



Interim Financial Report

Written Statement, Profit and Loss Statement,
Balance Sheet, Received and Pending
Membership Fees, Debts, Fundraising Activities
& Extraordinary Refunds

Lena Höglund, Treasurer, European Liberal Youth LYMEC
Presented at LYMEC Autumn Congress in Vilnius, October 2018



1. Written statement

a) Status

In the light of the surplus of the financial year of 2017, the previous Bureau made the decision to invest in a new visual identity for LYMEC. This investment and the decreased final instalment of the European Commission Grant of 2017 set the basis for the expected negative result of the financial year of 2018. But, in the light of the coming EU election year, this moderate deficit is more than legitimate in the eyes of the financing partners of LYMEC as a non-profit organisation.

LYMEC is projected to grow in terms of its activities, staff and budget in 2019, which gives a witness of LYMEC's standing financially as a stable and reliable partner. The amount of events will rise during 2019 and this will be a challenge for the organisation, its staff and Bureau that requires clear responsibilities and clear routines. Increasing the staff of LYMEC will be necessary in following those routines and thus giving (financial) oversight. My main challenge so far as the Treasurer has been to familiarize myself with established systems, clarify the status of various different errands due to change of persons and logic as well as create routines for myself and the Office.

b) Changes since LYMEC Spring Congress in Berlin

The Financial Protocol entered into force upon adoption by simple majority by LYMEC Congress in October 2017. It replaced various previous documents, but required yet some clarifications and simplifications in terms of reporting, as to make for better decision-making and transparency. In-detail financial reviews are not strategic for each time-constrained Bureau meeting. Therefore the Bureau is presenting a revised Financial Protocol to the LYMEC Autumn Congress.

Since the Bureau decision in February 2018, the visual identity has been finalized and has resulted in slightly higher costs than anticipated. Along with a new visual identity also comes the making of new promotional material, though not projected at an unproportional cost.

c) New activities for 2019

Funding and partnerships

In terms of numbers, the most significant changes for LYMEC in 2019 will be the increased European Commission Grant of 50 000 euros, the increased ELF Grant of just under 71 600 euros and the increased ALDE Party Grant of 70 000 euros. Also, the LYMEC Bureau is planning for a European Youth Forum (EYF) International Activity, if granted, providing the first steps to EYF Structural Grants in the future. The LYMEC Bureau has also negotiated two events with the Friedrich Naumann Stiftung für Freiheit (FNF), resulting at a total cost of maximum 3 000 euros for LYMEC.

Staffing

The LYMEC Bureau, and especially I as the Treasurer, will investigate different options, e.g. negotiate with ALDE Party Member Parties and other partner organisations for an internship agreement during the end of 2019. This also makes for higher staffing costs, but the increase in



funding and increased opportunities at refunding overhead costs through event projects will to a large extent fund those increased costs.

Individual Membership Fee

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 at present 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. Therefore, it is, technically speaking, difficult to change the membership fees of existing Individual Members.

The Bureau suggests a raise in the membership fee of (new) Individual Members, seeing as the Membership fees of the Full Member Organisations have been raised in the recent years, but not that of the Individual Members. The idea is to add to the membership by providing LYMEC promotional material when joining, forming a welcome pack for each and every new member. The fees for new Individual Members (not existing Individual Members) are therefore suggested to be raised:

- One-year membership: 15 euros
- Five-year membership: 50 euros
- Lifelong membership: 100 euros

The raise is moderate in comparison to the inflation has been since the fee was originally set. Also, as the activities and span of LYMEC increases, so does the need for own income. The raised income from membership fees can be used as own funding when applying for new sources of funding and is therefore essential for the financial sustainability of the organisation. These are the main reasons for raising the membership fees of Individual Members of LYMEC.

Risks for 2019

The biggest risk for the financial year of 2019 is the outcome of the European elections. The ALDE Group Grant, paying for the larger part of the costs for the two Congresses, will be decided upon in two at two events, before and after the election. This means, that the funds available for the Autumn Congress in 2019 might depend on the size of the ALDE Group in the EU Parliament after the elections.



2. Profit and Loss Statement

a) Deficit

The expected deficit of 2018 is as mentioned based on the conscious decision of the previous Bureau to invest in a new visual identity for LYMEC and the decreased instalment of the European Commission Grant paid out after the reporting for 2017. Considering that combined sum, just under 16 800 euros, the now expected deficit in the updated budget is still very moderate. Despite the fact that the Bureau has had to save up on a few things as a consequence, all planned activities have and will be realised.

b) EU Commission Grant and other income

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 per cent of the requested amount. After closing the books of a financial year and reporting to the Commission, LYMEC receives the other 20 per cent. Unfortunately, events executed by LYMEC in 2017 did not completely fulfil the criteria of the Commission in 2017, thus the final instalment was reduced. Events have to be arranged in eligible states, meaning last year's Young Leaders Meeting in Montenegro and Bureau Meeting in connection to it did not qualify. Also, according to Commission criteria, internal audits do not count as statutory events - despite the fact that internal audits are statutory according to LYMEC Statutes. The LYMEC Bureau tried to dispute this claim, along with participation in ALDE Party Congress not qualifying.

Other LYMEC income for the period of reporting did not sway from the planned total sums, except that the full 20 per cent refund of overhead costs from each European Liberal Forum (ELF) event was not completely fulfilled. ELF funds full events and most expenses for these events are paid directly by ELF and cannot be shown in our profit and loss statement. Some expenses for ELF events are paid for by LYMEC and reimbursed by ELF after an event. Those expenses are shown in our profit and loss statement, since LYMEC was invoiced for those expenses. A detailed statement of the expenses that are covered by ELF will be included in the Annual Financial Report (spring 2019).

For congresses, we have several sponsors. In these project expenses, only the amounts that go through our books and invoiced to LYMEC are shown in the profit and loss statement. On 14 September, our sponsors had reimbursed our expenses for Spring Congress in full, leaving just under 15 800 euros of the ALDE Party Grant to be spent on Autumn Congress and about 8 900 euros of our own budgeted funding.

c) Permanent Cost Increases

The only visible, constant increase in Non policy-related, general expenses that is foreseen is the minor increase in the costs for the External Audit. Also, in February, the previous Bureau decided to give the Secretary General a slight salary raise (approximately 3 per cent).

Interim Financial Report



Profit and Loss Statement 1 January 2018 - 14 September 2018

Account	2017 Realised	2018 Budget	Actuals	Difference
A. General Income				
1. European Commission Grant	40 000,00	50 000,00	42 872,48	(7 127,52)
2. ALDE Party Grant	40 011,58	60 000,00	20 065,19	(39 934,81)
3. Membership fees				
Individual Membership fees	1 716,00	1 500,00	1 030,00	(470,00)
Member Organisation Membership fees	16 948,58	16 500,00	17 756,96	1 256,96
Membership fee reductions (book negative on invoice)	(826,54)	(800,00)	(1 389,20)	(589,20)
Total 3. Membership fees	17 838,04	17 200,00	17 397,76	197,76
4. Participation Fees				
Participation fee reductions (book negative on invoice)	(360,00)	(500,00)	(70,00)	430,00
Participation Fees Autumn Congress	11 790,00	11 000,00	0,00	(11 000,00)
Participation Fees Spring Congress	12 425,00	12 000,00	13 510,00	1 510,00
Total 4. Participation Fees	23 855,00	22 500,00	13 440,00	(9 060,00)
5. Donations	441,21	500,00	0,00	(500,00)
6. Other general income	9,39	0,00	0,00	0,00
Total A. General Income	122 155,22	150 200,00	93 775,43	(56 424,57)
B. Project-based income				
1 ALDE Group Grants	12 590,43	35 000,00	972,42	(34 027,58)
2. European Liberal Forum Grants				
ELF Grant - Spring Congress Seminar	1 201,79	8 930,00	2 847,42	(6 082,58)
ELF Grant: Autumn Congress Seminar	4 787,03	7 900,00	0,00	(7 900,00)
ELF Grant 2018: "Vote vote vote" Zagreb	0,00	12 860,00	3 379,48	(9 480,52)
ELF Grant 2018: "Grassroots Campaigning" Milan	0,00	10 975,00	1 324,64	(9 650,36)
ELF Grant: Young Leaders Meeting	5 444,25	12 735,00	213,66	(12 521,34)
ELF Grant 2018: "Brand yourself, present yourself" Brussels	0,00	10 991,00	0,00	(10 991,00)
ELF Book launch	550,94	2 275,00	116,41	(2 158,59)
ELF Grant - Event Athens "The New Europeans"	1 795,12	0,00	0,00	0,00
ELF Grant Andorra: "Hackathon"	1 093,80	0,00	0,00	0,00
ELF Grant Gdansk: "Getting the Liberal Message Out"	417,30	0,00	0,00	0,00
ELF Grant Brussels: "Building the best"	2 685,65	0,00	0,00	0,00
Total 2. European Liberal Forum Grants	17 975,88	66 666,00	7 881,61	(58 784,39)
Total B. Project-based income	30 566,31	101 666,00	8 854,03	(92 811,97)
C. Other income				
Income previous financial year	10 000,00	0,00	0,00	0,00
Interest bank accounts	21,30	50,00	0,00	(50,00)
Rounding	(2,31)	0,00	(2,08)	(2,08)
Total C. Other income	10 018,99	50,00	(2,08)	(52,08)
Gross Profit	162 740,52	251 916,00	102 627,38	(149 288,62)
D. Non policy-related general expenses				
1 Association fees	2 071,00	2 200,00	2 082,00	(118,00)
2. Audit expenses				
External Audit Expenses	3 168,00	3 500,00	3 236,10	(263,90)
Internal Audit expenses	891,95	1 300,00	681,14	(618,86)
Total 2. Audit expenses	4 059,95	4 800,00	3 917,24	(882,76)
3. Bank fees & insurance				
Bank Fees	560,60	300,00	242,00	(58,00)
Paypal fees	110,57	300,00	69,27	(230,73)
Insurance	732,43	850,00	449,86	(400,14)
Total 3. Bank fees & insurance	1 403,60	1 450,00	761,13	(688,87)
Bad debts reserve	3 520,30	2 500,00	0,00	(2 500,00)
VAT	25,20	500,00	0,00	(500,00)
Depreciation	942,25	800,00	472,92	(327,08)
Old expense accounts				
Uncategorised expense	0,00	0,00	305,00	305,00
Total Old expense accounts	0,00	0,00	305,00	305,00
Total D. Non policy-related general expenses	12 022,30	12 250,00	7 538,29	(4 711,71)





E. Policy-related general expenses

1. Contribution to all LYMEC ELF Events	20 000,00	20 000,00	20 000,00	0,00
2. Bureau expenses				
Bureau - communications	2 500,77	2 000,00	618,48	(1 381,52)
Bureau - Bureau meetings	2 498,84	6 000,00	2 616,60	(3 383,40)
Bureau - general expenses	188,79	500,00	260,51	(239,49)
Total 2. Bureau expenses	5 188,40	8 500,00	3 495,59	(5 004,41)
3. Communications and PR				
Communication & PR - Internet, website, e-marketing	1 572,80	2 000,00	9 924,83	7 924,83
Communication & PR - Mailing expenses	221,02	300,00	27,38	(272,62)
Communications & PR - Printed material	0,00	900,00	0,00	(900,00)
Communications & PR - Promotional material	423,49	1 500,00	0,00	(1 500,00)
Total 3. Communications and PR	2 217,31	4 700,00	9 952,21	5 252,21
4. Office				
Office - Bookkeeping system	351,47	350,00	176,90	(173,10)
Office - Office Equipment	1 879,88	750,00	432,21	(317,79)
Office - reception of groups and visitors	41,17	100,00	0,00	(100,00)
Office - Rent	4 500,00	6 000,00	4 500,00	(1 500,00)
Office - telecommunication costs	817,17	800,00	534,48	(265,52)
Total 4. Office	7 589,69	8 000,00	5 643,59	(2 356,41)
5. Political activities				
Political Activities - attending political events	0,00	750,00	0,00	(750,00)
Political activities - Other political activities	7,40	750,00	0,00	(750,00)
Total 5. Political activities	7,40	1 500,00	0,00	(1 500,00)
6. Representation				
Representation - ALDE Party & ALDE Group	4 710,53	5 000,00	168,00	(4 832,00)
Representation - ELF	218,32	0,00	56,95	56,95
Representation - IFLRY & Liberal International	834,30	1 000,00	836,90	(163,10)
Representation - LYMEC MOs	3 046,31	2 500,00	935,05	(1 564,95)
Representation - European Youth Forum	184,85	0,00	410,98	410,98
Representation - other	824,99	0,00	129,07	129,07
Total 6. Representation	9 819,30	8 500,00	2 536,95	(5 963,05)
7. Staff expenses				
Staff expenses (don't use in 2017)	0,00	0,00	80,76	80,76
Staff Meal Vouchers	1 670,45	3 000,00	644,92	(2 355,08)
Staff salaries and payments	32 671,77	32 000,00	22 585,90	(9 414,10)
Staff Taxes and Social Security	33 832,43	32 500,00	19 947,05	(12 552,95)
Total 7. Staff expenses	68 174,65	67 500,00	43 258,63	(24 241,37)
Voting and resolution tools for Congresses	120,00	800,00	563,36	(236,64)
Other general expenses	56,00	0,00	46,00	46,00
Total E. Policy-related general expenses	113 172,75	119 500,00	85 496,33	(34 003,67)

F. Project expenses

Spring Congress	9 337,18	34 000,00	17 228,88	(16 771,12)
2. Autumn Congress	7 468,51	27 500,00	0,00	(27 500,00)
3. ALDE Group events	5 679,73	0,00	0,00	0,00
4. ELF Events				
Spring Congress Seminar	447,34	7 530,00	623,88	(6 906,12)
Autumn Congress Seminar	140,80	6 905,00	0,00	(6 905,00)
ELF Event 2018: "Vote Vote Vote" Zagreb	0,00	10 760,00	3 097,78	(7 662,22)
ELF Event 2018: "Grassroots Campaigning" Milan	0,00	9 175,00	2 787,92	(6 387,08)
ELF Events - Young Leaders Meeting	3 632,17	12 506,00	0,00	(12 506,00)
ELF Event 2018: "Brand yourself, present yourself" Brussels	0,00	9 515,00	0,00	(9 515,00)
ELF Book Launches	343,89	2 275,00	116,41	(2 158,59)
ELF Event Athens: "The New Europeans"	1 558,77	0,00	0,00	0,00
ELF Event Andorra: "Hackathon"	1 024,69	0,00	0,00	0,00
ELF Event Gdansk: "Getting the Liberal Message Out"	2 069,54	0,00	0,00	0,00
ELF Event Brussels: "Building the Best"	1 844,65	0,00	0,00	0,00
Total 4. ELF Events	11 061,85	58 666,00	6 625,99	(52 040,01)
Total F. Project expenses	33 547,27	120 166,00	23 854,87	(96 311,13)

**G. Other expenses**

Expenses previous financial year	(4 512,89)	0,00	0,00	0,00
Total G. Other expenses	(4 512,89)	0,00	0,00	0,00
Total expenses	154 229,43	251 916,00	116 889,49	(135 026,51)
Net Profit	8 511,09	0,00	(14 272,11)	(14 272,11)

3. Balance Sheet

In this section, the status of the liquidity of the organisation is laid out.

a) Accounts

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

b) Current Assets

The Current Assets include invoices that had not been paid on 14 September as 'Accounts Receivable'. A full list of the accounts receivable of 14 September is shown under Membership fees and Debts.

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 the reserves generated by the allowance.



Balance Sheet

Account	31 Dec 2017	14 Sept 2018
Assets		
Bank		
KBC Current Account	29 558,78	9 064,39
KBC Savings Account	25 450,78	35 450,78
LYMEC Paypal	398,77	951,15
Petty Cash	10,10	11,90
Total Bank	55 418,43	45 478,22
Current Assets		
Accounts Receivable	16 438,18	5 886,96
Accrued Income	636,28	0,00
Allowance for doubtful accounts	(5 550,50)	(4 655,50)
Total Current Assets	11 523,96	1 231,46
Fixed Assets		
Accumulated Depreciation	(1 546,90)	(1 984,83)
Fixed assets	6 358,63	7 454,99
Total Fixed Assets	4 811,73	5 470,16
Total Assets	71 754,12	52 179,84
Liabilities		
Current Liabilities		
Accounts Payable	4 020,91	100,00
Accrued Expense	947,64	0,00
Holiday pay provision	6 749,87	6 749,87
Unpaid Expense Claims	434,42	0,80
Total Current Liabilities	12 152,84	6 850,67
Total Liabilities	12 152,84	6 850,67
Net Assets		
Net Assets	59 601,28	45 329,17
Equity		
Current Year Earnings	8 511,09	(14 272,11)
Retained Earnings	51 090,19	59 601,28
Total Equity	59 601,28	45 329,17

4. Received and Pending Membership Fees

Out of a total of 40 Full Member Organizations, 15 Associate Member Organizations and two suspended Member Organizations, only 14 Membership Fees are pending, most of which are expected to be paid in 2018.

a) Invoiced membership fees

A total of 55 Member Organizations have been invoiced for their membership in LYMEC for the year of 2018. The total sum of the membership fees for 2018 is 15 761,76 euros.

b) Paid membership fees

A total of 41 Member Organizations have paid their Membership Fee for 2018, out of which 35 are Full Member Organizations and six are Associate Member Organisations. Total sum is 13 631,90 euros.



c) Unpaid membership fee

A total of 15 Member Organizations have not paid their Membership Fee for 2018 (until the reporting date), out of which five are Full Member Organizations and ten are Associate Member Organizations.

<i>Full Member Organisations:</i>	<i>Fee:</i>	<i>Status:</i>
• Mladi LDP	433,22 euros	Applied for reduction
• Armenian National Congress Youth	211,64 euros	No response
• Liberal Democratic Youth of Macedonia	100 euros	To be paid in Oct/Nov
• Civil Forum Belarus	40 euros	Transfer issue
• Mladi Liberalni Bosne i Hercegovine (MLBiH)	10 euros	Transfer issue
<i>Associate Member Organizations:</i>	<i>Fee:</i>	<i>Status:</i>
• Nowoczesna Youth	175 euros	Payment plan
• Mladé ANO	175 euros	Final response pending
• LiFT	175 euros	No response
• Alliance Youth	60 euros	No response
• Jeunes Radicaux de Gauche	175 euros	Paid before Congress
• Norges Liberale Studentförbund	175 euros	Final response pending
• TLDE Romania	175 euros	Paid before Congress
• European Youth Movement Ukraine	175 euros	No response
• Youth Forum of Nasa Stranka	50 euros	To be paid in 2019

5. Debts

The total number of organisations owing LYMEC membership fees from years passed is seven. The total sum owed up until the beginning of 2018 is 2 242 euros. Also, there are also three unpaid Congress fees from the Berlin Spring Congress adding up to a total of 540 euros. The Bureau has contacted all organisations and persons who owe the organisation money at various occasions.

a) Jungfreisinnige Schweiz (JFS)

Jungfreisinnige Schweiz have generated a total of 892 euros in unpaid membership fees from 2015 to 2017, which the organization is now asking the LYMEC Bureau and Congress to annul. The basis of this application lies in the fact that the organisation during those years was unaware of their membership obligations due to change of leadership and a period of lack of international cooperation altogether. Also, the JFS is today unable to raise the sum owed, due to the lack of membership fees from their own members and a lack of state support. Seeing as JFS is considering this situation and this year's payment with utmost care and attention, my recommendation for this annulment is in deed positive and I do not foresee any risks of this situation reoccurring.

b) Mladi LDP

Mladi LDP from Serbia has generated a debt of 700 euros during the past years. During the previous Bureau mandate, the debt was discussed with representatives of Mladi LDP, but no plan for how the debt were to be paid was made. The LYMEC Bureau has now received a suggested payment plan for the sum of 700 euros during the period of 2018-2022. Considering all the



circumstances, this plan and time period is feasible for the organisation in question and my recommendation as the Treasurer is therefore positive.

c) Nowoczesna Youth

The associate membership fee of 2017 owed has been discussed with the new International Officer of Nowoczesna both during the spring of 2018 and leading up to the Autumn Congress of 2018. The Bureau expected an application for a payment plan for the owed fee of 2017 for the Autumn Congress 2018 and hopefully this application will gain the support of the Congress as the organization is in a dire situation. The lack of payment so far has depended on real inability to pay due to lack of funding and state support.

d) Mlade ANO

The membership fee owed has been discussed and the payment of the associate membership fee for 2017 and 2018 is expected in 2018. The lack of payment so far has depended on communication issues, rather than inability to pay.

e) LiFT - Liberális Fiatalok Társasága

The Bureau has insofar been unable to reach the leadership of LiFT, but according to information from Hungarian organisation Momentum TizenX, members of LiFT have of late left the organisation for Momentum TizenX and the organisation is therefore in a considerable state of change. The associate membership fee owed for 2017 and 2018 has not been directly discussed with representatives for LiFT and the Bureau will continue their efforts until Spring Congress of 2019.

f) Norges Liberale Studentförbund (NLSF)

The Treasurer has been in touch with members of NLSF regarding contact persons during the Spring of 2018, when a reminder was sent out to NLSF. However, there has been no further response from the named contact person. NLSF owes LYMEC a sum of 75 euros from previous debts, in addition to this year's membership fee.

g) Nasa Stranka

Nasa Stranka has responded to reminders from the Treasurer, but due to their financial situation they have asked to pay the membership fees of 2017, 2018 and 2019 in one payment in 2019. The sum owed up until 2018 is 50 euros, so the total expected payment in 2019 is 150 euros.

6. Fundraising Activities

a) ALDE Party Congress

The LYMEC Bureau is planning for an alumni event in Madrid, in proximity to the ALDE Party Congress venue, most likely on Thursday evening of the Congress weekend. The event is planned to feature speakers and an event card for alumni members attending the event, in order to raise funds while providing drinks and entertainment for the event. Next year, the LYMEC Bureau



plans to organize a book launch event during the ALDE Party Congress, providing a natural topic for the alumni event during the Congress.

b) LYMEC Alumni Network

The LYMEC Alumni Network was established last year, this year becoming a true platform for LYMEC Alumni to keep in touch and support LYMEC in its development and agenda. The Board of the Network will gather for its Annual Meeting end September this year.

c) Staffing partnerships

The LYMEC Bureau is looking into several options to increase the staffing of the organisation. For instance, the Bureau is considering to negotiate with a number of liberal partner organisations and Member Parties on a new internship program for a second LYMEC Intern. The outlook is for the intern to share working hours between LYMEC and the partnering organisation, while the two organisations also share the costs of the internship. The plan insofar is to commence the first term of a second LYMEC Intern during the second half of 2019. The increase in financing for LYMEC in 2019 already allows for an internship of up to three months without a partnering organisation.

7. Extraordinary Refunds

The LYMEC Bureau and the Treasurer have not decided on any notable extraordinary refunds so far during their mandate.

a) Autumn Congress 2018

After sending an application to the Bureau, the Bureau decided to reduce the participation fee of one participant to Congress to 15 euros.

b) Taxis and Übers

During the LYMEC Bureau teambuilding and planning meeting in May, Bureau members shared Übers for transport to the weekend venue and to the airport, not exceeding equivalent public transport costs significantly. The refund of these transports was pre-approved by the Treasurer. In addition to this event, the LYMEC Office has been refunded for Über transport in connection to events, considering the significant amount of equipment brought to events and that LYMEC does not have an Über account of its own.