

EUROPEAN ALLIANCE for FREEDOM

2A, 'Delmar' / 1,

Brared Street,

Birkirkara , Malta

**Balance Sheet and Income Statement
Incorporation - 31 December 2011**

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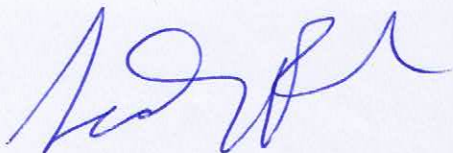
ALLIANCE LEADERSHIP ENDORSEMENT

The leadership of the European Alliance for Freedom has today approved the Report and Financial Statements for the period from Incorporation - 31st December 2011.

The Report and Financial Statements are in accordance with Regulation EC (NO) 2004/2003 of the European Parliament and Council 4th November 2003 on the regulations governing political parties at European level and rules regarding their funding.

We find the financial statements give a true and fair view of the European Alliance for Freedom's financial position.

Bruxelles, 2nd May 2012



Godfrey Bloom
President

UNQUALIFIED AUDITOR'S REPORT

According to the audit mandate, we have audited the financial statements of the European Alliance for Freedom prepared by its accountants for the period from Incorporation - 31st December 2011 as laid out on pages 7 to 11 of this document.

1. Respective responsibilities of the party and the auditor

The party is responsible to the European Parliament for the use of the grants and must comply with the provisions of the Regulation EC (No) 2004/2003 and the underlying acts. It is further responsible for the preparation of its annual financial statements.

We have the responsibility to plan and carry out the required work to verify the financial statements prepared by the party and to report to the party with a reasonable assurance our audit opinions.

2. Basis of Opinions

We conducted the audit in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standard Board (IAASB). This standard requires the auditor to plan and carry out his / her work in a way to obtain sufficient and appropriate evidences and explanations to support his / her audit opinions. An audit includes an examination, on a sample basis, of evidence relevant to these opinions.

The audit work included specific procedures to gather sufficient and appropriate audit evidence that:

- a. The financial statements have been prepared in accordance with the national legislation applicable to the party, are free of material misstatement and show a true and fair view of the financial position and the operating results;
- b. The financial documents submitted by the party to Parliament are consistent with the financial provisions of the grant agreement;
- c. The expenditure declared was actually incurred;
- d. The statement of revenue is exhaustive;
- e. The obligations arising out of Articles 6, 7, 8, 9(2) and 10(2) of Regulation (EC) No 2004/2003 have been met;
- f. Any surplus carried over to the next financial year has been used in the first quarter of the financial year, pursuant to Article 6a of the Bureau decision; (if applicable)
- g. The obligations arising out of Article 109(4) of the Financial Regulation have been met;
- h. Contributions in kind have actually been provided to the party and have been valued in compliance with the provisions of Article II.12.4 of the grant agreement; (if applicable)
- i. The obligations arising from Article II.12 - Eligible expenditure, of the grant agreement have been met;
- j. The obligations arising from Article II.7 - Award of contracts, of the grant agreement have been met;

3. Opinions

In our opinion,

- a. The financial statements have been prepared in accordance with the national legislation applicable to the beneficiary, are free of material misstatement and show a true and fair view of the financial position and the operating results;
- b. The financial documents submitted by the party to Parliament are consistent with the financial provisions of the grant agreement;
- c. The expenditure declared was actually incurred;
- d. The statement of revenue is exhaustive;
- e. The obligations arising out of Articles 6, 7, 8, 9(2) and 10(2) of Regulation (EC) No 2004/2003 have been met;
- f. The obligations arising from the Bureau decision have been met;
- g. Any surplus carried over to the next financial year has been used in the first quarter of the financial year, pursuant to Article 6a of the Bureau decision; (not applicable)
- h. The obligations arising out of Article 109(4) of the Financial Regulation have been met;
- i. Contributions in kind have actually been provided to the party / foundation and have been valued in compliance with the provisions of Article II.12.4 of the grant agreement; (not applicable)
- j. The obligations arising from Article II.12 - Eligible expenditure, of the grant agreement have been met and we were able to reconcile the eligible expenditure with the financial statements;
- k. The obligations arising from Article II.7 - Award of contracts, of the grant agreement have been met;
- l. We have received all necessary explanations for the purpose of our work;



J Sammut BA (Hons) Acty., ACIB., FIA., CPA., M.Sc. (Bristol)
Certified Accountant and Registered Auditor
15, Grognet Street,
Mosta, MST 3613
Malta

12th May 2012

APPLIED ACCOUNTING PRACTICE

The Report and Financial Statements are made in accordance with International Financial Reporting Standards as adopted by the EU and as required by Maltese legislation.

INCOME STATEMENT

Income

Grants to the European Alliance for Freedom given to specific purposes are included as they are used for their purposes.

Expenses

Salaries are being reported separately and refer to actual salaries paid.

Carry-over

Provision, if any, to cover eligible expenditure to be incurred in the first quarter of the coming year has been made in accordance to article 6A of the Bureau Decision.

Currency

All amounts are stated in €.

	2011 €	BUDGET 2011 €
Meetings and Representation Costs		
Costs of meetings	26,418	15,000
Participation in seminars and conferences	23,804	5,000
Representation costs	5,079	10,000
Other meeting-related costs	0	1,930
	<u>55,301</u>	<u>31,930</u>
Information and Publication Costs		
Publication costs	101,788	70,000
Creation and operation of Internet sites	12,000	12,000
Publicity costs	79,536	120,000
Communications equipment (gadgets)	4,323	2,000
Seminars and exhibitions	0	21,000
Other information-related costs	0	5,000
	<u>197,647</u>	<u>230,000</u>
Bank Charges	1046	0
	<u>1046</u>	<u>0</u>
Carry-over (Provision) from 2011 to 2012	2222	0
TOTAL ELIGIBLE EXPENDITURE	<u>433,251</u>	<u>467,674</u>
TOTAL EXPENDITURE	<u>433,251</u>	<u>467,674</u>
TOTAL RESULT (SURPLUS / - DEFICIT)	<u>10,528</u>	<u>0</u>

BALANCE SHEET 31ST DECEMBER 2011**ASSETS AND LIABILITES**

	Notes	2011 €
ASSETS		
Office equipment	4	<u>5,831</u>
NON CURRENT ASSETS		<u>5,831</u>
Outstanding 2011 from European Parliament		74,551
Bank Guarantee		2,760
Deposits and Cash		<u>2,521</u>
CURRENT ASSETS		<u>79,832</u>
TOTAL ASSETS		<u><u>85,663</u></u>
LIABILITIES		
Equity:		
At Incorporation		0
Result for the Year		<u>10,528</u>
TOTAL EQUITY		<u>10,528</u>
Carry-over (Provision) from 2011 to 2012		<u>2,222</u>
TOTAL PROVISIONS		<u>2,222</u>
Short term liabilities	5	67,293
Accruals	6	<u>5,620</u>
TOTAL DEBTS		<u>72,913</u>
TOTAL LIABILITES		<u><u>85,663</u></u>

NOTES

	2011 €
1 MEMBERSHIP FEES FROM MEMBER PARTIES	
Vlaams Belang	1,500
	<u>1,500</u>
2 MEMBERSHIP FEES FROM INDIVIDUAL MEMBERS	
Jan Timke	1,500
Philip Claeys	1,500
	<u>3,000</u>
3 DONATIONS ABOVE EUR500	
Jan Timke	11,696
Godfrey Bloom	3,009
Food World Limited	12,000
Lynn Faure	6,000
Reed Andrew	10,931
Uscom Limited	12,000
Philip Claeys	3,500
Sverigedemocraterna	6,000
	<u>65,136</u>
4 OFFICE EQUIPMENT	
Opening net book amount	0
Increase	7,775
	<u>7,775</u>
Depreciation, opening	0
Depreciation for the year, 25% of 7776	1,944
	<u>1,944</u>
	<u>5,831</u>

	2011
	€
5 SHORT TERM LIABILITIES	
Creditors Control Account	<u>67,293</u>
	<u>67,293</u>
6 ACCRUALS	
Audit Fee	5000
Publicity Costs	<u>620</u>
	<u>5620</u>

Donations Above Eur500

<i>Name</i>	<i>Address</i>	<i>Country</i>	<i>Amount in Euros</i>
Jan Timke	Torstr. 195, 10115 Berlin	Germany	€ 11,696.00
Godfrey Bloom	108, Main Str, Wressley, Selby YO8 ET	UK	€ 3,009.00
Food World Limited	6, Anton Complex, Handaq Street, Qormi	Malta	€ 12,000.00
Lynn Faure	13, Triq tal Blat, Qormi	Malta	€ 6,000.00
Andrew Reed	45 Lower Church Road, Weston- super-Mare, Somerset, BS23 2AQ	UK	€ 10,931.00
Uscom Limited	19, Apt 2, Triq il- Fuxa San Gwann SGN 1308	Malta	€ 12,000.00
Philip Claeys	Kruiskruidlaan 11, 3090 Overijse	Belgium	€ 3,500.00
Sverigedemocratern	Box 200 85, 10460, Stockholm	Sweden	€ 6,000.00