AUDITOR’S REPORT FOR THE YEAR ENDED 31/12/2009

PARTY OF THE EUROPEAN FREE ALLIANCE

CONVENTION : FINS-2009-08
According to the audit mandate, I have audited the Party financial statement prepared by the Party Accountant for the year ending 31/12/2009 as laid out pages 4 to 9 of this document.

1.1. Respective responsibilities of the Party and the auditor

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 annual financial statements.

I have the responsibility to plan and carry out the required work to verify the financial statement prepared by the political Party and to report to the Party with a reasonable assurance my audit opinions.

1.2. Basis of Opinions

I 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 such 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 out 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.
1.3. Opinions

In my 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 out 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.
- I have received all necessary explanations for the purpose of my work.


Martine BRANCART
### Statement of Assets, Liabilities and Accumulated Surplus

**as at 31 December 2009**

<table>
<thead>
<tr>
<th></th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>31/12/2009</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
</tr>
<tr>
<td>Bank balances</td>
<td>4,795.33</td>
</tr>
<tr>
<td>Receivables</td>
<td></td>
</tr>
<tr>
<td>- Prepaid expenses and sundry receivables</td>
<td>47,087.70</td>
</tr>
<tr>
<td>- Income to receive</td>
<td>45,320.00</td>
</tr>
<tr>
<td></td>
<td>97,203.03</td>
</tr>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
</tr>
<tr>
<td>Equipment at cost, less depreciation</td>
<td>1,304.76</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>98,507.79</td>
</tr>
</tbody>
</table>

- Accumulated surplus
  - Social fund as of December 31, 2008 | 12,317.43 |
  - Result 1/1/09-31/12/09 | -21,664.92 |
- **Social fund as of December 31, 2009** | -9,347.49 |

<table>
<thead>
<tr>
<th></th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>92,472.11</td>
</tr>
<tr>
<td>Salaries</td>
<td>15,383.17</td>
</tr>
<tr>
<td></td>
<td>107,855.28</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>98,507.79</td>
</tr>
</tbody>
</table>
Comparison of actual and budgeted income, expenditure and surplus/deficit for the period ended 31 December 2009

<table>
<thead>
<tr>
<th></th>
<th>Actual 12 months €</th>
<th>Budget 2009 €</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidy from European Parliament</td>
<td>226,288,76</td>
<td>226,600,00</td>
</tr>
<tr>
<td>Member Contribution</td>
<td>60,780,00</td>
<td>67,500,00</td>
</tr>
<tr>
<td>Observer fees</td>
<td>2,100,00</td>
<td></td>
</tr>
<tr>
<td>Participation fees</td>
<td>2,082,16</td>
<td></td>
</tr>
<tr>
<td>Donations</td>
<td>2,099,97</td>
<td>1,200,00</td>
</tr>
<tr>
<td>Contribution out of the social fund</td>
<td>12,317,43</td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td>20,00</td>
<td>7,000,00</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>305,668,32</td>
<td>302,300,00</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel cost</td>
<td>130,836,46</td>
<td>145,000,00</td>
</tr>
<tr>
<td>Infrastructure and operating costs</td>
<td>6,964,86</td>
<td>27,780,00</td>
</tr>
<tr>
<td>Administrative expenditure</td>
<td>12,608,89</td>
<td>23,079,30</td>
</tr>
<tr>
<td>Meeting and representation costs</td>
<td>107,742,90</td>
<td>78,500,00</td>
</tr>
<tr>
<td>Information and publication costs</td>
<td>56,353,00</td>
<td>27,940,70</td>
</tr>
<tr>
<td>Non eligible expenditure</td>
<td>509,70</td>
<td></td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td>315,015,81</td>
<td>302,300,00</td>
</tr>
<tr>
<td><strong>Total surplus/deficit for the year</strong></td>
<td>-9,347,49</td>
<td></td>
</tr>
</tbody>
</table>
# Balance Sheet / Profit and Loss Statement

## Balance Sheet

### Assets

#### Fixed Assets

**Tangible Assets**

- **Furniture and vehicles**
  - 240100 - Furniture and Desk Equipment: 14,789,13
  - 240910 - Furniture and Desk Equipment depreciation: 13,484,37

**Total: Furniture and vehicles**: 1,304,76

**Total: Tangible assets**: 1,304,76

**Total: Fixed assets**: 1,304,76

#### Current Assets

- **Amounts receivable within one year**
  - **Trade debtors**
    - 400000 - Customers: 15,137,86
    - 406000 - Advance payments: 11,245,50

**Total: Trade debtors**: 26,383,36

- **Other amounts receivable**
  - 414000 - Income receivable: 45,320,00
  - 416910 - Other debtors: Coppieters fund: 20,305,88
  - 416920 - Other debtors: EFA Youth: 68,00

**Total: Other amounts receivable**: 65,557,88

**Total: Amounts receivable within one year**: 91,941,24

#### Cash at Bank and in hand

- 550200 - KBC -68: 42,283,80
- 550300 - KBC -62: 4,246,24
- 550400 - KBC -78 - Saving account: 316,58
- 550500 - KBC -86 - Saving account EP: 43,61
- 570000 - Cash in hand: 188,90

**Total: Cash at bank and in hand**: 37,488,47

#### Deferred charges and accrued income (Asset)

- 490000 - Deferred charges: 466,46

**Total: Deferred charges and accrued income (Asset)**: 466,46

**Total: Current Assets**: 54,919,23

**Total: Assets**: 56,223,99

### Liabilities

#### Social Fund

- 131000 - Social passive funds: 12,317,43

**Total: Allocated funds**: 12,317,43

**Total: Social fund**: 12,317,43

### Debts

- **Amounts payable within one year (toel. X)**
  - 489100 - Other debts interest of subvention account - 86: 12,87

**C. Trade debts**
440000 - Suppliers  
444000 - Invoice to be received  
**Total: C. Trade debts**  
50.175,44

E. Taxes, salaries and social security  
454000 - Social security contributions  2.727,69  
455000 - Remunerations  
456000 - Holiday pay  
**Total: E. Taxes, salaries and social security**  
15.383,17  
**Total: Amounts payable within one year (toel. X)**  
65.571,48  
**Total: Debts**  
65.571,48

**Total: Liabilities**  
77.888,91

**Result (Loss)**  
21.664,92

**Total: Balance sheet**  
136.452,77  
136.452,77

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**Profit and loss statement**

**Income statement**

**Operating income (code 70/74)**

**Turnover**

701000 - Subvention of the European parliament  226.288,76  
702000 - Member contributions  
703000 - observer fees  
704000 - Participation Fees  
705000 - Donations  
707000 - Other income  
20,00

**Total: Turnover**  
293.350,89

**Total: Operating income (code 70/74)**  
293.350,89

**Financial income**

Other financial charges

658000 - Bank Interest  804,67

**Total: Other financial charges**  
804,67

Other financial profits

757010 - Payment differences on purchase  24,74  
758000 - Bank Interest  
270,23

**Total: Other financial profits**  
294,97

**Total: Financial income**  
509,70

**Total: Income statement**  
292.841,19

**Staff costs**

**Salaries**

Wages, social charges and pension

620200 - Remunerations Salaried staff  85.482,86  
620210 - Provision holiday pay  
11.769,37  
621000 - Employer's contribution social secu  
25.776,76

**Total: Wages, social charges and pension**  
123.028,99

**Total: salaries**  
123.028,99

**Staff mission expenses**

Wages, social charges and pension

623400 - Staff mission expenses  
780,00

**Total: Wages, social charges and pension**  
780,00

**Total: staff mission expenses**  
780,00

**Other personnel costs**

Wages, social charges and pension

623000 - Other personnel charges  
2.098,80  
623100 - Medical services  
142,61  
623200 - Meal tickets  
2.524,60  
623300 - Insurance Employees  
787,49

**Total: Wages, social charges and pension**  
5.553,50
Other operating income
749100 - Tax withheld reduction

Total: Other operating income

Total: other personnel costs

Operating charges
Services and goods
613240 - Fees Social Bureau
613260 - Fees Ticket Restaurant

Total: Services and goods

Total: Operating charges

Total: Staff costs

Infrastructure and operating costs
Operating charges
Services and goods
613500 - Insurances

Total: Services and goods

Depreciations and devaluations on starting costs
630200 - Depreciation. tangible assets

Total: Depreciations and devaluations on starting costs

Total: Operating charges

Office rental charges and maintenance costs
Services and goods
610000 - Rent building

Total: Services and goods

Total: office rental charges and maintenance costs

Stationary and office supplies
Services and goods
610100 - Rent Office Equipment

Total: Services and goods

Total: stationary and office supplies

Total: Infrastructure and operating costs

Operational costs
Financial charges
670100 - Advance levy on income derived fr

Other financial charges
650400 - Bank Charges
653200 - Interests suppliers
659000 - Payment differences

Total: Other financial charges

Total: Financial charges

Stationary and office supplies
Services and goods
612500 - Office Equipment

Total: Services and goods

Total: stationary and office supplies

Postal and telecommunication
Services and goods
612100 - Telephone
612110 - GSM
612200 - Postage

Total: Services and goods

Total: postal and telecommunication

Accounting and auditing costs
Services and goods
613210 - Fees Audit
613220 - Fees Accountant

Total: Staff costs

Other operating income
749100 - Tax withheld reduction

Total: Other operating income

Total: other personnel costs

Operating charges
Services and goods
613240 - Fees Social Bureau
613260 - Fees Ticket Restaurant

Total: Services and goods

Total: Operating charges

Total: Staff costs
130,836,46
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total: Services and goods</td>
<td>7,516,13</td>
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<tr>
<td>Total: Accounting and auditing costs</td>
<td>7,516,13</td>
</tr>
<tr>
<td>Total: Operational costs</td>
<td>12,608,89</td>
</tr>
<tr>
<td>Meeting and representation costs</td>
<td></td>
</tr>
<tr>
<td>EFA youth</td>
<td></td>
</tr>
<tr>
<td>Services and goods</td>
<td></td>
</tr>
<tr>
<td>615400 - EFAy</td>
<td>3,000,00</td>
</tr>
<tr>
<td><strong>Total: Services and goods</strong></td>
<td>3,000,00</td>
</tr>
<tr>
<td><strong>Total: EFA youth</strong></td>
<td>3,000,00</td>
</tr>
<tr>
<td>Costs for meetings of the political party GA</td>
<td></td>
</tr>
<tr>
<td>Services and goods</td>
<td></td>
</tr>
<tr>
<td>615110 - General Assembly</td>
<td>87,366,63</td>
</tr>
<tr>
<td><strong>Total: Services and goods</strong></td>
<td>87,366,63</td>
</tr>
<tr>
<td><strong>Total: Costs for meetings of the political party GA</strong></td>
<td>87,366,63</td>
</tr>
<tr>
<td>Bureau Meetings</td>
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</tr>
<tr>
<td>Services and goods</td>
<td></td>
</tr>
<tr>
<td>615120 - Bureau Meeting</td>
<td>9,100,04</td>
</tr>
<tr>
<td><strong>Total: Services and goods</strong></td>
<td>9,100,04</td>
</tr>
<tr>
<td><strong>Total: Bureau Meetings</strong></td>
<td>9,100,04</td>
</tr>
<tr>
<td>Participation in seminars and Conferences</td>
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</tr>
<tr>
<td>Services and goods</td>
<td></td>
</tr>
<tr>
<td>615130 - Conferences</td>
<td>895,54</td>
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<tr>
<td>615140 - Other Meeting costs</td>
<td>7,310,71</td>
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<tr>
<td><strong>Total: Services and goods</strong></td>
<td>8,206,25</td>
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<tr>
<td><strong>Total: Participation in seminars and Conferences</strong></td>
<td>8,206,25</td>
</tr>
<tr>
<td>Representation Costs</td>
<td></td>
</tr>
<tr>
<td>Services and goods</td>
<td></td>
</tr>
<tr>
<td>615300 - Representation presents</td>
<td>69,98</td>
</tr>
<tr>
<td><strong>Total: Services and goods</strong></td>
<td>69,98</td>
</tr>
<tr>
<td><strong>Total: Representation Costs</strong></td>
<td>69,98</td>
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<tr>
<td><strong>Total: Meeting and representation costs</strong></td>
<td>107,742,90</td>
</tr>
<tr>
<td>Information publication</td>
<td></td>
</tr>
<tr>
<td>Operating charges</td>
<td></td>
</tr>
<tr>
<td>Services and goods</td>
<td></td>
</tr>
<tr>
<td>612510 - Leaflets, booklayers</td>
<td>1,143,41</td>
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<td>612520 - Informatics Costs</td>
<td>2,301,46</td>
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<td>615200 - Information and publication costs</td>
<td>1,552,00</td>
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<td>615500 - European Elections</td>
<td>51,082,26</td>
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<td><strong>Total: Services and goods</strong></td>
<td>56,079,13</td>
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<tr>
<td><strong>Total: Operating charges</strong></td>
<td>56,079,13</td>
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<tr>
<td>Miscellaneous administrative costs</td>
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<tr>
<td>Services and goods</td>
<td></td>
</tr>
<tr>
<td>611103 - Fees other</td>
<td>140,50</td>
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<tr>
<td>613230 - Fees Translators</td>
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<td><strong>Total: Services and goods</strong></td>
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<tr>
<td><strong>Total: Miscellaneous administrative costs</strong></td>
<td>273,87</td>
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<tr>
<td><strong>Total: information publication</strong></td>
<td>56,353,00</td>
</tr>
<tr>
<td>Result (Loss)</td>
<td></td>
</tr>
<tr>
<td><strong>Total: Profit and loss statement</strong></td>
<td>317,856,56</td>
</tr>
<tr>
<td></td>
<td>21,664,92</td>
</tr>
<tr>
<td></td>
<td>317,856,56</td>
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</table>