

Auditor's report on the financial statements of Organization for European Interstate cooperation for the year ended 31 December 2013

In accordance with our service contract 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 cvba. This report contains our opinion on the financial statements (i.e. balance sheet, profit & loss account, off-balance accounts and notes) 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 foundations at European level.

Unqualified auditor's report

We have audited the financial statements as defined above for the year ending 31 December 2013 and the final statement of the eligible expenditure actually incurred for the period of eligibility defined by the grant award decision of Organization for European Interstate cooperation as laid out on the following pages.

The financial statements for the year ended 31 December 2013 have been prepared in accordance with the financial reporting framework applicable in Sweden and show a balance sheet total of 9 034 EUR and a loss for the year of 3 144 EUR. The loss of the year has been transferred to the Specific Reserve Account. Accumulated losses (including the result of the year) amount to 18 844 EUR.

Respective responsibilities of the Board of Directors of Organization for European Interstate cooperation

The Board of Directors is responsible for the preparation and fair presentation of the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation. Moreover, it includes a fair presentation of financial statements 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 circumstances.

The Board of Directors is 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.

Respective responsibilities of the Auditor

Our responsibility is to express an opinion on these financial statements and on the final statement of eligible expenditure actually incurred based on our audit. Furthermore, our



Audit report dated April 20th 2014 on the financial statements of Organization for European Interstate cooperation for the year ended 31 December 2013

responsibility is to express an opinion on the compliance with rules and regulations applicable to funding of political parties and foundations at European level.

We conducted our audit in accordance with the legal requirements and the auditing standards applicable in Sweden as issued by the International Standards on Auditing (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, we have considered internal control relevant to the association's preparation and fair presentation of the financial statements 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 association's internal control. We have evaluated the appropriateness of accounting policies used, the reasonableness of significant accounting estimates made by the association and the presentation of the financial statements, taken as a whole. Finally, we have obtained from the Board of Directors and the association's officials the explanations and information necessary for executing our audit procedures. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Opinion

In our opinion, the financial statements (i.e. balance sheet, profit & loss account, off-balance account and notes) for the period ended 31 December 2013 have been prepared in accordance with the financial reporting framework applicable in Sweden are free of material misstatement and show a true and fair view of the financial position and the operating results,

Emphasis of matter on going concern for financial statements: Notwithstanding the loss carried forward which impact the financial statements of the Foundation, the financial statements are prepared under the assumption that the activities will be continued. This assumption is sustainable as long as the Foundation 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 financial statements in which the Foundation justifies the application of accounting policies under the assumption of going concern.



Audit report dated April 20th 2014 on the financial statements of Organization for European Interstate cooperation for the year ended 31 December 2013

Additional confirmations and statements

The association's compliance with:

- the Law for not-for-profit associations
- its articles of association, and
- the provisions of the European Parliament's grant award decision, Regulation (EC) No 2004/2003 and the underlying acts,

is the responsibility of the Board of Directors.

We do not have to report any transactions undertaken or decisions taken in violation of the association's articles of association or the Law for not-for-profit associations.

In our opinion (which does not modify the scope of our opinion on the financial statements):

- without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Sweden;
- the financial documents submitted by the Organization for European Interstate cooperation 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 except for the fact that the own resources are not sufficient to cover both the 15% of the eligible expenditures and the non-eligible expenditures;
- 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;

Stockholm, April 20th 2014

Ernst & Young AB

represented by

iukanne Me**gs**o

Chartered Public Accountant

Annual accounts

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Organization for European Interstate cooperation Corporate ID no. 802455-0397

Financial year 2013-01-01 - 2013-12-31

Contents	Page
- income statement - balance sheet	2
- pledged assets and contingent liabi	3 ilities 3
- supplementary disclosures	4

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Income statement EUR	note	2013-01-01 2013-12-31	2012-01-01 2012-12-31	Budget 2013
REVENUE				
European Parliament Grant		123 230	131 413	158 352
- Financial cost due to exchange rates		0	567	0
Membership fees		0	0	15 000
Donations above 500 EUR	1	16 281	15 676	9 945
- Financial cost due to exchange rates Contributions in kind		0 3 000	- 227 2 000	0 3 000
Other revenues		3 000 482	2 000 1 840	3 000
TOTAL ELIGIBLE REVENUE		142 993	151 269	186 297
Financial revenue due to exchange rates Interest income		101	0	0
TOTAL NON-ELIGIBLE REVENUE		0 101	810 810	0 0
TOTAL REVENUE		143 094	152 079	186 297
EXPENSES				
PERSONELL COSTS				
Salaries		-74 864	-73 261	-95 000
Contributions Professional training		-23 509	-22 731	0
Staffs mission expenses		0 0	0 0	-500 -2 00 0
INFRASTRUCTURE AND OPERATING COSTS				
Rent, charges and maintenance costs Stationary and office supplies		-916	-1 097	-2 000
Postal and telecommunications charges		-41 -173	0 -4 549	-800
Printing, translation and reproduction costs		-173	-4 549	-500 -1 000
Other infrastructure costs		-52	0	-2.000
ADMINISTRATIVE EXPENDITURE				
Documentation costs		0	0	-400
Costs of studies and research Legal costs		-4 288	-2 871	0
Accounting and audit costs		-2167	11.074	-500
Miscellaneous administrative costs		-5 202 -304	-11 974 -4 903	-4 000 -300
MEETINGS AND REPRESENATATIONS COSTS				
Costs of meetings of the political party		-7 605	-5 026	-4 000
Participation in seminars and conferences		0	-525	-3 000
Representation costs Other meeting-related costs		-230	-676	-500
		0	-142	0
INFORMATION AND PUBLICATIONS COSTS Publication costs		10.000		
Creation and operation of Internet sites		-18 900 -2 830	-11 226 -2 109	-30 797 -1 000
Publicity costs		0	0	-30 000
Seminars and exhibitions		-896	-8 614	-7 000
Other information-related costs		0	-1 197	0
EXPENDITURE RELATING TO CONTRIBUTIONS IN KIN	D	-3 000	-2 000	-3 000
TOTAL ELIGIBLE EXPENDITURE		-144 977	- 154 604	-186 297
Financial cost due to exchange rates		-1 246	0	0
Interest cost TOTAL NON ELICIDIE EVDENDIZADO		-15	0	0
TOTAL NON-ELIGIBLE EXPENDITURE		-1 261	0	0
TOTAL EXPENDITURE		-146 238	- 154 604	-186 297
Net profit/loss for the year		-3 144	-2 525	o
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Balance sheet	2013-12-31	2012-12-31
EUR note		
ASSETS		
Current assets		
Current receivables		150
Cash and bank balances	9 029	23 970
Total current assets	9 034	24 120
TOTAL ASSETS	9 034	24 120
EQUITY AND LIABILITIES		
Equity 2		
Revaluation reserve	3 416	Ö
Profit or loss brought forward	-15 700	-13 316
Profit/loss for the year	-3 144	-2 525
Total equity	-15 428	-15841
Current liabilities		
Accounts payable - trade	0	0
European parliament grant	0	2 344
Other liabilities	18 674	15 497
Accrued expenses and deferred income	5 788	22 120
Total current liabilities	24 462	39961
TOTAL EQUITY AND LIABILITIES	9 034	24 120
MEMORANDUM ITEMS		
Assets pledged	None	None
Contingent liabilities	None	None

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SUPPLEMENTARY DISCLOSURES

General disclosures

Accounting principles

The accounting principles applied comply with the Swedish Annual Accounts Act and general recommendations from the Swedish Accounting Standards Board, except that the Profit and Loss statement does not follow the recommended layout. It is instead structured according to the Donors wish of detailed information.

Valuations principles etc.

Assets, provisions and liabilities have been valued at acquisition value unless otherwise stated.

Receivables are entered at the amount in which they are expected to be received.

Currency

The accounting has been made in SEK and translated to EUR with the exchange rate of the period 20130101-20131231 presented by the Swedish tax authority (8.6512 SEK/EUR).

NOTE TO FINANCIAL STATEMENTS

Note 1	Donations above 500 EUR	2013	2012	2011
	Philip Lerulf	0	Ō	4 472
	K G Svensson	0	0	2 000
	Demokratiföreningen	0	7 000	0
	Junilistan	590	609	600
	Grostins Nordmunds	11 800	6 000	0
	Björn Jonasson	2 312	2 0 6 7	ŏ
	Forum för EU-debatt	1 500	0	ō
		16 202	15 676	7 072

Note 2 Equity

	Revaluation reserve	Profit or loss brought forward	Profit/loss for the year	Total
Balance 2011-12-31	-1 920	0	-12 880	-14 800
Loss previous year	0	-12 880	+12 880	0
Revaluation 2011	+1 920	-436		+1 484
Profit/loss for the year	0	Ò	-2 525	-2 525
Balance 2012-12-31	•	-13 316	-2 525	-15 841
Loss previous year	D	-2 384	+2 525	+141
Profit/loss for the year	Ů	Ö	-3144	-3 144
Balance 2013-12-31	0	-15 700	-3 144	-18844

Anolly

Brussels the 20th of April 2014

Philip Leruif President

Gorazd Drevensek

Patricia McKenna

Alain Rodriguez Garcin

Birgitta Wijkman

Breakdown of the provisional operating budger

REVENUE

Eligible expenditure			
Caleboor 1: Parenneal rosts	Budget	Actual	
1. Shanes	97 500,00	98 373.00	1 EP areas
2. Contributions	95,000,00	74 864 00	2. Membership fees
3 Protessional training	800	23 509,00	2.1 from member parti
4. Staff mission expenses	200'005	00'0	2.2. from individual me
5 Other personnel costs	2000,00	8	3. Donations
Category 2: Infrastructure and operating costs	000	80'0	3.1 above 500 EUR
1 Rent, charges and maintenance costs	4 300.00	1 182,00	3.2 below 500 EUR
2. Costs relating to the installation, operation and maintenance of equipment	38	916,00	4. Other own resource
 Cripi Scalino of Moyable and immoyable property Stationery and office convetes 	80		expenditure) (to be its
5 Postal and telecommunications chanses	800,008	41.00	
6. Printing, translation and reproduction costs	20000	173,00	Other revenues
7. Other infrastructure costs.	19000	90°	Exhange revenues
Category 3: Administrative expenditure	0,000 6 200 000	52.00	
	80.04		
4 Losis Di Siluees and research	- To C	2 2 2 2 2 2	
of Acres states and a suite and a	00005	2.167.00	
5. Miscontinue administration	4 00000	\$ 202 00	
Carteson 27 () Exist.	300.000	304.00	
The second of the container of the conta	7 500,00	7 835,00	
2 Participation in seminars and conference	4 000.00	7 605,00	
3 Representation costs	3 000 00	00'0	
4. Cost of mytations	200,008	230,00	
5 Ohler meeting related coats	800	00°0	
Category 5: Information and publication costs	000	8	
I. Publication costs	7 ()	2 0 00 00 00 00 00	
Creation and operation of internet stes	00 67 00	80 80 82	
3. Publicity costs		× 830,00	
4. Communications aquipment (gadgets)		8 8	
o Certinars	8 8 8 8		
6. EXCLUSIONS	8 6 6 7	00,000	
Until Widmation: related costs	}		
Caragory 8: Expenditure relating to contributions in kind	3,000	3 000 00	S Country bearing a leading
	-		Commission of the Author
Color ELIVINE EXPENDITURE	186 297,00	144 877.00	REVENIE IN COURT ALL
Allocators to provisions	L.,		
2. Financial charges	000	8	
o. Exchange tosses. 4. Detailfuld comme for third company.	38	26600	o. Additional other own
Others (to be specified)	880	060	OI) (BUMUMANTO ALMANA
TOTAL NON-ELIGIBLE EXPENDITURE	8	000	
TOTAL BUDGET		87	REVENUE (to cover nor
	186 287,00	146 238,00	TOTAL REVENUE
		The state of the s	

The state of the s	15 000,00	000
2.1 From member parties	7 500.00	
4.4. from Individual members	7 500 00	
3. Donations	9 945 00	18.28
3.1 above 500 EUR	9.945.00	L
3.2 below 500 EUR		L
4. Other own resources (to cover eligible expenditure) (to be listed)	80	583,00
Other revenues		400.00
Exhange reverues		00,00
S. Contributions in Kind	00 000 E	3 000 00
REVENUE (to cover eligible expenditure)	186 297,00	143 094.00
6. Additional other own resources (to cover non- eligible expenditure) (to be listed)		
REVENUE (to cover non-eligible expenditure)	00'0	00'0
IOIAL REVENUE	186 297,00	143 094,00
4. Profilioss (F-C)	0	3.65



. Not applicable to political foundations at European level

H. Profit/loss for verifying compilance with the no-profit rule (G-H.1)

H.f. Allocation of own resources to the specific reserve account

Mecinican I to Users philip Cownocats 140417 Budget acual over

3 164,00