

## **AUDITOR'S REPORT**

**for the Fiscal Year 2013**  
**(Reporting Period 01.01. – 31.12.2013)**

**European AIDS Treatment Group e.V.**

**Copy-Nr. (BOD)**

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## GENERAL PART

### 1. Assignment

The assignment for preparation of the statement 2013 and for auditing the bookkeeping was given by the chairman of the association „European AIDS Treatment Group e.V. (EATG), Mr. Brian West. The assignment is based on the "General Terms of Engagement" of the „Wirtschaftsprüferinstitut" in the version from January, 1st 2002. The amount of our liability is provided by § 323 Abs. 2 HGB. In relation to third parties Nr. 1 Abs. 2 and Nr. 9 of the "General Terms of Engagement" are authoritative.

My order for the preparation of the statement 2013 covers after this all activities which are required to prepare the engaged statement 2013 due to the books presented to me and stock proofs as well as the information sought to the accounting methods to be used under making of the closing entries. The bookkeeping is the responsibility of the company's management.

Furthermore I also had to judge the bookkeeping underlying the statement 2013 and the inventory by suitable measures on her order moderation.

Object of my order was neither the uncovering and clearing up of criminal facts of the matter, order adversities done such as acts of perfidy or embezzlements and offences made outside the accounting, nor the judgement of the effectiveness and efficiency of the organisation's leadership. I have laid out planning and execution, however, so that those irregularities which are essential for the accounting are uncovered with an adequate safety. The responsibility for the avoidance and the uncovering of irregularities lies with the legal representatives of the organization.

The professional general representation letter was handed over to me without any limitation or supplement and was taken to the records.

The leadership of the organisation confirms that the bookkeeping and the statement 2013 contains each assets, liabilities and delimitation such as all expenditure and profits and necessary informations have been given.

### 2. Execution of Assignment

The finance accounting, led by the organization by means of personal computer with the help of the program "Kanzlei-Rechnungswesen" of the DATEV e.G., was starting point of the work. For the construction the organization presented the bookkeeping 2013 with pieces of evidence and supplementary documents from which I have derived the annual invoice (according to annex 1).

The preparation of the annual invoice was carried out considering the accounting regulations applying to it including the supplementary principles of order-like bookkeeping.

All information, asked for clearings up and proofs have been furnished by the organization leadership and the employees named for the information willingly. As informers the organization leadership named Mrs Marie McLeod.

Type, size and result of the construction actions carried out by me are held tight in our working papers as far as not documented in this construction report.

The local auditing works have been done with interruptions in March 2014 by Mr. Hans-Joachim Wuttke, Dipl.-Bw., and Mr. Carsten Köhring, lawyer, Specialist of Tax Law, at the office of the association at Place Raymond Blyckaerts 13 in Brussels, as well in my office in Düsseldorf.

All effort and revenue accounts got a critical examination, subjected to piece of evidence-like samples connectedly.

The transfers posting required by the preparations works were included in a list and submitted to the organization for the one booking.

### **3. Lawful Standards**

#### **– Generals**

**Association:** European AIDS Treatment Group e.V.

**Legal Form:** Registered association

**Association Register:** The association is registered in the association register at the official court Düsseldorf under the Nr. 8542. The first entry was August, 9<sup>th</sup> 1993.

**Association Constitution:** The constitution was adopted February, 23<sup>rd</sup> 1992, changed on June 13<sup>th</sup> and 14<sup>th</sup> 1998 and last changed on September 14<sup>th</sup> 2013.

**Office:** Düsseldorf

**Chair:** Mr. Brian West, Edinburgh/Schottland

**Tax Office:** Düsseldorf-Mitte  
Tax-Nr. 133/5906/3920

**Association Bodies:**

Association bodies are according to § 3 of the association constitution the assembly of members and the directors.

**a) Assembly of Members:**

The last ordinary General Assembly took place in Sibenik/Croatia in September, 13<sup>st</sup> – 15<sup>th</sup> 2013.

The assembly's protocol was inspected. The size of the association membership increased to 114 members.

**b) Board of Directors:**

Referring to § 7 association constitution, the directors have to be association members.

Chairperson:

Brian West  
Edinburgh/Schottland

Directors:

Ferenc Bagyinszki,  
Budapest/Ungarn  
Tomislav Vurusic,  
Vodnjan/Kroatien  
Tamas Bereczky,  
Budapest/Ungarn  
Olimpi Hoxhaj,  
Tirana/Albanien

**Internal-Auditor:**

For the position of internal auditors in 2013 were elected at the general assembly 13<sup>th</sup> – 15<sup>th</sup> September 2013:

01.01.2013 – 14.03.2013 (GA)  
Kimmo Karsikas, Helsinki, Finnland  
Brian Teixeira, London, Großbritannien  
15.03.13 – 31.12.2013  
Kimmo Karsikas, Helsinki, Finnland  
Bojana Delibasic-Bjelic, Banja Luka,  
Bosnien+Herzegovina

The internal audit took place in October 2013 and in February 2014. The report on the findings of the internal audit was given to the external auditors before completion of this report.

#### **4. Economical Basics**

The purpose of the association is the support of the medical sector by informing and consulting on AIDS and the resulting problems and questions. This non-profit association is only carrying out charity work. There is confirmation given to the association by the tax office Düsseldorf-Mitte, dated April 04<sup>th</sup> 2013, to be free of corporate tax and trade tax and to take donations for charity work and to certify it to the donors.

#### **5. Bookkeeping and Records System**

The bookkeeping system is the „DATEV-PRO“ and the “Kostenrechnungsprogramm” by the DATEV e.G. The records system was controlled by samples for their formal and material regularity. Bookkeeping and records system are in the right business form.

#### **6. Explanations to positions of the inventory of property and the account for 2013**

The schemes are sufficiently jointed so that further-reaching explanations can be renounced. Only the positions with whom it is combinations of different positions or an explanation is required are explained in the following.

The **member stock** of the organization has raised from 112 to 114. The contribution takings have raised to € 3.050,-. Some members joined within the year 2013.

The **demands** are expelled to nominal values concerning membership subscriptions as well as advances on travelling expenses, salary payments and designed costs on projects.

The **credits at credit institutions** proved by bank statements are judged to the nominal value.

Costs for event rooms as well as travelling expenses invoices from the year 2013 are essentially the **liabilities** of the organization in the amount of € 244.472,08 (Vj. 263.096,07). Furthermore there are tied donations as received deposit in the amount of € 179.781,87 expelled here. Running time of the projects is up to 5 years.

The capital contribution amounts to € 236.604,65. The surplus of the expenses over the cash receipts is – € 29.185,88 (Previous Year (PY) – € 41.902,04).

The sum of all donations received in 2013 amounted to € 1.025.206,60 (PY 1.001.319,54).

The deficit of 2013 reduces the reserve. A proposal of the Board will be presented to the general assembly.

The **accounting** is made by the organization itself since the year 2006. The costs being allocated to it of one's own are contained in the areas of personnel expenditures and office costs.

## 7. Result of Audit

Referring to the preparation works I am of the conviction that the statement 2013 includes all cash receipts and expenditures.

Therefore I have certified the account 2013 of the association with the following statement:

**"The account (cash based accounting) for 2013 was set up  
by obeying to the law and the statute referring to the  
principles of accounting."**

Düsseldorf, April 29<sup>th</sup> 2014



KLAUS MALENKE  
WIRTSCHAFTSPRÜFER



**Account**  
**for the Fiscal Year 2013**

	<b>2013</b>	<b>2012</b>
<b>Income</b>		
1. Donations	€ 1.025.205,60	€ 1.001.319,54
2. Membership fees	€ 3.050,00	€ 2.850,00
3. Interest	€ 419,47	€ 852,28
4. Recoverable costs	€ 10.910,59	€ 17.195,84
5. Other income	€ 26.656,09	€ 12.262,34
	<hr/> € 1.066.241,75	<hr/> € 1.034.480,00
<b>Expenses</b>		
1. Depreciation and amortisation of tangible and intangible assets	€ 5.470,01	€ 4.419,40
2. Outside services	€ 112.398,64	€ 88.564,72
3. Rent and associated costs	€ 41.962,72	€ 44.810,04
4. Personnel expenses	€ 280.492,12	€ 271.901,56
5. Event expenses	€ 213.931,26	€ 117.296,74
6. Insurances	€ 5.264,69	€ 5.663,94
7. Postage / courier service	€ 1.737,46	€ 2.819,45
8. Telephone / Internet	€ 38.172,18	€ 36.754,87
9. Legal and professional fees	€ 75.614,89	€ 69.117,74
10. Product leasing	€ 3.474,04	€ 3.334,80
11. Audit fee	€ 13.209,00	€ 17.493,00
12. Additional costs for money transactions	€ 2.404,98	€ 2.314,40
13. Office expenses	€ 14.353,99	€ 12.092,24
14. Travelling expenses	€ 266.056,76	€ 364.013,91
15. Contributions	€ 3.202,50	€ 17.309,24
16. Maintenance and service of equipment	€ 12.140,27	€ 11.901,42
17. Other expenses	€ 4.557,11	€ 5.337,96
18. Tax on investment income	€ 100,01	€ 174,61
19. Difference in the exchange rates	€ 103,93	€ 0,00
20. Retirement of fixed assets	€ 0,00	€ 1.012,00
21. Default on receivables	€ 781,07	€ 50,00
	<hr/> € 1.095.427,63	<hr/> € 1.076.382,04
<b>Surplus of the expenses over the cash receipts</b>	<b>€ 29.185,88</b>	- € 41.902,04

**Transition Statement 2013**  
**from the profit and loss statement to the receipts and expenditures statement**  
**referring § 4 (3) EStG**

	€	€
profit by account for the fiscal year 2013		– 29.185,88
+ receivable debts correction 2012		+ 58.434,15
		<u>+ 29.248,27</u>
– receivable debts correction 2013		
- by trade accounts	186,43	
- by advance payments and other receivables	43.887,08	
- by other income	6.290,12	<u>– 50.363,63</u>
		<u>– 21.115,36</u>
– liabilities correction 2012		– 263.096,07
– liabilities correction 2013		
- by payable trade accounts	51.532,62	
- by member expenses	13.133,65	
- by other liabilities	23,94	
- by received advance payment	179.781,87	
- by payments 2012 in advance	9.515,72	<u>+ 253.987,80</u>
surplus after transition		<u>– 30.223,63</u>

**State and Utilisation of Funds 2013**

	€		€
<b>State January, 1<sup>st</sup> 2013</b>			<b>458.276,76</b>
+ Cash Receipts	+ 1.066.241,75		
- Expenses	- 1.095.427,63	-	29.185,88
+ depreciation 2013		+	5.470,01
- retirement of asset additions		-	5.845,32
+ retirement of asset disposals		+	0,00
+ debts as per January 1 <sup>st</sup>	+ 58.434,15		
- debts as per December 31 <sup>st</sup>	- 50.363,63	+	8.070,52
- liabilities as per January 1 <sup>st</sup>		-	263.096,07
+ liabilities as per December 31 <sup>st</sup>	+ 244.472,08	-	18.623,99
<b>Utilisation of Funds December, 31<sup>st</sup> 2013</b>			<b>418.153,10</b>
Balance other deposit			
ING Bank deposit	+ 414.991,14		
APO Bank e.G. deposit	+ 1.901,22		
petty cash	+ 1.260,74		
			<b>418.153,10</b>

ANALYSIS OF ASSETS FOR THE FISCAL YEAR 2013

	historical year	costs	d a dispositions additions	End of year 2013	End of year 2012	depreciation fiscal year
<b>I. Immaterial assets</b>						
Windows 2007 incl Server	03.12.2012	1.167,52 €	0,00 €	681,00 €	1.070,00 €	-389,00 €
<b>II. Fixtures furniture an office equipment</b>						
1 1/11 JW HP ENVY 14-1190	Jan 11	1.630,00 €	0,00 €	545,98 €	-545,98 €	
2 1/11 PC & MS Home Office LS	Jan 11	978,95 €	0,00 €	327,05 €	-327,05 €	
3 3/11 PC Intel Core & MS MM	Mrz 11	1.128,90 €	127,00 €	502,40 €	-375,40 €	
4 5/11 Office Phone System	Mai 11	3.005,64 €	2.304,00 €	2.604,92 €	-300,92 €	
5 5/11 BW VAIO Laptop SB Series	Mai 11	1.000,00 €	223,00 €	556,00 €	-333,00 €	
6 10.11 APPLE Laptop 11AIR	Okt 11	1.299,00 €	651,00 €	1.083,34 €	-432,34 €	
7 17.04.2012 NoteB+PC+Zubehör	Mrz 12	1.644,91 €	731,00 €	1.279,00 €	-548,00 €	
8 05.10.2012 Laptop Asus	Okt 12	999,00 €	583,00 €	916,00 €	-333,00 €	
9 07.12.2012 Ultrabook	Dez 12	999,00 €	639,00 €	972,00 €	-333,00 €	
10 Tresor	Mai 02	810,84 €	0,50 €	0,50 €	0,00 €	
11 COMPUTER Acer Aspire T 136	Okt 06	775,00 €	0,50 €	0,50 €	0,00 €	
12 Notebook HP Pavilion	Jan 07	1.260,00 €	0,50 €	0,50 €	0,00 €	
13 Server IBM X226	Jan 07	1.893,67 €	0,50 €	0,50 €	0,00 €	
14 Desktop PC HP M8080	Aug 07	1.397,60 €	1,00 €	1,00 €	0,00 €	
15 DELL Laptop L Kalovymas	Feb 08	1.654,00 €	1,00 €	1,00 €	0,00 €	
16 MacBook S. Stojanovik	Aug 08	1.629,00 €	1,00 €	1,00 €	0,00 €	
17 Beleuchtung Büro	Okt 08	4.436,47 €	1.113,00 €	1.746,00 €	-633,00 €	
18 Mac Book13,3, L. Mendao	Jun 09	1.258,95 €	1,00 €	1,00 €	0,00 €	
19 MacBook Air Ferenc Bagynsky	Sep 09	1.112,28 €	1,00 €	126,00 €	-125,00 €	
20 8 Bürostühle	Mai 13	2.797,52 €	a	2.690,00 €	0,00 €	
21 Mac Book Tamas Bagynski	Dez 13	1.352,70 €	a	1.334,00 €	0,00 €	
22 Sonic Wall	Apr 13	600,10 €	a	467,00 €	0,00 €	
23 AZUS Laptop x202E	Apr 13	596,00 €	a	464,00 €	0,00 €	
24 PC ACER DT. SLJEH	Jul 13	499,00 €	a	416,00 €	0,00 €	
<b>Summe</b>		<b>34.758,53 €</b>	<b>a</b>	<b>5.845,32 €</b>	<b>11.749,00 €</b>	<b>-4.761,01 €</b>
					<b>10.664,69 €</b>	

## ANALYSIS OF ASSETS FOR THE FISCAL YEAR 2013

	historical year	costs	d dispositions a additions	End of year 2013	End of year 2012	depreciation fiscal year
III. Low value assets		1,00 €		1,00 €	1,00 €	0,00 €
IV. Low value assets pool						
1 Pool 2009	968,99 €			3,00 €	196,00 €	-193,00 €
2 Pool 2010	633,98 €			126,00 €	253,00 €	-127,00 €
	1 602,97 €			129,00 €	449,00 €	-320,00 €
Total Amount	42.764,35 €	a	5.845,32 €	12.560,00 €	12.184,69 €	-5.470,01 €

**Inventory of Property 2013**

	<b>End of year 31.12.2013</b> €	<b>End of year 31.12.2012</b> €
<b>A. Property</b>		
1. Intangible assets	681,00	1.070,00
2. Fixed assets	11.879,00	11.114,69
3. Demand of trade debtors	186,43	671,48
4. Security deposit for office rooms	6.290,12	6.351,40
5. Liquidity	418.153,10	458.267,76
6. Other Claim	43.887,08	51.411,27
<b>December 31<sup>st</sup> 2013</b>	<b>481.076,73</b>	<b>528.886,60</b>
<b>B. Liabilities</b>		
1. Amounts due to suppliers	51.532,62	59.555,45
2. Liabilities of expense accounts	13.133,65	16.288,17
3. Other liabilities	23,94	10.693,90
4. Prepaid membership fees	0,00	18.148,20
5. Prepaid donations	179.781,87	158.410,35
<b>December 31<sup>st</sup> 2013</b>	<b>244.472,08</b>	<b>263.096,07</b>
<b>C. One's own funds (A - B)</b>	<b>236.604,65</b>	<b>265.790,53</b>
1. Association's assets	18.766,10	18.766,10
2. Reserves before use	247.024,43	288.926,47
3. Deficit	- 29.185,88	- 41.902,04
	<b>236.604,65</b>	<b>265.790,53</b>
<b>Total amount of capital assets</b>	<b>481.076,73</b>	<b>528.886,00</b>
<b>Development of Reserves</b>		
Deficit	- 29.185,88	- 41.902,04
Initial reserves	247.024,43	288.926,47
Remaining reserves	+ 217.838,55	+ 247.024,43

**Budget 2014**

The net loss for the year 2013 should be fully integrated into the reserve. Ensuing the budget 2014 created and submitted by the Association is presented.

<b>Income</b>	<b>€</b>
- core funding by expected donations (estimated)	1.100.000,00
<i>Total:</i>	<b>1.100.000,00</b>
<b>Scientific and Research</b>	<b>€</b>
- ECAB	212.910,00
- CHAARM project	15.644,00
- ECRAN project	15.572,00
- EUPATI project	108.352,00
<i>Subtotal</i>	352.478,00
<b>Policy and Advocacy</b>	<b>€</b>
- Policy working-review-represent	75.228,00
- OPtest EC project	17.788,00
- aMASE project	19.968,00
- HIV in Europe project	15.555,00
<i>Subtotal</i>	128.539,00
<b>HCV Hepatitis C-Virus</b>	<b>€</b>
- core activity. Sitges-conference and thematic issues	106.349,00
<i>Subtotal</i>	106.349,00
<b>Other Projects</b>	<b>€</b>
- Eurocoord	1.419,00
- TasP	7.097,00
- Sidaction	3.773,00
<i>Subtotal</i>	12.289,00
<b>Capacity Building</b>	<b>€</b>
- ICAN – EC Training Conference project	124.840,00
- Training Academy	10.000,00
- BMS Training	33.410,00
- Training Staff	4.258,00
- Technical Publications (COPE)	19.433,00
- Conference support for staff	23.997,00
- Representation and Capacity building for members	24.594,00
<i>Subtotal</i>	240.532,00
<b>Communication</b>	<b>€</b>
- website, Publications, TB online, IT support	40.879,00
<i>Subtotal</i>	40.879,00
	881.066,00

	881.066,00
<b>Governance</b>	
- ombudspersons	1.419,00
- GA	98.761,00
- BOD	56.776,00
- DMAG	15.612,00
- internal auditors	5.677,00
- Governance meeting	10.347,00
- Stakeholders meeting	10.943,00
- External Advisory Board	3.548,00
- Fundraising	35.483,00
<i>Subtotal</i>	<u>238.566,00</u>
<b>Administration</b>	
- staff salaries	133.548,00
- Legal Advice	4.258,00
- external Auditors	17.031,00
<i>Subtotal</i>	<u>154.837,00</u>
<i>Total:</i>	<b><u>1.274.469,00</u></b>
<b>Deficit surplus 2014 (provisionally)</b>	<b><u>– 174.469,00</u></b>

### Volunteer time Recap 2013

Referring to the annual general meeting we subsequently describe the voluntary service in EATG 2013. The service was generated by the members of the Board of Directors, the internal auditors and different members of the Association, overall 24 (in the year before 31) people

The volunteer hours executed were listed in timesheets. The hours which were fulfilled had been listed in a time table.

The hourly rate is set equal to the rate external employees would have been paid. The hourly rate, we calculated, is based on salaries of full time employees of the association in 2013 and their specific qualifications. The rate per hour is fixed on 30,05 €/h and 26,19 €/h on "Administration" and "Other" activities.

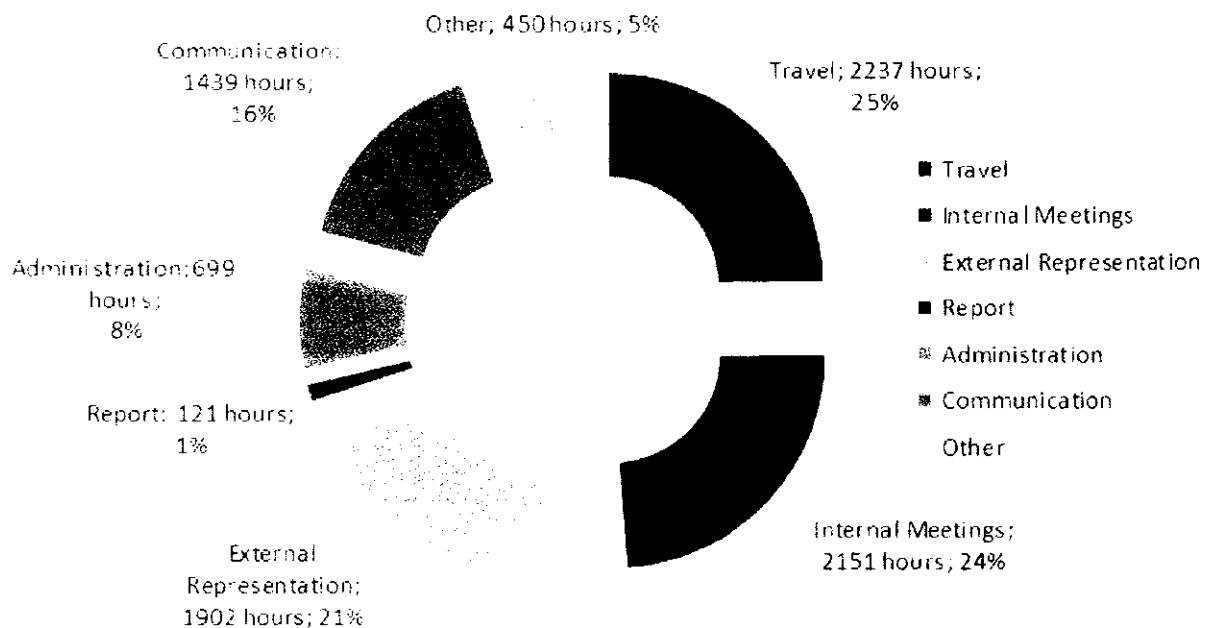
The price of this voluntary work has to be regarded as a fictitious number, as the idea of voluntary service is. It has no market price and no official wage.

In order to get an idea of the real value of the performance, we have to compare it with the real costs which were paid for meetings, travel, communication etc.. They are part of the expenses presented in our "Account for the fiscal year 2013" – Annex 1. Sometimes presentations and meetings are sponsored by companies, in this case these costs don't appear in the accounts.

The summary was created by EATG.

Type of activity	hours	value of performance
	2013	
	[h]	[€]
Travel	2237	67.212,00
Internal Meeting	2151	64.623,00
External	1902	57.149,00
Representation		
Report	121	3.636,00
Administration	699	18.297,00
Communication	1439	43.244,00
Other	450	11.759,00
<b>Total:</b>	<b>8999</b>	<b>265.920,00</b>

24 EATG members participated. These volunteers worked 8.999 hours volunteering for the EATG. The average amount of voluntary work in one year per person was 374 hours, whereas the minimum was 16,25 hours (equals € 426,-) and the maximum 1.045,00 hours (equals € 30.808,-). Compared with 2011 with a total of 11.158 hours and 2012 with 9.071 hours you can say that the amount of voluntary work (8.999 hours) in 2013 is equally high.



If we multiply the volunteer hours with the price per hour, add the common costs (depreciation, personnel, expenditure of material, claiming of services with a total of € 1.095.427,63), the notional value of the voluntary work is approximately € 265.920,00. If we include this in our „accounts for the fiscal year 2013“ it currently comes up to 24.3 % (22.2% in 2012) of the total expenses. The annual result would have been a significantly higher loss for the EATG.

Note, not all members of the EATG listed their voluntary hours.