

SOCIALIST INTERNATIONAL

AUDITED

ACCOUNTS

**FOR THE YEAR ENDED
31 DECEMBER 2012**

 **Wellden
Turnbull LLP**
Chartered Accountants • Chartered Tax Advisers
Statutory Auditors

 **UK200Group**
independent quality assured professionals

SOCIALIST INTERNATIONAL

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SOCIALIST INTERNATIONAL

REPORT OF THE SECRETARY GENERAL FOR THE YEAR ENDED 31 DECEMBER 2012

The Secretary General presents his report and the accounts of the organisation for the year ended 31 December 2012.

ENTITY

The Socialist International is a not for profit association of political parties and organisations that share common social democratic values and principles.

PRINCIPAL ACTIVITY

The purpose of the Socialist International is to strengthen relations between the affiliated parties and to co-ordinate their political attitudes and activities by consent.

The organisation also seeks to extend relations between the Socialist International and other political like-minded parties and organisations not in membership which desire co-operation.

RESULTS FOR THE YEAR

The organisation's income has increased, membership has increased and the organisation has also received assistance for the cost of running some of the events.

The results include the cost of supporting the Socialist International Women who share the offices.

Most of the organisation's expenditure is fixed and cost cutting has been performed to minimise cash outlay. The increase in the income for the year and reduction of necessary costs has resulted in a surplus of £40,288 (2011 - £35,729 deficit). The membership fees recognised in the accounts represent the amount received. There are a number of members that have not paid a membership fee and some have paid a reduced fee leaving the organisation short of cash regularly.

At the end of the financial year there was a balance sheet surplus of £102,867 (2011 - deficit £248,826). This has been funded by the contingency fund, a bank loan and overdraft which has been personally guaranteed by the Secretary General, loans from members of the secretariat and delayed payment of the organisation's tax liabilities.

GOVERNANCE AND INTERNAL CONTROL

The Secretary General is responsible to the members for the financial affairs of the organisation. He is responsible for providing accounts to present to the members that comply with generally accepted accounting practice and in sufficient detail to explain the income and expenditure of the organisation for the financial year. The Secretariat oversees the accounting and administration of the organisation and within the team the day to day financial decisions are made by the Secretary General and his assistant.

RESERVES POLICY

The organisation aims to retain sufficient reserves to fund its activities. However, there are no reserves and income levels are inadequate for this purpose. The shortage of funds restricts the work that the organisation can carry out.

CONTINGENCY FUNDS

At the year end donations were received from members, which are earmarked to cover the shortfall in receipts throughout 2013, and to secure the new bank loan to reduce the debt carried by the organisation. This fund is not used in the day to day activities.

AUDITORS

Wellden Turnbull LLP Chartered Accountants and Statutory Auditors were appointed as the organisation's auditors for the accounts for the year ended 31 December 2012. Their appointment continues for the forthcoming financial year.

This report was approved by the Secretary General on 6 November 2013



Luis Ayala
Secretary General

SOCIALIST INTERNATIONAL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOCIALIST INTERNATIONAL ON THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

We have audited the accounts of Socialist International for the year ended 31 December 2012 which comprise the income and expenditure account, the balance sheet and the related notes on pages 5 to 10. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the organisation's members, as a body. Our audit work has been undertaken so that we might state to the organisation's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the organisation and the organisation's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Secretary General and auditor

As explained more fully in the Report of the Secretary General set out on page 1, the Secretary General is responsible for the preparation of the accounts which give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with International Standards on Auditing (UK and Ireland).

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the organisation's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Secretary General; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the organisation's affairs as at 31 December 2012 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.



Simon Spevack FCA (Senior Statutory Auditor) on behalf of Wellden Turnbull LLP

Chartered Accountants and Statutory Auditors
78 Portsmouth Road
Cobham
Surrey
KT11 1PP

Dated: 6 November 2013

SOCIALIST INTERNATIONAL

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	£	2012 £	£	2011 £
INCOME:	2		1,098,053		916,007
EXPENDITURE:					
Communications		54,311		47,291	
Administration		146,631		136,803	
Secretariat		360,596		335,010	
Socialist International Women		141,085		144,560	
Conferences and other meetings		354,142		288,072	
			<u>1,056,765</u>	<u></u>	<u>951,736</u>
NET SURPLUS/(DEFICIT) FOR THE YEAR			<u>41,288</u>		<u>(35,729)</u>

All of the activities of the organisation are classed as continuing.

The notes on pages 5 to 10 form part of these financial statements.

SOCIALIST INTERNATIONAL

**BALANCE SHEET
AS AT 31 DECEMBER 2012**

		2012		2011	
		£	£	£	£
CURRENT ASSETS					
Trade debtors - non-factored	5	83,500		144,209	
Prepayments		22,477		-	
Bank balance		311,356		11	
		417,333		144,220	
CREDITORS DUE WITHIN ONE YEAR					
Bank overdraft		(49,997)		(127,135)	
Bank loans		(25,117)		-	
Creditors		(174,313)		(221,710)	
Accruals		(14,098)		(44,200)	
	6	(263,525)		(393,045)	
NET CURRENT ASSETS/(LIABILITIES)			153,808		(248,825)
CREDITORS DUE IN MORE THAN ONE YEAR					
Bank loans	7		(50,000)		-
NET ASSETS/(LIABILITIES)			103,808		(248,825)
REPRESENTED BY:					
ACCUMULATED FUNDS					
At 1 January 2012		(248,825)		(213,096)	
Surplus		41,288		-	
Contingency Fund		311,345		-	
		103,808		(213,096)	
Deficit			-		(35,729)
			103,808		(248,825)
			103,808		(248,825)

These financial statements were approved and signed by the Secretary General, and authorised for distribution to the members on 6 November 2013.



Luis Ayala (Secretary General)

The notes on pages 5 to 10 form part of these financial statements.

SOCIALIST INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

1.2 Income

The income shown in the income and expenditure account represents the amounts receivable from members in respect of their membership fees and donations. It does not include the cost of the support that has separately been given by members for conferences, delegations and missions.

1.3 Going Concern

The Secretary General has reviewed the organisation's ability to continue for the foreseeable future. He has considered the accumulated deficit held, alongside the decline of income and the current financial position of the organisation supported by up to date management accounts. The Secretary General is confident that with the continued support of its staff and members, and ability to call upon additional financing as required, that it is appropriate to prepare these financial statements on a going concern basis.

1.4 Pensions

The organisation operates a defined contribution pension scheme and the pension charge represents the amounts payable by the organisation to the fund in respect of the year.

1.5 Operating Leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

2. INCOME

The income and deficit for the year are attributable to the principal activities of the organisation. Further analysis of the income below can be found in note 9 of these accounts.

	2012 £	2011 £
Membership fees	1,086,500	901,500
Donations received	11,553	14,507
	<u>1,098,053</u>	<u>916,007</u>

SOCIALIST INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

3. PARTICULARS OF EMPLOYEES

	2012 no.	2011 no.
Secretariat	6	6
Socialist International Women	4	4

The aggregate payroll costs of the above were:

	£	£
Wages and salaries	413,294	388,781
National insurance	41,928	42,363
Pension plan	13,460	22,240
	468,682	453,384

4. TAXATION

The results are not subject to UK taxation.

5. DEBTORS

	2012 £	2011 £
Unpaid membership fees	83,500	144,208

The amount unpaid at the balance sheet date was subsequently received in full.

6. CREDITORS:

Amounts falling due within one year

	2012 £	2011 £
Bank loans and overdrafts (secured)	75,114	127,135
Creditors	76,560	68,164
Other taxation and social security	61,489	56,773
Loans from members of the secretariat	36,264	96,773
Accruals and membership fees received in advance	14,098	44,200
	263,525	393,045

The bank loan and overdraft are secured by a personal guarantee from the Secretary General of the organisation.

SOCIALIST INTERNATIONAL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

**7. CREDITORS:
Amounts falling due after more than one year**

	2012 £	2011 £
Bank loans	50,000	-

8. ACCUMULATED DEFICIT

	2012 £	2011 £
Balance brought forward as previously reported	(248,826)	(213,096)
Surplus/(Deficit)	40,288	(35,729)
Contingency fund	311,345	-
Total	102,807	(248,826)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

9. MEMBERSHIP FEES RECEIVED

	2012 £	2011 £
Albania SPA	20,000	-
Andorra	5,000	5,000
Angola	10,000	10,000
Argentina PS	2,000	2,000
Argentina UCR	13,000	4,000
Armenia ARF	4,000	6,000
Austria	30,000	30,000
Azerbaijan	1,000	4,000
Belgium PS	20,000	20,000
Belgium SPA	10,000	10,000
Benin	4,000	-
Bosnia & Herzegovina SDP	2,000	2,000
Bosnia & Herzegovina SNSD	-	2,000
Brazil	5,000	5,000
Bulgaria BSP	10,000	10,000
Bulgaria PBSD	2,000	2,000
Cameroon	4,000	-
Canada	14,000	-
Cape Verde	3,000	3,000
Central African Republic	1,000	1,000
Chile PRSD	12,000	-
Chile PS	12,000	-
Colombia	7,000	7,000
Congo	-	3,000
Costa Rica	4,000	4,000
Croatia	7,000	14,000
Cyprus CTP	2,000	2,000
Cyprus EDEK	5,000	5,000
Czech Republic	10,000	10,000
Denmark	25,000	25,000
Dominican Republic	10,000	10,000
Equatorial Guinea	1,000	1,000
Estonia	4,000	4,000
Finland	30,000	30,000
France	45,000	45,000
Gabon	-	2,000
Germany	100,000	100,000
Ghana	8,000	-
Great Britain	40,000	-
Greece	35,000	35,000
Guatemala	7,000	21,000
Guinea	2,000	8,000
Guinea-Bissau	1,000	1,000
Haiti Fusion	2,000	-
Hungary MsZDP	-	2,500
Hungary MSzP	10,000	20,000
Iceland	-	2,000
Iran PDKI	2,000	2,000
Iraq	20,000	20,000
Ireland	2,000	2,000
Israel LP	10,000	1,000
Israel MERETZ	3,500	-
Italy PSI	4,000	-
Jamaica	3,000	-
Japan	20,000	20,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

Lebanon	5,000	5,000
Lithuania	2,000	-
Luxembourg	3,000	3,000
Malaysia	4,000	-
Mali ADEMA-PASJ	9,000	-
Mali RPM	6,000	-
Mauritania	1,000	1,000
Mauritius LP	4,000	4,000
Mauritius MMM	1,000	1,000
Mexico PRD	10,000	10,000
Mexico PRI	10,000	10,000
Moldova	2,000	2,000
Mongolia	8,000	8,000
Montenegro DPS	5,000	5,000
Montenegro SDP	5,000	5,000
Morocco	10,000	10,000
Mozambique	10,000	10,000
Namibia SWAPO	5,000	5,000
Nepal	6,000	-
Netherlands	10,000	11,000
Nicaragua	4,000	4,000
Niger	2,000	-
Northern Ireland	2,000	2,000
Norway	40,000	40,000
Pakistan	20,000	20,000
Palestine Fatah	8,000	8,000
Palestine PNI	-	2,000
Panama	8,000	-
Paraguay PDP	-	2,000
Peru	10,000	-
Poland SLD	-	2,000
Portugal	20,000	20,000
Puerto Rico	8,000	-
Romania	20,000	-
Russia	20,000	20,000
San Marino	5,000	5,000
Senegal	5,000	5,000
Serbia DS	5,000	5,000
Slovakia SMER	5,000	5,000
South Africa	40,000	10,000
Spain	45,000	45,000
Sweden	40,000	50,000
Switzerland	10,000	10,000
Timor L'Este	-	2,000
Tunisia	2,000	-
Turkey BDP	2,000	-
Turkey CHP	20,000	20,000
Ukraine SDPU	2,000	4,000
Uruguay NE	2,000	4,000
Uruguay PSU	4,000	-
USA - DSA	2,000	2,000
Venezuela AD	4,000	4,000
Venezuela MAS	2,000	2,000
Venezuela Podemos	4,000	4,000
Western Sahara	1,000	1,000
Yemen	1,000	1,000
Zimbabwe	4,000	-
Total	1,086,500	901,500

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

Membership fees received represent the amounts received to September 2013 on the assumption that no further membership fees would be received for 2012.

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**DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 £	2011 £
INCOME		
Membership fees	1,085,500	901,500
Donations	11,553	14,507
	1,097,053	916,007
LESS: EXPENDITURE		
Communications		
Electronic	46,240	40,249
Print	7,159	5,092
Periodicals	912	1,950
	54,311	47,291
Administration		
Office supplies	4,069	4,273
Office equipment	2,532	4,943
Accommodation	84,336	81,335
Professional services	55,577	40,718
Bank charges and interest, exchange differences and short payments of membership fees	117	5,534
	146,631	136,803
Secretariat		
Staff remuneration	318,599	288,182
Staff national insurance	32,578	31,883
Pension contributions	9,419	14,945
	360,596	335,010
Socialist International Women		
Staff remuneration	94,695	100,598
Staff national insurance	9,351	10,480
Pension contributions	4,041	7,295
Activites and miscellaneous	32,998	26,187
	141,085	144,560
Conferences and other meetings		
Conference costs	190,250	104,580
Delegations and missions	101,073	43,597
Committees and other meetings	62,819	139,895
	354,142	288,072
NET (DEFICIT)/SURPLUS FOR THE YEAR	40,288	(35,729)

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**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

CONFERENCE COSTS

	2012	2011
	£	£
Athens Council	-	19,510
Athens Presidium	-	1,788
Costa Rica Pre Council 1	-	6,675
Conference and statutory meetings - other costs	2,470	-
Cost Rica Council	28,717	-
Costa Rica Pre Council 2	-	3,283
Durban COP17	-	6,541
Council preparations - Lisbon	1,254	-
Helsinki re SIFAC	-	1,792
Hotel, Travel and Staff	-	8,008
India meetings and Cong party	-	6,322
NY Presidium	17,675	19,289
New York Financial Crisis Commission	17,211	-
Reimbursements	-	2,568
Samos Financial Crisis Meeting	2,396	-
South Africa (February)	-	3,721
South Africa - ANC Congress Consultations	3,019	-
South Africa Congress	104,577	-
South Africa (July and August)	-	9,419
SWS Commission	-	15,664
SWS at Rio+20	10,711	-
Washington OAS & New York UN	2,220	-
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Total	190,250	104,580
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**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

DELEGATIONS AND MISSIONS

	2012	2011
	£	£
Belarus visit	-	2,669
Brussels PES and Other Meetings	883	-
Burma and Thailand Meetings with NLD	5,079	-
Cameroon delegation	-	8,246
Cameroon election	-	5,167
Delegations and Missions	2,057	-
Oslo policy network	-	1,578
Paris FJJ and other meetings	-	1,171
Dominican Republic meetings	-	3,179
Brussels PES council and presidency	-	1,992
Athens PES meetings	-	712
Portugal congress	-	1,114
Chile congress and meetings	-	5,783
Montenegro SDP congress	-	1,807
Stockholm congress	-	1,909
Mauritius congress	-	2,320
Brazil PDT Congress	-	4,068
Vienna Kreisky event	-	1,882
DR and Jamaica Meetings	5,609	-
Observation of Elections	24,099	-
Iraq Meetings with President and PUK	1,256	-
Lisbon PS Anniversary	1,361	-
Pakistan Meeting with PPP	2,117	-
Paris Forum Progrès Social and Meetings	2,754	-
Party Congress Attendance and Meetings	31,017	-
San Marino	1,103	-
South Africa - ANC Centenary Event	2,321	-
South Africa - ANC Solidarity	4,720	-
Tanzania and Zambia	4,184	-
Venezuela Primaries - SI Delegation	7,980	-
Washington OAS and New York UN	2,031	-
Yemen YSP and Government Meetings	2,502	-
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Total	101,073	43,597
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**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

COMMITTEES AND OTHER MEETINGS

	2012	2011
	£	£
Committees and Other meetings	7,837	2,881
Asia-Pacific Committee Mongolia	-	8,756
Africa Committee Windhoek	-	23,114
Arab World Committee, Crete	-	7,966
Arab World Committee, Istanbul	13,073	-
Athens meetings with president	5,124	7,082
Balkans Leaders Meeting	2,203	-
Berne IPU	-	1,708
Brazil SICLAC	-	10,954
Brussels	1,665	-
Cape Verde Africa Committee	4,406	-
Colombia SICLAC	-	13,995
Geneva WG Reform	-	8,823
Helsinki re SIFAC and WG	-	2,978
IPU Canada and NY Meetings	9,701	-
IPU Uganda	4,129	-
Kazakhstan CIS Committee	-	14,278
London Ethics Committee	-	2,248
Manila Asia-Pacific Committee	-	11,403
Marrakech WG Reform	-	3,210
Mediterranean Committee	6,145	-
Middle East Committee	-	10,824
Moldova CIS Caucasus Comm	2,917	-
Morocco Economic Committee	3,942	-
Panama IPU	-	5,183
Panama re SICLAC	-	3,261
Paris Meetings	-	1,231
SIFAC and Ethics Cape Town	1,677	-
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Total	62,819	139,895
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