



International registered auditors

Financial Statements
For the period
January 1, 2010 - December 31, 2010

EUROPEAN FREE ALLIANCE



registered auditors

EUROPEAN FREE ALLIANCE

Statement of Assets, Liabilities and Accumulated Surplus as at 31 december 2010

	31/12/2010
	€
Current assets	
Bank balances	8.733,36
Receivables	
- Prepaid expenses and sundry receivables	16.312,19
- Income to receive	68.593,00

	93.638,55
Fixed assets	
Equipment at cost, less depreciation	<u>12.362,83</u>
TOTAL ASSETS	<u>106.001,38</u>
Accumulated surplus:	
Social fund as of December 31, 2009	-9.347,49
result 1/1 - 31/12/2010	18.823,53

Social Fund as of 31/12/2010	9.476,04
Provision to be carried over to financial year N+1 to cover eligible to be incurred in the first quarter of N+1.	45.034,00
Liabilities	
Accounts payable and accrued liabilities	35.989,72
Salaries	15.501,62

	51.491,34
TOTAL LIABILITIES	<u>106.001,38</u>

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and consulting firms



EUROPEAN FREE ALLIANCE

Comparison of actual and budgeted income, expenditure and surplus/deficit for the period ended 31 December 2010

	Actual 12 months	Budget 2010
	€	€
Income		
Subsidy from European Parliament	339.964,87	372.986,97
Member contribution	64.590,00	61.000,00
Participation fee	1.765,48	3.000,00
Observer fees		
Donations	3.114,96	1.000,00
Contribution out (to) of the social fund		
Other income	7.830,00	1.000,00
Bank interest - net	560,39	
Total income	417.825,70	438.986,97
Expenditure		
Personnel costs	158.241,96	165.036,12
Infrastructure and operating costs	45.912,83	39.000,00
Administrative expenditure	18.963,37	34.000,00
Meeting and representation costs	122.657,02	130.950,85
Information and publication costs	8.192,99	65.000,00
Provision for eligible expenses to be incurred in N+1	45.034,00	0,00
Total expenditure	399.002,17	433.986,97
Total surplus/deficit for the year	<u>18.823,53</u>	<u>5.000,00</u>
Contribution to the social Fund	18.823,53	5.000,00



EUROPEAN FREE ALLIANCE

Notes to the Financial Statements for the year ended 31 December 2010

Basis of accounting

1. These accounts have been prepared in accordance with accounting policies generally accepted in Belgium, as supplemented and amended to suit the specific needs of the association.

Accrual base

2. All costs and revenues have been accounted for on an accrual base, and are related to the financial year 2010.

Revenues

3. The contributions in kind, if any, are in line with the regulations and imply contributions for the good functioning of the association.

Social Fund

4. The association has been created on 22 July 2004. The activities of the former organization have been transferred as a social fund. The use of the social fund for the financing of current expenses can only be done after approval of the Bureau within the limits set out by the General Assembly.
Pursuant to article 6 of the Bureau decision, the revenue surplus of the year 2010 amounting to € 18.823,53 has been used to cover the accumulated losses of prior years for a total amount of € 9.347,49.

Provision for eligible expenses incurred during the first quarter of N+1

5. Pursuant to article 6 of the bureau decision a provision for eligible expenses of an amount of € 45.034 has been constituted.
Based upon the interim financial statements as of March 15, 2011 the total excess of expenditures over income as to that date amounts to € 78.889,96 which is more than the amount of the provision carried over.

Fixed Assets

6. The association's policy is to expense minor items of office furniture and equipment (less than 420 € for each individual item). Major items are capitalized and depreciated based on the EC valuation rules on a straight-line basis.

Value added tax

7. Expenses are recorded including value added tax.

The above notes form part of these financial statements.



Auditor's report

Unqualified auditor's report

Period 1/1/2010-31/12/2010

According to the audit mandate, we have audited the financial statements being the balance sheet and the profit and loss account of the party prepared by its accountant for the year ending 31/12/10 as laid out on pages 1 to 3 of this document.

Respective responsibilities of the party and the auditors

The party is responsible to 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. It is further responsible for the preparation of its 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.

Basis of Opinions

We conducted the audit in accordance with International Standards on Auditing issued by the IASSB. This standard requires the auditor to plan and carry out his work in a way to obtain sufficient and appropriate evidences and explanations to support his 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

- 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;
- The financial documents submitted by the party to Parliament are consistent with the financial provisions of the grant agreement;
- The expenditure declared was actually incurred;
- The statement of revenue is exhaustive;
- The obligations arising of Articles 6, 7, 8, 9(2) and 10(2) of Regulation (EC) No 2004/2003 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;

- The obligations arising out of Article 109(4) of the Financial Regulation have been met;
- Contributions in kind, if any, 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;
- the obligations arising from Article II.12 - *Eligible expenditure*, of the grant agreement have been met;
- the obligations arising from Article II.7 - *Award of contracts*, of the grant agreement have been met;
- the obligations arising from the Bureau decision have been met ;

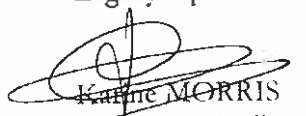
Opinions

In our opinion,

- 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;
- The financial documents submitted by the party to Parliament are consistent with the financial provisions of the grant agreement;
- 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 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;
- The obligations arising out of Article 109(4) of the Financial Regulation have been met;
- 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;
- the obligations arising from Article II.7 - *Award of contracts*, of the grant agreement have been met;
- We have received all necessary explanations for the purpose of our work.

Brussels, March 22, 2011

RSM InterAudit
Statutory Auditor
Legally represented by



Kaitie MORRIS
Registered Auditor
Partner



**Statement of expenditure and income
as of March 15, 2011**

Income

Participation fees 635,00

Expenditure


Personnel costs 41.270,61
Infrastructure and operating costs 8.564,14
Administrative expenditure 3.202,38
Meeting and representation costs 11.421,17
Information and publication costs 15.066,66

Total expenditure over income 78.889,96
as of March 15, 2011

The undersigned, RSM InterAudit confirms that this statement of expenditure and income as of March 15, 2011 follows out of the accounting of the Organisation and that the expenditure are eligible.

Brussels, March 22, 2011

RSM InterAudit
Statutory Auditor
Legally represented by


Karine MORRIS
Registered Auditor
Partner

ANNEX

Annex Breakdown of the provisional operating budget

EXPENDITURE			REVENUE		
Eligible expenditure	Budget	Actual	Budget	Actual	
A.1: Personnel costs	185 036.12	158 241.96			
1 Salaries	60 000.00	114 167.53			
2 Contributions	100 036.12	31 599.25	372 986.97	339 954.87	
3 Professional training	2 000.00	0.00	61 000.00	64 590.00	
4 Staff mission expenses	2 000.00	2 960.00	61 000.00	64 590.00	
5 Other personnel costs	1 000.00	9 615.18		0.00	
A.2: Infrastructure and operating costs	39 000.00	45 912.83			
1 Rent charges and maintenance costs	25 000.00	23 787.14	1 000.00	3 114.96	
2 Costs relating to the installation, operation and maintenance of equipment	4 000.00	0.00			
3 Depreciation of movable and immovable property	1 000.00	3 832.82	1 000.00	3 114.96	
4 Stationery and office supplies	2 500.00	3 633.95			
5 Postal and telecommunications charges	1 000.00	7 253.53	4 000.00	1 765.48	
6 Printing, translation and reproduction costs	3 000.00	6 987.77			
7 Other infrastructure costs	2 500.00	407.62			
A.3: Administrative expenditure	34 000.00	18 963.37			
1 Documentation costs (newspapers, press agencies, databases)	1 000.00	0.00			
2 Costs of studies and research	17 000.00	0.00			
3 Legal costs	500.00	611.32			
4 Accounting and audit costs	9 000.00	9 310.00			
5 Support to affiliated organisations and subsidies to third parties	5 000.00	7 000.00			
6 Miscellaneous administrative costs	1 500.00	2 042.05			
A.4: Meetings and representation costs	130 950.85	122 657.02			
1 Costs of meetings of the political party	80 000.00	84 260.24			
2 Participation in seminars and conferences	45 950.85	17 388.63			
3 Representation costs	1 500.00	50.00			
4 Cost of invitations	1 500.00	0.00			
5 Other meeting-related costs	2 000.00	20 958.15			
A.5: Information and publication costs	65 000.00	8 192.99			
1 Publication costs	30 000.00	0.00			
2 Creation and operation of internet sites	5 400.76	5 400.76			
3 Publicity costs	2 000.00	288.72			
4 Communications equipment (pagers)	3 000.00	0.00			
5 Seminars and exhibitions	12 000.00	0.00			
6 Election campaigns'					
7 Other information-related costs	15 000.00	2 583.51			
A.6: Expenditure relating to contributions in kind					
A.7: Allocation to "Provision to cover eligible expenditure to be incurred in the first quarter of N+1"					
A. TOTAL ELIGIBLE EXPENDITURE	433 986.97	353 968.17	438 986.97	409 435.31	
B.1: Non-eligible expenditure	0.00	0.00			
1. Allocations to other provisions					
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			
C. TOTAL EXPENDITURE	433 986.97	353 968.17			
D.1 Dissolution of "Provision to cover eligible costs to be incurred in the first quarter of N"					
D.2 European Parliament grant					
D.3 Membership fees					
3.2. from member parties					
3.2. from individual members					
D.4 Donations					
4.1 above 500 EUR					
4.2 below 500 EUR					
D.5 Other own resources (to cover eligible expenditure) (to be listed)					
Participation fees					
Others					
D.6 Contributions in kind					
D. REVENUE (to cover eligible expenditure)			438 986.97	409 435.31	
E.1 Additional other own resources (to cover non-eligible expenditure) (to be listed)					
E. REVENUE (to cover non-eligible expenditure)			0.00	0.00	
F. TOTAL REVENUE			438 986.97	409 435.31	
G. Profit/loss (F-C)			5 000.00	55 467.14	

H.1 Allocation of own resources to the specific reserve account¹H. Profit/loss for verifying compliance with the no-profit rule (G-H.1)¹¹ Not applicable to political foundations at European level

2010

**-Balans/resultatenrekening
(samenvatting)**

-Balans/resultatenrekening (details)

Administratie: 1 - Europese Vrije Alliantie
Datum: 01 april 2011 door Günther Dauwen

Balans / ResultaatRekening

Beeidopties

Balans: Type	Balans / Resultaat	Tonen
Boekjaar Vergelijken met	2010 Periode	
	2010	
Balans	Eindsaldo (Debet)	Eindsaldo (Credit)
140000 - Overgedragen winst	29.680,02	54.510,04
240100 - Furniture and Desk Equipment		
240910 - Furniture and Desk Equipment depreciation		17.317,19
400000 - Handelsdebiteuren	5.050,00	
404000 - Te innen opbrengsten	600,00	
414000 - Te innen opbrengsten	67.993,00	
416910 - Other debtors: Coppeliers fund	5.834,16	
416920 - Other debtors: EFA Youth	43,32	
440000 - Leveranciers		23.976,47
444000 - Te ontvangen facturen		7.263,25
444100 - Op te stellen creditnota's		4.750,00
453000 - Ingehouden voorheffingen	247,80	
454000 - Rijksdienst sociale zekerheid	3.028,58	
455000 - Bezoldigingen		1.711,90
456000 - Vakantiegeld		17.066,10
490000 - Over te dragen kosten	5.349,71	

491000 - Verkregen opbrengsten	35,00	
550200 - KBC -68	2.764,81	
550300 - KBC -62	4.523,21	
550400 - KBC -78 - Saving account	711,60	
550500 - KBC -86 - Saving account EP	113,13	
570000 - Kassen contanten	1.018,31	
580100 - Visa		397,70
Resultaat		
Resultaat (Geselecteerde jaar / Periode)		
Totaal: Resultaat	126.992,65	126.992,65
Totaal: Balans		
Resultaat		
610000 - Rent building	12.060,00	
610100 - Rent Office Equipment	3.836,95	
611000 - Maintenance costs	6.468,19	
611103 - Fees other	95,00	
612100 - Telephone	3.637,15	
612110 - GSM	2.671,56	
612200 - Postage	944,82	
612300 - Electricity - Heating	1.422,00	
612500 - Office Equipment	3.633,95	
612510 - Leaflets, booklayers	6.724,68	
612520 - Informatics Costs	5.400,76	
612530 - Subscriptions, magazines, papers	2.583,51	
613210 - Fees Audit	3.260,00	
613220 - Fees Accountant	6.050,00	
613230 - Fees Translators	273,09	
613240 - Fees Social Bureau	1.445,35	
613250 - Fees Lawyer	500,00	
613260 - Fees Ticket Restaurant	780,94	
613500 - Insurances	407,62	
615110 - General Assembly	73.182,96	
615120 - Bureau Meeting	11.077,28	

615130 - Conferences	17.388,63	
615140 - Other Meeting costs	20.958,15	
615200 - Information and publication costs	208,72	
615210 - Legal Publication	111,32	
615300 - Representation presents	50,00	
615400 - EFAY	7.000,00	
620200 - Bezoldigingen : Bedienden	114.167,53	
620210 - Provisie vakantiegeld	17.066,10	15.501,84
620220 - Provision Vakantiegeld (terugname)		
621000 - Werkgeversbijdragen sociale verzekering	30.034,99	
623000 - Overige personeelskosten	4.142,41	
623100 - Medical services	127,32	
623200 - Meal tickets	3.471,98	
623300 - Insurance Employees	830,35	
623400 - Staff mission expenses	2.860,00	
630200 - Materiële vaste activa : Afschrijving	3.832,82	
650000 - Rente, commissie & kosten schulden	976,30	
650400 - Bank Charges	970,49	
670100 - Roerende voorheffing	0,26	
690000 - Overboeking naar het overgedragen resultaat	9.347,49	
693000 - Overgedragen resultaat boekjaar	54.510,04	
701000 - Subvention of the European parliament		
702000 - Member contributions		339.964,87
704000 - Participation Fees		64.590,00
705000 - Donations		1.765,48
740000 - Overige bedrijfsopbrengsten		3.114,96
740100 - Other income from Centre Maurits Coppleters		1.200,00
749100 - Tax withheld reduction		6.630,00
751000 - Opbrengsten uit vlottende activa		1.183,17
757010 - Betalingsverschil aankoop		599,98
758000 - Bank Interest		
758010 - Interest subvention bank account		
Resultaat	45,40	
Totaal: Resultaat		434.556,11

EFA DONATIONS 2010 >500€

NAME		PAID
Fronte Repubblica Veneto	legal personality, via A Provolo 2B, IT 37060 Alpo, Veneto	950
Camilo Nogueira	PASEO DO ESVEDRO 8 ES 15702 SANTIAGO DE COMPOSTELA GALICIA	786,66
		1736,66