

Interim Financial Report 2020

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 Skopje, April 2020

1. Written statement

a) Status

LYMEC is projected to continue to grow in terms of its activities, staff and budget in 2020, which gives a witness of LYMEC's standing financially as a stable and reliable partner. The amount of events will stabilise during 2020, allowing for new types of projects as the new Bureau starts its mandate. Increasing the staff of LYMEC and increasing external services will be necessary in following routines and thus giving (financial) oversight. The year 2020 will be challenging with the change of persons, but a lot of new routines were introduced in 2019 that will support the work in 2020.

b) Changes since LYMEC Autumn Congress in London

The second European Youth Foundation International Activities Grant will be applied for in the spring of 2020, thus hopefully the second International Activity will take place in the beginning of 2021, should LYMEC receive the funds. The first international Activity, a Study session in Strasbourg, will take place during the second week of July, 2020. LYMEC is aiming at organising three international activities, in order to qualify for a structural grant in the future.

c) New activities for 2020

Funding and partnerships

In terms of numbers, the most significant changes for LYMEC in 2020 will be the increased ALDE Party Grant of 80 000 euros and the hopefully increased Renew Europe Group Grant of at least 40 000 euros. With the objective of securing a structural grant from the European Youth Foundation in the future, the first International Activity in the second half of 2020 is hopefully a start to a new source of funding.

For congresses, we have several sponsors throughout the years. In these project expenses, only the amounts that go through our books and invoiced to LYMEC are shown in the profit and loss statement. In most cases, sponsorships are made in kind (paying directly for the cost accumulated), thus such sponsorships are otherwise reported on.

Staffing

In the light of the surplus also on staffing cost for 2019, the plan for staffing in 2020 is for the intern to work for the organisation for nine, not six months if available. Also, at the start of the year the Bureau made the decision to both increase spending on auditing and bookkeeping as well as set up a reward scheme for the Secretary General. This also makes for higher staffing costs, but the increase in funding from the ALDE Party and increased opportunities at refunding overhead costs through event projects will to a large extent fund those increased costs. Considering the significant work load, this decision has already proven wise to the overall functionality of the organisation.

Also, due to the adoption of the Equality and Diversity Plan in the end of 2019, the Treasurer and Secretary General have looked over the implications of a valid document determining the working conditions in the organisation (ROI). This means the Bureau has decided to set up an agreement with a medical company for cases of injury at work. The adoption of the ROI before the Spring Congress in Skopje will mean all documents of LYMEC are finally up-to-date.

Risks for 2020

The one of the risks for the financial year of 2020 is the outcome of the discussions on funding with the Renew Europe Group. The Renew Europe Group Grant, paying for the larger part of the costs for the two Congresses, will be decided upon ahead of LYMEC Spring Congress. This means, that the funds, even though likely to increase, come at a very late stage of the spring. However, the two major risks of the organisations remains to be the costs of the congresses and the correct estimation of staff costs, both the largest aspects of underspending in 2019 due to uncertain funding, unforeseen events and costs.

2. Profit and Loss Statement

a) Deficit

The surplus of 2019 was indeed surprising, seeing as the EU elections took place during 2019 and LYMEC had more staff. In terms of being a non-profit youth organisation with limited resources, it is only natural that growth in spending happens slowly. However, the plan for staffing for 2020 implies higher spending and so does the increase spending on auditing and bookkeeping as well as set up a reward scheme for the Secretary General. With these changes and a new Bureau starting its mandate, a slight deficit is to be expected.

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. Events executed by LYMEC in 2019 fulfilled the criteria of the Commission, thus the final instalment is expected to be paid in full.

Due to a smaller amount of ELF projects in 2020, fulfilling the full 20 per cent refund of overhead costs from each European Liberal Forum (ELF) event will be a more manageable priority. The management of more ELF projects and events than ever in 2019 was strenuous but brought the expected income. 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. the Renew Europe Group.

c) Congress downpayments

Downpayments were done for the Spring Congress of 2020 on 2019 year's side but is transferred on to the year 2020 through the Balance Sheet. Congress venues and accommodation had to be booked well in advance in order to secure affordable solutions. This, however, means LYMEC loses some of the Renew Europe Grant for the congresses to spending on VAT.

Profit and Loss Statement 1 January 2020 - 6 March 2020

Account	2020 Budget	Actuals	Difference
A. General Income			
1. European Commission Grant	40 000	10 000	(30 000)
2. ALDE Party Grant	85 000	0	(85 000)
3. Membership fees			
Individual Membership fees	2 000	310	(1 690)
Member Organisation Membership fees	18 000	17 519	(481)
Membership fee reductions (book negative on invoice)	(1 300)	(417)	883
Total 3. Membership fees	18 700	17 413	(1 287)
4. Participation Fees			
Participation fee reductions (book negative on invoice)	(700)	(545)	155
Participation Fees Autumn Congress	13 000	0	(13 000)
Participation Fees Spring Congress	0	14 745	14 745
European Youth Foundation IA Participation fees	2 500	0	(2 500)
Total 4. Participation Fees	14 800	14 200	(600)
5. Donations	800	21	(779)
6. Other general income	300	0	(300)
Total A. General Income	159 600	41 634	(117 966)
B. Project-based income			
2. European Liberal Forum Grants			
ELF Grant: Young Leaders Meeting	2 092	0	(2 092)
ELF Grant 2020: "Values First"	1 918	0	(1 918)
ELF Book launch	511	0	(511)
ELF Grant 2020: "IMS Cap. Building BigData, CybSec."	1 551	0	(1 551)
ELF Grant 2020: "Energizing Europe"	1 720	0	(1 720)
ELF Grant 2020: "Young Changemakers' Academy 1"	1 231	0	(1 231)
ELF Grant 2020: "Young Changemakers' Academy 2"	1 403	0	(1 403)
ELF Grant 2020: "Young Changemakers' Academy 3"	736	0	(736)
Total 2. European Liberal Forum Grants	11 162	0	(11 162)
European Youth Foundation IA Grant	7 500	0	(7 500)
Total B. Project-based income	18 662	0	(18 662)
C. Other income			
Income previous financial year	10 000	0	(10 000)
Interest bank accounts	50	0	(50)
Total C. Other income	10 050	0	(10 050)
Gross Profit	188 312	41 634	(146 678)

D. Non policy-related general expenses

1 Association fees	2 100	0	(2 100)
2. Audit expenses			
External Audit Expenses	5 000	3 041	(1 959)
Internal Audit expenses	1 600	664	(936)
Total 2. Audit expenses	6 600	3 705	(2 895)
3. Bank fees & insurance			
Bank Fees	300	0	(300)
Paypal fees	180	31	(149)
Insurance	700	479	(221)
Total 3. Bank fees & insurance	1 180	510	(670)
Bad debts reserve	2 500	0	(2 500)
VAT	500	0	(500)
Depreciation	1 500	0	(1 500)
Total D. Non policy-related general expenses	14 380	4 215	(10 165)

E. Policy-related general expenses

1. Contribution to all LYMEC ELF Events	20 000	0	(20 000)
2. Bureau expenses			
Bureau - communications	1 800	53	(1 747)
Bureau - Bureau meetings	4 000	915	(3 085)
Bureau - general expenses	500	18	(482)
Total 2. Bureau expenses	6 300	986	(5 314)
3. Communications and PR			
Communication & PR - Internet, website, e-marketing	5 500	1 724	(3 776)
Communication & PR - Mailing expenses	200	0	(200)
Communications & PR - Printed material	800	46	(754)
Communications & PR - Promotional material	3 200	0	(3 200)
Total 3. Communications and PR	9 700	1 770	(7 930)
4. Office			
Office - Bookkeeping system	400	56	(344)
Office - Office Equipment	2 600	430	(2 170)
Office - reception of groups and visitors	95	0	(95)
Office - Rent	6 000	1 500	(4 500)
Office - telecommunication costs	1 130	315	(815)
Total 4. Office	10 225	2 301	(7 924)
5. Political activities			
Political Activities - attending political events	500	0	(500)
Political activities - Other missions	150	0	(150)
Political activities - Other political activities	500	0	(500)
Total 5. Political activities	1 150	0	(1 150)
6. Representation			
Representation - ALDE Party & ALDE Group	6 000	0	(6 000)
Representation - ELF	200	0	(200)
Representation - IFLRY & Liberal International	1 400	0	(1 400)
Representation - LYMEC MOs	3 000	723	(2 277)
Representation - European Youth Forum	100	0	(100)
Representation - other	500	0	(500)
Total 6. Representation	11 200	723	(10 477)
7. Staff expenses			
Staff salaries and payments	44 000	7 830	(36 170)
Staff Taxes and Social Security	40 000	6 337	(33 663)
Staff Meal Vouchers	2 789	322	(2 467)
Staff expenses	211	0	(211)
Total 7. Staff expenses	87 000	14 490	(72 510)
Voting and resolution tools for Congresses	875	827	(48)
Other general expenses	137	0	(137)
Total E. Policy-related general expenses	146 587	21 097	(125 490)

F. Project expenses

Spring Congress	7 000	3 606	(3 394)
2. Autumn Congress	17 195	0	(17 195)
3. ALDE Group events	150	0	(150)
European Youth Foundation International Activities Expense	10 000	0	(10 000)
LYMEC Project Fund	3 000	0	(3 000)
Total F. Project expenses	37 345	3 606	(33 739)

Total expenses	198 312	28 919	(169 393)
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Net Profit	(10 000)	12 715	22 715
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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 2019	31 Mar 2020
Assets		
Bank		
KBC Current Account	40 270,35	37 174,01
KBC Savings Account	30 450,78	30 450,78
LYMEC Paypal	1 625,13	1 818,61
Petty Cash	279,36	279,36
Total Bank	72 625,62	69 722,76
Current Assets		
Accounts Receivable	4 688,16	19 168,98
Accrued Income	1 581,97	(632,00)
Allowance for doubtful accounts	(3 801,16)	(3 801,16)
Total Current Assets	2 468,97	14 735,82
Fixed Assets		
Accumulated Depreciation	(5 425,82)	(5 425,82)
Fixed assets	7 454,99	7 454,99
Total Fixed Assets	2 029,17	2 029,17
Non-current Assets		
Accrual and deferred expenses	9 558,98	9 558,98
Total Non-current Assets	9 558,98	9 558,98
Total Assets	86 682,74	96 046,73
Liabilities		
Current Liabilities		
Accounts Payable	957,09	957,09
Accrued Expense	3 921,34	1 093,86
Holiday pay provision	3 015,55	3 015,55
Unpaid Expense Claims	0,80	0,80
Total Current Liabilities	7 894,78	5 067,30
Total Liabilities	7 894,78	5 067,30
Net Assets	78 787,96	90 979,43
Equity		
Current Year Earnings	23 023,96	12 191,47
Retained Earnings	55 764,00	78 787,96
Total Equity	78 787,96	90 979,43

4. Received and Pending Membership Fees

Out of a total of 44 Full Member Organizations, 14 Associate Member Organizations and 3 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 6). This is now an updated report, enclosing more details on payments made and yet to be made.

a) Invoiced membership fees

A total of 58 Member Organizations have been invoiced for their membership in LYMEC for the year of 2020. The total sum of the membership fees for 2020 is 17 519,32 euros.

b) Paid membership fees

A total of 26 Member Organizations have paid their Membership Fee for 2020, out of which 22 are Full Member Organizations and 4 are Associate Member Organisations. Total sum is 10,448.50 euros.

c) Unpaid membership fee

A total of 32 Member Organizations have not paid their Membership Fee for 2020 (until the reporting date March 6), out of which 22 are Full Member Organizations and 10 are Associate Member Organizations. The Bureau have reason to suspect that the following membership fees out of the unpaid ones might be less likely to be collected:

Full Member Organisations:

- Mladi LDP
- Liberal Youth of Moldova

Fee:

418,88
260

Status:

Applied for reduction
Transaction issue

Associate Member Organizations:

- Youth Circle of SMC
- Nowoczesna Youth
- Youth Forum of AKR
- UDI Jeunes

Fee:

175 euros
175 euros
175 euros
175 euros

Status:

Unknown
Unknown
Unknown
Unknown

5. Debts

The total number of organisations owing LYMEC membership fees from years passed is 12. The total sum owed up until the beginning of 2020 is 3,596.16 euros. Also, there are also two unpaid Congress fees adding up to a total of 540 euros and two late cancellation fees from 2019 adding up to 200 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 1,268.88 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. The Spring Congress in Skopje will discuss the applications made by Mladi LDP.

b) Nowoczesna Youth

The total debt of the organisation now amounts to 525 euros. The organization is in a dire situation, but has not presented any method for paying over time, but will discuss their international engagement this spring. 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 associate membership fee owed for 2017 and 2018 was directly discussed with representatives for LiFT and the Bureau's suggestion to suspend the organisation, with the direct request from LiFT, was adopted by the Spring Congress in 2019. 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 and 2019.

e) Alliance Youth

A small debt of 39.64 euros from 2018 remains unpaid, but can hopefully be solved by the end of 2020.

f) Nasa Stranka

The sum owed up until 2020 from 2017 and 2019 is 225 euros. The total debt is expected to be paid in 2020.

6. Fundraising Activities

a) ALDE Party Congress

The LYMEC Bureau is planning for an alumni event in connection to the ALDE Party Congress in Stockholm, in proximity to the ALDE Party Congress venue if not at the 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

As mentioned also in the annual report for 2019, the LYMEC Alumni Network was thought to have been formally established in 2017 with the hope that the Network would become a true platform for LYMEC Alumni to keep in touch and support LYMEC in its development and agenda. However, it came to the knowledge of the LYMEC Bureau only in 2019, that in fact that the formal establishment of the network never had taken place. The Board of the Network is to gather for its Founding Meeting on March 17, 2020 after a reconfiguration and translation of the statutes for Belgian circumstances.

c) Congress partnerships

The LYMEC Bureau is hoping for the Autumn Congress to feature more options for partnerships, considering the costly accommodation for the congress.

7. Extraordinary Refunds

The LYMEC Bureau and the Treasurer have not decided on any notable extraordinary refunds so far during the year 2020.