL**  
 Balance sheet as of 31/12/2011  
 Financial year of (1/1/2011-31/12/2011)

<b>CHARGES</b>		<b>REVENUES</b>	
<b>OPERATING CHARGES</b>	<b>646.054,17</b>	<b>OPERATING INCOME</b>	<b>688.989,00</b>
<b>Services and other goods</b>	<b>525.181,24</b>	<b>Other operating income</b>	<b>688.989,00</b>
610010 RENT OFFICE	11.039,80	740000 Other operating income	133.000,00
612100 PHONE FAX INTERNET	5.747,75	742000 Subventions EU parliament	554.889,00
612130 POST	686,38	743000 Memberships	1.100,00
612300 OFFICE SUPPLIES	4.703,01		
612310 PAPER AND PRINTED	159.450,85		
612340 PUBLICITY	5.004,12		
613210 FEES	155.831,54		
613500 TRAVEL COSTS: PLANE, TRAIN, TAXI	121.732,35		
613510 TRAVEL COSTS: HOTELS	22.366,85		
615040 CONGRESS	33.490,68		
615200 RESTAURANT	2.047,02		
615210 CATERING	3.080,89		
<b>Remuneration, social security and pensions</b>	<b>117.612,97</b>		
620200 RENUMERATIONS SALARIED STAFF	90.307,84		
621000 SOCIAL SECURITY	18.762,84		
623000 OTHER PERSONNEL CHARGES	6.848,04		
623300 PROVISION HOLIDAY PAY	1.694,25		
<b>Depreciations and other amounts written off formation expenses, intangible and tangible assets</b>	<b>3.259,96</b>		
630200 Depreciations on tangible assets	3.259,96		
<b>OPERATING PROFIT</b>	<b>42.934,83</b>	<b>FINANCIAL INCOME</b>	
<b>FINANCIAL CHARGES</b>	<b>5.154,63</b>		
657000 other financial charges	5.154,63		
<b>RESULT ON ORDINARY ACTIVITIES BEFORE TAXES</b>	<b>37.780,20</b>	<b>EXTRAORDINARY INCOME</b>	<b>431,19</b>
<b>EXTRAORDINARY CHARGES</b>	<b>862,07</b>	764000 Other extraordinary income	431,19
664000 Other exceptional costs	862,07		
<b>PROFIT OF THE PERIOD</b>	<b>37.349,32</b>		

ANNEX  
Annex: Breakdown of the provisional operating budget

EXPENDITURE		Budget	Actual 31.12.2011	REVENUE		Budget	Actual 31.12.2011
<b>Eligible expenditure</b>				<b>D.1 Dissolution of "Provision to cover eligible costs to be incurred in the first quarter of N" 1</b>			
<b>A.1: Personnel costs</b>		162.920	145.080	<b>D.2 European Parliament grant</b>		554.889	554.889
1. Salaries		140.920	121.192	<b>D.3 Membership fees</b>		1.500	1.100
2. Contributions		2.000	1.430	<b>3.2. from individual members</b>			
3. Professional training		20.000	22.458	<b>D.4 Donations</b>			
4. Staff mission expenses				<b>4.1 above 500 EUR</b>			
5. Other personnel costs				<b>4.2 below 500 EUR</b>			
<b>A.2: Infrastructure and operating costs</b>		22.000	23.896	<b>D.5 Other own resources (to cover eligible expenditure) (to be listed)</b>		88.000	133.000
1. Rent, charges and maintenance costs		10.000	11.040	<b>Cooperation agreement with the RLF</b>		50.000	50.000
2. Costs relating to the installation, operation and maintenance of equipment		2.000	3.260	<b>Cooperation agreement with Espaces Marx NPI and Sozialismus</b>		39.000	83.000
3. Depreciation of movable and immovable property			3.229				
4. Stationery and office supplies			6.267				
5. Postal and telecommunications charges							
6. Printing, translation and reproduction costs							
7. Other infrastructure costs		10.000					
<b>A.3: Administrative expenditure</b>		15.000	21.192				
1. Documentation costs (newspapers, press agencies, databases)		1.000					
2. Costs of studies and research		3.000					
3. Legal costs		10.000	21.192				
4. Accounting and audit costs		1.000					
5. Support to affiliated organisations and subsidies to third parties							
6. Miscellaneous administrative costs		1.000					
<b>A.4: Meetings and representation costs</b>		25.000	26.775				
1. Costs of meetings of the political party	origin Budget amount: EUR 30.000 <sup>1)</sup>	20.000	18.684				
2. Participation in seminars and conferences		5.000	5.000				
3. Representation costs							
4. Cost of invitations			3.191				
<b>A.5: Information and publication costs</b>		420.708	428.659				
1. Publication costs	origin Budget amount: EUR 175.000 <sup>1)</sup>	165.000	170.495				
2. Creation and operation of Internet sites			12.370				
3. Publicity costs							
4. Communications equipment (gadgets)	origin Budget amount: EUR 273.708 <sup>1)</sup>	255.708	245.794				
5. Seminars and exhibitions							
6. Election campaigns <sup>1)</sup>							
7. Other information-related costs							
<b>A.6: Expenditure relating to contributions in kind</b>		15.000		<b>D.6 Contributions in kind</b>		15.000	
<b>A.7: Allocation to "Provision to cover eligible expenditure to be incurred in the first quarter of N+1"</b>							
<b>A. TOTAL ELIGIBLE EXPENDITURE</b>		660.628	645.602	<b>D. REVENUE (to cover eligible expenditure)</b>		660.389	688.989
<b>B.1: Non-eligible expenditure</b>		0	6.037	<b>E.1 Additional other own resources (to cover non-eligible expenditure) (to be listed)</b>			
1. Allocations to other provisions			5.175				
2. Financial charges							
3. Exchange losses			862				
4. Doubtful claims on third parties							
5. Others (to be specified)			6.037	<b>E. REVENUE (to cover non-eligible expenditure)</b>		0	0
<b>B. TOTAL NON-ELIGIBLE EXPENDITURE</b>		0	6.037				
<b>FEHLENDE BELEGE</b>				<b>F. TOTAL REVENUE</b>		660.389	688.989
<b>C. TOTAL EXPENDITURE</b>		660.628	651.639	<b>G. Profit/loss (F-C)</b>		-239	37.350
<b>H.1 Allocation of own resources to the specific reserve account<sup>1)</sup></b>			239,00				
<b>H. Profit/loss for verifying compliance with the no-profit rule (G-H.1)<sup>1)</sup></b>		37.349,94					

<sup>1)</sup> Not applicable to political foundations at European level