

## **Interim Financial Report 2019**

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

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Presented at LYMEC Spring Congress in Brussels, April 2019

## 1. Written statement

### a) Status

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. The year 2019 will be challenging, but also comes with bringing the lessons learnt as a Treasurer into practice.

### b) Changes since LYMEC Autumn Congress in Vilnius

The European Youth Foundation International Activities Grant will be applied for in the spring of 2019, thus the International Activity will take place in the beginning of 2020, should LYMEC receive the funds. Due to uncertainty on the final result of the year (late timing of events in 2018 and thus late refunds to LYMEC), some of the material purchases planned for end 2018 will take place in 2019. Booking both LYMEC Congress venues for 2019 has meant a slight necessary adjustment of the budget for 2019. LYMEC will take a card payment machine into use during the Spring of 2019, making payments easier for Member Organisations that have difficulties or face higher costs in paying by transfer.

### 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. 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.

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. Due to 2019 being an election year, the ALDE Group will allow for exactly half of the normally budgeted amount of funding to be spent on each congress, leaving 17 500 euros of the ALDE Party Grant to be spent on the Spring and Autumn Congress respectively and about 12 270 and 16 300 euros of our own budgeted funding on the congresses respectively. The locations of the congresses, Brussels and London, are exceptionally pricy and therefore additional funding from partner organisations will be necessary.

#### *Staffing*

The LYMEC Bureau, and especially I as the Treasurer, investigated different options, e.g. negotiated with ALDE Party Member Parties and other partner organisations for a shared internship agreement during 2019. In the end, the Bureau decided to not partner up for the second internship, but rather bare the full cost on LYMEC as no partner was willing to add funding to a cooperation. 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. Considering the extra work load, this decision has already proven vital to the functionality of the organisation.

### *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. Nevertheless, the Bureau has been forced to proceed with the bookings for the Autumn Congress in order to secure an affordable venue and hotel.

## **2. Profit and Loss Statement**

### **a) Deficit**

The expected deficit of 2019 is not a heavy burden on LYMEC over time, seeing as the EU elections takes place during 2019, a surplus would in fact be questionable for LYMEC. The new material due to the new visual identity in 2018, the second intern, campaigning and new events to a small added cost are the main reasons for the deficit. The now expected deficit in the updated budget is still very moderate. All planned activities, except for the European Youth Foundation International Activity, 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 the Bureau has taken extra precaution this year to make sure the same will not happen again. Due to the lack of an extra income of 2500 euros from the European Youth Foundation Grant, fulfilling the full 20 per cent refund of overhead costs from each European Liberal Forum (ELF) event will be a priority. This was not fulfilled in 2018. 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. The updated budget presented to Spring Congress only contains the money planned to pass through LYMEC bank accounts and not the costs paid directly by e.g. ELF.

### **c) Closing of the year 2018**

Due the closing of the year 2018 being incomplete at the time of reporting (update to be uploaded right before congress), some sums in the profit and loss statements belong to 2018 and not 2019. One example is the membership fees received, another the ELF refund received.

### **d) Extraordinary costs**

In 2019, the ALDE Party called an extra meeting, finally a Council Meeting, in February. This resulted in extra costs for the LYMEC Bureau who took part in the event. Also, LYMEC was sent an extra bill for the updates in 2018 to the webpage in the beginning of 2019 that already

had been paid in 2018. A refund for that extra payment is to be expected in the weeks to come.

**e) Congress downpayments**

Downpayments have been done for both congresses in order to secure affordable solutions for venues and hotels well ahead of the events.

## Profit and Loss Statement 1 January 2019 - 1 March 2019

Account	2019 Budget	Actuals	Difference
<b>A. General Income</b>			
1. European Commission Grant	50 000,00	0,00	(50 000,00)
2. ALDE Party Grant	70 000,00	0,00	(70 000,00)
<b>3. Membership fees</b>			
Individual Membership fees	2 000,00	85,00	(1 915,00)
Member Organisation Membership fees	17 800,00	17 188,14	(611,86)
Membership fee reductions (book negative on invoice)	1 200,00	(360,00)	(1 560,00)
<b>Total 3. Membership fees</b>	<b>21 000,00</b>	<b>16 913,14</b>	<b>(4 086,86)</b>
<b>4. Participation Fees</b>			
Participation fee reductions (book negative on invoice)	500,00	(195,00)	(695,00)
Participation Fees Autumn Congress	11 000,00	(520,00)	(11 520,00)
Participation Fees Spring Congress	12 000,00	12 935,00	935,00
<b>Total 4. Participation Fees</b>	<b>23 500,00</b>	<b>12 220,00</b>	<b>(11 280,00)</b>
5. Donations	1 000,00	0,00	(1 000,00)
6. Other general income	300,00	0,00	(300,00)
<b>Total A. General Income</b>	<b>165 800,00</b>	<b>29 133,14</b>	<b>#####</b>
<b>B. Project-based income</b>			
1 ALDE Group Grants	35 000,00	0,00	(35 000,00)
<b>2. European Liberal Forum Grants</b>			
ELF Book launch	2 747,00	0,00	(2 747,00)
ELF Grant - Spring Congress Seminar	8 568,00	0,00	(8 568,00)
ELF Grant: Autumn Congress Seminar	9 900,00	0,00	(9 900,00)
ELF Grant: Young Leaders Meeting	13 317,00	0,00	(13 317,00)
<b>Total 2. European Liberal Forum Grants</b>	<b>34 532,00</b>	<b>0,00</b>	<b>(34 532,00)</b>
<b>Total B. Project-based income</b>	<b>69 532,00</b>	<b>0,00</b>	<b>(69 532,00)</b>
<b>C. Other income</b>			
Interest bank accounts	50,00	0,00	(50,00)
<b>Total C. Other income</b>	<b>50,00</b>	<b>0,00</b>	<b>(50,00)</b>
<b>Gross Profit</b>	<b>235 382,00</b>	<b>29 133,14</b>	<b>#####</b>
<b>D. Non policy-related general expenses</b>			
1 Association fees	2 200,00	0,00	(2 200,00)
<b>2. Audit expenses</b>			
External Audit Expenses	3 300,00	0,00	(3 300,00)
Internal Audit expenses	1 200,00	4,50	(1 195,50)
<b>Total 2. Audit expenses</b>	<b>4 500,00</b>	<b>4,50</b>	<b>(4 495,50)</b>
<b>3. Bank fees &amp; insurance</b>			
Bank Fees	400,00	0,00	(400,00)
Paypal fees	250,00	4,30	(245,70)
Insurance	850,00	394,61	(455,39)
<b>Total 3. Bank fees &amp; insurance</b>	<b>1 500,00</b>	<b>398,91</b>	<b>(1 101,09)</b>
Bad debts reserve	2 500,00	0,00	(2 500,00)
VAT	500,00	0,00	(500,00)
Depreciation	800,00	0,00	(800,00)
ELF Event 2019: "Learning by Doing" Brussels	5 076,00	0,00	(5 076,00)
ELF Event 2019: "A Liberal Vision for Europe" Sarajevo	7 323,00	0,00	(7 323,00)
ELF Book Launches 2	1 440,00	0,00	(1 440,00)
European Youth Foundation International Activities Expense	10 000,00	0,00	(10 000,00)
ELF Event 2019: "IMS Event Advocating Liberalism" Lisbon	8 236,00	0,00	(8 236,00)
ELF Event 2019: "Building our Europe Together" Brussels	2 400,00	0,00	(2 400,00)
FNF Partner Event Contributions	3 000,00	0,00	(3 000,00)
ELF Event 2019: "Digitalisation is the Future Present" Paris	8 130,00	0,00	(8 130,00)
<b>Total D. Non policy-related general expenses</b>	<b>57 605,00</b>	<b>403,41</b>	<b>(57 201,59)</b>

## E. Policy-related general expenses

1. Contribution to all LYMEC ELF Events	20 000,00	0,00	(20 000,00)
<b>2. Bureau expenses</b>			
Bureau - communications	2 500,00	144,64	(2 355,36)
Bureau - Bureau meetings	5 000,00	0,00	(5 000,00)
Bureau - general expenses	500,00	0,00	(500,00)
<b>Total 2. Bureau expenses</b>	<b>8 000,00</b>	<b>144,64</b>	<b>(7 855,36)</b>
<b>3. Communications and PR</b>			
Communication & PR - Internet, website, e-marketing	2 000,00	2 268,76	268,76
Communication & PR - Mailing expenses	300,00	0,00	(300,00)
Communications & PR - Printed material	700,00	0,00	(700,00)
Communications & PR - Promotional material	3 000,00	0,00	(3 000,00)
<b>Total 3. Communications and PR</b>	<b>6 000,00</b>	<b>2 268,76</b>	<b>(3 731,24)</b>
<b>4. Office</b>			
Office - Bookkeeping system	350,00	0,00	(350,00)
Office - Office Equipment	850,00	278,12	(571,88)
Office - reception of groups and visitors	190,00	0,00	(190,00)
Office - Rent	6 000,00	0,00	(6 000,00)
Office - telecommunication costs	820,00	61,71	(758,29)
<b>Total 4. Office</b>	<b>8 210,00</b>	<b>339,83</b>	<b>(7 870,17)</b>
<b>5. Political activities</b>			
Political Activities - attending political events	750,00	0,00	(750,00)
Political activities - Other missions	0,00	327,15	327,15
Political activities - Other political activities	750,00	0,00	(750,00)
<b>Total 5. Political activities</b>	<b>1 500,00</b>	<b>327,15</b>	<b>(1 172,85)</b>
<b>6. Representation</b>			
Representation - ALDE Party & ALDE Group	5 000,00	1 369,51	(3 630,49)
Representation - ELF	200,00	0,00	(200,00)
Representation - IFLRY & Liberal International	1 200,00	0,00	(1 200,00)
Representation - LYMEC MOs	3 500,00	(527,04)	(4 027,04)
Representation - European Youth Forum	100,00	0,00	(100,00)
Representation - other	900,00	0,00	(900,00)
<b>Total 6. Representation</b>	<b>10 900,00</b>	<b>842,47</b>	<b>(10 057,53)</b>
<b>7. Staff expenses</b>			
Staff Meal Vouchers	3 000,00	0,00	(3 000,00)
Staff salaries and payments	37 000,00	0,00	(37 000,00)
Staff Taxes and Social Security	38 000,00	0,00	(38 000,00)
<b>Total 7. Staff expenses</b>	<b>78 000,00</b>	<b>0,00</b>	<b>(78 000,00)</b>
Voting and resolution tools for Congresses	800,00	0,00	(800,00)
Other general expenses	50,00	(12,00)	(62,00)
<b>Total E. Policy-related general expenses</b>	<b>133 460,00</b>	<b>3 910,85</b>	<b>#####</b>

## F. Project expenses

Spring Congress	34 000,00	1 171,84	(32 828,16)
2. Autumn Congress	27 500,00	325,27	(27 174,73)
3. ALDE Group events	0,00	(544,61)	(544,61)
<b>4. ELF Events</b>			
Spring Congress Seminar	7 140,00	0,00	(7 140,00)
Autumn Congress Seminar	9 421,00	0,00	(9 421,00)
ELF Events - Young Leaders Meeting	11 041,00	0,00	(11 041,00)
ELF Book Launches	1 169,00	0,00	(1 169,00)
<b>Total 4. ELF Events</b>	<b>28 771,00</b>	<b>0,00</b>	<b>(28 771,00)</b>
<b>Total F. Project expenses</b>	<b>90 271,00</b>	<b>952,50</b>	<b>(89 318,50)</b>

## Unmapped Accounts

ELF Grant 2019: "Building our Europe Together" Brussels	2 880,00	0,00	(2 880,00)
ELF Book launch 2	1 403,00	0,00	(1 403,00)
European Youth Foundation International Activities Grant	7 500,00	0,00	(7 500,00)
ELF Grant 2019: "IMS Event Advocating Liberalism" Lisbon	9 500,00	0,00	(9 500,00)
ELF Grant 2019: "Learning by Doing" Brussels	6 091,00	0,00	(6 091,00)
ELF Grant 2019: "A Liberal Vision for Europe" Sarajevo	8 787,00	0,00	(8 787,00)
ELF Grant 2019: "Digitalisation is the Future Present" Paris	9 756,00	0,00	(9 756,00)
European Youth Foundation IA Participation fees	2 500,00	0,00	(2 500,00)
ELF Grant 2018: "Brand yourself, present yourself" Brussels	0,00	1 819,28	1 819,28
<b>Total Unmapped Accounts</b>	<b>48 417,00</b>	<b>1 819,28</b>	<b>(46 597,72)</b>

<b>Total expenses</b>	<b>281 336,00</b>	<b>5 266,76</b>	<b>#####</b>
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<b>Net Profit</b>	<b>(45 954,00)</b>	<b>23 866,38</b>	<b>69 820,38</b>
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### 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 31 March as 'Accounts Receivable'. A full list of the accounts receivable of 31 March 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 2018	31 Mar 2019
<b>Assets</b>		
<b>Bank</b>		
KBC Current Account	28 584,41	43 400,04
KBC Savings Account	30 450,78	30 450,78
LYMEC Paypal	218,47	309,17
Petty Cash	281,90	281,90
<b>Total Bank</b>	<b>59 535,56</b>	<b>74 441,89</b>
<b>Current Assets</b>		
Accounts Receivable	6 673,47	16 668,36
Accrued Income	7 175,06	7 175,06
Allowance for doubtful accounts	(5 550,50)	(5 550,50)
<b>Total Current Assets</b>	<b>8 298,03</b>	<b>18 292,92</b>
<b>Fixed Assets</b>		
Accumulated Depreciation	(3 585,97)	(3 585,97)
Fixed assets	7 454,99	7 454,99
<b>Total Fixed Assets</b>	<b>3 869,02</b>	<b>3 869,02</b>
<b>Total Assets</b>	<b>71 702,61</b>	<b>96 603,83</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	1 741,53	957,09
Accrued Expense	7 191,92	7 191,92
Holiday pay provision	7 004,36	7 004,36
Unpaid Expense Claims	0,80	0,80
<b>Total Current Liabilities</b>	<b>15 938,61</b>	<b>15 154,17</b>
<b>Total Liabilities</b>	<b>15 938,61</b>	<b>15 154,17</b>
<b>Net Assets</b>	<b>55 764,00</b>	<b>81 449,66</b>
<b>Equity</b>		
Current Year Earnings	(3 837,28)	25 685,66
Retained Earnings	59 601,28	55 764,00
<b>Total Equity</b>	<b>55 764,00</b>	<b>81 449,66</b>

#### 4. Received and Pending Membership Fees

Out of a total of 40 Full Member Organizations, 15 Associate Member Organizations and two suspended Member Organizations, the number of Membership Fees pending is still uncertain at the time of reporting, seeing as a few payments still might be done before Congress (due date membership fee invoices was March 21). This is now an updated report, enclosing more details on payments made and yet to be made.

##### a) Invoiced membership fees

A total of 57 Member Organizations have been invoiced for their membership in LYMEC for the year of 2019. The total sum of the membership fees for 2019 is 22 494,38 euros.

##### b) Paid membership fees

A total of 34 Member Organizations have paid their Membership Fee for 2019, out of which 31 are Full Member Organizations and 3 are Associate Member Organisations. Total sum is 17 188,14 euros. One of the Full Member Organizations had paid the fee in part.

##### c) Unpaid membership fee

A total of 23 Member Organizations have not paid their Membership Fee for 2019 (until the reporting date April 2), out of which 10 are Full Member Organizations and 13 are Associate Member Organizations.

#### Full Member Organisations:

	<b>Fee:</b>	<b>Status:</b>
• Civil Forum	204,44	Reduction,bank issue
• Young Liberals	514,22	Transaction issue
• Liberal Democratic Youth of Macedonia	206	
• Istrian Democratic Youth	218	
• Mladi LDP	418,88	
• Liberal Democratic League of Ukraine	210,26	Paid at Congress
• Mladi Liberali Bosne I Hercegovine	206	Reduction
• Liberal Youth of Moldova	260	Transaction issue
• Mladi HNS	632	
• European Youth of Ukraine	206	Reduction,bank issue

#### Associate Member Organizations:

	<b>Fee:</b>	<b>Status:</b>
• Musavat Youth Organisation	1 euros	Unknown
• LiFT	175 euros	To be suspended
• Momentum TizenX	175 euros	Paid before Congress
• Youth Circle of SMC	175 euros	
• TLDE Romania	175 euros	Paid before Congress
• Nowoczesna Youth	175 euros	Decided by Congress
• Youth Forum of AKR	175 euros	Unknown
• Youth Forum of Nasa Stranka	175 euros	Incomplete payment plan application
• UDI Jeunes	175 euros	Unknown
• Mladé ANO	175 euros	Paid before Congress
• Young Republicans of Greece	175 euros	Reductions, part paid
• Liberal Youth of Montenegro	175 euros	Unknown
• European Youth Movement Ukraine	175 euros	Unknown



## 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 2019 is 2 396,64 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) Mladi LDP

Mladi LDP from Serbia has generated a debt of 850 euros during the past years. During the previous Bureau mandate, the debt was discussed with representatives of Mladi LDP, and a payment plan for the period of 2018-2022 was adopted at the last LYMEC Congress in Vilnius. No payments or information on when payments will be made have been received at the reporting date.

### b) Nowoczesna Youth

The associate membership fees of 2017 and 2018 owed have been discussed with the new International Officer of Nowoczesna both during the spring and autumn of 2018 and leading up to the Spring Congress of 2019. The Bureau received an application for the fee to be reduced to 0 euros and for the debt to be reduced as much as possible by the Spring Congress 2019. The organization is in a dire situation, but has not presented any method for paying over time. The lack of payment so far has depended on real inability to pay due to lack of funding and state support.

### c) LiFT - Liberális Fiatalok Társasága

The Bureau has had a longer communication with the leadership of LiFT, trying to solve the financial situation of the organisation. The associate membership fee owed for 2017, 2018 and 2019 has been directly discussed with representatives for LiFT and the Bureau and as the organisation has concluded it is unable to pay for any international activities and thus wishes to be suspended, the Bureau recommends to the Spring Congress of 2019 that LiFT is suspended in order to not generate more debt. The intent of both parties is to solve the situation over time.

### d) UDI Jeunes

The Bureau has insofar been unable to reach the leadership of UDI Jeunes on the matter of the associate membership fee owed for 2017. Hopefully the matter will be solved by Spring Congress.

### e) Alliance Youth

The Bureau member in charge of Northern Ireland, Pau Castellevi Canet, has been in contact with representatives for the Alliance Youth and hopefully the payment of the debt of 60 euros and the fee of 2019 has been solved by Spring Congress.

### f) Nasa Stranka

Nasa Stranka has responded to reminders from the Treasurer, but due to their financial situation they have previously 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 100 euros plus the fee for 2019.

## **6. Fundraising Activities**

### **a) ALDE Party Congress**

The LYMEC Bureau is planning for an alumni event in Athens, in proximity to the ALDE Party Congress venue, during 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.

### **b) LYMEC Alumni Network**

The LYMEC Alumni Network was established in 2017, and the hope is that this year the platform will become a true networking opportunity for liberals young and older. Through the Network LYMEC Alumni are able to keep in touch and support LYMEC in its development and agenda. The Board of the Network will gather for its Annual Meeting during the spring of this year, since none of the board members were able to set a time for the meeting in the end of 2018.

### **c) Staffing partnerships**

The LYMEC Bureau is looking into several options to increase the staffing of the organisation. Negotiations continue for the years to come, but much is to be determined by the outcome of the EU elections.

## **7. Extraordinary Refunds**

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

### **a) Travel refund for cancelled flight**

After sending an application to the Treasurer and Secretary General, the two decided to grant Bureau Member Dan-Aria Sucuri a travel refund for an extra flight to fly back from a representation mission in Germany as the original return flight was moved to the next day. In order to enable Bureau Members' willingness to travel despite work and other obligations, the guarantee to cover such incidents are essential.