

**EUROPEAN LIBERAL FORUM ASBL  
SQUARE DE MEEUS 38/40  
B-1000 BRUSSELS  
BELGIUM  
INCOME AND EXPENDITURE STATEMENT  
PER DECEMBER 31st 2010**

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**ASSETS****31/12/2010****FIXED ASSETS****12.674,81**

<i>I. Formation expenses</i>	<i>0,00</i>
<i>II. Intangible fixed assets</i>	<i>0,00</i>
<i>III. Tangible fixed assets</i>	<i>3.894,80</i>
A. Land and buildings	0,00
B. Plant, machinery and equipment	3.894,80
C. Furniture and vehicles	0,00
<i>IV. Financial fixed assets: cash guarantees</i>	<i>8.780,01</i>

**CURRENT ASSETS****70.514,41**

<i>V. Amounts receivable after more than one year</i>	<i>0,00</i>
<i>VI. Stocks and contracts in progress</i>	<i>0,00</i>
<i>VII. Amounts receivable within one year</i>	<i>27.490,39</i>
A. Receivables from member organisations	5.146,61
B. Other amounts receivable	19.349,55
C. Grants receivable	2.994,23
<i>VIII. Current investments</i>	<i>0,00</i>
<i>IX. Cash at bank and in hand</i>	<i>27.198,73</i>
<i>X. Deferrals and accruals</i>	<i>15.825,29</i>

**TOTAL ASSETS****83.189,22**

**EQUITY AND LIABILITIES****31/12/2010**

<b>EQUITY</b>	<b>0,00</b>
<i>I. Capital</i>	<i>0,00</i>
A. Social fund	0,00
<i>II. Share premium account</i>	<i>0,00</i>
<i>III. Revaluation surpluses</i>	<i>0,00</i>
<i>IV. Reserves</i>	<i>0,00</i>
C. Untaxed reserves	0,00
<i>V. Accumulated profits (losses)(+)/(-)</i>	<i>0,00</i>
<i>VI. Investment grants</i>	<i>0,00</i>
<i>Advance to associates on the sharing out of the assets</i>	<i>0,00</i>
<i>VII. Provisions and deferred taxes</i>	<i>0,00</i>
<b>AMOUNTS PAYABLE</b>	<b>83.189,22</b>
<i>VIII. Amounts payable after more than one year</i>	<i>0,00</i>
A. Financial debts	0,00
1. Credit institutions, leasing and other similar obligations	0,00
<i>IX. Amounts payable within one year</i>	<i>83.100,16</i>
A. Surplus grant to be refunded due within one year	0,00
C. Trade debts	46.272,71
1. Suppliers	46.272,71
E. Taxes, remuneration and social security	36.827,45
1. VAT and taxes	11.227,45
2. Remuneration and social security	25.600,00
F. Other amounts payable	0,00
<i>X. Deferred charges and accrued income</i>	<i>89,06</i>
<b>TOTAL LIABILITIES</b>	<b>83.189,22</b>

**INCOME AND EXPENDITURE STATEMENT****31/12/2010****I. Operating income & charges**

<b>1. Operating income</b>	<b>774.302,04</b>
A. Grant European Parliament	657.744,63
Own Resources	116.557,41
D. Other operating income	0,00
<b>2. Operating charges</b>	<b>774.470,85</b>
B. Services and other goods	619.808,15
C. Remuneration, social security and pensions(+)/(-)	152.970,90
D. Depreciation of and other amounts written down formation expenses, intangible and tangible fixed assets	1.691,80
G. Other operating charges	0,00
<b>3. Operating profit (loss)(+)/(-)</b>	<b>-168,81</b>

**II. Financial income & charges**

<b>4. Financial income</b>	<b>352,70</b>
A. Income from financial fixed assets	0,00
C. Other financial income	352,7
<b>5. Financial charges</b>	<b>924,56</b>
A. Debt charges	773,96
C. Other financial charges	150,60
<b>6. Gain (loss) on ordinary activities before taxes(+)/(-)</b>	<b>-740,67</b>

**III. Extraordinary income & charges****31/12/2010**

<b>7. Extraordinary income</b>	<b>889,31</b>
E. Other extraordinary income	889,31
<b>8. Extraordinary charges</b>	<b>148,64</b>
A. Extraordinary depreciation of and extraordinary amounts written down formation expenses,	0
D. Losses on disposal of fixed assets	0,00
E. Other extraordinary charges	148,64
<b>9. Gain (loss) before taxes(+)/(-)</b>	<b>0,00</b>
IIIbis A. Transfer from deferred taxes	0,00
B. Transfer to deferred taxes	
IV. Income taxes	0,00
<b>10. Income taxes(+)/(-)</b>	<b>0,00</b>
<b>11. Gain (loss) of the period(+)/(-)</b>	<b>0,00</b>

EXPENDITURE			REVENUE		
Eligible expenditure	Budget	Actual		Budget	Actual
<b>A. 1: Personnel costs</b>	<b>170.000,00</b>	<b>163.663,36</b>	<b>D. 1: Dissolution of "Provision to cover eligible costs to be incurred in the first quarter of N"</b>		
1 Salaries	156.000,00	147.040,17	<b>D. 2: European Parliament grant</b>	<b>818.488,00</b>	<b>657.744,63</b>
2 Contributions	0,00	0,00	<b>D. 3: Membership fees</b>	<b>18.900,00</b>	<b>14.000,00</b>
3 Professional Training	1.000,00	0,00	3.1. from member foundations	18.900,00	14.000,00
4 Staff Mission expenses	7.000,00	10.292,46	3.2. from individual members	0,00	0,00
5 Other personnel costs	6.000,00	6.330,73	<b>D. 4: Donations</b>	<b>0,00</b>	<b>0,00</b>
<b>A. 2: Infrastructure and operating costs</b>	<b>58.000,00</b>	<b>57.459,22</b>	4.1. above 500 EUR	0,00	0,00
1 Rent, charges and maintenance costs	45.000,00	44.885,04	4.2. below 500 EUR	0,00	0,00
2 Costs relating to installation, operating and maint.	1.500,00	0,00	<b>D. 5: Other own resources (to cover eligible expenditure)</b>	<b>125.530,33</b>	<b>102.557,41</b>
3 Depreciation of movable and immovable property	1.500,00	1.691,80	Extraordinary contribution member organisation	60.000,00	60.000,00
4 Stationery and office supplies	4.000,00	3.339,23	Members own resources	48.530,33	38.028,06
5 Postal and telecommunications charges	3.000,00	4.353,47	Participation fees	17.000,00	4.529,35
6 Printing, translation and reproduction costs	1.000,00	2.655,86	0,00	0,00	0,00
7 Other infrastructure costs	2.000,00	532,82			
<b>A. 3: Administrative expenditure</b>	<b>13.000,00</b>	<b>17.324,51</b>	<b>D. 6: Contributions in kind</b>	<b>0,00</b>	<b>0,00</b>
1 Documentation costs	1.000,00	0,00	<b>D. REVENUE (to cover eligible expenditure)</b>	<b>962.868,33</b>	<b>774.302,04</b>
2 Costs of studies and research	500,00	0,00	<b>E. 1: Additional other own resources (to cover non-eligible expenditure)</b>	<b>6.000,00</b>	<b>1.242,01</b>
3 Legal Costs	3.000,00	2.645,65	Members own resources	6.000,00	0,00
4 Accounting and audit costs	6.500,00	10.690,39	Financial income	0,00	352,70
5 Support to affiliated organisations and subsidies to third parties	1.000,00	0,00	Extra-ordinary income	0,00	889,31
6 Miscellaneous administrative costs	1.000,00	3.988,47	<b>E. REVENUE (to cover non-eligible expenditure)</b>	<b>6.000,00</b>	<b>1.242,01</b>
<b>A. 4: Meetings and representation costs</b>	<b>82.000,00</b>	<b>48.124,80</b>	<b>F. TOTAL REVENUE</b>	<b>968.868,33</b>	<b>775.544,05</b>
1 Costs of meetings of political foundation	70.000,00	39.719,52	<b>G. Profit / Loss (F-C)</b>		<b>0,00</b>
2 Participation in seminars and conferences	5.000,00	54,25			
3 Representation costs	5.000,00	5.885,98			
4 Cost of invitations	500,00	2.195,05			
5 Other meeting-related costs	1.500,00	270,00			
<b>A. 5: Information and publications</b>	<b>639.868,33</b>	<b>487.899,96</b>			
1 Publication costs	141.900,00	117.073,90			
2 Creation and operation of Internet sites	2.000,00	434,45			
3 Publicity costs	2.000,00	4.779,99			
4 Communications equipment (gadgets)	2.178,33	16,04			
5 Seminars	491.590,00	365.595,58			
6 Election campaigns	0,00	0,00			
7 Other information related costs	200,00	0,00			
<b>A. 6: Expenditure relating to contributions</b>	<b>0,00</b>	<b>0,00</b>			
<b>A. 7: Allocation to "Provision to cover eligible expenditure to be incurred in the first quarter of N+1"</b>	<b>0,00</b>	<b>0,00</b>			
<b>A. TOTAL ELIGIBLE EXPENDITURE</b>	<b>962.868,33</b>	<b>774.470,85</b>			
<b>B. 1: Non-eligible expenditure</b>					
1 Provisions	0,00	0,00			
2 Financial charges	1.000,00	924,46			
3 Exchange losses	1.000,00	0,10			
4 Doubtful claims on third parties	4.000,00	0,00			
5 Other	0,00	148,64			
<b>B. TOTAL NON-ELIGIBLE EXPENDITURE</b>	<b>6.000,00</b>	<b>1.073,20</b>			
<b>C. TOTAL EXPENDITURE</b>	<b>968.868,33</b>	<b>775.544,05</b>			



**AUDITOR'S REPORT TO THE EUROPEAN PARLIAMENT  
ON THE ASSOCIATION OF EUROPEAN LIBERAL FORUM  
(ELF) ASBL - 0892.305.374  
SQUARE DE MEEUS 38/40  
BE-1000 BRUSSELS  
ON THE BALANCE SHEET AND INCOME AND EXPENDITURE STATEMENT  
FOR THE PERIOD ENDED DECEMBER 31st 2010**

In accordance with the legal and statutory requirements, we report to you on the performance of the audit, which has been entrusted to us. This report contains our opinion on the true and fair view of the balance sheet and income and expenditure statement as well as the required additional statements and information.

**Unqualified audit opinion on balance sheet and income and expenditure statement**

We have audited the balance sheet and income and expenditure statement for the period started January 1<sup>st</sup> 2010 and ended December 31<sup>st</sup> 2010, prepared in accordance with the financial reporting framework applicable in Belgium, which show a total assets of € 83.189,22 and a result for the period of € 0,00.

Management is responsible for the preparation and the fair presentation of the balance sheet and income and expenditure statement. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of balance sheet and income and expenditure statement 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.

Our responsibility is to express an opinion on the balance sheet and income and expenditure statement based on our audit. We conducted our audit in accordance with the legal requirements and the Auditing Standards applicable in Belgium, as issued by the Institute of Registered Auditors (*Institut des Réviseurs d'Entreprises / Instituut der Bedrijfsrevisoren*). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the balance sheet and income and expenditure statement are free from material misstatement, whether due to fraud or error.

In accordance with the above-mentioned auditing standards, we considered the association's accounting system, as well as its internal control procedures. We have obtained from management and from the association's officials the explanations and information necessary for executing our audit procedures. We have examined, on a test basis, the evidence supporting the amounts included in the balance sheet and income and expenditure statement. We have assessed the appropriateness of accounting policies and the reasonableness of the significant accounting estimates made by the association as well as the overall balance sheet and income and expenditure statement presentation. We believe that these procedures provide a reasonable basis for our opinion.



In our opinion, the balance sheet and income and expenditure statement for the period ended December 31<sup>st</sup> 2010 give a true and fair view of the association's assets and liabilities, its financial position and the results of its operations in accordance with the financial reporting framework applicable in Belgium.

### **Additional statements and information**

The compliance by the association with the legislation related to not-for-profit associations, international not-for-profit associations and foundations is the responsibility of management.

Our responsibility is to supplement our report with the following additional statements and information, which do not modify our audit opinion on the balance sheet and income and expenditure statement:

- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- There are no transactions undertaken or decisions taken in violation of the association's statutes or the legislation related to not-for-profit associations, international not-for-profit associations and foundations that we have to report to you.
- The financial documents submitted by the European Liberal Forum to the Parliament are consistent with the financial provisions of the grant agreement. The expenditure declared was actually incurred and the statement of revenue is exhaustive.
- The obligations arising out of Articles 6,7,8 and 10 (2) of Regulation (EC) No 2004/2003 have been met.
- The balance sheet and income and expenditure statement as of and for the period, ended 31/12/2010, show a total assets of EUR 83.189,22 and a result for the eligible period of EUR 0,00. The result is realised by EUR 775.544,05 of revenues, including EUR 352,70 financial income and EUR 775.544,05 of costs, including EUR 1.073,20 non-eligible costs.
- The funding of the European Parliament does not exceed the budget of the European Liberal Forum on European level for the eligible period. The eligible expenses amount to EUR 774.470,85. The European Liberal Forum received, until now, a prepayment for an amount of EUR 654.750,40 from the European Parliament. The upper limit of 85% of the eligible expenses for the eligible period financed by the grant is set at a maximum of EUR 818.438,00 (considering the adopted budget of EUR 962.868,33), meaning a maximum of EUR 163.687,60 to be received. However, considering the own financing of EUR 117.799,42 is higher than the minimum required percentage of 15% of the total eligible expenditure (EUR 116.170,63 required) and the fact that the Forum can not make a profit according to the regulations, only EUR 2.994,23 is still to be received from the European Parliament. This amount is the difference of the total revenue of EUR 772.549,82 and the total expenditure of EUR 775.544,05.



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- We have noticed the following differences on the level of the budget lines:

Budget lines	Personnel	Infrastructure	Administration	Meeting	Information	Total
Budget	170.000,00	58.000,00	13.000,00	82.000,00	639.868,33	962.868,33
Realisations	163.663,36	57.458,22	17.324,51	48.124,80	487.899,96	774.470,85
Differences	-6.336,64	-541,78	4.324,51	-33.875,20	-151.968,37	-188.397,48
Difference (%)	-3,7%	-0,9%	33,3%	-41,3%	-23,7%	-19,6%

Kortrijk, March 14th 2011



Vandelanotte Réviseurs d'Entreprises SCRL  
Represented by Nikolas Vandelanotte  
Certified Auditor