



EXPERTS-ACCOUNTANTS

**FONDS DE PENSION – DEPUTES AU  
PARLEMENT EUROPEEN**

**Association sans but lucratif**

**Audited annual accounts as at  
December 31, 2016**

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To the Members of  
Fonds de Pension – Députés au Parlement Européen  
Parlement Européen, plateau du Kirchberg  
L-2929 Luxembourg

## REPORT OF THE REVISEUR D'ENTREPRISES AGREÉ

We have audited the accompanying annual accounts of Fonds de Pension – Députés au Parlement Européen, which comprise the balance sheet as at December 31, 2016 and the profit and loss account for the year then ended and a summary of significant accounting policies and other explanatory information.

### *Board of Directors' responsibility for the annual accounts*

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

### *Responsibility of the Réviseur d'Entreprises agréé*

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the annual accounts 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

\*The French version of the annual accounts is legally binding.



*Opinion*

In our opinion, the annual accounts give a true and fair view of the financial position of Fonds de Pension – Députés au Parlement Européen as of December 31, 2016, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Luxembourg, September 1, 2017

KPMG Luxembourg  
Société coopérative  
Cabinet de révision agréé



\*The French version of the annual accounts is legally binding.

## FONDS DE PENSION – DEPUTES AU PARLEMENT EUROPEEN

### Balance sheet as at December 31, 2016

	Note(s)	EUR 2016	EUR 2015
<b>Assets</b>			
Investments at Market Value	2 - 3.2	146 330 151	155 240 428
Cash at bank		65 289	298 439
Debtors and prepaid expenses	5	1 383	6 349
		<u>146 396 823</u>	<u>155 545 216</u>
<b>Liabilities</b>			
Resources available for future pension payments	3.3 - 4	146 354 525	155 522 776
Creditors and deferred income	6	42 298	22 440
		<u>146 396 823</u>	<u>155 545 216</u>

The accompanying notes form an integral part of these annual accounts.

**FONDS DE PENSION – DEPUTES AU PARLEMENT EUROPEEN**

**Profit and Loss account for the year ended December 31, 2016**

	Note(s)	EUR 2016	EUR 2015
<b>Receipts</b>			
Net contributions			
- Parliament's share	7	3 179	-
- Members' share	7	<u>(3 377)</u>	<u>(349)</u>
		<u>( 198)</u>	<u>(349)</u>
<b>Payments</b>			
Pensions paid	8	(16 797 007)	(15 835 230)
Administration and other expenses	9	<u>(285 088)</u>	<u>(284 528)</u>
		<u>(17 082 095)</u>	<u>(16 119 758)</u>
<b>Financial results</b>			
Change in value of the Investments	2	7 919 722	7 038 092
Interest and other financial income/(expense)	10	<u>(5 680)</u>	<u>(3 798)</u>
		<u>7 914 042</u>	<u>7 034 294</u>
<b>Result of operations</b>		<u>(9 168 251)</u>	<u>(9 085 813)</u>
Thereof allocated to the resources available for future pension payments		<u>(9 168 251)</u>	<u>(9 085 813)</u>
<b>Result of the year after allocation</b>		<u>-</u>	<u>-</u>

The accompanying notes form an integral part of these annual accounts.

# FONDS DE PENSION – DEPUTES AU PARLEMENT EUROPEEN

## Notes to the annual accounts as at December 31, 2016

### 1. GENERAL

FONDS DE PENSION – DEPUTES AU PARLEMENT EUROPEEN (the “Association”) is a non profit-making association incorporated in Luxembourg on July 14, 1993 in the form of an “association sans but lucratif” in accordance with the law of April 21, 1928 on non-profit-making associations and foundations and which, during the first business year, took over the net assets of the non profit-making association having the same name, incorporated in Luxembourg on November 28, 1991 and wound up on April 20, 1994.

The registered office of the Association is established at European Parliament, Centre Européen, L-2929 Luxembourg – Kirchberg. The Association is registered with the Register of Commerce of Luxembourg under number F 3842.

The Association is incorporated for an unlimited period.

The Association’s financial years starts on January 1 and ends on December 31 of each year.

The aims of this Association are to:

- organize a voluntary supplementary pension fund for the sole benefit of Members and former Members of the European Parliament (MEPs) and their beneficiaries;
- receive the funds paid to it by the European Parliament and by Members of the European Parliament;
- manage its assets and, for this purpose, to perform any act of disposition, administration and management, including any form of investment with a view to deriving a profit from its assets;
- arrange for the payment of supplementary pensions pursuant to the Additional (Voluntary) Retirement Pension Scheme as adopted and amended from time to time by the Bureau of the European Parliament, using the resources made available to the Association.

Under the rules of the scheme, determined by the Bureau of Parliament, Members of the European Parliament whose term in office is equal or greater than two years and who have paid voluntary contributions to the pension scheme for a minimum of two years, are entitled, after their term of office, and at age of 63, to pension rights.

On July 13, 2009 there entered into force the Statute for Members in the European Parliament and its implementing measures. Since then, after that Statute became applicable, the pension scheme is not open to Members who are newly elected to the European Parliament. Also, from that date new Members may not acquire any new rights or future entitlements in the voluntary pension fund.

Therefore, as there are no new Members in the pension scheme, the assets of the Association are decreasing due to ongoing pension payments to eligible Members that are financed from those assets.

## FONDS DE PENSION – DEPUTES AU PARLEMENT EUROPEEN

### Notes to the annual accounts as at December 31, 2016 (continued)

#### 2. Investments at Market Value

In order to realize its objectives, the Association incorporated on March 3, 1994 a société anonyme as a “Société d’Investissement à Capital Variable” under the name Fonds de Pension – Députés au Parlement Européen, SICAV-FIS (the “SICAV”). The registered office is established in Luxembourg, 5 allée Scheffer.

As at December 31, 2016, the Association owns all the shares of the SICAV, i.e.:  
36 768 shares valued as follows :

	EUR 2016	EUR 2015
Cost	107 755 634	118 143 945
Unrealized appreciation	<u>38 574 517</u>	<u>37 096 483</u>
Investments at Market Value	<u>146 330 151</u>	<u>155 240 428</u>

During the year, increase in net assets as a result of operations of the SICAV amounted to EUR 7 919 722. This amount is included in the statement of operations as “Change in value of the Investments”.

#### 3. Presentation of the annual accounts and significant accounting policies

These annual accounts have been prepared in accordance with the legal requirements and generally accepted accounting principles in the Grand Duchy of Luxembourg.

These annual accounts of the Association are based principally on articles 34 and 46 of the law of December 19, 2002 (as subsequently amended) on the register of commerce and companies and the accounting and annual accounts of undertakings. The presentation of the annual accounts is adapted to the specificities of the activity of the Association and according to the rules applicable for Luxembourgish non-profit organizations.

The Association maintains its accounting records in Euro (EUR) and its annual accounts are expressed in that currency.

These annual accounts have been prepared on a going concern basis.

The principal accounting policies of the Association are summarized as follows :

# FONDS DE PENSION – DEPUTES AU PARLEMENT EUROPEEN

## Notes to the annual accounts as at December 31, 2016 (continued)

### 3.1 Foreign exchange translation

Assets and liabilities expressed in currencies other than euro (EUR) are translated into EUR at year-end exchange rates. All related exchange differences and other foreign exchange differences are taken directly to the statement of operations for the year in which they arise.

### 3.2 Value of investments

The investment in the SICAV is valued in the accounts at its market value.

### 3.3 Resources available for future pension payments

The amounts available for future pension payments are set-up to cover pensions relating to the European Parliament's pension scheme. The amounts available for future payments are calculated based on the value of the assets. In the event that the Association could not meet its long-term obligations and as detailed below, the European Parliament has a legal responsibility to guarantee the right of Members of the scheme to an additional pension.



## FONDS DE PENSION – DEPUTES AU PARLEMENT EUROPEEN

### Notes to the annual accounts as at December 31, 2016 (continued)

#### 4. Resources available for future pension payments

At its meeting in Brussels on April 28, 2010 the Board of Directors of the Association noted the following:

- that the Members' Statute came into force on July 13, 2009. The Statute in Articles 27 (1) and (2), states that:

*"The voluntary pension fund set up by the European parliament shall be maintained after the entry into force of this Statute for Members or former Members who have already acquired rights or future entitlements in that fund" and that "Acquired rights and future entitlements shall be maintained in full."*

- that at its meeting on April 1, 2009 the Bureau of the European Parliament ("EP") agreed that:

*"The EP has a legal responsibility to guarantee the right of members of the Scheme to an additional pension which could be retained after exhaustion of the Scheme's funds. Equally, any capital remaining in the Scheme after all pension entitlements have been honoured is to be transferred to the European Parliament. The internal rules of the Scheme should be amended accordingly."*

- that for the first time in 2009 in its accounts for 2008 the European Parliament included an item for the actuarial deficit of the Voluntary pension fund.

Having received advice that there are no legal or accounting rules and regulations in Luxembourg that require the Association to report in its annual accounts the Parliament's future liabilities, and any actuarial deficit between those liabilities and the Association's assets, the Board of Directors and the AGM of the Association in 2010, decided not to include in the Association's future accounts these details.

## FONDS DE PENSION – DEPUTES AU PARLEMENT EUROPEEN

### Notes to the annual accounts as at December 31, 2016 (continued)

#### 5. Debtors and prepaid expenses becoming due and payable within one year

The balance can be detailed as follows :

	EUR 2016	EUR 2015
Debtors		
Contributions system	<u>1 383</u>	<u>6 349</u>
	<u><b>1 383</b></u>	<u><b>6 349</b></u>

Debtors are represented by the contributions due by the Members as at December 31, 2016.

#### 6. Creditors and deferred income becoming due and payable within one year

The balance can be detailed as follows :

	EUR 2016	EUR 2015
Sundry payables		
IF-Experts-Comptables S.A.	7 781	7 605
PricewaterhouseCooper, Société coopérative	5 916	5 800
KPMG Luxembourg, Société coopérative	17 550	-
Secretarial support	1 009	-
Bank charges	666	22
Portfolio Evaluation Limited	7 153	6 790
SICAV (trailer fees to reimburse)	<u>2 223</u>	<u>2 223</u>
	<u><b>42 298</b></u>	<u><b>22 440</b></u>

## FONDS DE PENSION – DEPUTES AU PARLEMENT EUROPEEN

### Notes to the annual accounts as at December 31, 2016 (continued)

#### 7. Pension contributions and refunds

Contributions of Members and the European Parliament to the pension scheme are set by the rules of the pension scheme agreed by the Bureau of Parliament and based on a percentage of the basic salary of a Judge of the European Court of Justice.

#### 8. Pensions paid

The amount of the pension is based on a percentage of the basic salary of a Judge of the European Court of Justice and on the period that the Member has contributed to the pension scheme as defined by the rules of the pension scheme agreed by the Bureau of Parliament.

#### 9. Administration and other expenses

The administration and other expenses can be detailed as follows :

	EUR 2016	EUR 2015
Professional fees	69 850	79 512
Administrator's management costs	134 186	128 884
Other expenses	<u>81 052</u>	<u>76 132</u>
	<u>285 088</u>	<u>284 528</u>

As at December 31, 2016, the Association does not employ any personnel.

#### 10. Interest and other financial income/(expense)

The interest and other financial income/(expense) can be detailed as follows :

	EUR 2016	EUR 2015
Interest and other financial charges	(5 680)	(3 798)
Interest and other financial income	<u>-</u>	<u>-</u>
	<u>(5 680)</u>	<u>(3 798)</u>