

**FRANK HUYBRECHTS
BEDRIJFSREVISOR**

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

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

Convention FINS-2011-16

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

FRANK HUYBRECHTS
BEDRIJFSREVISOR

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

ASSETS

	LIABILITIES
FIXED ASSETS	
Tangible assets	
Plant, machinery and equipment	
231000 Plant, machinery & equipment	1.198,62
231009 Plant, machinery & equipment: depreciations	1.198,62
	10.103,09
	8.904,47
CURRENT ASSETS	
Amounts receivable within one year	
Trade debtors	
123.977,80	206.714,54
400000 Customers	125.733,93
	123.977,80
Other amounts receivable	
416001 Tax office	1.756,13
	1.756,13
Cash in bank and in hand	
550010 Berliner Volksbank eG 2036189005	874,40
550020 BAWAG	2.600,91
Defer. Charges and accrued income	
491000 Accrued income	77.505,30
	77.505,30
	207.913,16
TOTAL ASSETS	207.913,16
CAPITAL AND RESERVES	25.586,04
140000 Accumulated profits/losses (-)	- 62.935,36
14010 Result of the period	37.349,32
CREDITORS	
Amounts payable within one year	
Financial debts	
5500030 KBC 877-34030388-94	110.051,68
	110.051,68
Trade debts	
440000 Suppliers	108.749,29
444000 Invoices to be received	12.886,29
	95.863,00
Taxes, renumerations and social security	14.698,23
453000 Taxes withheld	2.090,38
453001 Taxes Autrich	870,83
464000 Social security contribution	2.279,46
454001 Municipal Tax	750,06
456000 Holiday pay	8.707,50
	207.913,16

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December 31, 2011
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CHARGES		REVENUES	
OPERATING CHARGES		646.054,17	OPERATING INCOME
Services and other goods	525.181,24		688.989,00
610010 RENT OFFICE	11.039,80		688.989,00
612100 PHONE FAX INTERNET	5.747,75		
612130 POST	686,38		
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	22.386,85		
615040 CONGRESS	33.490,68		
615200 RESTAURANT	2.047,02		
615210 CATERING	3.080,89		
Remuneration, social security and pensions		117.612,97	
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		
Depreciations and other amounts written off formation expenses, intangible and tangible assets		3.259,96	
630200 Depreciations on tangible assets	3.259,96		
OPERATING PROFIT	42.934,83		
FINANCIAL CHARGES	5.154,63		
657000 other financial charges			
RESULT ON ORDINARY ACTIVITIES BEFORE TAXES	37.780,20		
EXTRAORDINARY CHARGES	862,07		
664000 Other exceptional costs			
PROFIT OF THE PERIOD	37.349,32		
			431,19
			764000 Other extraordinary income

ANNEX
Annex: Breakdown of the provisional operating budget

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EXPENDITURE		REVENUE	
	Budget	Actual 31.12.2011	Budget
A.1. Personnel costs			
1. Salaries	162.920	145.080	
2. Contributions	140.320	121.192	
3. Professional training	2.000	1.430	
4. Staff mission expenses	20.000	22.458	
5. Other personnel costs			
A.2: Infrastructure and operating costs			
1. Rent, charges and maintenance costs	22.000	23.896	
2. Costs relating to the installation, operation and maintenance of equipment	10.000	11.040	
3. Depreciation of movable and immovable property	2.000	3.260	
4. Stationery and office supplies		3.329	
5. Postal and telecommunications charges		6.267	
6. Printing, translation and reproduction costs			
7. Other infrastructure costs	10.000	21.192	
A.3: Administrative expenditure			
1. Documentation costs (newspapers, press agencies, databases)	15.000	15.000	
2. Costs of studies and research	3.000	3.000	
3. Legal costs	10.000	21.192	
4. Accounting and audit costs			
5. Support to affiliated organisations and subsidies to third parties	1.000		
6. Miscellaneous administrative costs			
A.4: Meetings and representation costs			
1. Costs of meetings of the political party	25.000	26.775	
2. Participation in seminars and conferences	20.000	18.584	
3. Representation costs	5.000	5.000	
4. Cost of invitations			
5. Other meeting-related costs			
A.5: Information and publication costs			
1. Publication costs	420.708	428.659	
2. Creation and operation of Internet sites	165.000	170.495	
3. Publicity costs		12.370	
4. Communications equipment (gadgets)			
5. Seminars and exhibitions	255.708	245.794	
6. Election campaigns ¹			
7. Other information-related costs			
A.6: Expenditure relating to contributions in kind			
A.7: Allocation to "Provision to cover eligible expenditure to be incurred in the first quarter of N+1"¹			
C. TOTAL ELIGIBLE EXPENDITURE	660.628	645.602	
B.1. Non-eligible expenditure	0	6.037	
1. Allocations to other provisions			
2. Financial charges			
3. Exchange losses			
4. Doubtful claims on third parties			
5. Chars. (to be specified)			
B. TOTAL NON-ELIGIBLE EXPENDITURE	0	6.037	
C. TOTAL EXPENDITURE	660.628	651.639	
H.1 Allocation of own resources to the specific reserve account¹		239.00	
H. Profit/loss for verifying compliance with the no-profit rule (G-H.1)¹	37.349.94		

¹: Not applicable to political foundations at European level