



**Glass Alliance Europe AISBL**

**- GAE -**

**Brussels**

**Audit of the accounts as of 31 December 2013**



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# Audit report

## I. Audit mission

In our capacity as financial auditors of GAE (as decided by the General Assembly on 12 June 1996), we examined the annual accounts for the year 2013. The auditing activities mainly took place at the office of the GAE in Brussels on April 24<sup>th</sup>, 2014.

We examined the truth and fairness of accounting. In addition, a number of vouchers have been checked.

Our audit was based on the accounts, the trial balance on December 31<sup>st</sup>, 2013 as well as on the relevant documents of the year 2013.

A completeness declaration was signed by the Secretary-General, wherein it is stated that all transactions that occurred in 2013 were booked in the accounts.

Information on the accounts and transactions was provided by:  
Mr. Cazes - Secretary-General of GAE, as from January 1<sup>st</sup>, 2012  
Mrs. Favry - Secretary of GAE  
Mr. Roquet - External Accountant

The balance sheet on December 31<sup>st</sup>, 2013 as well as a statement of income and expenses from January 1<sup>st</sup>, 2013 until December 31<sup>st</sup>, 2013 are included in this report. Comments on the individual items of the balance sheet and the statement of income and expenses are added.

## II. Legal Situation

### National member federations of GAE:

Assovetro, Italy  
British Glass Manufacturers Confederation, United Kingdom  
F.C.S.I.V., France  
Bundesverband Glasindustrie e.V., Germany  
FIV-VNG, Belgium  
Fachverband der Glasindustrie Österreichs, Austria  
F.C.V.M.M. (French Crystall Federation), France  
VNG - Verenigde Nederlandse Glasindustiren, Netherlands  
Vidrio Espana, Spain  
Polish Glass (Z.P.P.S.), Poland  
Czech Glass Federation (ASKPCR), Czech Republic  
Romanian Glass and Creamics Employer's Association (STICEF), Romania  
Hungarian Glass Industry Association (MUSZ), Hungaria  
TSVCF, Turkey

### Sectorial member associations:

APFE - Glass Fibre europe, Belgium  
FEVE - European Container Glass Association aisbl, Belgium  
Glass for Europe aisbl, Belgium  
EDG - European Domestic Glass aisbl, Belgium  
ESGA - European Special Glass Association aisbl, Belgium

### Main bodies of the GAE are the:

- the General Assembly,
- the Executive Committee,

### Members of the Executive Committee are as follows:

Mr. J. Swiatek, Polish Glass Federation, Poland  
Mr. P. Giacobbo, Assovetro, Italy  
Mr. J. Bordat, F.C.S.I.V., France  
Mr. G. De Clippele, FIV-VGI, Belgium  
Mr. J. Overath, Bundesverband Glasindustrie e.V., Germany  
Mr. D. Dalton, British Glass, Great Britain  
Mr. A. Krissmanek, Fachverband Glasindustrie Österreich, Austria  
Mrs. A. Farrelly, FEVE  
Mr. B. Cazes, Glass For Europe  
Mr. X. Ibled, EDG  
Mr. Th. Hunlich, ESGA  
Mr. A. Jorns, APFE/Glass Fibre Europe

### President:

Mr. J. Bordat, FCSIV, France

### Vice President :

Mr. J. Overath, BV Glas Germany

### Secretary-General :

Mr. B. Cazes, Glass for Europe

The financial statements of the year 2012 were approved by the General Assembly on June 25<sup>th</sup> 2013, after integration of the adjustments recommended by the auditors.

### III. Comments on the Annual Accounts and on the Bookkeeping

Since autumn 2004 the accounting is undertaken by an external financial accountant "Fiduciaire Roquet SPRL".

Following our mission, we have verified the compliance with generally accepted accounting principles.

A control of incoming and outgoing invoices, expense reports, payroll and bank payments has been carried out. A reconciliation of accounting entries and invoices has been performed on a random basis.

The audit work took place on site on April 24<sup>th</sup>, 2014. The audit has been performed by the Internal Audit department of Saint-Gobain.

#### **Findings**

##### **1) VAT rules**

No significant changes since 2012. Following the changes on rules regarding VAT in 2012, 100% of the VAT is deducted by GAE for 2014. The accounts disclose a debit balance of 22.321 euros (receivable) with the VAT administration. This balance was deducted of the first advance payment to the VAT for the first quarter 2014.

##### **2) Review of invoices**

At least one invoice (Field Fischer Waterhouse, 2905 EUR), paid by Glass Alliance Europe, was not addressed to the Aisbl. Special care should be given to the parties mentioned in the invoices when they are

##### **3) Audit adjustments**

No audit adjustment was required after the review. The sum of unadjusted misstatements amounts to a total of +1.356 EUR (mainly linked to a cut-off issue on an insurance taken over 2013-2014).

##### **4) Approval of expenses**

During the review, it was identified that only invoices linked to non recurrent outgoing payments made directly by GAE were formally approved by the Secretary-General. This excludes all payments made by credit card, all recurrent payments and all direct debit payments. An exhaustive review of expenses should be performed by management.

Aachen, 04.06.2013



Didier RONGY

Audit Senior Manager Compagnie de Saint - Gobain  
Central Europe Delegation

IV. Balance Sheet as of 31 December 2013

Glass Alliance Europe AISBL  
- GAE -

**Assets**

**Liabilities**

	31.12.2013 €	31.12.2012 €		31.12.2013 €	31.12.2012 €
Deposit	8,882.24	8,842.45	Social reserve on 1 January	185,000.00	184,049.43
Security deposit Secrétariat Social	66.93	66.93	Special reserve	57,291.04	
			Net income of the period	58,059.04	58,241.61
<b>Security deposits</b>	<b>8,949.17</b>	<b>8,909.38</b>	<b>Social reserve on 31 December</b>	<b>300,350.08</b>	<b>242,291.04</b>
Membership fees to be received	25,920.15	33,862.82			
Social security payments	2,420.22	2,336.89	Provision for holiday pay	10,790.61	10,543.75
Tax refund	22,320.98	14,448.59	Other social payables		267.45
Other receivables	2,400.00	3,185.99	Suppliers	18,818.98	15,577.11
<b>Accounts receivable</b>	<b>53,061.35</b>	<b>53,834.29</b>	<b>Accounts payable</b>	<b>29,609.59</b>	<b>26,388.31</b>
Fixed Assets (Furniture)	1,240.24	1,550.12			
<b>Net Fixed Assets</b>	<b>1,240.24</b>	<b>1,550.12</b>			
Term deposit	103,576.98	102,821.46			
Current account	159,551.91	103,170.30			
<b>Cash accounts</b>	<b>263,128.89</b>	<b>205,991.76</b>			
<b>Accruals</b>	<b>3,580.02</b>	<b>443.90</b>	<b>Accruals</b>		<b>2,050.10</b>
<b>Total</b>	<b>329,959.67</b>	<b>270,729.45</b>	<b>Total</b>	<b>329,959.67</b>	<b>270,729.45</b>

## V. Statement of Income and Expenses

01.01.2013 - 31.12.2013

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	2013 €	2012 €
Turnover (membership fees)	214,205.07	227,600.00
Turnover (other)	13,090.00	12,340.00
Other income	48,251.17	54,718.96
Financial income	865.08	879.57
<b>Income</b>	<b>276,411.32</b>	<b>295,538.53</b>
Operating expenses	- 115,832.63	- 121,297.32
Personnel expenses	- 100,194.08	- 99,719.30
Depreciation of fixed assets	- 309.88	- 15,716.11
Other operating charges and taxes	- 1,546.46	- 38.20
Financial expenses	- 469.23	- 525.99
<b>Expenses</b>	<b>- 218,352.28</b>	<b>- 237,296.92</b>
<b>Result</b>	<b>58,059.04</b>	<b>58,241.61</b>

## VI. Comments on the Balance Sheet

### ASSETS

#### *Security deposits*

	<u>31.12.2013</u>	<u>31.12.2012</u>
	€	€
Rent deposit	8,882.24	8,842.45
Security deposit to Secrétariat Social Partena	<u>66.93</u>	<u>66.93</u>
	<u><u>8,949.17</u></u>	<u><u>8,909.38</u></u>

#### **FY 2012/2013 :**

The rent deposit is for the premises of GAE in Avenue Louise 89, Brussels. It is capitalized including accumulated interests at the BNP Paribas Fortis Bank S.A., Brussels. The amount reconciles with the bank statement. This deposit will be closed in 2014 to be replaced by a bank guarantee.

Payroll accounting is accomplished by the Secrétariat Social Partena. The capitalized amount is related to a deposit.

#### *Fixed Assets*

	<u>31.12.2013</u>	<u>31.12.2012</u>
	€	€
Fixed Assets (Furniture)	21,440.42	21,440.42
Depreciation	<u>-20,200.18</u>	<u>-19,890.30</u>
Net Fixed Assets	<u><u>1,240.24</u></u>	<u><u>1,550.12</u></u>

Refreshing of the paintings and of the floors have been performed in 2010 and 2011 in the rented office where GAE offices are located. In 2012, it was decided to move to another office in the same building and a new contract was signed for the renting. The association actually moved its headquarter in February 2013. An increase of fixed assets (+1.860 EUR) was booked after the work done in the new offices were made. This value is amortized. It was noted by the audit that other work, having a limited value (below 1000 euros) were not capitalised (e.g. creation of the logo on the glass door in the office). The new work done in the office are amortized over a period of 6 years. Glass Alliance Europe should consider to write off from its books the fully depreciated fixed assets related to the previous location of the offices.



## Accounts receivable

	<u>31.12.2013</u>	<u>31.12.2012</u>
	€	€
Membership fees to be received <sup>1)</sup>	25,920.15	33,862.82
Social security payments <sup>2)</sup>	2,420.22	2,336.89
Tax refund <sup>3)</sup>	22,320.98	14,448.59
Other receivables <sup>4)</sup>	2,400.00	3,185.99
	<u>53,061.35</u>	<u>53,834.29</u>

1) The membership fees to be received concern:

	<u>31.12.2013</u>	<u>31.12.2012</u>
	€	€
APFE - Glass Fibre Europe		860.90
British Glass Manufacturers Confederation		10,719.00
FEVE - European Container Glass Association	9,073.79	526.00
MÜSZ - Hungarian Glass Industry Federation	1,471.36	1,756.92
SAINT-GOBAIN Glass Romania	375.00	
Polish Glass - ZPPS - Polskie Szkło	15,000.00	20,000.00
	<u>25,920.15</u>	<u>33,862.82</u>

While membership fees recovery used to be a concern in the past, the situation is currently healthy with only minor aged receivables.

2) **FY 2013:** Social security down payment to be refunded in 2014.

3) **FY 2013:** Vat to be refunded. Amount in accordance with vat statement received from VAT Authorities in 2014.

4) **FY 2013:** Credit notes to be received for 2013 linked with the rental of the offices (the credit notes were actually received in 2014).

## Cash accounts

	<u>31.12.2013</u>	<u>31.12.2012</u>
	€	€
Current account (Fortis Banque S.A.)	14,757.46	14,935.20
Current account (CBC Banque S.A.)	144,794.45	88,235.10
Saving account (CBC Banque S.A.)	103,576.98	102,821.46
	<u>263,128.89</u>	<u>205,991.76</u>

### FY 2013:

We reconciled the amounts of the all bank accounts with the bank statements as of 31 December 2013 .

## Accruals

	<u>31.12.2013</u>	<u>31.12.2012</u>
	€	€
Credit note to receive		-2,050.10
Charges to carried forward	3,571.13	424.19
Pending financial income	<u>8.89</u>	<u>19.71</u>
	<u><u>3,580.02</u></u>	<u><u>-1,606.20</u></u>

**FY 2013:** Mainly related to invoices paid in advance for the renting of office (rent + charges) for January 2014 for a total amount of 3,500 euros.

**FY 2012:** Mainly related to credit note received in 2013 but related to office charges of 2012. Those invoices are not yet paid and are balanced by supplier account payable.

## LIABILITIES

### *Social Reserve & Special Reserve*

	<u>31.12.2013</u> €	<u>31.12.2012</u> €
Social reserve	185,000.00	184,049.43
Special reserve	57,291.04	
Result of the year	58,059.04	58,241.61
Balance on December 31st	<u><u>300,350.08</u></u>	<u><u>242,291.04</u></u>

**FY 2013:** The allocation of the result of the year 2012 to the social reserve and a special reserve was decided by the annual general assembly of GAE

### *Provisions*

	<u>31.12.2013</u> €	<u>31.12.2012</u> €
Provision for holiday pay and other social related provisions	<u><u>10,790.61</u></u>	<u><u>10,811.20</u></u>

### **FY 2013:**

The provision for holiday pay is based on a calculation of the Secrétariat Social Partena, an external service provider, specialized on payroll management.

### *Accounts payable*

	<u>31.12.2013</u> €	<u>31.12.2012</u> €
Suppliers <sup>1)</sup>	<u>18,818.98</u>	<u>15,577.11</u>
	<u><u>18,818.98</u></u>	<u><u>15,577.11</u></u>

### 1) **FY 2013 :**

- 11,398,05 EUR of payable to suppliers
- 7.420,93 EUR of accrual for invoices to be received

## VII. Comments on the statement of income and expense

### INCOME

#### *Turnover - Membership fees*

Membership fees invoiced in 2013	2013		2012		2011		2010	
	Contribution %	€	Contribution %	€	Contribution %	€	Contribution %	€
<b>National member federations</b>								
BV Glasindustrie e.V. (Germany)	10.44	22,357	9.66	21,996	10.91	33,794	16.39	50,738
FCSIV (France)	9.29	19,910	9.65	21,960	10.53	32,612	15.32	47,424
BGMC (UK)	4.20	9,005	4.71	10,719	6.25	19,352	8.63	26,725
Assovetro (Italia)	3.78	8,102	4.14	9,426	5.26	16,293	7.69	23,800
Polish Glass Federation (Z.P.P.S.)	2.06	4,405	2.95	6,709	4.59	14,225	6.75	20,915
TSVCF (Turkey)	4.42	9,471	3.05	6,942	4.42	13,686	7.01	21,695
Czech Glass Federation	2.38	5,093	2.31	5,248	3.21	9,950	3.55	11,004
FIV-VGI (Belgium)	2.13	4,556	2.11	4,811	2.80	8,665	4.41	13,657
VNG (Netherlands)	1.92	4,107	2.00	4,548	2.98	9,222	4.06	12,576
Fachverband (Austria)	2.64	5,664	2.21	5,025	2.63	8,140	3.67	11,360
FCVMM (France)	0.96	2,059	0.95	2,153	1.06	3,296	1.50	4,657
Vidrio Espana (Spain)	5.07	10,855	5.24	11,931	3.23	10,000	3.23	10,000
Hungary (MUSZ)	0.57	1,216	0.64	1,452	1.42	4,406	1.76	5,449
UKRAINE	0.00	0	0.00	0	0.00	0	1.61	5,000
Saint-Gobain Romania	0.18	375	0.00	0	0.00	0	0.00	0
Stirom	0.11	230	0.00	0	0.00	0	0.00	0
	50.14	107,405	49.61	112,920	59.31	183,641	85.58	265,000
<b>Sectorial member associations</b>								
ESGA (Belgium)	2.66	5,704	3.52	8,002	1.61	5,000	2.81	8,700
APFE (Filmes / Européenne)	2.01	4,313	0.00	0	0.00	0	2.10	6,500
FEVE (Belgium)	28.01	59,992	28.61	65,114	6.46	20,000	6.46	20,000
Glass for Europe	10.73	22,987	12.05	27,417	0.00	0	0.00	0
Glass Fibre Europe	0.00	0	2.23	5,076	1.61	5,000	0.00	0
EDG (Belgium)	6.44	13,804	3.99	9,071	1.61	5,000	3.05	9,450
	49.86	106,800	50.39	114,680	11.30	35,000	14.42	44,650
<b>Total</b>	<b>100.00</b>	<b>214,205</b>	<b>100.00</b>	<b>227,600</b>	<b>70.61</b>	<b>218,641</b>	<b>100.00</b>	<b>309,650</b>

#### **FY 2013:**

Since January 2012, the membership fees is based on a 50/50 basis between national federations and sector members. Among the first, production and employees figures provided by the associations are used to calculate the contribution and those figures count for an equal percentage in the total amount.

In 2013, the new elements include the arrival of Romania (with contributors Saint-Gobain Romania and Stirom) in the list of members.

#### *Turnover (Other income)*

	<u>2013</u> €	<u>2012</u> €
Income from newsletters	1,840.00	1,840.00
Subletting of offices	11,250.00	10,500.00
	<u>13,090.00</u>	<u>12,340.00</u>

**Other income**

	<u>2013</u> €	<u>2012</u> €
Split of renting cots with FEDIAF	27,852.00	29,014.90
Secretarial services	13,800.00	18,040.00
Charges redistributed to partners	6,599.17	7,664.06
	<u><u>48,251.17</u></u>	<u><u>54,718.96</u></u>

**Financial income**

	<u>2013</u> €	<u>2012</u> €
Interest on various bank accounts	<u><u>865.08</u></u>	<u><u>879.57</u></u>

## **EXPENSE**

### ***Operating expenses***

	<b><u>2013</u></b>	<b><u>2012</u></b>
	€	€
Office rent	32,400.00	29,918.54
Rental charges	15,556.99	12,085.36
Office Maintenance	6,880.17	6,614.09
Office tax	1,668.00	3,816.00
Electricity	1,095.97	1,341.15
Office insurance	1,363.47	1,429.10
Meeting room renting	4,331.61	3,330.20
Phone & Fax - Conference calls	7,942.70	7,039.11
Accounting firm	4,140.00	4,080.00
Studies / Research / Consulting	4,166.00	11,493.00
Meetings and representation	19,167.10	17,190.46
Photocopies	5,430.27	4,933.53
Documentation	2,921.39	2,735.75
Membership fees professional organisations	440.00	190.00
Expertise of environment		9,790.00
Office supplies and IT	7,808.92	4,826.00
Miscellaneous	520.04	485.03
	<u>115,832.63</u>	<u>121,297.32</u>
Total operating expenses	<u>115,832.63</u>	<u>121,297.32</u>

### ***Personnel expenses***

	<b><u>2013</u></b>	<b><u>2012</u></b>
	€	€
Salaries	65,597.77	64,175.35
Employer's social security contributions	17,685.16	18,051.55
Pension fund payments (additional voluntary retirement insurance)	7,202.36	6,953.40
Provision for outstanding holidays	4,400.42	4,299.76
Meal vouchers, eco voucher and year-end gift	1,922.88	1,930.24
Health insurance & medical services	2,134.63	2,381.43
Partena management costs	1,004.00	1,535.82
Balance of provision for holiday pay	246.86	391.75
	<u>100,194.08</u>	<u>99,719.30</u>
Total staff expenses	<u>100,194.08</u>	<u>99,719.30</u>

### ***Depreciation of fixed assets***

	<b><u>2013</u></b>	<b><u>2012</u></b>
	€	€
Depreciation of fixed assets	<u>309.88</u>	<u>15,716.11</u>

**FY2013:** The decrease in 2013 is due to the depreciation, in 2012, of all the equipment in the previous office.

**Taxes**

	<u>2013</u> €	<u>2012</u> €
Taxes	39.30	38.20
Regularisation of VAT	1,507.16	
<b>Total taxes</b>	<b><u>1,546.46</u></b>	<b><u>38.20</u></b>

**FY2013:** The scrapping of the tangible assets linked to the previous office location, in 2012, lead to a VAT regularisation on those goods since they had been scrapped prior to the five year legal period.

**Bank expenses**

	<u>2013</u> €	<u>2012</u> €
Bank fees	<b><u>469.23</u></b>	<b><u>525.99</u></b>