

Interim Financial Report

Preface

You may be surprised that this interim financial report is different from the ones you may remember. That is exactly what I intended. When I was elected Treasurer last April, I promised to work on better transparent reporting. This report is my first shot at improving transparency.

It includes not only the general profit and loss statement and balance sheet, but also several other in-depth budgets and actuals. Those overviews provide you, our Member Organisations, with better insight of our finances and therefore better tools and knowledge to make financial decisions.

For example, this interim financial report includes a profit and loss statement of all income and expense LYMEC can freely spend. I chose to create that profit and loss statement, because several of our external sponsors (ALDE Group, ELF, etc.) only provide us with project-based funding. In other words, they only sponsor a specific event or a specific expenditure. This 'net' profit and loss statement will help LYMEC Congress to get a better picture of the spending it can decide on itself.

Reading this report

This report starts with a paragraph with general remarks: the 'State of our finances'. After that, I will thoroughly discuss our income, our expenses and our balance sheet – in that order. The full profit and loss statements are provided as an attachment to this report.

The road to transparent reporting does not end here. I will continue to find ways to better report, reflect and visualise our finances throughout the rest of my two-year mandate. Do contact me if you have any remarks or questions about this report. I am very much looking forward to hearing and reading your feedback.

Sincerely yours, on behalf of the LYMEC Bureau,

Marijn de Pagter
LYMEC Treasurer
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7 October 2016

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State of our finances

The finances of LYMEC are in a good shape. LYMEC has excellent working relationships with both the European Liberal Forum (ELF), ALDE Group and ALDE Party, all three of which kindly sponsor events or general office expenses. Also, LYMEC profits from the Erasmus+ grant of the European Commission, which allows LYMEC to have paid staff (our Secretary General and Assistant) at the office in Brussels.

However, managing the finances of LYMEC can prove very difficult as LYMEC organises a lot of projects. That, obviously, is a very good thing. But handling more projects has a downside as it also involves more financial reporting to our project sponsors. Different sponsors may have different regulations for budgeting and reporting. For example, some sponsors wish to pay expenses directly, others wish to reimburse LYMEC after reporting the results of the event.

New: net profit and loss

The amount of project-based funds also makes the Treasurer's job of reporting to Congress more difficult. Looking at our gross profit and loss statement, one would think LYMEC has 123.086,53 euros to spend freely on whatever expense. But removing all project-based funding, only 89.164,81 euros remains for the LYMEC Congress to spend freely on any budget line. That is why this report includes the following two profit and loss statements:

- A gross profit and loss statement, which includes all income and all expenditure;
- A net profit and loss statement, which does not include project-based funding.

The net profit and loss statement creates a better understanding of the spending LYMEC decides on itself. Every expense on the net profit and loss statement results from LYMEC policy and LYMEC policy alone. In other words, only the LYMEC Congress and Bureau decide on the spending of those funds.

Revised 2016 Budget

From this year onwards, the income from ALDE Group is also attached to projects. The increased amount of project-based funding and several other circumstances, have led to large financial changes. Therefore, the Bureau has to propose Congress to revise the 2016 Budget. The revised Budget is presented in a separate document.

In short: the profit and loss figures

The **gross** profit and loss shows the project-based income and the expenses they cover. The **net** profit and loss statement does not. By looking at the net profit and loss, one immediately understands why revision of the 2016 Budget is necessary. In the current Budget, the ALDE Group Grant is not attached to specific projects yet. Therefore, the current net budget has a deficit of 35.000 euros.

Gross profit and loss		
Income	Actuals	Budgeted
A General Income	88.783,62	138.610,00
B Project-based income	33.921,72	97.600,00
C Other income	381,19	560,00
TOTAL INCOME	123.086,53	236.770,00
Expenses	Actuals	Budgeted
D Non policy-related general expenses	9.461,44	10.160,00
E Policy-related general expenses	79.520,49	135.110,00
F Project expenses	37.956,12	91.000,00
G Other expenses	400,00	500,00
TOTAL EXPENSES	127.338,05	236.770,00
NET PROFIT	-4.251,52	-

Net profit and loss		
Income	Actuals	Budgeted
A General Income	88.783,62	138.610,00
C Other income	381,19	560,00
TOTAL INCOME	89.164,81	139.170,00
Expenses	Actuals	Budgeted
D Non policy-related general expenses	9.461,44	10.160,00
E Policy-related general expenses	79.520,49	132.510,00
F Project expenses	4.034,40	31.000,00
G Other expenses	400,00	500,00
TOTAL EXPENSES	93.416,33	174.170,00
NET PROFIT	-4.251,52	-35.000,00

Income in detail

The following section will show all income accounts, section by section, and offer explanations to what is and what is not included in every account. If a section is coloured **orange**, the section is shown on both the net and gross profit and loss. If it is **blue**, it is only shown on the gross profit and loss statement.

A General income	Actuals	Budgeted
Account	1 January - 31 July	2016 Budget
1 European Commission Grant	40.000,00	50.000,00
2 ALDE Party Grant	18.989,89	40.000,00
3 Membership Fees	16.528,72	18.500,00
3.1 Member Organisation Membership fees	16.062,72	17.000,00
3.2 Individual Membership fees	835,00	1.500,00
3.3 Membership fee reductions	-369,00	----
4 Participation Fees	13.260,00	30.000,00
4.1 Spring Congress	13.260,00	12.500,00
4.2 Autumn Congress	-	17.500,00
5 Donations	-	10,00
6 Other general income	5,01	100,00
TOTAL GENERAL INCOME	88.783,62	138.610,00

European Commission Grant

The largest general funding LYMEC receives is the Erasmus+ grant of the European Commission. LYMEC has to apply for this grant every three years. Every spring, LYMEC receives 80 percent of the requested amount. After closing the books of a financial year and reporting the financial results to the Commission, LYMEC receives the other 20 percent. This is why only 40.000 euros is shown on the actuals.

ALDE Party Grant

Another large donor is the ALDE Party. Even though ALDE Party only sponsors actual costs, these can be any (office) expense. Therefore, the ALDE Party grant is considered general funding. For 2016, only 18.989.89 of the yearly 40.000 has been declared. The rest shall be declared from August to December.

Membership fees

The total fees invoiced to our Member Organisations in 2016 amount to 16.062,72 euros. By 31 July, 12.341,40 of this amount has been collected. A reminder had not been sent at that time, yet.

LYMEC Congress can decide to reduce the membership fee of an organisation. (account 3.3) This year, Spring Congress has decided to reduce the fees of two organisations: MLBiH (Bosnia) and LYM (Moldova). During that congress, debts of ECPY (Estonia) have also been written off. Those are not shown here, but are written off through the 'allowance for doubtful accounts' on the balance sheet.

LYMEC has a growing number of Individual Members. Members of the Individual Members Section (IMS) pay through PayPal, so that the payments can be automated every time the membership ends. LYMEC has three membership types:

- One year membership: 10 euros
- Five-year membership: 35 euros
- Lifelong membership: 90 euros

Currently, existing members are not automatically invoiced but can rather voluntarily renew their membership. Most IMS members have an automatic payment plan through PayPal. Consider the following example:

A young European joins LYMEC as a one-year member on 1 August 2016 and sets up an automatic payment plan. Her membership ends on 31 July 2017. PayPal automatically pays a new year of membership on 1 August 2017. The individual member can, however, ask PayPal to end the payment plan (before 1 August 2017) or ask PayPal for a reimbursement (shortly after 1 August), thereby ending her membership.

For financial purposes and for better membership management, automatic invoicing shall be introduced in the future. That way, we can keep a better eye on the individual members that we are expecting payments from and those that terminate their membership. This does not change any of the rights of the individual member, though. The invoice of an individual that terminates his or her membership, shall simply be voided.

Participation fees

The participation fees of congresses are collected by LYMEC. The income that is created is therefore technically not attached to a project and can be spent on any expense. Therefore, the participation fees are shown in general income.

Donations and other general income

The small amount in 'other general income' is due to the fact that LYMEC sold one of its books this year.

B Project-based income		Actuals	Budgeted
Account		1 January - 31 July	2016 Budget
10	ALDE Group Grants	11.336,64	35.000,00
10.1	Spring Congress	9.717,64	----
10.2	Autumn Congress	-	----
10.3	Macedonia Seminar	1.619,00	----
11	European Liberal Forum Grants	12.585,08	40.000,00
11.1	Spring Congress Seminar	5.052,00	4.500,00
11.2	Autumn Congress Seminar	-	4.500,00
11.3	Young Leaders Meeting	-	7.000,00
11.4	IMS / ELSN Event	1.929,60	5.000,00
11.5	Defending Europe	5.603,48	11.000,00
11.6	Bucharest Seminar Neighbourhood Policy	-	----
11.7	Young Liberals in Parliaments		8.000,00
12	ALDE Party Congress Grant	10.000,00	20.000,00
12.1	Spring Congress	10.000,00	10.000,00
12.2	Autumn Congress	-	10.000,00
13	Travel refunds to events	-	2.600,00
13.1	ALDE Party or Group	-	1.000,00
13.2	European Liberal Forum	-	1.000,00
13.3	European Youth Forum	-	500,00
13.4	Other	-	100,00
TOTAL PROJECT-BASED INCOME		33.921,72	97.600,00

ALDE Group Grants

The ALDE Group Grant used to be a so-called ‘lump sum’ grant. That meant the grant could be used to cover any LYMEC expense, just like the European Commission Grant can be used for any expense. However, the grant is project-based from this year onwards.

European Liberal Forum Grants

The European Liberal Forum funds full events. For example, the education seminar in Brussels was funded by ELF, as well as the seminar at the start of our Spring Congress.

ALDE Party Congress Grants

The ALDE Party covers 10.000 euros for the hotel during a LYMEC congress. This payment does not pass through our bank account but is instead paid for directly by the ALDE Party.

Travel Refunds to events

Travel refund income was budgeted in 2016, but these budget lines are not used anymore and will be scrapped from the revised budget. Any travel refunds are – instead – booked on the expense side of our budget. This makes more sense, as travel refunds are not considered ‘real’ income; LYMEC only receives travel refunds after an event to which LYMEC has been invited.

For example, our Secretary General was invited to an ELF event in Thessaloniki and travelled there. LYMEC initially paid for her ticket, of roughly 230 euros. After the event, those 230 euros were reimbursed by ELF. In the current framework, we book both an expense of 230 euros to ‘Representation to ELF’ as well as an income of 230 euros to ‘Travel refund by ELF’.

In the new framework, we simply book an expense of 230 euros to ‘Representation to ELF’ and another (negative) expense of -230 euros to the same account. The expense account therefore becomes equal to zero.

C Other income		Actuals	Budgeted
Account		1 January - 31 July	2016 Budget
20	Income previous financial year	332,55	500,00
21	Interest bank accounts	48,60	50,00
22	Rounding	0,04	10,00
TOTAL OTHER INCOME		381,19	560,00

Income previous financial year

LYMEC has switched to fully accrual¹ bookkeeping this year, but some of last year’s income was booked after closing the 2015 books. That is shown in this account. Next year, the ‘income previous financial year’ will cease to exist because of the switch to accrual bookkeeping.

Rounding

This is an automatically generated account. If a debtor pays a rounded amount of an invoice (e.g. 5 instead of 4,99), this account is automatically adjusted.

¹ Cash-based bookkeeping records any revenue or expense on the day cash is received or paid. Accrual bookkeeping records income when it is earned (e.g. the day of sending an invoice) and records deductions when expenses are incurred (e.g. the day of receiving an invoice). An accrual-based booking system reflects the financial state of LYMEC much better.

Expenses in detail

The following section will show all expense budget lines, section by section, and offer explanations to what is and what is not included in every budget line. The expenses are divided in the following fashion.

- Non policy-related general expenses: expenses that are recurring yearly and that are not influenced by LYMEC Policy. These include bank fees, audit expenses, etc.
- Policy-related general expenses: all general expenses that can be influenced by LYMEC policy.
- Project expenses: all expenses that are related to projects and events.
- Other expenses: expenses for the previous financial year that have been booked in 2016 or expenses that are booking-system-generated, such as 'rounding'.

If a section is coloured **orange**, the section is shown on both the net and gross profit and loss. If it is **blue**, it is only shown on the gross profit and loss statement.

D Non policy-related general expenses		Actuals	Budgeted
Account		1 January - 31 July	2016 Budget
30 Association fees		2.115,00	2.160,00
31 Audit Expenses		3.218,88	4.000,00
31.1 Internal Audit Expenses		798,88	----
31.2 External Audit Expenses		2.420,00	----
32 Bank fees & insurance		967,71	1.300,00
32.1 Bank fees		226,27	300,00
32.2 Paypal fees		148,44	200,00
32.3 Insurance		593,00	800,00
33 Bad debts reserve		2.500,00	2.000,00
34 VAT		247,10	700,00
35 Depreciation		412,75	-
TOTAL NON-POLICY RELATED GENERAL EXPENSES		9.461,44	10.160,00

Association fees

LYMEC is members of the European Liberal Forum as well as the European Youth Forum and pays fees to both organisations. These are budgeted as Association fees.

Audit Expenses

The yearly Audit is done by both our own (internal) auditors and professional (external) auditors. The internal auditors meet twice a year in Brussels; their travel and accommodation is covered by LYMEC. The external audit is conducted every year by a professional company, as selected by Spring Congress. The external audit does not only improve our bookkeeping, but is also necessary because of regulations regarding the grants LYMEC receives.

Bank fees & insurance

This account includes the basic fees for having a bank account at KBC Bank. Furthermore, whenever LYMEC transfers money to a country outside the euro zone, a fee is automatically charged by the bank. To reduce transfer fees, the Bureau has created an account at TransferWise. PayPal fees are automatically charged to LYMEC whenever LYMEC receives a payment on its PayPal account.

Bad debts reserve

If an invoice is not paid, it is seen as a 'bad debt'. This bad debt reserve makes sure LYMEC does not spend money it hasn't received and is solely an accounting measure. The 2500 euros of the bad debt reserve are transferred to the 'allowance for doubtful accounts' on the balance sheet.

VAT

LYMEC sometimes pays for goods or services from outside the EU. In that case, LYMEC pays VAT separately to the Belgian tax authorities.

Depreciation

When LYMEC orders new office equipment, those goods still have value. The good (e.g., a laptop) is placed on the balance sheet and written off as the good loses its value (as time passes). The bookkeeping system calculates this 'depreciation' automatically.

E Policy-related general expenses		Actuals	Budgeted
Account		1 January - 31 July	2016 Budget
40	50% contribution to all LYMEC ELF Events	20.000,00	20.000,00
41	Bureau expenses	5.857,66	8.660,00
41.1	Communications	236,61	2.160,00
41.2	Bureau meetings	5.150,17	6.000,00
41.3	Other expenses	470,88	500,00
42	Communications and PR	2.663,47	8.100,00
42.1	Internet, website, e-marketing	1.393,78	5.000,00
42.2	Mailing expenses	59,94	400,00
42.3	Printed material	393,00	1.200,00
42.4	Promotional material	816,75	1.500,00
43	Office	4.917,37	8.700,00
43.1	Bookkeeping system	219,93	-----
43.2	Office equipment	153,92	1.200,00
43.3	Reception of groups and visitors	29,73	-----
43.4	Rent	4.000,00	6.000,00
43.5	Telecommunication costs	513,79	1.500,00
44	Political activities	1.236,60	12.000,00
44.1	Attending political events	616,00	-----
44.2	Other political activities	620,60	5.000,00
44.3	Other missions	-	7.000,00
45	Representation	1.195,44	11.500,00
45.1	ALDE Party & ALDE Group	96,43	6.000,00
45.2	ELF	-	500,00
45.3	IFLRY & LI	-	2.000,00
45.4	LYMEC MOs	1.099,01	2.500,00
45.5	YFJ	-	500,00
46	Staff expenses	43.649,95	66.000,00
47	Other general expenses	-	150,00
TOTAL POLICY-RELATED GENERAL EXPENSES		79.520,49	135.110,00

50% contribution to all LYMEC ELF Events

LYMEC pays 50% of the ELF events itself. This is not calculated per event, but rather based on the total grant of 40.000 euros. LYMEC pays 20.000 euros to ELF at the start of each year.

Bureau Expenses

Communications includes the telecommunications refund every bureau member is allowed to receive. Also, it includes the Project Management system LYMEC uses: Basecamp.

The LYMEC Bureau has gathered in-person separately twice this year: once in Brussels (March) and once in Strasbourg (May). The other Bureau Meetings took place during an event (e.g. LYMEC Congress) or through Skype.

The general expenses include the ‘thank you gifts’ for the bureau members that stepped down at the Electoral Congress in April as well as the Bureau Member business cards.

Communications and PR; Office; Political Activities

The accounts ‘Communications and PR and Office rather speak for themselves. In account 42.1, Facebook advert expenses are also included.

The accounts included in political activities used to be ‘other’ political activities and ‘other’ missions. We’ve decided to stop using ‘Other missions’ and have instead started using ‘Attending political events’. LYMEC sometimes participates in external events or is invited to panels, roundtables, etc.. Any travel or participation fee is included in the account ‘Attending political events’. One event included in this account is, for example, the Europride that this year took place in Amsterdam.

We have not found a definite naming of these accounts. ‘Other political activities’ will continue to exist for now and, this year, includes the costs of the gathering of the Baltic Liberal Network.

Representation

If LYMEC is invited to an event, such as an event of the European Youth Forum, the travel expenses are shown here. As written under Income at ‘Travel refunds to events’, any travel refund LYMEC receives is now booked as a negative expense to the ‘Representation’ account. This has already been edited in the budget shown on the net profit and loss statement. There, budget line 45 does not amount to 11.500 euros, but to 8.900 euros. The difference, 2.600 euros, is the project-based income of ‘Travel refunds to events’.

Staff

In spring, our new Secretary General – Danica Vihinen – was appointed. Because of the handover from the former Secretary General, we had double staff costs for one month. A revised budget is proposed separately.

LYMEC has, for years, had temporary Assistants at the office. The Bureau has not hired an Assistant in spring, but has decided to hire one for three months from September to December this year.

Our internal auditors have been so thorough that they found a double payment to the Belgian social security services. The office has contacted the authorities, so that this double payment can be reimbursed.

F Project expenses		Actuals	Budgeted
Account	1 January - 31 July	2016 Budget	
50 Spring Congress	22.466,41	22.500,00	
51 Autumn Congress	-	27.500,00	
52 ALDE Group events	1.695,30	1.000,00	
52.1 Macedonia Seminar	1.695,30	-	
52.2 Winter Academy	-	1.000,00	
53 ELF events	13.794,41	40.000,00	
53.1 ELF: Spring Congress Seminar	5.052,00	4.500,00	
53.2 ELF: Autumn Congress Seminar	-	4.500,00	
53.3 ELF: Young Leaders Meeting	1.384,33	7.000,00	
53.4 ELF: IMS / ELSN	1.754,60	5.000,00	
53.5 ELF: Defending Europe	5.603,48	11.000,00	
53.6 ELF: Bucharest Seminar Neighbourhood Policy	-	-	
53.7 ELF: Young Liberals in Parliaments	-	8.000,00	
TOTAL PROJECT EXPENSES	37.956,12	91.000,00	

F Net project expenses		Actuals	Budgeted
Account	1 January - 31 July	2016 Budget	
50 Spring Congress	2.748,77	12.500,00	
51 Autumn Congress	-	17.500,00	
52 ALDE Group events	76,30	1.000,00	
53 ELF events	1.209,33	-	
TOTAL PROJECT EXPENSES	4.034,40	31.000,00	

Congresses

For congresses, we have several sponsors. In the net project expenses, the amount that remains for LYMEC is shown. Before, this amount used to be higher (hence the higher LYMEC budget). But, as ALDE Group funding is now project-based, the group sponsors our congresses directly. To further improve transparency, the full congress budgets and actuals will be added to financial reports in the near future.

ELF events

The amount in net budget line 53 amounts to 1209,33 euros, because of the preparation of the Young Leaders Meeting. These figures are from 31 July, while the Young Leaders Meeting only took place in September. In September, a reimbursement has been sent to and approved by ELF.

G Other expenses		Actuals	Budgeted
Account	1 January - 31 July	2016 Budget	
60 Expenses previous financial year	400,00	500,00	
61 Rounding	-	-	
TOTAL OTHER EXPENSES	400,00	500,00	

Expenses previous financial year

LYMEC has switched to fully accrual² bookkeeping this year, but some of last year's expenses have been booked after closing the 2015 books. Those expenses are shown in this account. Next year, the 'expenses previous financial year' account will cease to exist because of the switch to accrual bookkeeping.

² See note 1 (p. 8)

Balance

Assets		
Account	31 July 2016	31 December 2015
1 Bank	56.281,36	45.305,37
1.1 KBC Current Account	7.998,16	4.011,85
1.2 KBC Savings Accounts	45.924,86	40.709,81
1.3 LYMEC PayPal	2.358,34	583,71
2 Current Assets	5.885,44	18.042,10
2.1 Accounts Receivable	13.135,08	15.130,26
2.2 Accrued Income	-	9.634,48
2.3 Allowance for doubtful accounts	-7.249,64	-6.722,64
3 Fixed Assets	2.289,68	1.653,70
3.1 Accumulated Depreciation	-344,93	-344,93
3.2 Fixed assets	2.634,61	1.998,63
TOTAL ASSETS	64.456,48	65.001,17

Liabilities		
Account	31 July 2016	31 December 2015
4 Current Liabilities	3.294,08	-
4.1 Accounts Payable	3.294,08	-
5 Equity	60.749,65	65.001,17
5.1 Current Year Earnings	-4.251,52	4.691,43
5.2 Retained Earnings	65.001,17	60.309,74
TOTAL LIABILITIES	64.043,73	65.001,17

Bank Accounts

LYMEC has three bank accounts: two accounts at KBC Bank (one Current, one Savings) and one account at PayPal. The PayPal accounts is used to collect membership fees from our Individual Members and participation fees from people attending our congresses.

Current Assets

The Current Assets include invoices that have not been paid yet as 'Accounts Receivable'. Some of the unpaid invoices are old and will most likely never be collected, e.g. invoices sent to member organisations that are not active anymore. Therefore, we use the 'Allowance for doubtful accounts'. That accounts serves as a financial reserve for invoices that will most likely have to be written off in the future. If an old invoice is written off, it is written off from those reserves.

The policy for writing off invoices shall be reviewed and formalised when drafting a new Financial Protocol. The Treasurer expects the draft protocol to be ready for adoption at Spring Congress next year.

A full list of the Accounts Receivable is attached to this financial report.

Current Liabilities

Any bills LYMEC still needs to pay, are shown in the Accounts Payable. The amount was this high on 31 July 2016 because of social security payments that were billed to us just before 31 July and paid shortly thereafter.

Equity

The 'Current year Earnings' corresponds with the net profit on the Profit and Loss statement.

Attachment 1: Full Gross Profit & Loss Statement

AS AT 31 JULY 2016

INCOME		
A General income	Actuals	Budgeted
Account	1 January - 31 July	2016 Budget
1 European Commission Grant	40.000,00	50.000,00
2 ALDE Party Grant	18.989,89	40.000,00
3 Membership Fees	16.528,72	18.500,00
3.1 Member Organisation Membership fees	16.062,72	17.000,00
3.2 Individual Membership fees	835,00	1.500,00
3.3 Membership fee reductions	-369,00	-
4 Participation Fees	13.260,00	30.000,00
4.1 Spring Congress	13.260,00	12.500,00
4.2 Autumn Congress	-	17.500,00
5 Donations	-	10,00
6 Other general income	5,01	100,00
TOTAL GENERAL INCOME	88.783,62	138.610,00
B Project-based income	Actuals	Budgeted
Account	1 January - 31 July	2016 Budget
10 ALDE Group Grants	11.336,64	35.000,00
10.1 Spring Congress	9.717,64	-
10.2 Autumn Congress	-	-
10.3 Macedonia Seminar	1.619,00	-
11 European Liberal Forum Grants	12.585,08	40.000,00
11.1 Spring Congress Seminar	5.052,00	4.500,00
11.2 Autumn Congress Seminar	-	4.500,00
11.3 Young Leaders Meeting	-	7.000,00
11.4 IMS / ELSN Event	1.929,60	5.000,00
11.5 Defending Europe	5.603,48	11.000,00
11.6 Bucharest Seminar Neighbourhood Policy	-	-
11.7 Young Liberals in Parliaments	-	8.000,00
12 ALDE Party Congress Grant	10.000,00	20.000,00
12.1 Spring Congress	10.000,00	10.000,00
12.2 Autumn Congress	-	10.000,00
13 Travel refunds to events	-	2.600,00
13.1 ALDE Party or Group	-	1.000,00
13.2 European Liberal Forum	-	1.000,00
13.3 European Youth Forum	-	500,00
13.4 Other	-	100,00
TOTAL PROJECT-BASED INCOME	33.921,72	97.600,00
C Other income	Actuals	Budgeted
Account	1 January - 31 July	2016 Budget
20 Income previous financial year	332,55	500,00
21 Interest bank accounts	48,60	50,00
22 Rounding	0,04	10,00
TOTAL OTHER INCOME	381,19	560,00
GROSS PROFIT	123.086,53	236.770,00

EXPENSES

D Non-policy related general expenses		Actuals	Budgeted
Account	1 January - 31 July	2016 Budget	
30 Association fees	2.115,00	2.160,00	
31 Audit Expenses	3.218,88	4.000,00	
31.1 Internal Audit Expenses	798,88	-	
31.2 External Audit Expenses	2.420,00	-	
32 Bank fees & insurance	967,71	1.300,00	
32.1 Bank fees	226,27	300,00	
32.2 Paypal fees	148,44	200,00	
32.3 Insurance	593,00	800,00	
33 Bad debts reserve	2.500,00	2.000,00	
34 VAT	247,10	700,00	
35 Depreciation	412,75	-	
TOTAL NON-POLICY RELATED GENERAL EXPENSES	9.461,44	10.160,00	

E Policy-related general expenses		Actuals	Budgeted
Account	1 January - 31 July	2016 Budget	
40 50% contribution to all LYMEC ELF Events	20.000,00	20.000,00	
41 Bureau expenses	5.857,66	8.660,00	
41.1 Communications	236,61	2.160,00	
41.2 Bureau meetings	5.150,17	6.000,00	
41.3 Other expenses	470,88	500,00	
42 Communications and PR	2.663,47	8.100,00	
42.1 Internet, website, e-marketing	1.393,78	5.000,00	
42.2 Mailing expenses	59,94	400,00	
42.3 Printed material	393,00	1.200,00	
42.4 Promotional material	816,75	1.500,00	
43 Office	4.917,37	8.700,00	
43.1 Bookkeeping system	219,93	-	
43.2 Office equipment	153,92	1.200,00	
43.3 Reception of groups and visitors	29,73	-	
43.4 Rent	4.000,00	6.000,00	
43.5 Telecommunication costs	513,79	1.500,00	
44 Political activities	1.236,60	12.000,00	
44.1 Attending political events	616,00	-	
44.2 Other political activities	620,60	5.000,00	
44.3 Other missions	-	7.000,00	
45 Representation	1.195,44	11.500,00	
45.1 ALDE Party & ALDE Group	96,43	6.000,00	
45.2 ELF	-	500,00	
45.3 IFLRY & LI	-	2.000,00	
45.4 LYMEC MOs	1.099,01	2.500,00	
45.5 YFJ	-	500,00	
46 Staff expenses	43.649,95	66.000,00	
47 Other general expenses	-	150,00	
TOTAL POLICY-RELATED GENERAL EXPENSES	79.520,49	135.110,00	

F Project expenses		Actuals	Budgeted
Account	1 January - 31 July	2016 Budget	
50 Spring Congress	22.466,41	22.500,00	
51 Autumn Congress	-	27.500,00	
52 ALDE Group events	1.695,30	1.000,00	
52.1 Macedonia Seminar	1.695,30	-	
52.2 Winter Academy	-	1.000,00	
53 ELF events	13.794,41	40.000,00	
53.1 ELF: Spring Congress Seminar	5.052,00	4.500,00	
53.2 ELF: Autumn Congress Seminar	-	4.500,00	
53.3 ELF: Young Leaders Meeting	1.384,33	7.000,00	
53.4 ELF: IMS / ELSN	1.754,60	5.000,00	
53.5 ELF: Defending Europe	5.603,48	11.000,00	
53.6 ELF: Bucharest Seminar Neighbourhood Policy	-	-	
53.7 ELF: Young Liberals in Parliaments	-	8.000,00	
TOTAL PROJECT EXPENSES	37.956,12	91.000,00	
G Other expenses			
Account	1 January - 31 July	2016 Budget	
60 Expenses previous financial year	400,00	500,00	
61 Rounding	-	-	
TOTAL OTHER EXPENSES	400,00	500,00	
TOTAL EXPENSES	127.338,05	236.770,00	
NET PROFIT	-4.251,52	-	

Attachment 2: Full Net Profit & Loss Statement

AS AT 31 JULY 2016

INCOME

A General income		Actuals	Current budget
Account	1 January - 31 July	Budget	
1 European Commission Grant	40.000,00	50.000,00	
2 ALDE Party Grant	18.989,89	40.000,00	
3 Membership Fees	16.528,72	18.500,00	
3.1 Member Organisation Membership fees	16.062,72	17.000,00	
3.2 Individual Membership fees	835,00	1.500,00	
3.3 Membership fee reductions	-369,00	-	
4 Participation Fees	13.260,00	30.000,00	
4.1 Spring Congress	13.260,00	12.500,00	
4.2 Autumn Congress	-	17.500,00	
5 Donations	-	10,00	
6 Other general income	5,01	100,00	
TOTAL GENERAL INCOME	88.783,62	138.610,00	

C Other income		Actuals	Current budget
Account	1 January - 31 July	Budget	
20 Income previous financial year	332,55	500,00	
21 Interest bank accounts	48,60	50,00	
22 Rounding	0,04	10,00	
TOTAL OTHER INCOME	381,19	560,00	

GROSS PROFIT	89.164,81	139.170,00
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EXPENSES

D Non policy-related general expenses		Actuals	Current budget
Account	1 January - 31 July	Budget	
30 Association fees	2.115,00	2.160,00	
31 Audit Expenses	3.218,88	4.000,00	
31.1 Internal Audit Expenses	798,88	-	
31.2 External Audit Expenses	2.420,00	-	
32 Bank fees & insurance	967,71	1.300,00	
32.1 Bank fees	226,27	300,00	
32.2 Paypal fees	148,44	200,00	
32.3 Insurance	593,00	800,00	
33 Bad debts reserve	2.500,00	2.000,00	
34 VAT	247,10	700,00	
35 Depreciation	412,75	-	
TOTAL NON-POLICY RELATED GENERAL EXPENSES	9.461,44	10.160,00	

E Policy-related general expenses		Actuals	Current budget
Account	1 January - 31 July	Budget	
40 50% contribution to all LYMEC ELF Events	20.000,00	20.000,00	
41 Bureau expenses	5.857,66	8.660,00	

41.1	Communications	236,61	2.160,00
41.2	Bureau meetings	5.150,17	6.000,00
41.3	Other expenses	470,88	500,00
42	Communications and PR	2.663,47	8.100,00
42.1	Internet, website, e-marketing	1.393,78	5.000,00
42.2	Mailing expenses	59,94	400,00
42.3	Printed material	393,00	1.200,00
42.4	Promotional material	816,75	1.500,00
43	Office	4.917,37	8.700,00
43.1	Bookkeeping system	219,93	-
43.2	Office equipment	153,92	1.200,00
43.3	Reception of groups and visitors	29,73	-
43.4	Rent	4.000,00	6.000,00
43.5	Telecommunication costs	513,79	1.500,00
44	Political activities	1.236,60	12.000,00
44.1	Attending political events	616,00	-
44.2	Other political activities	620,60	5.000,00
44.3	Other missions		7.000,00
45	Representation	1.195,44	8.900,00
45.1	ALDE Party & ALDE Group	96,43	5.000,00
45.2	ELF		-500,00
45.3	IFLRY & LI	-	2.000,00
45.4	LYMEC MOs	1.099,01	2.400,00
45.5	YFJ	-	-
46	Staff expenses	43.649,95	66.000,00
47	Other general expenses	-	150,00
TOTAL POLICY-RELATED GENERAL EXPENSES		79.520,49	132.510,00

F Project expenses		Actuals	Current budget
Account	1 January - 31 July	Budget	
50 Spring Congress	2.748,77	12.500,00	
51 Autumn Congress	-	17.500,00	
52 ALDE Group events	76,30	1.000,00	
53 ELF events	1.209,33	-	
TOTAL PROJECT EXPENSES	4.034,40	31.000,00	

G Other expenses		Actuals	Current budget
Account	1 January - 31 July	Budget	
38 Expenses previous financial year	400,00	500,00	
39 Rounding	-	-	
TOTAL OTHER EXPENSES	400,00	500,00	

TOTAL EXPENSES	93.416,33	174.170,00
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NET PROFIT	-4.251,52	-35.000,00
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Attachment 3: Aged Receivables

AS AT 31 JULY 2016

A Membership fees 2013						
Debtor	Invoice Date	Type of debt	Amount (€)	Status 7 Oct 2016	Remarks	
1 MLD Slovenia	30-1-2013	Membership fee 2013	229,48	Payment unlikely	See also 2014-2016	
2 Youth Movement of Republican Party	30-1-2013	Associate membership 2013	175,00	Payment unlikely	See also 2014-2016	
3 Mladi LDP	31-1-2013	Membership fee 2013	441,48	Payment unlikely	See also 2014-2016	
4 Jungfreisinnige Schweiz - JFS	1-2-2013	Membership fee 2013	292,00	Payment unlikely	Write off during Congress	
5 Liberal Youth of Moldova (LYM)	1-2-2013	Membership fee 2013	358,00	Payment unlikely	Write off during Congress	
Total 2013 fees			1495,96			
B Membership fees 2014						
6 GIV - Giovani dell'Italia dei Valori	13-1-2014	Membership fee 2014	348,48	Payment impossible	Organisation dissolved	
7 Jeunes Radicaux de Gauche	13-1-2014	Associate membership 2014	175,00	Payment unlikely	Have paid 2015 and 2016	
8 Mladi LDP	13-1-2014	Membership fee 2014	882,96	Payment unlikely	See also 2013, 2015, 2016	
9 Mladi Liberali Slovakia	13-1-2014	Membership fee 2014	197,68	Payment unlikely	See also 2015, 2016	
10 MLD Slovenia	13-1-2014	Membership fee 2014	229,48	Payment unlikely	See also 2013, 2015, 2016	
11 Norges Liberale Studentforbund - NLSF	13-1-2014	Membership fee 2014	175,00	Payment unlikely	See also 2015, 2016	
12 Youth Movement of Republican Party	13-1-2014	Associate membership 2014	175,00	Payment unlikely	See also 2013, 2015, 2016	
13 Youth of NMSP	13-1-2014	Associate membership 2014	175,00	Payment unlikely	See also 2015, 2016	
Total 2014 fees			2358,60			
C Membership fees 2015						
14 Armenian National Movement Youth	19-1-2015	Membership fee 2015	214,48	Pending	See also 2016	
15 Eesti Keskerakonna Noortekogu - YAACP	19-1-2015	Membership fee 2015	116,00	Payment likely	Requested debt reduction in Vienna	
16 GIV - Giovani dell'Italia dei Valori	19-1-2015	Membership fee 2015	348,48	Payment impossible	Organisation dissolved	
17 Jungfreisinnige Schweiz - JFS	19-1-2015	Membership fee 2015	292,00	Pending	Restored contact, see also 2016	
18 Lietuvos Liberalus Jaunimas - LLJ	19-1-2015	Membership fee 2015	100,00	Pending	Requested fee reduction in 2016	
19 Mladi LDP	19-1-2015	Membership fee 2015	882,96	Payment unlikely	See also 2013, 2014, 2016	
20 Mladi Liberali Slovakia	19-1-2015	Membership fee 2015	197,68	Payment unlikely	See also 2014, 2016	
21 MLD Slovenia	19-1-2015	Membership fee 2015	229,48	Payment unlikely	See also 2013, 2014, 2016	
22 Norges Liberale Studentforbund - NLSF	19-1-2015	Membership fee 2015	175,00	Payment unlikely	See also 2014, 2016	
23 Projekt:Polska	19-1-2015	Membership fee 2015	201,52	Pending	See also 2016	
24 Youth Movement of Republican Party	19-1-2015	Associate membership 2015	175,00	Payment unlikely	See also 2013, 2014, 2016	
25 Youth of NMSP	19-1-2015	Associate membership 2015	175,00	Payment unlikely	See also 2014, 2016	
Total 2015 fees			3107,60			
D Membership fees 2016						

Debtor	Invoice Date	Type of debt	Amount (€)	Status 7 Oct 2016	Remarks	
26	Armenian National Movement Youth	14-1-2016	Membership fee 2016	214,48	Pending	See also 2015
27	Civil Forum- Gramadyanski Forum	14-1-2016	Membership fee 2016	40,00	Pending	-
28	Mladi Liberali Bosne i Hercegovine	14-1-2016	Membership fee 2016	10,00	Pending	Requested fee reduction in Vienna
29	European Youth of Ukraine	15-1-2016	Membership fee 2016	263,72	Pending	-
30	GIV - Giovani dell'Italia dei Valori	15-1-2016	Membership fee 2016	348,48	Payment impossible	Organisation dissolved
31	Jungfreisinnige Schweiz - JFS	15-1-2016	Membership fee 2016	292,00	Pending	Restored contact, see also 2015
32	LIDEM Macedonia	15-1-2016	Membership fee 2016	100,00	Pending	Requested fee reduction in Vienna
33	LY Montenegro	15-1-2016	Membership fee 2016	175,00	Pending	-
34	Mladi LDP	15-1-2016	Membership fee 2016	882,96	Payment unlikely	See also 2013, 2014, 2015
35	Mladi Liberali Slovakia	15-1-2016	Membership fee 2016	197,68	Payment unlikely	See also 2014, 2015
36	MLD Slovenia	15-1-2016	Membership fee 2016	229,48	Payment unlikely	See also 2013, 2014, 2015
37	Musavat Youth Organization	15-1-2016	Membership fee 2016	1,00	Paid	-
38	Norges Liberale Studentforbund - NLSF	15-1-2016	Membership fee 2016	175,00	Payment unlikely	See also 2014, 2015
39	Projekt:Polska	15-1-2016	Membership fee 2016	201,52	Pending	-
40	Youth of NMSP	15-1-2016	Membership fee 2016	175,00	Payment unlikely	See also 2014, 2015
37	TLDE Romania	23-2-2016	Associate membership 2016	175,00	Pending	-
Total 2016 fees			3481,32			
E Other						
38	-- individual --	22-9-2014	Berlin Congress Part. Fee	80,00	Payment unlikely	Several reminders sent
39	-- individual --	23-9-2014	Berlin Congress Part. Fee	125,00	Paid	-
40	-- individual --	3-4-2015	Rotterdam Congress Part. Fee	125,00	Payment unlikely	Notorious debtor, blacklisted
41	-- 3 individuals on 1 invoice --	16-3-2016	Vienna Congress Part. Fee	12,00	Message sent	Accidental less payment
42	-- 4 individuals on 1 invoice --	24-3-2016	Vienna Congress Part. Fee	180,00	Payment unlikely	Did not participate
43	-- 2 individuals on 1 invoice --	24-3-2016	Vienna Congress Part. Fee	240,00	Reminder sent	-
44	European Liberal Forum	29-7-2016	ELSN Event	1.929,60	Paid	-
Total			2691,60			
Total Aged Receivables			13135,08			
Of which paid by 6 Oct 2016			2055,60			
Of which covered by allowance for doubtful accounts ("bad debts")			7249,64			
Rest			3829,84			

For further details, see next page

FURTHER DETAILS RELATING TO ATTACHMENT 3

Berlin Congress participation fees

After Berlin Congress (2014), more than ten participants had not paid their fee. Despite the fact that the Bureau had sent several reminders, five Berlin fees were still unpaid on 1 January this year. By contacting them (and the international officer of their organisation) one last time, all but one fee has now been collected. Only an invoice of 80 euros remains. The person involved did not participate, but did not cancel participation. It is unlikely LYMEC will receive the remaining 80 euros, but compared to the Berlin fees overdue on 1 January (725 euros), there's a major improvement in the collection of Berlin debts.

New policy for participation fees

Nowadays, the Bureau has imposed stricter policy on payment of the participation fee. An unpaid fee has to be paid upon arrival at the congress, before getting access to the hotel room. This policy failed only a few times. These are lines 40,42 and 43 in Section E in attachment 4. Unfortunately, the Rotterdam fee (line 40) will probably never be collected. Collection of one of the Vienna fees (line 42) is unlikely, because the participants involved did not participate. The bureau is confident the other invoice (line 43) will be collected soon.

Debts covered by Allowance for Doubtful Accounts

Description	Amount (€)
- Allowance as of 31 July 2016	7.249,64
1 Total bad debts	6771,64
1.1 Bad MO fee debts 2013 (status payment unlikely)	1495,96
1.2 Bad MO fee debts 2014 (status payment unlikely)	2358,60
1.3 Bad MO fee debts 2015 (status payment unlikely)	2.183,60
1.4 Bad MO fee debts 2016 (status payment impossible)	348,48
1.5 Bad other debts (status payment unlikely)	385,00
Allowance buffer	478,00

Total Membership Fee Debts

Member Organisation	Total debt	Proposal*	New debt
Mladi LDP	3.090,36	Write off 2013 fee; suspend organisation	2.648,88
GIV - Giovani dell'Italia dei Valori	1.045,44	Write off; disaffiliate organisation	0
MLD Slovenia	917,92	Write off 2013 fee; suspend organisation	688,44
Jungfreisinnige Schweiz - JFS	876,00	Write off 2013 fee	584,00
Mladi Liberali Slovakia	593,04	-	593,04
Norges Liberale Studentforbund - NLSF	525,00	-	525,00
Youth Movement of Republican Party	525,00	Write off 2013 fee	350,00
Youth of NMSP	525,00	-	525,00
Armenian National Movement Youth	428,96	-	428,96
Projekt:Polska - Project: Poland Association	403,04	-	403,04
Liberal Youth of Moldova (LYM)	358,00	Write off 2013 fee	0,00
European Youth of Ukraine	263,72	-	263,72
Jeunes Radicaux de Gauche	175,00	-	175,00
LY Montenegro	175,00	-	175,00
TLDE Romania	175,00	-	175,00
Eesti Keskerakonna Noortekogu - YAACP	116,00	-	116,00
LIDEM Macedonia	100,00	-	100,00
Lietuvos Liberalus Jaunimas - LLJ	100,00	-	100,00
Civil Forum- Gramadyanski Forum	40,00	-	40,00
Mladi Liberali Bosne i Hercegovine - MLBiH	10,00	-	10,00
Musavat Youth Organization	1,00	-	1,00
Total	10.443,48		7.902,08

* These proposals shall be done in a separate document