

Independent Auditor's report on the Annual Accounts and the Final Statement of eligible expenditure actually incurred of European United for Democracy (non-profit organisation registered in Denmark) 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 United for Democracy (non-profit organisation registered in Denmark) (the "Entity") as of and for the year ended 31 December 2016, prepared in accordance with the financial-reporting framework applicable in Denmark, we have audited the Final Statement of eligible expenditure actually incurred for the period of eligibility defined by the grant award decision of European United for Democracy (non-profit organisation registered in Denmark), 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 € 174.355 and the income statement shows a profit for the year of € 11.272. The profit of the year, transferred to the reserve account, is used to reduce the losses carried forward. Accumulated losses (including the result of the year) amount to € 26.969 and a carry-over to € 40.225.

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 Denmark. 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 Denmark 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

Notwithstanding the loss carried forward which impact the Annual Accounts of the Party, 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. Without altering our audit opinion, we draw your attention to the Notes in the Annual Accounts in which the Party justifies the application of accounting policies under the assumption of going concern.

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 Denmark, 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 Denmark;
- the financial documents submitted by European United for Democracy (non-profit organisation registered in Denmark) to the European Parliament are consistent with the financial provisions of the Bureau's grant award decision;
- 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;
- the contributions in kind have actually been provided to the beneficiary and have been valued in compliance with the applicable rules.

Brussels, 25 April 2017

Ernst & Young Réviseurs d'Entreprises scrl
Auditor
represented by



Danielle Vermaelen
Partner*

* Acting on behalf of a BVBA/SPRL

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PROFIT AND LOSS ACCOUNT 1ST JANUARY – 31ST DECEMBER 2016

	2016 EURO	2015 EURO	Budget 2016
REVENUE			
Grant from European Parliament	238.050	292.428	440.250
Grants from members	7.989	6.176	40.000
Donations above 500 EUR.....	36.058	50.460	20.000
Donations below 500 EUR.....	250	383	4.650
Other own resources.....	2.000	0	0
Carry over from 2014 to 2015	48.664	23.490	0
2. Contribution in kind	7.860	8.400	13.000
Interest	3	55	0
TOTAL REVENUE.....	340.874	381.392	517.900
EXPENDITURE			
Personal costs			
Salaries	109.797	71.673	125.000
Other personnel costs	-91	12.035	12.000
	<u>109.706</u>	<u>83.708</u>	<u>137.000</u>
Infrastructure and operating costs			
Rent Bruxelles	12.604	11.599	14.000
Electricity and Gas	2.718	2.997	0
Costs relating to the installation and equipment.....	127	354	1.000
Translation and reproduction costs	8	55	11.000
Stationary and office supplies	1.362	1.376	1.500
Postal and telecommunications charge	5.251	5.826	4.000
Depreciation	0	0	1.500
Other infrastructure costs.....	3.510	3.499	1.000
	<u>25.580</u>	<u>25.706</u>	<u>34.000</u>
Administrative expenditures			
Research and studies	0	17.980	15.000
Documentation and newspaper	279	321	2.000
Accountancy.....	1.226	8.920	8.000
Legal costs	0	0	5.000
Miscellaneous administrative costs	0	0	1.500
	<u>1.505</u>	<u>27.221</u>	<u>31.500</u>

Paul van der Vliet 25/9/2017

PROFIT AND LOSS ACCOUNT 1ST JANUARY – 31ST DECEMBER 2016

	2016 EURO	2015 EURO	Budget 2016
Meeting and representation costs			
Meetings of the political party.....	24.869	29.441	20.000
Participation in seminars and conferences.....	0	96	2.000
Representation costs	0	131	3.000
Other meeting related costs	0	341	2.000
	<u>24.869</u>	<u>30.009</u>	<u>27.000</u>
Information and publication costs			
Publication costs	8.325	28.218	122.000
Publicity cost	102.850	109.973	115.000
Seminars	305	3.124	20.000
Creation and operation of internet sites	7.497	2.500	15.000
Election campaigns	0	0	0
Communication equipment	0	0	2.000
Other information related costs	0	0	1.400
	<u>118.977</u>	<u>143.815</u>	<u>275.400</u>
Contribution in kind			
Costs	7.860	8.400	13.000
	<u>7.860</u>	<u>8.400</u>	<u>13.000</u>
Carry over			
Carry over from 2016 to 2017	40.225	48.664	0
	<u>40.225</u>	<u>48.664</u>	<u>0</u>
TOTAL ELIGIBLE EXPENDITURE	<u>328.722</u>	<u>367.523</u>	<u>517.900</u>
Interest and exchange losses	0	0	0
Non eligible cost	880	0	0
TOTAL NON ELIGIBLE EXPENDITURE	<u>0</u>	<u>0</u>	<u>0</u>
ALLOCATION TO RESERVES	<u>11.272</u>	<u>13.869</u>	<u>0</u>
TOTAL RESULT	<u>0</u>	<u>0</u>	<u>0</u>



BALANCE SHEET 31ST DECEMBER 2016

ASSETS

Note		2016 EURO	2016 EURO
	ASSETS		
3.	Intangible assets	2.707	5.207
	Deposit, tenancy	3.365	3.361
	NON CURRENT ASSETS	<u>6.072</u>	<u>8.568</u>
	Debtors.....	2.760	3.606
	Cash in hand	12	12
	Bank account, KBC 177189-76.....	161.846	87.317
	Bank account, Andelskassen 84114154015	3.665	4
	CURRENT ASSETS	<u>168.283</u>	<u>90.939</u>
	TOTAL ASSETS	<u>174.355</u>	<u>99.507</u>

Patric H. K.

BALANCE SHEET 31ST DECEMBER 2016

LIABILITIES

	2016 EURO	2015 EURO
LIABILITIES		
Equity:		
1 st January	-38.241	-52.110
Correction grant prior years from European Parliament	0	0
Allocation to reserves	11.272	13.869
TOTAL EQUITY	-26.969	-38.241
Carry over from 2016 to 2017 (2015 to 2016)	40.225	48.664
TOTAL PROVISIONS	40.225	48.664
Loan	30.844	41.816
TOTAL LONG TERM DEBTS	30.844	41.816
Short term part of loan	10.972	10.972
Payable to Parliament	106.526	19.548
Short term liabilities	12.757	16.748
TOTAL SHORT TERM DEBTS	130.255	47.268
TOTAL DEBTS	161.099	89.084
TOTAL LIABILITIES	174.355	99.507



NOTES

1. GOING CONCERN

Europeans United for Democracy (EUD) has a negative total equity due to the prior year losses carried forward. Notwithstanding this negative equity position, we consider the association as in going concern as long as it can receive grants from the European Parliament and/or other third parties (e.g. membership fees,...) which are already foreseen for the upcoming accounting year. Therefore the accounting records are established based on the principle of continuity.

2. CONTRIBUTION IN KIND

Aleksander Pruitt, Square Robert Goldsmith 10,
1050 Ixelles, Belgium
Anthony Coughlan 24 Crawford Avenue,
Dublin 9 Ireland
Finn Ellegaard, Vestervænget 2,
8963 Auning, Denmark

	500	
	1.600	
	5.760	
	<u>7.860</u>	<u>8.400</u>

3. INTANGIBLE ASSETS

Opening balance
Acquisition 2016.....

Depreciation, opening balance
Depreciation 2016

	9.999	9.999
	0	0
	<u>9.999</u>	<u>9.999</u>
	4.792	2.292
	2.500	2.500
	<u>7.292</u>	<u>4.792</u>
	<u>2.707</u>	<u>5.207</u>

Europeans United for Democracy (EUD)

APPLIED ACCOUNTING PRACTISE

The Annual Financial Report is made after unchanged principles and it is not made in accordance with Danish Accounting Standards because these do not consider the Donors wish of detailed information.

INCOME STATEMENT

Income

Grants to Europeans United for Democracy (EUD) given to specific purposes are included as they are used for their purposes.

Expenses

Expenses are booked to the financial year to which they relate.

Carry-over

Provision 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

The amounts are in EURO



25/4/2017

ANNEX
Annex: Breakdown of the provisional operating budget

EXPENDITURE		Budget	Actual	REVENUE		Budget	Actual
Eligible expenditure				D.1 Dissolution of "Provision to cover eligible costs to be incurred in the first quarter of N+1"			48.663,81
A.1: Personnel costs		137.000,00	109.705,76	D.2 European Parliament grant		440.250,00	238.050,05
1. Salaries		125.000,00	109.796,54	D.3 Membership fees		40.000,00	7.989,90
2. Contributions		0,00		3.1 from member parties		20.000,00	5.228,90
3. Professional training		2.000,00		D.4 Donations		24.550,00	2.760,00
4. Staff mission expenses		5.000,00		4.1 above 500 EUR		20.000,00	25.335,73
5. Other personnel costs		5.000,00	-90,78	4.2 below 500 EUR		4.550,00	250,00
A.2: Infrastructure and operating costs		34.000,00	25.580,44	D.5 Other own resources (to cover eligible expenditure) (to be listed)			2.003,47
1. Rent, charges and maintenance costs		14.000,00	15.449,46	Consulting income			2.000,00
2. Costs relating to the installation, operation and maintenance of equipment		1.000,00		Interest			3,47
3. Depreciation of movable and immovable property		1.500,00		D.6 Contributions in kind		13.000,00	7.860,00
4. Stationery and office supplies		1.500,00	1.361,95	D.7 REVENUE (to cover eligible expenditure)		517.900,00	329.902,97
5. Postal and telecommunications charges		1.500,00	5.251,20	E.1 Additional other own resources (to cover non-eligible expenditure) (to be listed)			10.971,98
6. Printing, translation and reproduction costs		4.000,00	7,90	E. REVENUE (to cover non-eligible expenditure)		0,00	10.971,68
7. Other infrastructure costs		11.000,00		F. TOTAL REVENUE		517.900,00	340.874,65
A.3: Administrative expenditure		1.000,00	3.509,93	G. Profit/loss (F-C)		0,00	11.272,33
1. Documentation costs (newspapers, press agencies, databases)		31.500,00	1.505,66				
2. Costs of studies and research		2.000,00	279,41				
3. Legal costs		15.000,00					
4. Accounting and audit costs		5.000,00					
5. Support to affiliated organisations and subsidiaries to third parties		8.000,00	1.226,25				
6. Miscellaneous administrative costs		1.500,00					
A.4: Meetings and representation costs		1.500,00	24.868,90				
1. Costs of meetings of the political party		27.000,00	24.868,90				
2. Participation in seminars and conferences		20.000,00					
3. Representation costs		2.000,00					
4. Cost of invitations		3.000,00					
5. Other meeting-related costs		1.000,00					
A.5: Information and publication costs		1.000,00	118.976,96				
1. Publication costs		275.400,00	8.324,64				
2. Creation and operation of Internet sites		122.000,00	7.466,86				
3. Publicity costs		15.000,00					
4. Communications equipment (gadgets)		113.000,00	102.850,06				
5. Seminars and exhibitions		2.000,00	305,30				
6. Election campaigns ¹		20.000,00					
7. Other information-related costs		1.400,00					
A.6: Expenditure relating to contributions in kind incurred in the first quarter of N+1¹		13.000,00	7.860,00				
A.7: Allocation to "Provision to cover eligible expenditure to be incurred in the first quarter of N+1"¹			40.225,08				
A. TOTAL ELIGIBLE EXPENDITURE		517.900,00	328.722,70				
B.1: Non-eligible expenditure		0,00	879,62				
1. Allocations to other provisions							
2. Financial charges							
3. Exchange losses							
4. Doubtful claims on third parties							
5. Others (to be specified)			879,62				
B. TOTAL NON-ELIGIBLE EXPENDITURE		0,00	879,62				
C. TOTAL EXPENDITURE		517.900,00	329.602,32				
H.1 Allocation of own resources to the specific reserve account			11.272,33				
H. Profit/loss for verifying compliance with the no-profit rule (G-H.1)		0,00	0,00				

¹: Not applicable to political foundations at European level

Pat M... 28/4/2017

DONATIONS ABOVE 500 EURO

Open Europe, 7 Tufton Street, London SW1P 3QN, UK 6600,-

DEO = Demokrati I Europa Oplysningsforbund, Nordkystvejen 2F, 8961 Allingåbro, Denmark, 6425,-

Andreas Olofsson, Rakvägen 2, 23178, Smygehamn, Sweden 1036,73

Iveta Grigule, Atvaru 3, Marupe, Latvia 8000.-

Carolanne Mifsud, 8 Verdemare Park, Triq il bajja tas – Salini, Salina l-o Naxxar, Malta 2200,-

Pieter Cleppe, Avenue Franklin Roosevelt 134 box2, 1050, Brussels, Belgium 825.-