

Statutory auditor's interim report to the board of Etuce on the financial statements for the year ended December 31, 2007

We report to you on the performance of our mandate as statutory auditor of the Association of ETUCE. As statutory auditor we have to report to the ETUCE General Assembly, which is planned for 2009.

This interim report contains our opinion on the financial statements as of December 31, 2007, composed of a balance sheet, a detail of assets and liabilities and a summary of income and expenditure accounts. This report also contains additional comments and information.

Unqualified opinion on the financial statements

We have audited the financial statements for the year ended December 31, 2007, which were prepared by you and which are not intended to be a presentation in conformity with the accounting principles generally accepted in Belgium.

These financial statements show a balance sheet total of € 352.409,78 and a loss for the year of € 102.657,82.

Responsibility of Management and the Board for the preparation and fair presentation of the financial statements

Management and the Board are responsible for the preparation and fair presentation of the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Responsibility of the statutory auditor

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Belgium. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, we have considered internal control relevant to the Association's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. We have evaluated the appropriateness of accounting policies used, the reasonableness of significant accounting estimates made by the Association and the presentation of the financial statements, taken as a whole. Finally, we have obtained from management and the Association's officials the explanations and information necessary for executing our audit procedures. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements for the year ended December 31, 2007 give a true and fair view of the Association's financial position and the results of its operations in accordance with the financial reporting framework as adopted by ETUCE.

Additional comments and information

Our responsibility is to include in our report the following additional comments and information, which do not modify the scope of our opinion on the special purpose financial statements:

- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium. The financial statements are presented in a specific format as adopted by ETUCE.
- The accounting policies applied when preparing these special purpose financial statements are in line with those as applied in prior periods.

- This report was prepared solely for information and use of the Board in maintaining the financial statements of ETUCE as to be presented to the ETUCE General Assembly in 2010 and is not intended to be and should not be used by anyone other without our prior written approval.

Brussels, April 07, 2008

Ernst & Young Reviseurs d'Entreprises SCCRL
Statutory auditor
represented by



Herman Van den Abeele
Partner

ETUCE

**Financial statements
as at 31 December 2007**

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ETUCE**Financial report at 31 December 2007****1. Balance sheet**

	Balance 31/12/2007	Balance 31/12/2006
<u>1. Assets</u>	<u>Euro</u>	<u>Euro</u>
1.1. Fixed assets	16.417,74	24.814,47
1.2. Cash and deposits	88.798,22	258.345,89
1.3. Accounts receivable	245.725,53	308.053,46
1.4. Dues receivable	0,00	513,51
1.5. Income receivable	1.468,29	712,86
<u>Total assets</u>	<u>352.409,78</u>	<u>592.440,19</u>
<u>2. Liabilities</u>	<u>Euro</u>	<u>Euro</u>
2.1. Accounts payable	187.668,43	187.087,07
2.2. Prov. For accounts payable as at 31/12/2006	0,00	114.000,00
2.3. Reserve fund	267.399,17	310.596,85
2.4. Deferred Income	0,00	23.953,95
<u>Total liabilities</u>	<u>455.067,60</u>	<u>635.637,87</u>
<u>3. Excess of Liabilities over Assets</u>	<u>-102.657,82</u>	<u>-43.197,68</u>

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2. Detail of assets and liabilities

		Balance 31/12/2007
<u>1. Assets</u>		<u>Euro</u>
<u>1.1. Fixed assets</u>		
Furniture		20.713,50
Hardware-software		49.422,58
Material in leasing		0,00
Accumulated depreciation		-53.718,34
<i>Total</i>		<u>16.417,74</u>
<u>1.2. Cash and deposits</u>		
Deposits		0,00
Cash and banks		88.798,22
<i>Total</i>		<u>88.798,22</u>
<u>1.3. Accounts receivable</u>		
Miscellaneous		37.943,01
Current Account Foundation ETUCE		81.871,35
Deferred charges		7.788,16
Staff advances		4.097,21
Subsidies to be received EC projects		114.025,80
<i>Total</i>		<u>245.725,53</u>
<u>1.4. Dues receivable</u>		
Education International		0,00
<i>Total</i>		<u>0,00</u>
<u>1.5. Income receivable</u>		
Bank Interests		1.468,29
<i>Total</i>		<u>1.468,29</u>
<i>Total assets</i>		<u>352.409,78</u>

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<u>2. Liabilities</u>	Balance 31/12/2007 Euro
<u>2.1. Accounts payable</u>	
Invoices & expense claims outstanding	141.284,93
Provisions holiday with pay	46.383,50
<i>Total</i>	<i>187.668,43</i>
<u>2.2. Provisions</u>	
Provisions	0,00
<i>Total</i>	<i>0,00</i>
<u>2.3. Reserve funds</u>	
Reserve fund as at 31/12/2007 (before allocation of this year result)	267.399,17
<i>Total</i>	<i>267.399,17</i>
<u>2.4 Deferred Income</u>	
Dues received for next year	0,00
<i>Total</i>	<i>0,00</i>
<u>Total liabilities</u>	<u>455.067,60</u>

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Financial report at 31 December 2007**3. Summary of income and expenditure accounts**

	2007	
	Budget Euro	Actual Euro
<i><u>1. Etuce own activities</u></i>		
Income	920.266,00	879.729,20
Expenditures	922.850,93	982.387,02
Additional reserve foundation CSEE/ETUCE		0,00
Expenditures over Income as at 31 December 2007	-2.584,93	-102.657,82

4. Detail of income and expenditure accounts

	2007	
	Budget Euro	Actual Euro
a) Income		
Membership Dues based on a DPM Euro 0,302 per member Previous years	753.266,00 0,00	794.907,50 3.565,35
Interest	2.000,00	5.746,66
EC project income (salary/overhead/administration fee)	115.000,00	52.627,97
Overhead EU project	50.000,00	22.881,72
Divers	0,00	0,00
Total	920.266,00	879.729,20

The income consists of 4 parts :

- The dues the members pay to Education International for the attention of ETUCE
- The agency costs/salary costs refunded by the EC
- The miscellaneous income

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	2007	
	Budget Euro	Actual Euro
b) Expenditures		
1. General assembly	10.000,00	1.945,65
2. Bureau (4- 6)	12.300,00	4.322,89
Travel	8.400,00	2.964,27
Accommodation	2.500,00	736,25
Restaurant	1.000,00	362,22
Divers	400,00	260,15
3. Executive Board (2)	36.500,00	39.035,27
Travel	17.000,00	12.234,46
Accommodation	10.000,00	17.773,83
Interpretation	5.000,00	2.182,84
Translation	1.000,00	1.456,06
Rent	1.000,00	0,00
Restaurant	2.500,00	5.264,48
Divers	0,00	123,60
4. Consultative Meeting once a year	21.500,00	22.330,15
Travel (only EB members)	8.500,00	4.225,77
Accommodation (only EB members)	5.000,00	11.093,00
Interpretation	2.500,00	2.596,05
Translation	500,00	0,00
Rent	2.000,00	0,00
Restaurant	1.000,00	4.165,42
Follow-up and publications	500,00	0,00
Interventions (speakers,guests,...)	1.000,00	0,00
Divers	500,00	249,91
5. Mission and Representation	25.300,00	36.845,24
General Secretary	17.300,00	21.477,19
Member of the Bureau	3.500,00	3.348,39
Member of the Ex. Bo.	2.500,00	0,00
Other	2.000,00	12.019,66

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	2007	
	Budget Euro	Actual Euro
6. Secretariat	761.850,93	824.541,19
<u>Personnel</u>		
-General Secretary	137.000,00	142.580,88
-Technical Staff	402.150,93	449.869,48
- EU project administration	105.000,00	117.459,12
<u>Office costs</u>		
-Rent	40.000,00	37.530,85
-Furniture and Equipment	5.000,00	6.133,83
- Maintenance and Cleaning	4.000,00	10.272,26
<u>Working costs</u>		
-Copy and printing	8.000,00	4.413,37
-Training	5.500,00	2.869,24
-Insurance	2.000,00	4.596,77
-Restaurant/drinks	1.700,00	1.389,24
-Subsription	500,00	124,84
-Office supplies	4.500,00	6.584,15
-Telecommunication	7.500,00	7.744,96
-Mail	1.000,00	1.145,69
<u>Translation</u>	15.000,00	11.525,24
<u>Depreciation year</u>	10.000,00	8.396,73
<u>Bank Charges</u>	3.000,00	1.251,88
<u>Travel</u>	4.000,00	2.226,35
<u>External audit</u>	5.000,00	7.225,04
<u>Divers (gifts&travel)</u>	1.000,00	1.201,27
7. Advisory Panels (Combined with the EB)	700,00	3.748,92
Travel	0,00	2.689,65
Accommodation	500,00	200,00
Translation	0,00	0,00
Restaurant	200,00	859,27
Divers/rent	0,00	0,00
8. Networks	9.700,00	0,00
Travel	4.000,00	0,00
Accommodation	1.700,00	0,00
Rent	2.000,00	0,00
Interpretation	0,00	0,00
Restaurant	1.000,00	0,00
Report	1.000,00	0,00
Divers		

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	2007	
	Budget Euro	Actual Euro
9. Activities & Seminar	40.000,00	18.424,68
Joint activities EI-ETUCE-ETUI Social Dialogue		2.890,83
Participation in various activities		13.853,88
Stress Malta seminar		3.344,44
Sevilla ETUC Congress		6.963,45
Cleaning of old Account Payable		-8.627,92
10. Information activities	5.000,00	31.193,03
(History of ETUCE)		
- Accommodation		185,00
- Travel		3.592,18
- Subsistence		4.552,86
- Other		227,51
- Translation		12.547,07
- Post		810,86
- Fees		1.000,00
- Publication		7.837,55
- Rent Meeting rooms		850,00
- Gift & flowers		70,00
- Sales of books		-480,00
Total expenses	922.850,93	982.387,02
Total income	920.266,00	879.729,20
Total expenses	922.850,93	982.387,02
Expenditures over Income as at 31 December 2007	-2.584,93	-102.657,82

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4. Status of the projects with the european commission

Year 2007	Bal. b/f 31-dec-06	Funds received 2007 (1)	Contributions ETUCE	Expenses 2007	Bal. c/f 31/dec/07
Name of the project					
E-learning (ELFE)	56.126,66		-2.290,00	33.633,34	87.470,00
Dialogue Social RIKU II VS/2005/0149	47.327,23	-60.893,51 A	0,00	13.566,28	0,00
Lisbon 2010	3.902,55	-8.895,80 A	0,00	4.993,25	0,00
AHEAD OF ENTR VS/5/0625 29/11/5-28/11/6	27.934,95	-31.628,72 A	-4.486,12	8.179,89	0,00
ROMAII SEC YEAR VS/5/0718	81.584,04	-100.788,24 A	-1.151,33	20.375,53	0,00
RIKU III VS/2006/0276	-12.424,91	-112.226,49 B	-87.526,55	212.177,95	0,00
STRESS	-48.111,65	-66.657,43 B	-29.596,34	144.365,42	0,00
TRACE	17.870,35	-42.260,78 A	7.526,11	16.864,32	0,00
TEACHERS FOR SOCIAL EUROPE		-80.000,00 B	-34.801,96	114.801,96	0,00
TRUCE- VIOLENCE		B		1.359,34	1.359,34
EUROPE NEEDS TEACHERS		B		25.102,36	25.102,36
ELFE 2		B		94,10	94,10
SOCIAL DIALOGUE IV		B		0,00	0,00
Total	174.189,22	-503.350,97	-152.326,19	595.513,74	114.025,80

(1) A directly from Eu Commission
B Via the Foundation ETUCE-CSEE