

# **AUDITOR'S REPORT**

**for the Fiscal Year 2018**  
**(Reporting Period 01.01. – 31.12.2018)**

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

**Copy-Nr. 7**

**KLAUS MALENKE**  
**WIRTSCHAFTSPRÜFER**

Mettmanner Str. 24 - 26 • 40233 Düsseldorf  
Telefon (0211) 68 04 70 • Telefax (0211) 67 13 44

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## **GENERAL PART**

### **1. Assignment**

The assignment for preparation of the statement 2018 and for auditing the bookkeeping was given by the chairman of the association „European AIDS Treatment Group e.V. (EATG), Mr. Nikos Dedes. The assignment is based on the "General Terms of Engagement" of the „Wirtschaftsprüferinstitut“ in the version from January, 1st 2017. 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 2018 covers after this all activities which are required to prepare the engaged statement 2018 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 2018 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 2018 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 2018 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 organisation leadership and the employees named for the information willingly. As informers the organisation leadership named Mrs Marie McLeod.

Type, size and result of the construction actions carried out and 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 and april 2019 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 as 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 own booking.

### 3. Lawful Standards

#### – Generals

<b>Association:</b>	European AIDS Treatment Group e.V.
<b>Legal Form:</b>	Registered association
<b>Association Register:</b>	The association is registered in the association register at the official court Düsseldorf under the no. 8542. The first entry was August, 9 <sup>th</sup> 1993.
<b>Association Constitution:</b>	The constitution was adopted February, 23 <sup>rd</sup> 1992, changed on June 13 <sup>th</sup> , 14 <sup>th</sup> 1998 and last changed on September, 23 <sup>rd</sup> 2017.
<b>Office:</b>	Düsseldorf
<b>Chair:</b>	Nikos Dedes, Athen / Greece
<b>Tax Office:</b>	Düsseldorf-Mitte Tax. no. 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 Vilnius / Lithuania in September, 27<sup>th</sup> – 29<sup>th</sup> 2018.

The assembly's protocol was inspected. The size of the association membership reduced to 175 members.

**b) Board of Directors:**

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

Chair:

Nikos Dedes, Director  
Athen / Greece

Directors:

Mario Cascio, Vice-Chair  
Palermo / Italy  
Esther Dixon-Williams, Treasurer  
London / UK  
Andrej Senih, Secretary  
Skopje / Macedonia  
Aisuluu Bolotbaeva, Director  
Bishkek / Kyrgyzstan

**Internal-Auditor:**

For the position of internal auditors in 2018 were elected at the general assembly September

Peter Wiessner, Berlin / D (1.1.2018 – 29.09.2018)  
Jens Wilhelmsborg, Helsingør / DK (1.1.2018 – 8.10.2018)  
Arda Karapinar, Istanbul / TR (29.09.2018 – dato)

#### 4. Economical Basics

The European AIDS Treatment Group is a network of nationally-based volunteer activists from different countries in Europe. This non-profit association is only carrying out charity work, regarding the prevention and combatting of the communicable disease aids.

There is confirmation given to the association by the tax office Düsseldorf-Mitte, dated February 17th 2017, 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 „Kanzlei-Rechnungswesen“ 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 2018

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

The **member stock** of the organization decreased from 179 to 175. The contribution was € 4.525,00.

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 **bank-deposits 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 2018 are essentially the **liabilities** of the organization in the amount of € 781.439,86 (PY: € 366.406,58). Furthermore there are tied donations as received deposit in the amount of € 685.099,63 (PY: € 298.446,63) expelled here.

Running time of the projects is up to 5 years.

The capital contribution amounts to € 183.559,63 (PY: € 291.569,65).

The surplus of the expenses over the cash is € ./.. 108.010,02 (Previous Year: surplus of the cash over the expenses € + 109.211,05).

The sum of all donations received in 2018 amounted to € 1.087.105,85 (PY 1.426.413,09), of more than 5 large donators.

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 expenses and office costs.

The loss of 2018 reduces the reserve. A proposal of the Board will be presented to the general assembly.

## 7. Result of Audit

Referring to the preparation works I am of the conviction that the statement 2018 includes all cash receipts and expenditures.

Therefore I have certified the account 2018 of the association with the following statement:

**"The account (cash based accounting) for 2018 was set up  
by obeying to the law and the statute referring to the  
principles of accounting."**

Düsseldorf, 15. Mai 2019



Klaus Malenke  
Wirtschaftsprüfer / Steuerberater



**Account**  
**for the Fiscal Year 2018**

	<b>2018</b>	<b>2017</b>
<b>Income</b>		
1. Donations, different	€ 1.087.105,85	€ 1.426.413,09
2. Membership fees	€ 4.525,00	€ 4.650,00
3. Interest	€ 449,07	€ 419,80
4. Recoverable costs	€ 9.332,20	€ 7.785,30
5. Other income	€ 26.368,02	€ 42.126,94
	<u>€ 1.127.780,14</u>	<u>€ 1.481.395,13</u>
<b>Expenses</b>		
1. Depreciation and amortisation of tangible and intangible assets	€ 5.786,64	€ 5.073,62
2. Outside services	€ 231.003,90	€ 197.555,29
3. Rent and associated costs	€ 52.922,21	€ 69.841,66
4. Personnel expenses	€ 287.216,97	€ 343.020,11
5. Event expenses	€ 315.841,79	€ 336.499,30
6. Insurances	€ 9.139,40	€ 12.556,28
7. Postage / courier service	€ 389,82	€ 677,82
8. Telephone / Internet / IT	€ 47.200,40	€ 43.722,16
9. Legal and professional fees	€ 83.954,75	€ 111.510,94
10. Product leasing	€ 3.319,21	€ 3.132,87
11. Audit fee	€ 10.412,52	€ 14.399,00
12. Additional costs for money transactions	€ 3.999,38	€ 4.012,80
13. Office expenses	€ 3.740,90	€ 5.909,62
14. Travelling expenses	€ 162.385,80	€ 204.797,54
15. Contributions	€ 10.081,45	€ 7.810,71
16. Other expenses	€ 7.634,76	€ 10.271,84
17. Tax on investment income	€ 64,36	€ 61,72
18. Difference in the exchange rates	€ 247,90	€ 502,91
19. Retirement of fixed assets	€ 448,00	€ 828,00
	<u>€ 1.235.790,16</u>	<u>€ 1.372.184,08</u>
<b>Surplus of the expenses over the cash receipts</b>	<u><b>€ - 108.010,02</b></u>	<u><b>€ 109.211,05</b></u>

(previous year: Surplus of the cash receipts)



**Transition Statement 2018**  
**from the profit and loss statement to the receipts and expenditures statement**  
**referring § 4 (3) EStG**

	€	€
loss by fiscal for the account year 2018		- 108.010,02
+ receivable debts correction 2017		+ 37.685,19
		- 70.324,83
		-----
– receivable debts correction 2018		
- by trade accounts	- 9.339,83	
- by advance payments and other receivables	- 49.488,02	
- by other income	- 11.407,06	
	-----	
		- 70.234,91
		-----
		- 140.559,74
		=====
– liabilities correction 2017		- 366.406,58
– liabilities correction 2018		
- by payable trade accounts	+ 88.043,00	
- by member expenses	+ 1.987,82	
- by other liabilities	+ 6.309,41	
- by received advance payment	+ 685.099,63	
	-----	
		+ 781.439,86
		-----
Surplus in the legal sense of § 4 Abs. 3 EStG		274.473,54
		=====

**State and Utilisation of Funds 2018**

	<u>€</u>	<u>€</u>
<b>State January, 1<sup>st</sup> 2018</b>		<b>+ 611.606,54</b>
+ Cash Receipts	+ 1.127.780,14	
– Expenses	– <u>1.235.790,16</u>	– 108.010,02
+ depreciation 2018		+ 5.786,64
– retirement of asset additions		– 8.171,64
+ retirement of asset disposals		+ 448,00
+ debts as per January 1 <sup>st</sup> 2018	+ 37.685,19	
– debts as per December 31 <sup>st</sup> 2018	– <u>70.234,91</u>	– 32.549,72
– liabilities as per January 1 <sup>st</sup> 2018	– 366.406,58	
+ liabilities as per December 31 <sup>st</sup> 2018	+ <u>781.439,86</u>	+ 415.033,28
<b>Utilisation of Funds December, 31<sup>st</sup> 2018</b>		<b><u>884.143,08</u></b>
Balance other deposit, <b>December, 31<sup>st</sup> 2018</b>		
ING Bank deposit		+ 880.738,77
APO Bank e.G. deposit		+ 1.861,02
petty cash		+ <u>1.543,29</u>
		<b><u>884.143,08</u></b>

**Inventory of Property 2018**

	<b>End of year 31.12.2018</b>	<b>End of year 31.12.2017</b>
	€	€
<b>A. Property</b>		
1. Intangible assets	1,00	1,00
2. Fixed assets	10.620,50	8.683,50
3. Demand of contribution, offsettings, other deposit	13.919,30	17.575,11
4. Security deposit for office rooms	6.827,59	6.347,51
5. Liquidity	884.143,08	611.606,54
6. Other Claim	49.488,02	13.762,57
<b>December 31<sup>st</sup> 2018</b>	<b>964.999,49</b>	<b>657.976,23</b>
<b>B. Liabilities</b>		
1. Amounts due to suppliers	88.043,00	56.668,47
2. Liabilities of expense accounts	1.987,82	2.408,30
3. Other liabilities	6.309,41	8.883,18
4. Prepaid donations	685.099,63	298.446,63
<b>December 31<sup>st</sup> 2018</b>	<b>781.439,86</b>	<b>366.406,58</b>
<b>C. One's own funds (A – B)</b>		
1. Association's assets	18.766,10	18.766,10
2. Reserves before use	272.803,55	163.592,50
3. Deficit (previous year: Surplus)	- 108.010,02	+ 109.211,05
	<b>183.559,63</b>	<b>291.569,65</b>
<b>Total amount of capital assets</b>	<b>964.999,49</b>	<b>657.976,23</b>
<b>Development of Reserves</b>		
Deficit (previous year: Surplus)	- 108.010,02	+ 109.211,05
Initial reserves	+ 272.803,55	+ 163.592,50
Remaining reserves	+ 164.793,53	+ 272.803,55

**BASIC - Budget 2019**

The loss of the year 2018 reduces the reserve. Ensuing the budget 2019 created and submitted by the Association GA is presented.

<b>Income</b>	<b>€</b>
	1.200.000,00
- core funding by expected donations (estimated)	
<b>Total:</b>	<b>1.200.000,00</b>

**SCIENTIFIC RESEARCH**

ECAB (HIV & Hepatitis) & consultations	180.812,00	
		<b>180.812,00</b>

**POLICY AND ADVOCACY**

Transversal Policy work	9.289,00	
		<b>9.289,00</b>

**ADVISORY GROUPS**

Tuberculosis	1.659,00	
Hepatitis	1.659,00	
Diagnostics/testing	1.659,00	
Access & affordability	1.659,00	
Women & HIV	1.659,00	
		<b>8.295,00</b>

**INITIATIVES**

HIV Outcomes / Civil Society Forum / HIV in Europe Initiative / STEPS		
		<b>0,00</b>

**PROJECTS**

EFOEUPATI	30.505,00
EHVA	7.318,00
PARADIGM	187.116,00

**BASIC - Budget 2019****sheet 2**

HIVACAR	26.688,00	
ESTICOM	3.854,00	
EMERGE	80.194,00	
STEP UP Training Academy 2018-2019	103.423,00	
		<b>439.098,00</b>

**Participation & Representation**

Members' External Representation	22.559,00	
Staff External Representation	10.616,00	
		<b>33.175,00</b>

**INSTITUTIONAL MEMBERSHIPS**

Partner Organisation Membership fees		<b>10.368,00</b>
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**CAPACITY BUILDING**

Transversal Training Activities	9.289,00	
Staff training	3.981,00	
Membership Development	5.308,00	
Continuous Patient Education (COPE)	1.991,00	
		<b>20.569,00</b>

**COMMUNICATIONS**

Website content management (external news)	6.930,00	
Publications and general	8.750,00	
IT support	5.635,00	
		<b>21.315,00</b>

**STRATEGY**

Stakeholders meeting	9.289,00	
Strategy building	10.616,00	
		<b>19.905,00</b>

**BASIC - Budget 2019****sheet 3****AUDITS**

Internal	7.962,00	
External	17.251,00	
		<b>25.213,00</b>

**SUPPORT & ADVICE**

External Advisory Board	664,00	
Legal Advice	664,00	
Development and Membership Advisory Group	7.962,00	
Ombudspersons	664,00	
		<b>9.954,00</b>

**DATA PROTECTION**

General		<b>664,00</b>
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**GOVERNANCE**

General Assembly	53.121,00	
Board of Directors	19.913,00	
		<b>73.034,00</b>

**FUNDRAISING**

Fundraising and Finance Committee		<b>17.453,00</b>
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**ADMINISTRATION**

Staff		<b>326.811,00</b>
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**TOTAL****1.195.953,00****Surplus 2019 (provisionally)****4.045,00€**