

Auditor's report on the financial statements of Foundation for a Europe of Liberties and Democracy ASBL 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 and profit and loss account) 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 eligible expenditure actually incurred for the period of eligibility defined by the grant award decision of Foundation for a Europe of Liberties and Democracy ASBL, 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 France and show a balance sheet total of € 123.615,47 and a profit for the year of € 8.886,24. The profit of the year has been transferred to the Specific Reserve Account. Reserve accumulated (including the result of the year) amounts to € 8.886,24.

Respective responsibilities of the Board of Directors of Foundation for a Europe of Liberties and Democracy ASBL

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 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 France, 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 and profit & loss account) for the period ended 31 December 2013 have been prepared in accordance with the financial reporting framework applicable in France, are free of material misstatement and show a true and fair view of the financial position and the operating results.

Additional confirmations and statements

The association's compliance with:

- the legal and regulatory requirements,
- 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.

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

- the financial documents submitted by the Foundation for a Europe of Liberties and Democracy ASBL 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.

Brussels, 29 April 2014

Ernst & Young Réviseurs d'Entreprises scrl
represented by



Danielle Vermaelen
Partner

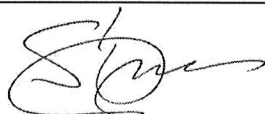
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Foundation for a Europe of Liberties and Democracy

BALANCE SHEET

as at 31 December 2013

	EUR	EUR
ASSETS	31/12/2013	31/12/2012
<i>Intangible Assets</i>	15 880,74	15 880,74
<i>Depreciation of Intangible Assets</i>	-7 940,36	-3 970,18
<i>Tangible Assets</i>	2 591,95	
<i>Depreciation of Intangible Assets</i>	-525,65	
<i>Suppliers with a Debit Balance</i>	3 800,71	130,71
<i>Security Deposit</i>	550,00	550,00
<i>Bank Balance</i>	109 258,08	191 980,19
TOTAL ASSETS	123 615,47	204 571,46
LIABILITIES	31/12/2013	31/12/2012
<i>Suppliers</i>	24 302,49	63 858,74
<i>Surplus Returnable</i>	90 426,74	136 221,00
<i>Allocation of own resources to reserve account</i>	8 886,24	
<i>Interest yielded by pre-financing</i>		4 491,72
TOTAL LIABILITIES	123 615,47	204 571,46



Foundation for a Europe of Liberties and Democracy

INCOME STATEMENT

as at 31 December 2013

	EUR	EUR
EXPENDITURE	31/12/2013	31/12/2012
<i>Personnel costs</i>	55 576,00	34 180,00
<i>Infrastructure and operating costs</i>	9 538,60	7 870,74
<i>Administrative expenditure</i>	5 850,77	4 819,79
<i>Meetings and representation costs</i>	7 633,54	6 094,15
<i>Information and publication costs</i>	250 717,40	196 777,97
TOTAL ELIGIBLE EXPENDITURE	329 316,31	249 742,65
<i>Doubtful claims on third parties</i>	1 500,00	
TOTAL NON-ELIGIBLE EXPENDITURE	1 500,00	
TOTAL EXPENDITURE	330 816,31	249 742,65
INCOME	31/12/2013	31/12/2012
<i>European Parliament Grant</i>	370 345,60	329 886,15
<i>Surplus returnable to EP</i>	-90 426,74	-136 221,00
<i>Membership Fees</i>	59 632,00	56 077,50
<i>Addition prov. Surplus of Own Resources</i>	-8 886,24	
<i>Bank interests received</i>	151,69	
REVENUE (to cover eligible expenditure)	330 816,31	249 742,65
TOTAL REVENUE	330 816,31	249 742,65



ANNEX
Annex: Breakdown of the provisional operating budget

EXPENDITURE		
Eligible expenditure	Budget	Actual
A.1: Personnel costs	70.000,00	55.576,00
1. Salaries	62.000,00	55.356,00
2. Contributions		
3. Professional training	0,00	
4. Staff mission expenses	5.000,00	220,00
5. Other personnel costs	3.000,00	
A.2: Infrastructure and operating costs	20.000,00	9.538,80
1. Rent, charges and maintenance costs	10.000,00	8.373,20
2. Costs relating to the installation, operation and maintenance of equipment	2.000,00	263,52
3. Depreciation of movable and immovable property	1.500,00	
4. Stationery and office supplies	2.700,00	741,58
5. Postal and telecommunications charges	1.300,00	115,30
6. Printing, translation and reproduction costs	2.500,00	
7. Other infrastructure costs	0,00	45,00
A.3: Administrative expenditure	17.034,00	6.890,77
1. Documentation costs (newspapers, press agencies, databases)	1.500,00	154,40
2. Costs of studies and research	5.000,00	
3. Legal costs	1.000,00	
4. Accounting and audit costs	7.000,00	4.090,00
5. Support to affiliated organisations and subsidies to third parties	2.000,00	
6. Miscellaneous administrative costs	1.434,00	705,47
A.4: Meetings and representation costs	18.208,00	7.633,54
1. Costs of meetings of the political party	5.000,00	2.419,70
2. Participation in seminars and conferences	3.500,00	4.298,24
3. Representation costs	3.285,00	141,80
4. Cost of invitations	4.000,00	150,00
5. Other meeting-related costs	301,00	624,00
A.5: Information and publication costs	428.824,00	250.717,40
1. Publication costs	275.000,00	130.021,84
2. Creation and operation of Internet sites	5.000,00	4.872,44
3. Publicity costs	40.000,00	76.089,62
4. Communications equipment (gadgets)	284,00	
5. Seminars and exhibitions	107.000,00	39.733,50
6. Election campaigns ¹	0,00	
7. Other information-related costs	1.540,00	
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"¹		
A. TOTAL ELIGIBLE EXPENDITURE	552.964,00	329.316,31
B.1: Non-eligible expenditure	0,00	1.500,00
¹ Allotments to other provisions		
2. Financial charges		
3. Exchange losses		
4. Doubtful claims on third parties		1.500,00
5. Others (to be specified)		
B. TOTAL NON-ELIGIBLE EXPENDITURE	0,00	1.500,00
C. TOTAL EXPENDITURE	552.964,00	330.816,31

H.1 Allocation of own resources to the specific reserve account¹		8.886,24
H. Profit/loss for verifying compliance with the no-profit rule (G-H.1)¹	0,00	0,00

¹: Not applicable to political foundations at European level

REVENUE		
	Budget	Actual
D.1 Dissolution of "Provision to cover eligible costs to be incurred in the first quarter of N+1"		
D.2 European Parliament grant	470.019,00	279.918,86
D.3 Membership fees	82.945,00	59.832,00
3.1 from member parties		
3.2 from individual members	82.945,00	59.832,00
D.4 Donations	0,00	0,00
4.1 above 500 EUR		
4.2 below 500 EUR		
D.5 Other own resources (to cover eligible expenditure) (to be listed)		151,89
Interest		151,89
D.6 Contributions in kind		
D. REVENUE (to cover eligible expenditure)	552.964,00	339.702,55
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	552.964,00	339.702,55
G. PROFIT/LOSS (F-C)	0,00	8.886,24

