

Report concerning

Independence / Democracy group

Auditor's report to the bureau of the Group concerning art. 4000 of the E.P. budget : the balance sheet at June 30th, 2009 and the summary of revenues and expenditures of the period ending June 30th, 2009.

AUDITOR'S REPORT TO THE BUREAU OF THE "INDEPENDENCE / DEMOCRACY GROUP",
CONCERNING ART. 4000 OF THE E.P. BUDGET:

THE BALANCE SHEET AT JUNE 30th, 2009 AND THE SUMMARY OF REVENUES AND
EXPENDITURES OF THE PERIOD ENDING JUNE 30th 2009.

Ladies and gentlemen,

According to the audit mandate, we have audited the Group Financial Statements prepared by the Group Accountant for the year ending June 30th, 2009.

The balance sheet at June 30th, 2009 and the summary of revenues and expenditures statement for the period ending June 30th, 2009 are enclosed with our report.

Pursuant to the rules on the use of appropriation from budget item 4000 (hereafter "the Rule"), 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.

We conducted the audit in accordance with International standards on Auditing as issued by the IASSB. 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:

- 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 4000;
- 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 harmonised chart of account;
- Accounts have been prepared in accordance with generally accepted accounting principles as laid out in articles 186 to 196 of the Implementing Rules or, that departures are adequately explained by means of note to the prepared accounts.

The undersigned, Ernst & Young & Partners - Auditors, with office at 52, Joe Englishstraat in Antwerp, declares that, with regard to the financial statements as of June 30th, 2009 audited, of which the balance-sheet total of the group amounts to 512.976,40 EURO, and of which the statement of revenues and expenditures closes with a cumulated profit of 436.211,58 EURO, (revenue: 1.361.024,83 EURO, expenditure: 924.813,25 EURO) :

- As a result of our work, we did not identify any material non conformity with the dispositions laid out in the Rule governing appropriation item 4000 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 4000.
- No departures from generally accepted accounting principles have been established.
- The principle of sound financial management has been applied.
- In our opinion, the balance sheet gives a true and fair view of the state of affair of the Group at June 30th, 2009 and of the revenue and expenses for the period ending June 30th, 2009.
- We have received all necessary explanations for the purpose of our work.

We completed our audit on October 1st, 2009.

Annexes:

- Balance sheet;
- The summary of revenues and expenditures;
- Notes to the annual accounts for the period ending June 30th, 2009;
- Details of the execution of the decentralised credits;
- Financial inventory for the period ending June 30th, 2009.

Antwerp, October 1st, 2009.

Ernst & Young & Partners, burg. bvba,
Represented by



Patrick Rottiers,
Partner

ANNEXES



BALANCE SHEET Group IND/DEM in the European Parliament
End of budgeting period 2009/1 (30/06/2009)

		<u>2009/1</u>	<u>2008</u>
	<i>notes</i>		
ASSETS			
FIXED ASSETS			
Chapter 1 Intangible and tangible assets			
.1 Intangible assets	3	0,00	0,00
.2 Tangible assets		24.298,26	29.009,59
Sub total chapter 1		<u>24.298,26</u>	<u>29.009,59</u>
CURRENT ASSETS			
Chapter 2 Debtors, stocks and other working assets			
.1 Debtors	5	0,00	2.100,00
.2 Staff		12.472,71	45,32
.3 VAT		115.623,47	140.705,43
.4 Stocks		0,00	0,00
.5 Various		2.053,30	519,99
Sub total chapter 2		<u>130.149,48</u>	<u>143.370,74</u>
Chapter 3 Financial assets			
.1 Financial securities	4	0,00	0,00
.2 Cash and cash equivalent		357.699,75	573.632,16
Sub total chapter 3		<u>357.699,75</u>	<u>573.632,16</u>
Chapter 4 Deferred charges and accrued income			
.1 Deferred charges		0,00	1.929,99
.2 Accrued income		828,91	0,00
Sub total chapter 4		<u>828,91</u>	<u>1.929,99</u>
TOTAL ASSETS		<u>512.976,40</u>	<u>747.942,48</u>

LIABILITIES

	<i>notes</i>	<u>2009/1</u>	<u>2008</u>
Chapter 1 Reserves			
.1 Carry forward to next budgeting period	1	436.211,58	582.729,03
Sub total chapter 1		<u>436.211,58</u>	<u>582.729,03</u>
Chapter 2 Financial debts			
.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
Sub total chapter 2		<u>0,00</u>	<u>0,00</u>
Chapter 3 Other debts			
.1 Other debts		0,00	0,00
.2 Charges settled in current period but paid in next period		76.001,82	143.108,52
Sub total chapter 3		<u>76.001,82</u>	<u>143.108,52</u>
Chapter 4 Deferred income/accrued charges			
.1 Deferred income		0,00	0,00
.2 Accrued charges		763,00	22.104,93
Sous Total Chapitre 4		<u>763,00</u>	<u>22.104,93</u>
TOTAL LIABILITIES		<u>512.976,40</u>	<u>747.942,48</u>



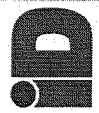
Statement of revenue and expenditure of the IND/DEM Group in the European Parliament
budgeting period 2009/1 (period from 01/01/2009 to 30/06/2009)

	<u>2009/1</u>	<u>2008</u>
	<i>Notes</i>	
<u>Receipts</u>		
<i>Chapter 1 Grants and other receipts from the European Parliament</i>		
.1 EP allocation	775.206,00	1.746.060,00
.2 Other EP resources	0,00	0,00
Subtotal for Chapter 1	<u>775.206,00</u>	<u>1.746.060,00</u>
<i>Chapter 2 Own resources</i>		
.1 Interest and assimilated products	3.089,80	35.421,38
.2 Profit on currency exchange	0,00	708,66
.3 Miscellaneous	0,00	0,00
.5 Amount carried forward from previous financial year	582.729,03	724.545,74
Subtotal for Chapter 2	<u>585.818,83</u>	<u>760.675,78</u>
Total receipts	<u>1.361.024,83</u>	<u>2.506.735,78</u>
Grand total	<u>1.361.024,83</u>	<u>2.506.735,78</u>

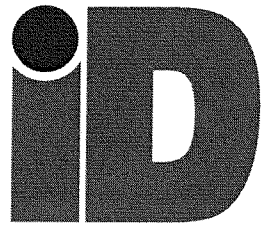
Expenditure

	<i>Notes</i>	<u>2009/1</u>	<u>2008</u>
<i>Chapter 1 Staff</i>			
.1	Secretariat missions	104.733,62	200.198,26
.2	Recruitment	0,00	2.147,61
.3	Traineeships	28.042,40	51.623,12
.4	Salaries and related costs, fees	12.851,62	117.576,21
.5	Staff training	0,00	4.224,60
.6	Staff representation costs	0,00	0,00
Subtotal for Chapter 1		<u>145.627,64</u>	<u>375.769,80</u>
<i>Chapter 2 Equipment, routine administrative costs and operating costs</i>			
.1	Equipment, operating expenditure, computer-related engineering and maintenance	3 7.244,76	20.224,80
.2	Equipment, telecommunications-related installation and maintenance expenditure, office machinery, furniture and technical installations	3 1.160,92	5.587,70
.3	Stationery and office supplies	765,30	233,44
.4	Postage and telecommunications	4.758,85	13.615,51
.5	Printing and photocopying costs	2.939,56	5.805,36
.6	Office rental costs	0,00	0,00
Subtotal for Chapter 2		<u>16.869,39</u>	<u>45.466,81</u>
<i>Chapter 3 Documentation, studies and research</i>			
.1	Newspapers, magazines, press agencies and books	2.720,78	14.381,77
.2	Studies and research	0,00	0,00
.3	Databases	0,00	0,00
Subtotal for Chapter 3		<u>2.720,78</u>	<u>14.381,77</u>
<i>Chapter 4 Legal and accountancy fees, financial and other charges</i>			
.1	Legal costs	0,00	0,00
.2	Accounting costs/audits	11.793,50	10.939,00
.3	Financial charges and losses from currency exchange	2 8.112,72	7.156,45
.4	Translation and interpretation costs	0,00	0,00
.5	Other operating expenditure	0,00	4.288,46
Subtotal for Chapter 4		<u>19.906,22</u>	<u>22.383,91</u>
<i>Chapter 5 Cost of meetings and representation</i>			
.1	Group meetings	14.878,80	12.557,52
.2	Other meetings and conferences	686,40	6.260,09
.3	Expenditure on entertainment	4.089,27	18.965,25
.4	Guests	222,90	0,00
.5	Individual fact finding missions of members	0,00	0,00
Subtotal for Chapter 5		<u>19.877,37</u>	<u>37.782,86</u>
<i>Chapter 6 Publications and publicity</i>			
.1	Posters, leaflets and booklets	125.346,98	236.379,24
.2	Advertising inserts and audiovisual advertising	12.458,20	7.681,68
.3	Advertising material, novelty items, telecommunication advertising	977,51	0,00
.4	Internet sites + e-publicity	960,95	1.634,51
.5	Visits to institutions, information stands	0,00	0,00
Subtotal for Chapter 6		<u>139.743,64</u>	<u>245.695,43</u>

	<i>Notes</i>	<u>2009/1</u>	<u>2008</u>
<i>Chapter 7 Members of Parliament</i>			
.1 Members' political and information activities, administrative expenses and political and information activities of national delegations <i>(details attached)</i>		580.068,21	1.182.526,17
Subtotal for Chapter 7		<u>580.068,21</u>	<u>1.182.526,17</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>924.813,25</u>	<u>1.924.006,75</u>
Credits repayable to European Parliament		0,00	
Amount carried forward to next financial year		436.211,58	582.729,03
Grand total		<u>1.361.024,83</u>	<u>2.506.735,78</u>



Category and write-down rate	Vehicles 25% (€)	IT software 25% (€)	IT hardware 25% (€)	Telecom- munications equipment 25% (€)	Technical equipment and supplies 12.5% (€)	Miscellaneous machinery and installations 12.5% (€)	Movable property (seats, desks, cabinets) 10% (€)	Total (€)	
0									
Historical cost	Opening balances (historical cost)	5.115,24	699,00	36.321,41	25.947,76	1.306,00	2.591,03	10.613,10	82.593,54
	Less Items sold and entered in profit-and-			-10.864,42	-950,00	-1.306,00		-669,23	-13.789,65
	Plus Acquisitions during the financial			1.501,50	1.230,39				2.731,89
	Plus Transfers								
	Result Closing balance at historical cost	5.115,24	699,00	26.958,49	26.228,15	0,00	2.591,03	9.943,87	71.535,78
Accumulated depreciation	Opening balances (accumulated depreciation)	5.115,24	699,00	24.980,40	15.363,35	979,50	273,59	6.172,87	53.583,95
	Less Accumulated depreciation of items sold and entered in p/l			-9.067,88	-950,00	-1.306,00		-669,23	-11.993,11
	Plus Depreciation charge for the financial year			2.471,71	2.055,47	326,50	161,95	631,05	5.646,68
	Result Closing balance at historical cost	5.115,24	699,00	18.384,23	16.468,82	0,00	435,54	6.134,69	47.237,52
	Written-down values	Net book value of fixed assets on 31/12/2008	0,00	0,00	11.341,01	10.584,41	326,50	2.317,44	4.440,23
Net book value of fixed assets on 30/06/2009		0,00	0,00	8.574,26	9.759,33	0,00	2.155,49	3.809,18	24.298,26



**REPORT BY THE IND/DEM GROUP
IN THE EUROPEAN PARLIAMENT**

BUDGET ITEM 4000

BUDGET PERIOD 2009/1

NOTES TO THE ACCOUNTS BUDGETING PERIOD 2009/1

The accounts, hereafter, have been prepared in conformity with:

- the 4000 financial rules approved by the Bureau of the European Parliament on 30 June 2003 and revised by the Bureau on 22 March 2006 (PE 335.475/BUR) and 11 July 2007
- the internal financial rules of the Group
- the accounting principles and the harmonised accounting plan adopted by the Secretaries General of the political groups.

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 4000 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 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 booked on the expenditure accounts of the current financial year and as debt on the balance (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 year.

No provisions will be made for expenditure of the current financial period not paid by the end of the month following the end of this financial period 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 expenditure accounts follows the principle of classification by destination by the accounting plan annexed to the Rules on the use of appropriations from article 4000.

Note 1: Carry forward to next financial year (art 2.9.2 of the 4000 fin. rules):

1: Credits received by our group for the 2009/1 budgeting period:	775.206,00 €
2: Maximum amount of carry forward to 2009/2 budgeting period:	no limitation
3: Remainder at the end of the 2009/1 budgeting period:	436.211,58 €
4: Credits to be returned to the EP:	0, 00 €
5: Carry forward to 2009/2 budgeting period:	436.211,58 €

As indicated in our report on the 2008 financial year, the entire amount of supplementary credits obtained at the end of 2008 has been used in the course of 2008. Accordingly the Group has no payment obligation to the EP.

Note 2: Exchange policy:

The revenue and expenditure in other currencies are converted in euro following the exchange rate of the bank on the transaction day.

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:

Vehicles	25.0	%
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	%

Exceptional depreciations were charged due to breakdown of equipment

A recapitulative table of the assets in the balance sheet is annexed

Note 4: Valuation method for financial securities:

Not 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 following substantial long standing (>1 year) financial commitments:

Leasing J. Van Breda: Renting Contract - Copycenter C165 V-FL - 5 years

Xerox Business Office Products: Support Contract - Copycenter C165 V-FL - 5 years

Note 6: Comparison of the figures:

According to article 2.1.1 of the financial rules governing budget item 4000 this report covers the period 2009/1 which last from 01/01/2009 to 30/06/2009. For practical reasons no comparative figures for the identical period of 2008 can be presented. Therefore 12 months worth of figures have been mentioned for 2008.

DETAIL OF THE EXECUTION OF THE DECENTRALISED CREDITS
CHAPTER 7 ARTICLE 1.

Ventilation following the accounting plan annexed to the 4000 financial rules

CHAPTER/ ARTICLE	CATEGORY	EXECUTION 2009/1	%	EXECUTION 2008	%
1	Staff	119.450,36	20,59%	270.749,28	22,90%
2	Secretariat – equipment and expenses	21.537,46	3,71 %	48.107,47	4,07%
3	Documentation, studies and research	92.160,05	15,89%	32.552,77	2,75 %
4	Legal, accounting, financial and other operating costs	2.795,64	0,48 %	0,00	0,00 %
52	Other meetings and conferences	73.102,63	12,60%	136.816,30	11,57%
54	Guests	1.989,63	0,34 %	6.105,65	0,52%
61	Posters, leaflets and booklets	162.332,63	27,99%	304.494,09	25,75%
62	Advertising inserts and audiovisual advertising	36.213,51	6,24%	33.956,85	2,87%
63	Advertising material, gadgets, publicity by telecommunication equipments	67.291,30	11,60%	341.224,09	28,86%
64	Websites Internet sites + e-publicity	3.195,00	0,55 %	8.519,67	0,72 %
65	Visits to institutions; information stands	0	0,00 %	0	0,00 %
	TOTAL ARTICLE 7.1	580.068,21	100 %	1.182.526,17	100%