

Independent Auditor's report to the general meeting of European United for Democracy (non-profit organisation registered in Denmark) for the year ended 31 December 2015

In accordance with our service contract dated 7 December 2012 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 2015, the income statement for the year ended 31 December 2015 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 foundations at European level.

Report on the Annual Accounts - 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 2015, 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 foundations at European level.

The Annual Accounts show a balance sheet total of € 99.507 and the income statement shows a profit for the year of € 13.869. 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 € 38.241 and a carry-over to € 48.664.

Responsibility of the Members of the Board for the preparation of the Annual Accounts

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, it is our responsibility 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 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 are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and Notes in the Annual Accounts. The procedures selected depend on the auditor’s judgment, 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 auditor considers internal control relevant to the Entity’s preparation and fair presentation of the Annual Accounts 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.

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.

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.

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 2015 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 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.

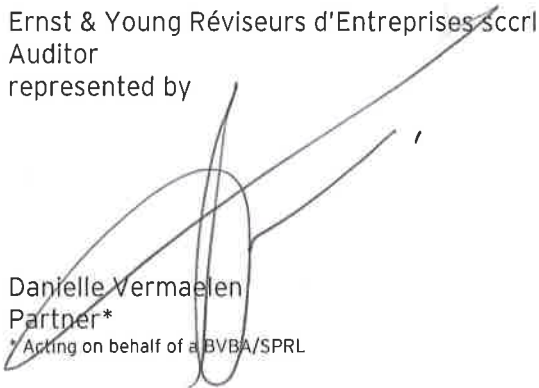
We make the following additional statements, which do not modify the scope of our opinion on the Annual Accounts:

- ▶ 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.

Diegem, 8 April 2016

Ernst & Young Réviseurs d'Entreprises scrl
Auditor
represented by



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

16DV0627

Europeans United for Democracy (EUD)

LEADERSHIP ENDORSEMENT

The leadership for the Party Europeans United for Democracy (EUD) has approved the Financial Report for 2015.

The report is 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 statement give a true and fair view of the EUD's financial position.

Bruxelles,



Patricia McKenna
President

8th April 2016

PROFIT AND LOSS ACCOUNT 1ST JANUARY – 31ST DECEMBER 2015

| REVENUE | 2015 EURO | 2014 EURO | Budget 2015 |
|---|----------------|----------------|----------------|
| Grant from European Parliament | 292.428 | 273.686 | 440.250 |
| Grants from members | 6.176 | 9.315 | 40.000 |
| Donations above 500 EUR..... | 50.460 | 43.271 | 20.000 |
| Donations below 500 EUR..... | 383 | 1.865 | 4.650 |
| Other own resources | 0 | 0 | 0 |
| Carry over from 2014 to 2015 | 23.490 | 17.830 | 0 |
| Contribution in kind | 8.400 | 5.000 | 13.000 |
| Interest | 55 | 77 | 0 |
| TOTAL REVENUE | <u>381.392</u> | <u>351.044</u> | <u>517.900</u> |
| | | | |
| EXPENDITURE | | | |
| Personal costs | | | |
| Salaries | 71.673 | 49.474 | 125.000 |
| Contributions | 0 | 0 | 0 |
| Other personnel costs | 12.035 | 13.947 | 12.000 |
| | <u>83.708</u> | <u>63.421</u> | <u>137.000</u> |
| | | | |
| Infrastructure and operating costs | | | |
| Rent Bruxelles | 11.599 | 11.599 | 14.000 |
| Electricity and Gas | 2.997 | 2.912 | 0 |
| Costs relating to the installation and equipment..... | 354 | 61 | 1.000 |
| Translation and reproduction costs..... | 55 | 55 | 11.000 |
| Stationary and office supplies | 1.376 | 1.098 | 1.500 |
| Postal and telecommunications charge | 5.826 | 7.519 | 4.000 |
| Depreciation | 0 | 0 | 1.500 |
| Other infrastructure costs..... | 3.499 | 3.345 | 1.000 |
| | <u>25.706</u> | <u>26.589</u> | <u>34.000</u> |
| | | | |
| Administrative expenditures | | | |
| Research and studies | 17.980 | 6.181 | 15.000 |
| Documentation and newspaper | 321 | 305 | 2.000 |
| Accountancy..... | 8.920 | 8.680 | 8.000 |
| Legal costs | 0 | 0 | 5.000 |
| Miscellaneous administrative costs | 0 | 0 | 1.500 |
| | <u>27.221</u> | <u>15.166</u> | <u>31.500</u> |

PROFIT AND LOSS ACCOUNT 1ST JANUARY – 31ST DECEMBER 2015

| | 2015 EURO | 2014 EURO | Budget 2015 |
|--|----------------|----------------|----------------|
| Meeting and representation costs | | | |
| Meetings of the political party..... | 29.441 | 22.354 | 20.000 |
| Participation in seminars and conferences..... | 96 | 189 | 2.000 |
| Representation costs | 131 | 79 | 3.000 |
| Other meeting related costs..... | 341 | 719 | 2.000 |
| | <u>30.009</u> | <u>23.341</u> | <u>27.000</u> |
| Information and publication costs | | | |
| Publication costs | 28.218 | 21.392 | 122.000 |
| Publicity cost | 109.973 | 143.129 | 115.000 |
| Seminars | 3.124 | 16.193 | 20.000 |
| Creation and operation of internet sites | 2.500 | 2.292 | 15.000 |
| Election campaigns | 0 | 0 | 0 |
| Communication equipment | 0 | 0 | 2.000 |
| Other information related costs..... | 0 | 0 | 1.400 |
| | <u>143.815</u> | <u>183.006</u> | <u>275.400</u> |
| Contribution in kind | | | |
| Costs | 8.400 | 4.800 | 13.000 |
| | <u>8.400</u> | <u>4.800</u> | <u>13.000</u> |
| Carry over | | | |
| Carry over from 2015 to 2016 | 48.664 | 23.490 | 0 |
| | <u>48.664</u> | <u>23.490</u> | <u>0</u> |
| TOTAL ELIGIBLE EXPENDITURE | <u>367.523</u> | <u>339.813</u> | <u>517.900</u> |
| Interest and exchange losses | 0 | 59 | 0 |
| Non eligible cost, contribution in kind | 0 | 200 | 0 |
| TOTAL NON ELIGIBLE EXPENDITURE | <u>0</u> | <u>259</u> | <u>0</u> |
| ALLOCATION TO RESERVES | <u>13.869</u> | <u>10.972</u> | <u>0</u> |
| TOTAL RESULT | <u>0</u> | <u>0</u> | <u>0</u> |

BALANCE SHEET 31ST DECEMBER 2015**ASSETS**

| Note | | 2015 EURO | 2014 EURO |
|------|--|----------------------|----------------------|
| | ASSETS | | |
| 4. | Intangible assets | 5.207 | 7.707 |
| | Deposit, tenancy | 3.361 | 3.354 |
| | NON CURRENT ASSETS | <u>8.568</u> | <u>11.061</u> |
| | Debtors..... | 3.606 | 0 |
| | Prepayments | 0 | 281 |
| | Cash in hand | 12 | 12 |
| | Bank account, KBC 177189-76..... | 87.317 | 56.026 |
| | Bank account, Andelskassen 84114154015 | 4 | 799 |
| | CURRENT ASSETS | <u>90.939</u> | <u>57.118</u> |
| | TOTAL ASSETS | <u><u>99.507</u></u> | <u><u>68.179</u></u> |

BALANCE SHEET 31ST DECEMBER 2015**LIABILITIES**

| | 2015 EURO | 2014 EURO |
|---|------------------|------------------|
| LIABILITIES | | |
| Equity: | | |
| 1 st January | -52.110 | -63.082 |
| Correction grant prior years from European Parliament | 0 | 0 |
| Allocation to reserves | 13.869 | 10.972 |
| TOTAL EQUITY | <u>-38.241</u> | <u>-52.110</u> |
| | | |
| Carry over from 2015 to 2016 (2014 to 2015) | 48.664 | 23.490 |
| TOTAL PROVISIONS | <u>48.664</u> | <u>23.490</u> |
| | | |
| Loan | 41.816 | 52.788 |
| TOTAL LONG TERM DEBTS | <u>41.816</u> | <u>52.788</u> |
| | | |
| Short term part of loan | 10.972 | 10.971 |
| Payable to Parliament..... | 19.548 | 9.496 |
| Short term liabilities | 16.748 | 23.544 |
| TOTAL SHORT TERM DEBTS | <u>47.268</u> | <u>44.011</u> |
| | | |
| TOTAL DEBTS | <u>89.084</u> | <u>96.799</u> |
| | | |
| TOTAL LIABILITIES | <u>99.507</u> | <u>68.179</u> |

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

Anthony Coughlan 24 Crawford Avenue,
Dublin 9 Ireland

3.600

Finn Ellegaard, Vestervænget 2,
8963 Auning, Denmark

4.800

8.400

5.000

INTANGIBLE ASSETS

Opening balance

9.999

9.999

Acquisition 2015

0

0

9.999

9.999

4. Depreciation, opening balance

2.292

0

Depreciation 2015

2.500

2.292

4.792

2.292

5.207

7.707

APPLIED ACCOUNTING PRACTISE

The Annual Financial Report is made after unchanged principles and is made in accordance with Danish Accounting Standards.

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

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 | | | 23 489,70 |
| A.1: Personnel costs | | 137 000,00 | 83 708,01 | D.2 European Parliament grant | | 440 250,00 | 292 427,75 |
| 1. Salaries | | 125 000,00 | 71 672,50 | 3.1 from member parties | | 40 000,00 | 6 176,07 |
| 2. Contributions | | 0,00 | | 3.2 from individual members | | 20 000,00 | 4 976,07 |
| 3. Professional training | | 2 000,00 | | D.4 Donations | | 24 650,00 | 39 870,86 |
| 4. Staff mission expenses | | 5 000,00 | | 4.1 above 500 EUR | | 20 000,00 | 39 487,86 |
| 5. Other personnel costs | | 5 000,00 | 12 035,51 | 4.2 below 500 EUR | | 4 650,00 | 363,00 |
| A.2: Infrastructure and operating costs | | 34 000,00 | 25 705,62 | D.5 Other own resources (to cover eligible expenditure) (to be listed) | | | 54,96 |
| 1. Rent, charges and maintenance costs | | 14 000,00 | 14 949,80 | Interest | | | 54,96 |
| 2. Costs relating to the installation, operation and maintenance of equipment | | 1 000,00 | | | | | |
| 3. Depreciation of movable and immovable property | | 1 500,00 | | | | | |
| 4. Stationery and office supplies | | 1 500,00 | 1 375,76 | | | | |
| 5. Postal and telecommunications charges | | 4 000,00 | 5 825,95 | | | | |
| 6. Printing, translation and reproduction costs | | 11 000,00 | 55,10 | | | | |
| 7. Other infrastructure costs | | 1 000,00 | 3 499,01 | | | | |
| A.3: Administrative expenditure | | 31 500,00 | 27 220,96 | | | | |
| 1. Documentation costs (newspapers, press agencies, databases) | | 2 000,00 | 321,46 | | | | |
| 2. Costs of studies and research | | 15 000,00 | 17 980,00 | | | | |
| 3. Legal costs | | 5 000,00 | | | | | |
| 4. Accounting and audit costs | | 8 000,00 | 8 919,50 | | | | |
| 5. Support to affiliated organisations and subsidies to third parties | | | | | | | |
| 6. Miscellaneous administrative costs | | 1 500,00 | | | | | |
| A.4: Meetings and representation costs | | 27 000,00 | 30 008,91 | | | | |
| 1. Costs of meetings of the political party | | 20 000,00 | 29 441,06 | | | | |
| 2. Participation in seminars and conferences | | 2 000,00 | 96,00 | | | | |
| 3. Representation costs | | 3 000,00 | 131,25 | | | | |
| 4. Cost of invitations | | 1 000,00 | 340,60 | | | | |
| 5. Other meeting-related costs | | 1 000,00 | | | | | |
| A.5: Information and publication costs | | 275 400,00 | 143 815,04 | | | | |
| 1. Publication costs | | 122 000,00 | 28 218,19 | | | | |
| 2. Creation and operation of Internet sites | | 15 000,00 | 2 499,86 | | | | |
| 3. Publicity costs | | 115 000,00 | 109 973,24 | | | | |
| 4. Communications equipment (gadgets) | | 2 000,00 | | | | | |
| 5. Seminars and exhibitions | | 20 000,00 | 3 123,75 | | | | |
| 6. Election campaigns ¹ | | | | | | | |
| 7. Other information-related costs | | 1 400,00 | | | | | |
| A.6: Expenditure relating to contributions in kind | | 13 000,00 | 8 400,00 | D.6 Contributions in kind | | 13 000,00 | 8 400,00 |
| A.7: Allocation to "Provision to cover eligible expenditure to be incurred in the first quarter of N+1"¹ | | | 48 663,81 | | | | |
| A. TOTAL ELIGIBLE EXPENDITURE | | 517 900,00 | 367 522,35 | D. REVENUE (to cover eligible expenditure) | | 517 900,00 | 370 419,34 |
| B.1: Non-eligible expenditure | | 0,00 | 0,00 | E.1 Additional other own resources (to cover non-eligible expenditure) (to be listed) | | | 10 971,68 |
| 1. Allocations to other provisions | | | | Debt relief | | | 10 971,68 |
| 2. Financial charges | | | | | | | |
| 3. Exchange losses | | | | | | | |
| 4. Doubtful claims on third parties | | | | | | | |
| 5. Others (to be specified) | | | | | | | |
| B. TOTAL NON-ELIGIBLE EXPENDITURE | | 0,00 | 0,00 | E. REVENUE (to cover non-eligible expenditure) | | 0,00 | 10 971,68 |
| C. TOTAL EXPENDITURE | | 517 900,00 | 367 522,35 | F. TOTAL REVENUE | | 517 900,00 | 381 391,02 |
| | | | | G. Profit/loss (F-C) | | 0,00 | 13 868,67 |

| | |
|--|-----------|
| H.1 Allocation of own resources to the specific reserve account | 13 868,67 |
| H. Profit/loss for verifying compliance with the no-profit rule (G-H.1) | 0,00 |

¹: Not applicable to political foundations at European level

2. **DONATIONS ABOVE 500 EURO**

| | | |
|---|--------|-------|
| Mavric Vidovic Bojan, Jurovska Cesta 1 2230 Lenart V Slov. Gorica, Slovenia | 2.750 | |
| Grigule Iveta, Atvaru 3, Marupe, Latvia | 5.460 | |
| VaasaEET Ltd AB, Oy Elontie 45 B, 00660 Helsinki, Finland | 600 | |
| Miss Carolanne Mifsud, 8 Verdemare Park, Triq il bajja tas - Salini, Salina I-o Naxxar, Malta | 3.140 | |
| Anna Maximova, Chee de Vleurgat 80, 150 Ixelles, Belgium | 2.000 | |
| Dr. Klaus Buchner, Rue Vautier 10, 1050 Ixelles, Belgium | 4.768 | |
| David Neyskens, Waverese Steenweg 21/210, 1050 Elsene, Belgium | 2.000 | |
| DEO = Demokrati i Europa Oplysningsforbund Nordkystvejen 2F, 8961 Allingåbro, Denmark | 9.170 | |
| Karel Neyskens, Hoevepoort 20, 9030 Mariakerke, Belgium..... | 2.000 | |
| Ivan Grech Mintoff, Flat 1 Salina Park, Triq il kapella tal lunzjata Salina I-o Naxxar, Malta | 1.000 | |
| Notat, Nordkystvejen 2F, 8961 Allingåbro, Denmark..... | 10.972 | |
| Open Europe, 7 Tufton Street, London SW1P 3QN, UK..... | 6.600 | |
| | <hr/> | |
| | 50.460 | <hr/> |
| | | 43.27 |

3. **CONTRIBUTION IN KIND**

| | | |
|---|-------|--|
| Anthony Coughlan 24 Crawford Avenue, Dublin 9 Ireland..... | 3.600 | |
| Finn Ellegaard, Vestervænget 2. | | |