

Independent Auditor's report on the Annual Accounts and the Final Statement of eligible expenditure actually incurred of European Alliance for Freedom for the year ended 31 December 2016

In accordance with our service contract dated 18 November 2016 with the European Union represented by the European Parliament, we report to you on the performance of our audit which was entrusted to Ernst & Young Réviseurs d'Entreprises scrl. This report includes the opinion on the balance sheet as at 31 December 2016, the income statement for the year ended 31 December 2016 and the Notes (all elements together the "Annual Accounts") and on the Final Statement of eligible expenditure actually incurred as well as on compliance with rules and regulations applicable to funding of political parties and political foundations at European level.

Report on the Annual Accounts and the Final Statement of eligible expenditure actually incurred - Unqualified opinion

We have audited the Annual Accounts of European Alliance for Freedom (the "Entity") as of and for the year ended 31 December 2016, prepared in accordance with the financial-reporting framework applicable in Malta, we have audited the Final Statement of eligible expenditure actually incurred for the period of eligibility defined by the grant award decision of European Alliance for Freedom, and prepared in accordance with the rules and regulations applicable to funding of political parties and political foundations at European level.

The Annual Accounts show a balance sheet total of € 144.455 and the income statement shows a loss for the year of € 39.990. The loss of the year has been transferred to the Specific Reserve Account. Accumulated losses (including the result of the year) amount to € 27.654 and the carry-over to nil.

Responsibility of the Members of the Board for the preparation of the Annual Accounts and the Final Statement of eligible expenditure actually incurred

The Members of the Board are responsible for the preparation of Annual Accounts that give a true and fair view in accordance with the financial-reporting framework as applicable in Malta. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of Annual Accounts that give a true and fair view and 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 given circumstances.

The Members of the Board are responsible towards the European Parliament for the use of the grant and must comply with the provisions of the Regulation EC (No) 2004/2003 and the underlying acts.

Responsibility of the Auditor

Our responsibility is to express an opinion on these Annual Accounts, based on our audit. Furthermore, with respect to the Final Statement of eligible expenditure actually incurred, it is our responsibility to express an opinion on the compliance with rules and regulations applicable to funding of political parties and political foundations at European level.

We conducted our audit in accordance with the International Standards on Auditing ("ISAs"). Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Annual Accounts and the Final Statement of eligible expenditure actually incurred are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and Notes in the Annual Accounts and the Final Statement of eligible expenditure actually incurred. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Annual Accounts and the Final Statement of eligible expenditure actually incurred, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the Annual Accounts and the Final Statement of eligible expenditure actually incurred that give a true and fair view, 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, the reasonableness of significant accounting estimates made by the Members of the Board, as well as evaluating the overall presentation of the Annual Accounts and the Final Statement of eligible expenditure actually incurred.

We have obtained from the Members of the Board and the Entity's officials the explanations and information necessary for performing our audit procedure and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified Opinion

In our opinion, the Annual Accounts (i.e. balance sheet, income statement and Notes) give a true and fair view of the Entity's net equity and financial position as at 31 December 2016, and of its results for the year ended, prepared in accordance with the financial-reporting framework applicable in Malta and the Final Statement of eligible expenditure has been prepared in accordance with the rules and regulations applicable to funding of political parties and political foundations at European level.

Emphasis of certain matters

Without qualifying our opinion, we would like to draw the attention to the accounting policies of the Annual Accounts Note 1.1, which indicates that the Party incurred a deficit of € 39.990 during the year ended 31 December 2016 and, as of that date, the Party's liabilities exceeded its assets by € 27.654. As stated in Note 1.1, these conditions indicate the existence of a material uncertainty which may cast doubt on the Party's ability to continue as a going concern. The Annual Accounts are prepared under the assumption that the activities will be continued. This assumption is sustainable as long as the Party will receive financial support from the European Parliament or other financing sources.

Report on other legal and regulatory requirements

The Members of the Board are responsible for the compliance by the Entity of the legal and regulatory requirements applicable in Malta, its articles of association, the legal and regulatory requirements regarding bookkeeping and the provisions of the European Parliament's grant award decision, Regulation (EC) No 2004/2003 and the underlying acts.

Our audit work included specific procedures to gather sufficient and appropriate audit evidence that the financial provisions and obligations of the grant award decision, Regulation (EC) No 2004/2003 and the underlying acts have been met.

We make the following additional statements, which do not modify the scope of our opinion on the Annual Accounts and on the Final Statement of eligible expenditure actually incurred:


- without prejudice to certain formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Malta;
- the financial documents submitted by European Alliance for Freedom to the European Parliament are consistent with the financial provisions of the Bureau's grant award decision;

***Audit report dated 10 May 2017 on the Annual Accounts and
the Final Statement of eligible expenditure actually incurred of
European Alliance for Freedom as of and for the year ended 31 December 2016***

- the expenditure declared was actually incurred;
- the statement of revenue is exhaustive;
- the obligations arising from the Regulation (EC) No 2004/2003 have been met;
- the obligations arising from the Bureau decision of 29 March 2004 have been met;
- the obligations arising from the grant award decision, in particular from Article II.7 - Award of contracts and Article II.11 - Eligible expenditure, have been met;
- 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 of 29 March 2004;
- the obligations arising out of Article 125(5) and (6) of the Financial Regulation have been met.

Brussels, 10 May 2017

Ernst & Young Réviseurs d'Entreprises scrl
Auditor
represented by



Danielle Vermaelen
Partner*
* Acting on behalf of a BVBA/SPRL

17DV0824

EUROPEAN ALLIANCE FOR FREEDOM

Annual Report and Accounts

31 December 2016

EUROPEAN ALLIANCE FOR FREEDOM
Annual Financial Statements for the year ended 31 December 2016

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EUROPEAN ALLIANCE FOR FREEDOM
Annual Financial Statements for the year ended 31 December 2016

GENERAL INFORMATION

The European Alliance for Freedom (the "Alliance") was established by virtue of the Voluntary Organisations Act, Cap. 492 of the Laws of Malta. The voluntary organisation registration number is VO/0466.

Members of the Board

Franz Obermayr	(President)	(resigned on 30 September 2016)
Jane Maria Collins	(President)	(appointed on 30 September 2016)
Kent Ekeroth		
Normunds Grostins		

Secretary to the Board

Sharon Ellul Bonici

Bankers

Bank of Valletta p.l.c.
58, Zachary Street
Valletta VLT 1130
Malta

Registered Office

2A, 'Delmar', Flat 1
Brared Street
Birkirkara
Malta

EUROPEAN ALLIANCE FOR FREEDOM
Annual Financial Statements for the year ended 31 December 2016

REPORT OF THE MEMBERS OF THE BOARD

The Members of the Board present their report and the audited financial statements of the European Alliance for Freedom (Alliance) for the year ended 31 December 2016.

Principal activities

The Alliance's primary objective is to inform the EU public of the importance of parliamentary democracy, to safeguard international cooperation among EU Member States and to make the people of Europe aware of the dangers of super-national power to freedom of nations and their constitutional democracies.

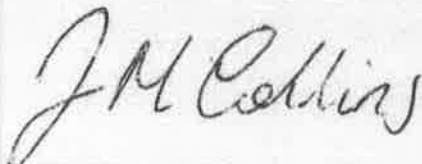
Performance review

In the year under review the Alliance is reporting a deficit on operations of EUR 39,990 (2015: a surplus of EUR 6,718).

Members of the Board

The Members who served during the year under review were as noted on page 2.

The report of the Members of the Board was approved by the Members of the Board and was signed on their behalf by:



JANE MARIA COLLINS
President



SHARON ELLUL BONICI
Secretary General

10 May 2017

EUROPEAN ALLIANCE FOR FREEDOM
Annual Financial Statements for the year ended 31 December 2016

STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE BOARD

The Members of the Board are required to prepare financial statements which give a true and fair view of the state of affairs of the Alliance at the end of each financial year and of its surplus or deficit for the year then ended. In preparing the financial statements, the Members of the Board should:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Alliance will continue in operation; and
- prepare financial statements in accordance with International Financial Reporting Standards and Regulation EC (No) 2004/2003.

The Members of the Board are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Alliance. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. The Members of the Board are also responsible for safeguarding the assets of the Alliance, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



JANE MARIA COLLINS
President



SHARON ELLUL BONICI
Secretary General

10 May 2017

EUROPEAN ALLIANCE FOR FREEDOM
Annual Financial Statements for the year ended 31 December 2016

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2016

	Notes	2016 EUR	2015 EUR
Revenue	2	458,581	588,079
Operating and administrative expenses	3	(494,638)	(581,487)
Operating (deficit)/surplus		(36,057)	6,592
Finance revenue	4	40	126
(Deficit)/surplus before tax		(36,017)	6,718
Income tax expense	5	(3,973)	-
(Deficit)/surplus for the year		(39,990)	6,718
Allocation to specific reserve		12,336	(6,718)
Total comprehensive loss for the year		(27,654)	-

The accounting policies and explanatory notes on pages 9 to 15 form an integral part of the financial statements.


EUROPEAN ALLIANCE FOR FREEDOM
Annual Financial Statements for the year ended 31 December 2016

STATEMENT OF FINANCIAL POSITION
as at 31 December 2016

	Notes	2016 EUR	2015 EUR
ASSETS			
Non-current assets			
Property, plant and equipment	6	5,829	4,989
Current assets			
Receivables	7	135,517	138,384
Cash and cash equivalents	9	3,109	8,593
		<u>138,626</u>	<u>146,977</u>
Total assets		<u>144,455</u>	<u>151,966</u>
EQUITY AND LIABILITIES			
Specific reserve	10	-	12,336
Accumulated deficit	10	(27,654)	-
		<u>(27,654)</u>	<u>12,336</u>
Current liabilities			
Trade and other payables	8	172,109	139,630
Total equity and liabilities		<u>144,455</u>	<u>151,966</u>

The accounting policies and explanatory notes on pages 9 to 15 form an integral part of the financial statements.

The financial statements on pages 5 to 15 have been authorised for issue by the Members of the Board on 10 May 2017 and were signed on their behalf by:


JANE MARIA COLLINS
 President


SHARON EDEL BONICI
 Secretary General

EUROPEAN ALLIANCE FOR FREEDOM
Annual Financial Statements for the year ended 31 December 2016

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2016

	Specific reserve EUR	Accumulated (deficit)/surplus EUR	Total EUR
Balance at 1 January 2016	12,336	-	12,336
Deficit for the year	-	(39,990)	(39,990)
Allocation to specific surplus reserve	(12,336)	12,336	-
Balance at 31 December 2016	-	(27,654)	(27,654)
Balance at 1 January 2015	5,618	-	5,618
Surplus for the year	-	6,718	6,718
Allocation to specific surplus reserve	6,718	(6,718)	-
Balance at 31 December 2015	12,336	-	12,336

The accounting policies and explanatory notes on pages 9 to 15 form an integral part of the financial statements.

EUROPEAN ALLIANCE FOR FREEDOM
Annual Financial Statements for the year ended 31 December 2016

STATEMENT OF CASH FLOWS
for the year ended 31 December 2016

	Note	2016 EUR	2015 EUR
Operating activities			
(Deficit)/surplus before tax		(36,017)	6,718
<i>Adjustments for:</i>			
Depreciation		2,328	2,120
Interest receivable		(40)	(126)
Operating (deficit)/surplus before working capital movements		(33,729)	8,712
Movements in receivables		2,867	(3,945)
Movements in trade and other payables		28,506	(2,555)
Interest received		40	126
Net cash flows (used in)/generated from operating activities		(2,316)	2,338
Investing activities			
Purchase of property, plant and equipment		(3,168)	(3,128)
Net cash flows used in investing activities		(3,168)	(3,128)
Net movement in cash and cash equivalents		(5,484)	(790)
Cash and cash equivalents at 1 January		8,593	9,383
Cash and cash equivalents at 31 December	9	3,109	8,593

The accounting policies and explanatory notes on pages 9 to 15 form an integral part of the financial statements.

EUROPEAN ALLIANCE FOR FREEDOM
Annual Financial Statements for the year ended 31 December 2016

NOTES TO THE FINANCIAL STATEMENTS

1. ENTITY INFORMATION

The financial statements cover the year ended 31 December 2016. The Alliance's primary objective is to inform the EU public of the importance of parliamentary democracy, to safeguard international cooperation among EU Member States and to make the people of Europe aware of the dangers of super national power to freedom of nations and their constitutional democracies.

1.1 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These financial statements have been prepared under the historical cost convention. These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

During the year ended 31 December 2016, the Alliance incurred a deficit of EUR39,990 and as of that date, the Alliance's liabilities exceeded its total assets by EUR27,654. These conditions indicate the existence of an uncertainty which may cast doubt about the Alliance's ability to continue as a going concern. For the year 2017 the Bureau of the European Parliament awarded a grant of maximum EUR419,639. Based on this grant and the expectation that adequate additional proceeds and intermediate financing can be obtained, these financial statements have been prepared on a going concern basis.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

Standards, interpretations and amendments to published standards as endorsed by the European Union effective in the current year

The Alliance has adopted the following new and amended IFRS and IFRIC interpretations:

- IAS 1 (Amendments) – Disclosure initiative, (effective for financial years beginning on or after 1 January 2016)
- IAS 16 and IAS 38 (Amendment) – Clarification of acceptable methods of depreciation and amortisation, (effective for financial years beginning on or after 1 January 2016)
- IAS 16 and IAS 41 (Amendment) – Bearer Plants (effective for financial years beginning on or after 1 January 2016)
- IAS 27 (Amendment) – Equity method in separate financial statements (effective for financial years beginning on or after 1 January 2016)
- IFRS 11 (Amendment) – Accounting for acquisitions of interests in joint operations (effective for financial years beginning on or after 1 January 2016)
- IFRS 10, IFRS 12 and IAS 28 (Amendment) – Investment entities – Applying the Consolidation Exception (effective for financial years beginning on or after 1 January 2016)
- Improvements to IFRS 2012-2014 – (effective for financial years beginning on or after 1 January 2016)

The adoption of the standards or interpretations above did not have an impact on the financial statements or performance of the Alliance.

Standards, interpretations and amendments to published standards as endorsed by the European Union that are not yet effective

Up to the date of approval of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective for the current reporting period and which have not been adopted early.

- IFRS 9 – Financial Instruments (effective for financial years beginning on or after 1 January 2018)
- IFRS 15 – Revenue from Contracts with Customers including amendments to IFRS 15: Effective date of IFRS 15 (effective for financial years beginning on or after 1 January 2018)

The changes resulting from these standards are not expected to have a material effect on the financial statements of the Alliance.

EUROPEAN ALLIANCE FOR FREEDOM
Annual Financial Statements for the year ended 31 December 2016

NOTES TO THE FINANCIAL STATEMENTS - continued

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES - continued

Standards, interpretations and amendments to published standards that are not yet endorsed by the European Union

These are as follows:

- IFRS 16 – Leases (effective for financial years beginning on or after 1 January 2019)
- IAS 12 (Amendment) – Recognition of Deferred Tax Assets for Unrealised Losses (effective for financial years beginning on or after 1 January 2017)
- IAS 7 (Amendment) – Disclosure Initiative (effective for financial years beginning on or after 1 January 2017)
- IFRS 15 (Clarification) – Revenue from contracts with customers (effective for financial years beginning on or after 1 January 2018)
- IFRS 2 (Amendment) – Classification and Measurement of Share-based Payment transactions (effective for financial years beginning on or after 1 January 2018)
- IFRS 4 (Amendment) – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (effective for financial years beginning on or after 1 January 2018)
- Improvements to IFRS Standards 2014-2016 – (effective for financial years beginning on or after 1 January 2018)
- IFRIC Interpretation 22 – Foreign currency transactions and advance consideration (effective for financial years beginning on or after 1 January 2018)
- IAS 40 (Amendment) – Transfers of Investment Property (effective for financial years beginning on or after 1 January 2018)
- IFRS 14 – Regulatory deferral accounts (effective for financial years beginning on or after 1 January 2019)
- IFRS 10 and IAS 28 (Amendments) – Sale or contributions of assets between an investor and its associate or joint venture (effective date deferred indefinitely)

1.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, plant and equipment

Property, plant and equipment are initially measured at cost. Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Alliance and the cost of the item can be measured reliably. Expenditure on repairs and maintenance of property, plant and equipment is recognised as an expense when incurred.

Office equipment is derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in the income and expenditure in the period of derecognition.

Depreciation

Depreciation commences when the depreciable assets are available for use and is charged to the income and expenditure account so as to write off the cost amount, less any estimated residual value, over their estimated useful lives, using the straight-line method, on the following bases:

Office equipment	25% per annum
Furniture and fittings	10% per annum

The depreciation method applied, the residual value and the useful life are reviewed, and adjusted if appropriate, at each reporting date.

EUROPEAN ALLIANCE FOR FREEDOM
Annual Financial Statements for the year ended 31 December 2016

NOTES TO THE FINANCIAL STATEMENTS - continued

1.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Receivables

Receivables are classified with current assets and are stated at their nominal value. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired.

Trade and other payables

Trade and other payables are classified with current liabilities and are stated at their nominal value.

Revenue recognition

Revenue is recognised to the extent that it is probable that future economic benefits will flow to the Alliance and these can be measured reliably. The following specific recognition criteria must also be met before income is recognised:

(i) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

(ii) Membership fees and donations

Membership fees and donations are recognised as income when no significant uncertainty as to its collectability exists.

(iii) European parliament grant

European parliament grant are recognised when there is reasonable assurance that the grant will be received and that all attaching conditions will be complied with.

Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank.

2. REVENUE

The revenues generated by the Alliance are made up of:

	2016 EUR	2015 EUR
<i>European parliament grant:</i>		
- for the year	390,696	494,264
<i>Membership fees:</i>		
- from individual members (note i)	9,000	16,000
<i>Donations:</i>		
- above EUR500 (note ii)	58,885	77,815
- below EUR500	-	-
	458,581	588,079

EUROPEAN ALLIANCE FOR FREEDOM
Annual Financial Statements for the year ended 31 December 2016

NOTES TO THE FINANCIAL STATEMENTS - continued

2. REVENUE - continued

i) Membership fees from individual members

	2016 EUR	2015 EUR
Franz Obermayr	3,000	2,000
Kent Ekeroth	-	2,000
Jan Timke	3,000	2,000
Janusz Korwin-Mikke	-	2,000
Przemyslaw Wiper	-	2,000
Robert Jaroslaw Iwaszkiewicz	-	2,000
Stanislaw Zoltek	-	2,000
Michal Marusik	-	2,000
Jane Maria Collins	3,000	-
	<u>9,000</u>	<u>16,000</u>

ii) Donations above EUR500

	2016 EUR	2015 EUR
Jane Maria Collins	9,000	-
Janusz Korwin – Mikke	-	6,000
Medaf Limited	12,000	12,000
Melissa Timke	2,500	3,000
Jan Holgersson	12,000	12,000
Przemyslaw Wipler	-	1,000
Mark Timke Wismar	-	2,000
Kent Ekeroth	-	2,800
Jan Timke	-	7,000
Franz Obermayr	9,000	8,000
Robert Jaroslaw Iwaszkiewicz	-	6,000
Stanislaw Zoltek	-	6,000
Michal Marusik	-	815
Johan Frisk	2,000	5,200
NI AB	-	6,000
Sharon Ellul Bonici	1,385	-
SIA Apprime	3,000	-
Plant Raisers Limited	8,000	-
	<u>58,885</u>	<u>77,815</u>

EUROPEAN ALLIANCE FOR FREEDOM
Annual Financial Statements for the year ended 31 December 2016

NOTES TO THE FINANCIAL STATEMENTS - continued

3. OPERATING AND ADMINISTRATIVE EXPENSES

	2016 EUR	2015 EUR
Personnel costs	264,403	262,345
Infrastructure and operating costs	38,950	43,971
Administrative expenditure	13,847	3,248
Meetings and representation costs	63,004	60,340
Information and publication costs	113,719	210,572
Bank charges	715	1,011
	<u>494,638</u>	<u>581,487</u>

4. FINANCE REVENUE

	2016 EUR	2015 EUR
Interest receivable on bank accounts	40	126
	<u>40</u>	<u>126</u>

5. INCOME TAX EXPENSE

	2016 EUR	2015 EUR
Current tax expense	-	-
Under provision of tax in previous years	3,973	-
	<u>3,973</u>	<u>-</u>

The Alliance is taxed at the applicable tax rates in Malta on any taxable surplus for the year. Such tax expense is coming from prior years' under provision and is due to the tax authorities in Malta.

6. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fittings EUR	Office Equipment EUR	Total EUR
Cost			
At 1 January 2015	-	15,831	15,831
Additions	1,264	1,864	3,128
At 31 December 2015	1,264	17,695	18,959
Additions	-	3,168	3,168
At 31 December 2016	<u>1,264</u>	<u>20,863</u>	<u>22,127</u>
Depreciation			
At 1 January 2015	-	11,850	11,850
Charge for the year	66	2,054	2,120
At 31 December 2015	66	13,904	13,970
Charge for the year	127	2,201	2,328
At 31 December 2016	<u>193</u>	<u>16,105</u>	<u>16,298</u>
Net book value			
At 31 December 2016	<u>1,071</u>	<u>4,758</u>	<u>5,829</u>
At 31 December 2015	<u>1,198</u>	<u>3,791</u>	<u>4,989</u>

EUROPEAN ALLIANCE FOR FREEDOM
Annual Financial Statements for the year ended 31 December 2016

NOTES TO THE FINANCIAL STATEMENTS - continued

7. RECEIVABLES

	2016	2015
	EUR	EUR
European Parliament grant receivable	78,139	97,112
Donations receivable	50,500	38,000
Membership fees receivable	6,000	-
Prepayments	878	902
Bank guarantee deposit (note i)	-	2,370
	<u>135,517</u>	<u>138,384</u>

- i) The bank guarantee deposit is issued in favour of Mr. Thierry Cardon in respect of any unpaid rent on offices situated in Rue de la Croix de Fer 1000 Brussels Belgium. The guarantee expired on the 7th May 2016 and was not extended further.

8. TRADE AND OTHER PAYABLES

	2016	2015
	EUR	EUR
Trade payables	83,058	91,485
Accruals and deferred income	84,401	48,145
Payable to related entity	677	-
Tax payable	3,973	-
	<u>172,109</u>	<u>139,630</u>

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise of the following statement of financial position amount:

	2016	2015
	EUR	EUR
Cash at bank	<u>3,109</u>	<u>8,593</u>

10. RESERVE

Specific reserve

The specific reserve records revenue surplus and deficit as a result of the own resources collected above the minimum established by the European Parliament. This reserve can be fully or partially utilised in any year to cover eligible and non-eligible expenditure.

Accumulated (deficit)/surplus

The balance on the accumulated (deficit)/surplus in the statement of financial position as at 31 December 2016 represents the resulting accumulated (deficit)/surplus over the years in accordance with Art. 6(a) of the Bureau decision.

NOTES TO THE FINANCIAL STATEMENTS - continued

11. FINANCIAL RISK MANAGEMENT

The principal financial assets comprise of cash at bank which arrive directly from its operations and receivables. The main financial liabilities are other payables. The main purpose of these financial liabilities is to raise finance for the Alliance's operations.

Timing of cash flows

The presentation of the financial assets and liabilities under the present headings within the statement of financial position is intended to indicate the timing in which cash flows will arise.

Credit risk

Financial assets which potentially subject the Alliance to concentrations of credit risk consist principally of cash at bank and receivables. The Alliance's short-term deposits are placed with quality financial institutions. No impairment provisions are deemed necessary in respect of the receivables.

Fair values

The carrying amounts of current financial assets and current financial liabilities approximated their fair values.

12. CONTINGENT LIABILITY

The Alliance presently has pending tax liabilities arising from under provision of tax in previous years. The Alliance could incur penalties and interest on such unpaid tax, the amount of which has yet to be determined.

EUROPEAN ALLIANCE FOR FREEDOM
Supplementary Statement for the year ended 31 December 2016

DETAILED OPERATING AND ADMINISTRATIVE EXPENSES STATEMENT

	2016 EUR	2015 EUR
Personnel costs		
Salaries	248,501	233,850
Staff missions expenses	15,902	16,495
Other personnel costs	-	12,000
	<u>264,403</u>	<u>262,345</u>
Infrastructure and operating costs		
Rent	17,295	15,063
Costs relating to installation and operation of equipment	95	-
Depreciation	2,328	2,120
Stationery and office supplies	65	863
Postal and telecommunications charges	3,849	4,706
Printing, translation and reproduction costs	13,566	10,710
Other infrastructure costs	1,752	10,509
	<u>38,950</u>	<u>43,971</u>
Administrative expenses		
Costs of studies and research	-	-
Legal costs	9,440	221
Accounting and audit costs	4,407	3,027
	<u>13,847</u>	<u>3,248</u>
Meetings and representation costs		
Costs of meetings	56,422	35,984
Representation costs	4,130	21,856
Participation in seminars and conferences	1,777	2,500
Other meeting related costs	675	-
	<u>63,004</u>	<u>60,340</u>
Information and publication costs		
Publication costs	36,211	92,881
Creation and operation of internet sites	9,750	9,750
Publicity costs	37,900	49,875
Communications equipment	26,605	54,898
Election campaigns	-	-
Seminars and exhibitions	3,253	3,168
	<u>113,719</u>	<u>210,572</u>
Bank charges	<u>715</u>	<u>1,011</u>
Total operating and administrative expenses	<u>494,638</u>	<u>581,487</u>

EXPENDITURE		Budget	Actual
Eligible expenditure			
Category 1: Personnel costs			
1. Salaries		272,630	264,433
2. Contributions		21,364	21,521
3. Professional fees		0	0
4. Other related expenses		0	0
5. Other personnel costs		16,830	15,862
Category 2: Infrastructure and operating costs			
1. Fixed charges (rent, telephone, water)		32,520	34,456
2. Costs relating to the production, transport and maintenance of equipment		19,800	7,460
3. Depreciation of movable and immovable property		800	700
4. Electricity and other utilities		4,100	2,200
5. Fuel and transport (vehicles, charges)		5,800	6,600
6. Printing, translation and reproduction costs		3,700	3,600
7. Other miscellaneous costs		5,000	5,200
Category 3: Administrative expenditure			
1. Bank charges (ATMs, credit cards, transfers, interest, agency and debit/credit)		1,800	1,700
2. Costs of studies and research		1,000	1,000
3. Legal costs		1,000	1,000
4. Recovery and audit costs		1,000	1,000
5. Miscellaneous administrative costs		1,000	1,000
Category 4: Meetings and representation costs			
1. Costs of meetings or conferences (venue)		0	0
2. Participation in seminars or conferences		0	0
3. Representation costs		0	0
4. Cost of transport		0	0
5. Other administrative costs		0	0
Category 5: Information and publication costs			
1. Publications		0	0
2. Online and electronic information		0	0
3. Publicity costs		0	0
4. Conferences and seminars		0	0
5. Expositions		0	0
6. Other costs to be verified		0	0
Category 6: Expenditure relating to contributions in kind			
Bank Charges			
TOTAL ELIGIBLE EXPENDITURE			
Category 7: Non-eligible expenditure			
1. Absentees in personnel		0	0
2. Finance charges		0	0
3. Exchange losses		0	0
4. Double/charges on third parties		0	0
5. Others to be presented (if any for previous years)		0	0
TOTAL NON-ELIGIBLE EXPENDITURE			
		0	0
TOTAL BUDGET		379,914	365,513

REVENUE		Budget	Actual
1. EP grant			
2. Membership fees			
2.1 from member parties		19,100	19,536
2.2 from individual members		4,200	4,200
3. Donations			
3.1 above 500 EUR		21,300	21,819
3.2 below 500 EUR		3,200	3,200
4. Other own resources (to cover eligible expenditure) (to be funded)			
BANK INTEREST			
(to be verified in kind)			
Additional other own resources (to cover non-eligible expenditure) (to be funded)			
REVENUE (to cover non-eligible expenditure)		59,800	62,565
TOTAL REVENUE		439,714	428,078

30 May 2017

Jane Maria Collins
 JANE MARIA COLLINS
 President

Sharon Ellul Bgmi
 SHARON ELLUL BGMIO
 Secretary General

EXPENDITURE		Budget	Actual	REVENUE		Budget	Actual
Eligible expenditure							
Category 1: Personnel costs		222,000	264,403	1. EP grant		390,696	390,696
1. Salaries		211,500	248,501	2. Membership fees		14,000	9,000
2. Contributions		0	0	2.1 from member parties		0	0
3. Professional training		0	0	2.2 from individual members		14,000	9,000
4. Staff mission expenses		10,000	15,902	3. Donations		55,000	58,885
5. Other personnel costs		500	0	3.1 above 500 EUR		50,000	58,885
				3.2 below 500 EUR		5,000	0
Category 2: Infrastructure and operating costs		32,500	38,950	4. Other own resources (to cover eligible expenditure) (to be listed)		0	0
1. Rent, charges and maintenance costs		13,000	17,295				
2. Costs relating to the installation, operation and maintenance of equipment		500	95				
3. Depreciation of movable and immovable property		4,500	2,328				
4. Stationery and office supplies		5,000	65				
5. Postal and telecommunications charges		3,500	3,849				
6. Printing, translation and reproduction costs		5,000	13,566				
7. Other infrastructure costs		1,000	1,752				
Category 3: Administrative expenditure		9,000	13,847	BANK INTEREST		0	40
1. Documentation costs (newspapers, press agencies, databases)		500	0				
2. Costs of studies and research		5,000	0				
3. Legal costs		1,000	9,440				
4. Accounting and audit costs		2,000	4,407				
5. Miscellaneous administrative costs		500	0				
Category 4: Meetings and representation costs		75,000	63,004				
1. Costs of meetings of the political party		55,000	56,422				
2. Participation in seminars and conferences		3,000	1,777				
3. Representation costs		15,000	4,130				
4. Cost of invitations		0	0				
5. Other meeting-related costs		2,000	675				
Category 5: Information and publication costs		121,196	113,719				
1. Publication costs		50,000	36,211				
2. Creation and operation of internet sites		11,000	9,750				
3. Publicity costs		35,000	37,900				
4. Communications equipment (gadgets)		20,196	26,605				
5. Seminars		5,000	3,253				
6. Exhibitions		0	0				
7. Other costs to be verified		0	0				
Category 6: Expenditure relating to contributions in kind		0	0	5. Contributions in kind		0	0
Bank Charges		0	715				
TOTAL ELIGIBLE EXPENDITURE		459,696	494,638	REVENUE (to cover eligible expenditure)		459,696	458,621
(Category 7: Non-eligible expenditure							
1. Allocations to provisions		0	0	6. Additional other own resources (to cover non-eligible expenditure) (to be listed)		0	0
2. Financial charges		0	0				
3. Exchange losses		0	0				
4. Doubtful claims on third parties		0	0				
5. Others (under provision of tax for previous years)		0	3,973				
TOTAL NON-ELIGIBLE EXPENDITURE		0	3,973	REVENUE (to cover non-eligible expenditure)		0	0
TOTAL BUDGET		459,696	498,611	TOTAL REVENUE		459,696	458,621

DONATIONS ABOVE EUR 500

FRANZ OBERMAYR 9000 EUR

Salistrasse 30, A-430, Linz, Austria

JANE MARIA COLLINS 9000 EUR

Bakers Cottage, 30 Main Street, Hotham, York, YO43 4UD, United Kingdom

MEDAF LTD 12000 EUR

270 Level 1, Zabbar Road, Fgura, FGR 1011, Malta

PLANT RAISERS LTD 8000 EUR

Thorpe Road, Howden, East Yorkshire, DN 147PB, United Kingdom

SHARON ELLUL BONICI 1385 EUR

Windsor Crt, Triq il Granmastri, 3710 MSK, Malta

JAN HOLGERSSON 12000 EUR

Studievagen 9, 19150 Solentuna, Stockholm, Sweden

APPRIME 3000 EUR

Jeruzalemes iela 2/4, Riga, LV- 1010, Latvia

MELISSA TIMKE 2500 EUR

Wurster Strasse 406, Bremerhaven, Germany

JOHAN FRISK 2000 EUR

Amborstvagen 10, 192 59 Sollentuna, Stockholm, Sweden