

Independent auditor's report with respect to the Annual Accounts of Sallux for the year ended 31 December 2019

In accordance with our service contract dated 18 November 2016 with the European Union represented by the European Parliament, we report to you as independent auditor on the performance of our audit mandate which was entrusted to EY Réviseurs d'Entreprises SRL. This report includes our opinion on the balance sheet as at 31 December 2019, the income statement for the year ended 31 December 2019 and the disclosures (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 European political parties and European political foundations and includes as well our report on regulatory requirements. These two reports are considered as one report and are inseparable.

We have been appointed as independent auditor by the European Parliament in our contract dated 18 November 2016. Our mandate expires after the delivery of our audit opinion for the year ended 31 December 2019.

Report on the audit of the Annual Accounts and the Final Statement of eligible expenditure actually incurred

Unqualified opinion

We have audited the Annual Accounts of Sallux (the "Entity"), that consist of the balance sheet on 31 December 2019, as well as the income statement of the year and the disclosures, which show a balance sheet total of € 50.469 and of which the income statement shows a positive result for the year of € 3.462.

In our opinion, the Annual Accounts give a true and fair view of the Entity's net equity and financial position as at 31 December 2019, and of its results for the year then ended, prepared in accordance with the financial reporting framework applicable in the Netherlands.

We have also audited the Final Statement of eligible expenditure actually incurred for the year ended 31 December 2019 in accordance with the rules and regulations applicable to funding of European political parties and European political foundations of Sallux.

In our opinion, the Final Statement of eligible expenditure actually incurred of the Entity for the year ended 31 December 2019 is prepared, in all material respects, in accordance with rules and regulations applicable to funding of European political parties and European political foundations.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Annual Accounts and the Final Statement of eligible expenditure actually incurred" section of our report.

We have complied with all ethical requirements that are relevant to our audit, including those with respect of independence.

We have obtained from the Members of the Board and the officials of the Entity the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

We draw attention to the Final Statement of eligible expenditure actually incurred. This schedule is prepared to assist the Entity to meet the requirements of the European Parliament. As a result, the schedule may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Material uncertainty related to going concern

We draw your attention to the disclosure on page 6 of the Annual Accounts relating to the preparation of the Annual Accounts under the assumption that the activities will be continued, despite the net liabilities exceeding net assets and the limited amount of reserves available. This assumption is reasonable as long as the Entity continues to receive financial support from the European Parliament or other sources. Our opinion is not modified in respect of this matter.

Other Matters

We draw your attention to the developments surrounding the Covid-19 virus that has a profound impact on people's health and on society as a whole. This also has an impact on the operational and financial performance of organisations and the assessment of the Entity's ability to continue as a Going Concern. The situation gives rise to inherent uncertainty. The Entity has not made any disclosure of its assessment of the impact of Covid-19 in the Annual Accounts. We have considered the uncertainties related to the potential effects of Covid-19 and the assumptions made by the Entity in this respect on its operations and financial situation. Our opinion is not modified in respect of this matter.

On 31 January 2020, the United Kingdom withdrew from the European Union and the European Atomic Energy Community (EURATOM). At present, negotiations for a new partnership with the United Kingdom of Great Britain and Northern Ireland are ongoing. The Entity has not made any disclosure of its assessment of the impact of Brexit in the Annual Accounts. We have considered the uncertainties related to the potential effects of Brexit and the assumptions made by the Entity in this respect on its operations and financial situation. Our opinion is not modified in respect of this matter.

Responsibilities of the Members of the Board for the preparation of the Annual Accounts and the Final Statement of eligible expenditure actually incurred

The Members of the Board are responsible for the preparation of the Annual Accounts that give a true and fair view in accordance with the reporting framework applicable in the Netherlands and the Final Statement of eligible expenditure

actually incurred. This responsibility includes: designing, implementing and maintaining internal control which the Members of the Board determines to be necessary to enable the preparation of the Annual Accounts and the Final Statement of eligible expenditure actually incurred that are free from material misstatement, whether due to fraud or error.

The Members of the Board are responsible towards the European Parliament for the use of the grant awarded and must comply with the provisions of the Regulation (EU, Euratom) No 1141/2014, Regulation (EU, Euratom) 2018/1046 ('the Financial Regulation') and the underlying acts.

As part of the preparation of the Annual Accounts, the Members of the Board are responsible for assessing the Entity's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern. The Members of the Board should prepare the Annual Accounts using the going concern basis of accounting, unless the Members of the Board either intend to liquidate the Entity or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Annual Accounts and the Final Statement of eligible expenditure actually incurred

Our objectives are to obtain reasonable assurance whether the Annual Accounts and the Final Statement of eligible expenditure actually incurred are free from material misstatement, whether due to fraud or error, and to express an opinion on these Annual Accounts and Final Statement of eligible expenditure actually incurred based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Annual Accounts and the Final Statement of eligible expenditure actually incurred.

Furthermore, with respect to the Final Statement of eligible expenditure actually incurred, it is our responsibility to express an opinion on the compliance with the rules and regulations

applicable to funding of European political parties and European political foundations.

As part of an audit, in accordance with ISA, we exercise professional judgment and we maintain professional scepticism throughout the audit. We also perform the following tasks:

- ▶ Identification and assessment of the risks of material misstatement of the Annual Accounts and the Final Statement of eligible expenditure actually incurred, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements is larger when these misstatements are due to fraud, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ Obtaining insight in the system of internal controls that are relevant for the audit and with the objective 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;
- ▶ Evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Members of the Board as well as the underlying

information given by the Members of the Board;

- ▶ Conclude on the appropriateness of the Members of the Board's use of the going-concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to event or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Annual Accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going-concern;
- ▶ Evaluating the overall presentation, structure and content of the Annual Accounts and the Final Statement of eligible expenditure actually incurred, and evaluating whether these Annual Accounts and the Final Statement of eligible expenditure actually incurred reflect a true and fair view of the underlying transactions and events.

We communicate with the Members of the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on regulatory requirements

Responsibilities of the Members of the Board

The Members of the Board are responsible for the compliance by the Entity with the legal and regulatory requirements applicable in the Netherlands, its articles of association, the legal and regulatory requirements regarding bookkeeping and the provisions of the European Parliament's grant decision ('the Funding Decision'), Regulation (EU, Euratom) No 1141/2014, Regulation (EU, Euratom) 2018/1046 ('the Financial Regulation') and the underlying acts.

Responsibilities of the auditor

Our audit work included specific procedures to gather sufficient and appropriate audit evidence to verify, in all material respects, that the financial provisions and obligations of the grant award decision, Regulation (EU, Euratom) No 1141/2014, Regulation (EU, Euratom) 2018/1046 ('the Financial Regulation') and the underlying acts have been met.

Independence matters

We have not performed any other services that are not compatible with the audit of the Annual Accounts and the Final Statement of eligible expenditure actually incurred and we have

remained independent of the Entity during the course of our mandate.

Other communications

- ▶ The costs declared were actually incurred;
- ▶ The statement of revenue is exhaustive;
- ▶ The financial documents submitted by the entity to Parliament are consistent with the financial provisions of the Funding Decision;
- ▶ The obligations arising from Regulation (EU, Euratom) No 1141/2014, in particular from Article 20 thereof have been met;
- ▶ The obligations arising from the Funding Decision, in particular from Article II.9 and Article II.19 thereof, have been met;
- ▶ Any contributions in kind have actually been provided to the entity and have been valued in compliance with the applicable rules;
- ▶ Any surplus of Union funding is carried over to the next financial year and has been used in the first quarter of that financial year, pursuant to Article 222(7) of the Financial Regulation;
- ▶ Any surplus of own resources was transferred to the reserve;
- ▶ We were not yet provided with the financial statements prepared in accordance with the international accounting standards defined in article 2 of regulation (EC) No 1606/2002. The financial statements prepared in accordance with the international accounting standards will be subject to a separate audit opinion.

26 June 2020

EY Réviseurs d'Entreprises SRL
represented by


Danielle Vermaelen*
Partner

* Acting on behalf of a BV/SRL

20DV0728



Annual Accounts



Financial Report 2019

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A handwritten signature in blue ink, appearing to read "David Feldenk", with a horizontal line underneath.

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General Information

Sallux

The objectives of the association are to reinforce Christian politics in Europe. Sallux is the official recognized European political foundation of European Christian Political Movement (ECPM) and represents a common European framework for national think-tanks associated to ECPM member-parties and similar organizations who adhere to the purposes and program of Sallux. The Foundation is affiliated to ECPM as its sole European political foundation in accordance with the Regulation (EC) No 1141/2014 of the European Parliament and of the Council on the regulations governing political parties at European level and the rules regarding their funding. Sallux infuses ideas and policy proposals into the ECPM and connect the ECPM with like-minded think-tanks and NGO's.

Sallux is an association (in Dutch: vereniging zonder winstoogmerk) which has its seat in the municipality of Amersfoort (The Netherlands). Address is Bergstraat 33, 3811NG Amersfoort. Sallux is registered in the 'Kamer van Koophandel' Amersfoort under registration number: 51012030.

Amendment of the Articles

On May 22, 2014 the name of the association was changed from European Christian Political Foundation into Christian Political Foundation for Europe. And on December 5th 2016 the name was changed in Sallux, ECPM Foundation. At 11 April 2017 the statutes were changed to ensure alignment with the amended regulation for parties and foundations at European level. Sallux is officially registered with the Authority for European political parties and foundations.

Financial report 2018 approved

At the general assembly, held on June 14th, the financial report 2018 has been approved, including all small changes made with regard to EP services comments. The result of the financial year 2018, a profit of € 2.159, has been added to the general reserve.

Board at December 31, 2019

Chairman:	David fieldsend	(since September 9, 2010)
Treasurer:	Walter van Luijk	(since June 7, 2012)
Secretary:	Christophe Foltzenlogel	(since May 8, 2015)
	Antero Laukkanen	(since March 25, 2013)
	Annelie Enochsson	(since May 8, 2014)
	Silviu Rogobete	(since May 9, 2016)
	Gabriella Urbanova	(since June 9, 2018)
	Slawomir Ducher	(since June 9, 2018)
	Karin Heepen	(since June 13, 2019)
	Adam Bohar	(since June 13, 2019)

Meetings in 2019

Sallux held in 2019 one General Assembly in Budapest 13 June 2019.

Furthermore the following major meetings took place:

- 1 Congress Christliche Fuhrungskrafte 2019 (March 1-3 Karlsruhe)
- 2 Towards a Europe of Stakeholder Nations (18 April, Brussels)
- 3 Salt & Light Event: Family as the Cornerstone for Country and Society (19 June, Budapest)
- 4 Mission "Kingdom of God" Stockholm November 27th

The board had meetings on 20 February, 14 May, 23 September and 3 December

All major and minor Sallux events are registered on the website www.sallux.eu

Audit

For the year 2018 an external auditor audited the annual accounts and issued an unqualified opinion.

Balance Sheet at December 31, 2019

after appropriation of result

	2019		2018	
	€	€	€	€
<u>ASSETS</u>				
Fixed Assets				
Intangible Assets	3 023		10 998	
Tangible Assets	<u>9 531</u>		<u>1 883</u>	
		12 554		12 881
Current Assets				
Other Assets	16 226		5 084	
Membership fees	<u>500</u>		<u>-</u>	
		16 726		5 084
Cash and cash equivalents		21 189		77 762
		<u>50 469</u>		<u>95 727</u>

	2019		2018	
	€	€	€	€
<u>LIABILITIES & EQUITY</u>				
General reserve		4 115		653
Provision carry-over Q1 next year		7 300		59 527
Current Liabilities				
Creditors	21 997		19 620	
Taxes	9 409		8 752	
European Parliament Grant	525		525	
Holiday allowance	7 050		5 787	
Credicard payable	-		-	
Other liabilities	<u>73</u>		<u>863</u>	
		39 054		35 547
		<u>50 469</u>		<u>95 727</u>

Statement of Income and Expenditures

	2019	Budget 2019	2018
	€	€	€
Revenue			
D.1. Carry over last year	59 527	-	-
D.2 European Parliament grant	365 590	445 000	418 444
D.3 Membership fees			
3.1 from member parties	4 300	5 000	23 100
3.2 from individual members	-	1 000	750
D.4. Donations			
4.1 above 500 EUR	15 448	12 000	49 438
4.2 below 500 EUR	2 444	-	971
D.5 Other own resources (to cover expenditure)	1 525	5 421	3 159
D.6 Interest from prefinancing	-	200	-
D. TOTAL REVENUE	448 834	468 621	495 862
Expenditure			
A.1: Personnel costs			
1. Salaries	150 462	148 000	141 050
2. Contributions	-	-	-
3. Professional training	-	500	-
4. Staff missions expenses	33 202	28 000	38 214
5. Other personnel costs	21 486	11 000	17 047
	205 150	187 500	196 311
A.2: Infrastructure and operating costs			
1. Rent, charges and maintenance costs	10 787	12 000	11 072
2. Costs relating to installation, operation etc	701	3 000	2 386
3. Depreciation of movable and immovable prop.	4 886	3 000	3 563
4. Stationery and office supplies	1 487	1 500	1 258
5. Postal and telecommunications charges	2 251	6 000	3 383
6. Printing, translation and reproduction costs	11 407	8 000	3 484
7. Other infrastructure costs	-	100	-
	31 519	33 600	25 146
A.3: Administrative expenditure			
1. Documentation costs (newspapers, press etc.)	80	500	5 674
2. Costs of studies and research	56 300	93 700	30 500
3. Legal costs	1 022	500	1 824
4. Accounting and audit costs	9 672	7 500	6 962
5. Support to affiliated organisations etc.	-	-	1
6. Miscellaneous administrative costs	459	800	750
	67 533	103 000	45 711
A.4: Meetings and representation costs			
1. Costs of meetings of the political party	112 961	117 421	155 717
2. Participation in seminars and conferences	149	5 100	1 634
3. Representation costs	-	-	100
4. Costs of invitations	-	500	-
5. Other meeting-related costs	392	-	-
	113 502	123 021	157 451
A.5: Information and publication costs			
1. Publication costs	7 989	2 000	1 428
2. Creation and operation of Internet sites	1 535	3 200	1 250
3. Publicity costs	7 429	15 000	4 948
4. Communications equipment (gadgets)	2 403	1 000	1 143
5. Seminar and exhibitions	-	-	-
6. Election campaigns	-	-	-
7. Other information-related costs	-	-	-
	19 356	21 200	8 769
A.6: expenditure relating to contributions in kind	-	-	-
Allocation to "Provision to cover eligible expenditure to be incurred in the first quarter of N+1"	7 300	-	59 527
A. TOTAL ELIGIBLE EXPENDITURE	444 360	468 321	492 915
B.1 Non-eligible expenditure			
1. Allocations to other provisions	-	-	-
2. Financial charges	-	300	94
3. Exchange losses	-	-	-
4. Doubtful claims on third parties	706	-	-
5. Others (to be specified)	306	-	694
B. TOTAL NON ELIGIBLE EXPENDITURE	1 012	300	788
C. TOTAL EXPENDITURE	445 372	468 621	493 703
RESULT	3 462	-	2 159

Appropriation of results

	<u>General reserve</u>
	€
General reserve at January 1, 2019	653
Result 2019	3 462
General reserve at December 31, 2019	<u><u>4 115</u></u>

The Statutes mention that the General Assembly has the authority to decide the appropriation of the results (Article 10). In anticipation of the decision of the General Assembly the result of 2019 of € 3.462 has been added to the General reserve.

Notes to Financial Statements

Sallux is an association (in Dutch: vereniging zonder winstoogmerk) which has its seat in the municipality of Amersfoort (The Netherlands). Address is Bergstraat 33, 3811NG Amersfoort. Sallux is registered in the 'Kamer van Koophandel' Amersfoort under registration number: 51012030.

Sallux is a Political Foundation on a European Level. Activities are the organizing of meetings, studies and research and the support of ECPM and influencing the opinion in Europe. The financial statements are prepared and presented in euros, which is also the functional currency of the entity.

In order to reflect the decision of the European Parliament with regard to the 2018 final grant, taken during its meeting of 16 December 2019 and communicated in a letter to the organization on 28 January 2020, comparative figures have been adapted in the financial statements in the following way: account D.2 was changed from €418.969 in prior year financial statements to €418.444 in current year (difference of 525€).

Statement of Accounting Policies

General

The accounting principles used are based on historical costs.

The financial statements have been prepared in accordance with the Guidelines for annual reporting of the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving')

The financial statements were prepared on March 26th 2020

There were no changes in accounting policies compared to last year.

The financial statements are prepared to assist Sallux to comply with Part B: Financial Provisions of the grant award decision dated January 14th 2019.

Basis of Accounting

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby, revenue is recognized when earned and expenses are recognized when incurred.

The gross operating result represents the grant from the European Parliament, memberships fees, donations, other own resources and contributions in kind.

Interest income is recognised pro rata in the profit and loss account, taking into account the effective interest rate for the asset concerned.

Expenses are determined with due observance of the aforementioned accounting policies and allocated to the financial year to which they relate.

Interest is allocated to successive financial reporting periods in proportion to the outstanding principal.

Going Concern

The financial statements indicate that the Foundation incurred a net profit of € 3.462

The reserves of SALLUX are € 4.115 at the end of 2019. The reserves used to be negative.

Also, current assets (€ 38.415) are not sufficient to cover short term liabilities (€ 39.054).

These conditions indicate the existence of an uncertainty which may cast doubt about the Foundation's ability to continue as a going concern.

For the year 2020 the Authority awarded a grant of maximum € 299.291.

Based on this grant and the expectation that adequate additional proceeds and intermediate financing can be obtained, the financial statements have been prepared on a going concern basis.

Notes to the balance sheet

Fixed Assets

Tangible and intangible fixed assets in use by the company are carried at the cost of acquisition net of accumulated depreciation. Depreciation is calculated on a straight-line basis over their expected useful economic lives, taking into account their residual value.

The depreciation rates of Fixed assets are the following:

Intangible Assets: 25%

Tangible Assets: 20%-25%

There have been no expenses for maintenance in 2019.

Receivables

Receivables under current assets are initially recognized at fair value plus transaction costs and subsequently stated at amortized cost based on the effective interest method net of a provision for doubtful debts when necessary.

Provision

A provision is recognized if the entity has a legal or constructive obligation on the balance sheet date and if it is probable that an outflow of resources will be required to settle the obligation and the amount of the liability can be reliably estimated. The amount of the provision is determined based on a best estimate of the amounts required to settle the liabilities and losses concerned as at the balance sheet date. Provisions are carried at present value, unless stated otherwise.

This provision is the amount of the Grant of 2019 carried over to 2020. It has to be covered by expenses in the first 3 months of 2020. In these months the expenses were higher than the provision.

Liabilities

On initial recognition, current liabilities are carried at fair value less directly attributable transaction costs. After initial recognition, current liabilities are carried at amortized cost. This is usually the face value for current liabilities.

Financial Instruments

Financial instruments include both primary financial instruments, such as receivables, securities and payables, and derivative financial instruments. For the accounting policies applicable to primary financial instruments, please refer to the treatment of individual balance sheet items. The entity does not have derivatives.

Arrangements not shown in the balance sheet

According to Dutch law, the rental commitment for the coming year should be mentioned:

Sallux has a rental commitment for office space until March 2025. The amount payable until March 15th 2025 is € 3.628. This is € 7.090 < 1 year and € 28.361 > 1 year and € 1.477 < 5 year.

Notes to statement of Income and Expenditures

The European Parliament grant is recognized for € 418.444 of the contract with the European Parliament for This grant is based on an annual application. The provisions for this grant are laid down in the grant decision FINS-2019-19 dated on January 14th 2019.

The Final report over 2018 has been approved by the European Parliament on December 18th, 2019.

Analytical review of budget versus actual

The differences between budget and actual are:

Less meetings and more studies and publications. Most of the other parts are in line with 2019.

Subsequent Events

There are no important events to report that occurred after the end of the Financial Year.

A.1.1. Salaries

According to Dutch law the costs of personell have to be split in:

	<u>2019</u>	<u>2018</u>
	€	€
Wages	111 459	104 761
Social security premiums	21 783	20 164
Pensions	-	-
Other personell costs	<u>17 220</u>	<u>16 125</u>
	<u>150 462</u>	<u>141 050</u>

The average number of staff (including interns) employed by the Foundation in 2019 was 3,0 (2018: 3,0).

D.3 Membership fees

3.1 from member parties

ECLJ	500,00
Claphaminstitutet	200,00
Kompassi ry	1 000,00
Guido de Bresstichting (WI-SGP)	600,00
Groen van Prinstererstichting (WI-CU)	500,00
FICDD	500,00
European Economic Summit Foundation	500,00
FDA Ukraine	-
Barankovics Foundation	-
KEESZ	-
Jubilee Centre	500,00
	<u>4 300,00</u>

D.4.1. Donations above € 500

STG JUBILEE CAMPAIGN NEDERLAND	10 948,41
WEA BUSINESS COALITION E.V. Donation 201	2 500,00
HRAST - POKRET ZA USPJESNU HRVATSKU 2019	2 000,00

15 448,41

Annexes

Annex 1 Members and associates at December 31, 2019

Members

The following organizations are members of Sallux

Country	Organisation
Austria	Familienforum Osterreich
Finland	Kompassi
France	European Centre For Law and Justice
Hungary	Barankovics Foundation
Hungary	KESZ
Netherlands	European Economic Summit
Netherlands	Groen van Prinstererstichting
Netherlands	Guido de Bresstichting
Netherlands	FICDD
Netherlands	Schuman Centre
North-Macedonia	Integra
Romania	WorldTeach
Romania	Pro Vita Bucuresti
Romania	Areopagus
Romania	Pro Pretenia Arad
Spain	Christioanos en Democacia
Ukraine	Foundation Democratic Initiatives
United Kingdom	Voice for Justice UK
United Kingdom	Jubilee Centre
Sweden	Clapham Institute





Final Statement of reimbursable expenditure actually incurred

ESTIMATED BUDGET

Costs		
Reimbursable costs	Budget	Actual
A.1: Personnel costs	387.900,00	285.150,00
1. Salaries	148.000,00	150.462,00
2. Contributions	0,00	0,00
3. Professional training	500,00	0,00
4. Staff missions expenses	28.000,00	33.202,00
5. Other personnel costs	11.000,00	21.486,00
A.2: Infrastructure and operating costs	33.800,00	31.529,00
1. Rent, charges and maintenance costs	12.000,00	10.787,00
2. Costs relating to installation, operation and maintenance of equipment	3.000,00	701,00
3. Depreciation of movable and immovable property	3.000,00	4.586,00
4. Stationery and office supplies	1.500,00	1.487,00
5. Postal and telecommunications charges	6.000,00	2.251,00
6. Printing, translation and reproduction costs	8.000,00	11.467,00
7. Other infrastructure costs	300,00	0,00
A.3: Administrative costs	108.000,00	67.533,00
1. Documentation costs (newspapers, press agencies, databases)	500,00	80,00
2. Costs of studies and research	93.700,00	56.300,00
3. Legal costs	500,00	1.022,00
4. Accounting and audit costs	7.500,00	9.672,00
5. Support to third parties	0,00	0,00
6. Miscellaneous administrative costs	800,00	459,00
A.4: Meetings and representation costs	123.821,00	113.562,00
1. Costs of meetings	117.421,00	112.961,00
2. Participation in seminars and conferences	5.100,00	149,00
3. Representation costs	0,00	0,00
4. Costs of invitations	500,00	0,00
5. Other meeting-related costs	0,00	392,00
A.5: Information and publication costs	21.200,00	19.356,00
1. Publication costs	2.000,00	7.989,00
2. Creation and operation of internet sites	3.200,00	1.535,00
3. Publicity costs	15.000,00	7.429,00
4. Communications equipment (gadgets)	1.000,00	2.403,00
5. Seminar and exhibitions	0,00	0,00
6. Other information-related costs	0,00	0,00
A.6: Allocation to "Provision to cover eligible costs of the first quarter of year N+1"		7.300,00
A. TOTAL ELIGIBLE COSTS	468.321,00	448.360,00
Ineligible costs		
1. Provisions		
2. Exchange losses	300,00	
3. Doubtful claims on third parties		
4. Contributions in kind		700,00
5. Others (to be specified)		306,00
B. TOTAL INELIGIBLE COSTS	300,00	1.012,00
C. TOTAL COSTS	468.621,00	449.372,00

Revenue		
	Budget	Actual
D.1. Disolution of "Provision to cover eligible costs of the first quarter of year N"	n/a	59.527,00
D.2. European Parliament funding	445.000,00	365.590,00
D.3. Member contributions	6.000,00	4.300,00
3.1 from member organisations	5.000,00	4.300,00
3.2 from individual members	1.000,00	
D.4. Donations	17.000,00	17.892,00
	17.000,00	15.448,00
D.5. Other own resources	5.621,00	1.525,00
books, sites and entrance fees	5.421,00	1.525,00
interest pre-financing	200,00	
D.6. Interest from pre-financing		
D.7. Contributions in kind		
D. TOTAL REVENUE	468.621,00	448.834,00
E. profit/loss (D-C)	0,00	3.462,00
F. Allocation of own resources to the reserve account		3.462,00
G. Profit/loss for verifying compliance with the no-profit rule (E-F)	0,00	0,00

David Fubben

W. J. ...

Independent auditor's report on the Financial Statements in accordance with International Financial Reporting Standards of Sallux for the year ended 31 December 2019

Unqualified Opinion

We have audited the Financial Statements of Sallux (the "Entity"), which comprise the statement of financial position as at 31 December 2019, as well as the statement of profit or loss and the statement of comprehensive income for the year then ended, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Entity as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Unqualified Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters - Auditor's Opinion on the Annual Accounts and the Final Statement of eligible expenditure actually incurred

We have also audited the Annual Accounts of the Entity prepared in accordance with the financial reporting framework applicable in the Netherlands and the Final Statement of eligible expenditure actually incurred, prepared in accordance with rules and regulations applicable to funding of political parties and political foundations at European level. In this regard, we have issued our audit report dated 26 June 2020.

Other Matters

We draw your attention to the developments surrounding the Covid-19 virus that has a profound impact on people's health and on society as a whole. This also has an impact on the operational and financial performance of organisations and the assessment of the Entity's ability to continue as a Going Concern. The situation gives rise to inherent uncertainty. We have considered the uncertainties

related to the potential effects of Covid-19 and the assumptions made by the Entity in this respect on its operations and financial situation. Our opinion is not modified in respect of this matter.

On 31 January 2020, the United Kingdom withdrew from the European Union and the European Atomic Energy Community (EURATOM). At present, negotiations for a new partnership with the United Kingdom of Great Britain and Northern Ireland are ongoing. We have considered the uncertainties related to the potential effects of Brexit and the assumptions made by the Entity in this respect on its operations and financial situation. Our opinion is not modified in respect of this matter.

Material Uncertainty related to Going Concern

We draw your attention to the disclosure on page 10 of the Financial Statements relating to the preparation of the Financial Statements under the assumption that the activities will be continued, despite the net liabilities exceeding the net assets and limited amount of reserves available. This assumption is reasonable as long as the Entity continues to receive financial support from the European Parliament or other sources. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of Directors for the preparation of the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRS, and for such internal control as the Board of Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Pursuant to paragraph 1 of Article 23 of Regulation (EU, Euratom) No 1141/2014, the Entity is required to maintain and report on their Financial Statements on the basis of international accounting standards as defined in Article 2 of Regulation (EC) No 1606/2002.

In preparing the Financial Statements, the Board of Directors are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in

the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

The audit has been performed following our appointment by the European Parliament, which seeks to obtain assurance relating to the Entity's adherence to its obligations under Article 23 of Regulation (EU, Euratom) No 1141/2004.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit 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.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.


We communicate with the Board of Directors or their delegates regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on use and distribution

The opinion transmitted is only intended for the Entity and for the European Parliament. It may not be distributed or made available to any other parties, except those who have regulatory rights of access to it. Any review, transmission, dissemination or other use of, or taking of any action in reliance upon this information by any persons or entities other than the Entity or the European Parliament is prohibited and we will not assume any duty of care or liability towards these persons or entities.

29 June 2020

EY Réviseurs d'Entreprises SRL
Represented by



Danielle Vermaelen
Partner*
* Acting on behalf of a BV/SRL

21DV0005



sallux

ECTM FOUNDATION

Financial statements as of and for the year
ended 31 December 2019

Walter van Lier: ~~Walter van Lier~~
DAVID FIELDSEND: David Fieldsend

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Statement of financial position at 31 December 2019

EUR	Notes	31 December 2019	31 December 2018
ASSETS			
Non-current assets			
Property, plant and equipment	9	37.002	1.883
Intangible assets	10	8.459	10.998
Trade and other receivables	14	1.602	-
Total non-current assets		47.063	12.881
Current assets			
Trade and other receivables	14	15.124	5.084
Cash and cash equivalents	15	21.189	77.763
Total current assets		36.313	82.847
Total assets		83.376	95.728
EQUITY AND LIABILITIES			
Initial funds			
Retained earnings		3.245	1.178
Total equity		3.245	1.178
Non-current liabilities			
Leasing liabilities	11	27.571	-
Total non-current liabilities		27.571	-
Current liabilities			
Trade and other payables	16	46.355	94.550
Leasing liabilities	11	6.205	-
Total current liabilities		52.560	94.550
Total liabilities		80.131	94.550
Total equity and liabilities		83.376	95.728

The notes 1 to 18 are an integral part of these financial statements.

Statement of profit or loss for the year ended 31 December 2019

EUR	Notes	2019	2018
Revenue from contracts with customers	4	4.300	23.850
Other income	5	436.709	379.430
Revenue		441.009	403.280
General and administrative expenses	6	(437.649)	(400.499)
Operating profit/(loss)		3.360	2.781
Finance costs	7	(1.293)	(94)
Profit/(loss) for the year		2.067	2.687

The notes 1 to 18 are an integral part of these financial statements.

Statement of comprehensive income for the year ended 31 December 2019

EUR	Notes	2019	2018
Profit/(loss) for the year		2.067	2.687
Other comprehensive income			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods</i>		-	-
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods</i>			
Remeasurement gain/(loss) on defined benefit plans		-	-
Total comprehensive income for the year, net of tax		2.067	2.687

The notes 1 to 18 are an integral part of these financial statements.

Statement of changes in equity for the year ended 31 December 2019

EUR	Initial funds	Reserves	Retained earnings	Total equity
Balance at 1 January 2018	-	-	(1.509)	(1.509)
Other comprehensive income	-	-	-	-
Profit/(loss) for the year	-	-	2.687	2.687
Balance at 31 December 2018	-	-	1.178	1.178
Balance at 1 January 2019	-	-	1.178	1.178
Other comprehensive income	-	-	-	-
Profit/(loss) for the year	-	-	2.067	2.067
Balance at 31 December 2019	-	-	3.245	3.245

The notes 1 to 18 are an integral part of these financial statements.

Statement of cash flows for the year ended 31 December 2019

EUR	Notes	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the year		2.067	2.687
Adjustments for:			
Finance costs	7	1.293	94
Depreciation and impairment of property, plant and equipment	9	6.545	1.153
Amortisation and impairment of intangible assets	10	3.962	2.410
European Parliament grant	5	(417.292)	(359.441)
Net profit/(loss) before changes in working capital		(403.425)	(353.097)
Changes in working capital:			
Decrease/(increase) in trade and other receivables		(11.642)	9.995
Increase/(decrease) in trade and other payables		3.048	6.278
Cash receipt/(reimbursement) European Parliament grant:			
Receipt of European Parliament grant	16	365.590	481.002
Net cash flows from operating activities		(46.429)	144.178
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of intangible assets	10	(1.423)	(7.294)
Purchases of property, plant and equipment	9	(1.752)	(1.207)
Proceeds from sale of property, plant and equipment		-	-
Net cash flows from investing activities		(3.175)	(8.501)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	(60.115)
Interest paid on lease liabilities	7	(834)	-
Payments of lease liabilities	12	(6.136)	-
Net cash flows from financing activities		(6.970)	(60.115)
Movement in cash and cash equivalents including bank overdrafts		(56.574)	75.562
Net increase in cash and cash equivalents		(56.574)	75.562
Net foreign exchange difference			
Cash and cash equivalents at 1 January		77.763	2.201
Cash and cash equivalents at 31 December		21.189	77.763

The notes 1 to 18 are an integral part of these financial statements.

Notes to the financial statements for the year ended 31 December 2019

1. General information

SALLUX is an association incorporated and domiciled in The Netherlands. The registered office is located at Bergstraat 33, 3811 NG AMERSFOORT. The Foundation is a Political Foundation on European Level.

Financial statements

The financial statements as of and for the year ended 31 December 2019 were authorized for issue in accordance with a resolution of the Board of Directors on June 17th 2020.

Board of directors

At the end of the financial period, the Board of Directors was composed of the following members:

Name	Function	Start of mandate	End of mandate
David Fieldsend	President	09-09-2010	GA 2023
Walter van Lwijk	Treasurer	07-06-2012	GA 2021
Christophe Foltzenlogel	Secretary	08-05-2015	GA 2021
Antero Laukkanen	Vice-President	25-03-2013	GA 2023
Annelie Enochssen	Member	08-05-2014	GA 2023
Silviu Rogobete	Member	09-05-2016	GA 2022
Gabriela Urbanova	Member	09-06-2018	GA 2021
Karin Heepen	Member	13-06-2019	GA 2022
Adam Ducher	Member	09-06-2018	GA 2021
Adam Bohár	Member	13-06-2019	GA2022

Auditors

The statutory audit of the standalone financial statements is performed by EY Bedrijfsrevisoren BV represented by Danielle Vermaelen.

Figures in the financial statements

These financial statements are presented in euro, which is the Foundation's presentation currency and the functional currency of the Foundation. All amounts in these financial statements are presented in euro, unless otherwise stated.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

The financial statements of the Foundation for the year ended 31 December 2019 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and IFRS Interpretations Committee (IFRIC) interpretations as endorsed by the European Union. The changes in accounting policies due to new IFRS standards entered into force in 2019 are described in Note 2.3.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Foundation’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Going concern

The financial statements have been prepared on a going concern basis on the directors’ confidence that the Foundation will continue to receive the European Parliament Grant and also generate other own resources. The historical cost convention and the accrual basis of accounting have been used to prepare the financial statements.

2.2. Summary of significant accounting policies

a) Current versus non-current classification

The Foundation presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle, meaning within a calendar year,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Foundation classifies all other liabilities as non-current.

b) Foreign currencies

Functional and presentation currency

Items included in the financial statements of the Foundation are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in euro (EUR), which is the Foundation’s presentation currency and the functional currency of the Foundation.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Foundation at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

The foundation has limited transactions in foreign currency, therefore the foreign exchange risk is not considered to have a significant impact on the profit before tax and pre-tax equity.

c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite. The Foundation does not have any intangible assets with an indefinite useful life.

Intangible assets with finite useful lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life

are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite useful lives is recognized in the income statement in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

Website costs

Research costs are expensed as incurred. Website development costs are only recognized as intangible asset if: 1/ it can be demonstrated that the website will generate probable future economic benefits when, for example, donations can be made through the website and 2/ the Foundation can demonstrate:

- ✓ The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- ✓ Its intention to complete and its ability and intention to use or sell the asset;
- ✓ How the asset will generate future economic benefits;
- ✓ The availability of resources to complete the asset; and
- ✓ The ability to measure reliably the expenditure during development.

Directly attributable costs that are capitalized as part of the intangible asset include costs incurred for external consultants and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization will begin when development is completed and the asset is available for use. The costs are amortized using the straight-line method over their estimated useful lives (4 years). During the period of development, the asset is tested for impairment annually.

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring the specific software to use. These costs are amortized using the straight-line method over their estimated useful lives (4 years).

Summary of the policies applied to the intangible assets

	Computer software	Website
Useful lives	4 Years	4 Years
Amortisation method used	Straight-line basis	Straight-line basis
Internally generated	Acquired	Acquired

d) Property, plant and equipment

The Foundation's property, plant and equipment are mainly composed of IT equipment, furniture, office equipment, leasehold improvements and right-of-use assets relating to lease contract of offices, vehicles and IT equipment.

Property, plant and equipment are stated at historical cost less subsequent depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on the assets is calculated using the straight-line method to allocate their cost over their estimated useful lives. These useful lives have been determined as follows:

Property, plant and equipment	Useful lives
IT equipment	4 years
Office equipment and furniture	5 years

The methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate. Where an asset's carrying amount is greater than its estimated recoverable amount, it is written down to its recoverable amount.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference

between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

e) European Parliament grants

The Foundation receives a grant from the European Parliament, which is awarded at the end of each accounting year. At that moment there is a reasonable assurance that the grant will be received and all attached conditions (execution of the work plan) will be complied with. Since the grant relates to expense items, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The Foundation makes an assessment at the end of the accounting year of the amount of eligible expenditure it has incurred. The portion of the grant that will cover this expenditure is recorded as income in the income statement. Two scenarios can occur:

- Scenario 1 in which the amount of eligible expenditure matches the grant amount or exceeds the grant amount. In this scenario, the entire grant is recorded as income in the income statement,
- Scenario 2 in which the amount of eligible expenditure is less than the grant amount. In this scenario, the portion of the grant that is not used can be carried over to the next year. The amount of the carry-over will be accounted for as a liability in the balance sheet and will be released the next accounting year once the expenditure it is intended to cover has been incurred.

At the end of the reporting period, the final balance of eligible expenditure is determined after the external audit. The expenditure that is rejected through this audit will lead to a reduction of the final grant and can result in a reimbursement of a portion of the grant by the political Foundation to the European Parliament. After payment of the final balance, the European Parliament can as well perform an audit even up till 5 years after the payment. This audit can also lead to a reduction of the grant amount and a reimbursement. If the Foundation has to make a reimbursement to the European Parliament, the Foundation needs to account for a liability.

f) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Foundation's cash management.

g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The Foundation's financial assets are composed of trade and other receivables and cash and cash equivalents. These financial assets have been classified as subsequently measured at amortised cost, except for cash and cash equivalents.

The trade receivables do not contain a significant financing component and have been initially measured at the transaction price determined under IFRS 15. The cash and cash equivalents have been initially measured at fair value plus transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost (debt instruments),
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments), or with no recycling of cumulative gains and losses upon derecognition (equity instruments),
- Financial assets at fair value through profit or loss.

The Foundation's financial assets are classified as financial assets at amortised cost (debt instruments) since both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The financial assets are derecognized when the rights to receive cash flows from the asset have expired.

In terms of impairment of the trade receivables, the Foundation applies a simplified approach in calculating Expected Credit Losses (ECL). The Foundation does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. A provision matrix that is based on historical credit loss experience has been established, which is adjusted for forward-looking factors specific to the debtors and the economic environment.

All financial assets are fully written off after two years when there is no reasonable expectation of recovering the contractual cash flows. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Foundation is unlikely to receive the outstanding contractual amounts in full.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Foundation's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification. The Foundation's financial liabilities are all classified in the category loans and borrowings, or the category payables.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

The financial liabilities are derecognized when the obligation under the liability is discharged or cancelled or expires.

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to

settle on a net basis or realize the asset and settle the liability simultaneously. The Foundation does not offset its financial assets and liabilities.

h) Impairment of non-financial assets

The Foundation assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Foundation estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

There were no indications that assets may be impaired during the accounting period. Moreover, the Foundation does not have intangible assets that are not ready to use or are not subject to amortization. As a result, there is no requirement to perform a yearly impairment test.

i) Provisions for other liabilities and charges

A provision is recognized when the Foundation has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Foundation expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

j) Leases – lessee accounting

The Foundation assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Foundation leases office workspace. The Foundation applied a single recognition and measurement approach for all leases for which it is the lessee. The Foundation recognised lease liabilities and right-of-use assets representing the right to use the underlying assets. In accordance with IFRS 16, the simplified modified retrospective method has been applied for the transition to IFRS 16 at the date of initial application of 1 January 2019.

Lease liabilities

At the commencement date of the lease, the Foundation recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. The lease payments also include the exercise price of a purchase option if reasonably certain to be exercised by the Foundation and payments of penalties for terminating a lease, if the lease term reflects the Foundation exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Foundation uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Foundation selected the accounting policy to present interest paid on lease liabilities as part of the cash flows for financing activities.

Right-of-use assets

The Foundation recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of initial measurement of the lease liability, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Underlying assets	Useful lives
Office	6 years

If ownership of the leased asset transfers to the Foundation at the end of the lease term, or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful live of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section h) 'Impairment of non-financial assets'.

Short-term leases and leases of low-value assets

The Foundation applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The information about leases is included in the following notes:

Depreciation charges on right-of-use assets	Note 6 Expense by nature
Interest expense on lease liabilities	Note 7 Finance income and costs
Right of use assets movement	Note 9 Property, plant and equipment
Lease liabilities movement	Note 11 Financial assets and financial liabilities

k) Revenue from contracts with customers

IFRS 15 establishes a five-step model for recognizing revenue from contracts with customers. Under IFRS 15, revenue is recognized for the amount of consideration an entity expects to be entitled to in exchange for goods or services transferred to a customer.

The Foundation has a contract with Member parties for which it receives Member Party contributions or Membership fees. Membership fees are fixed in euro; they are payable without deduction of incurred costs, and are adjusted annually. The fees are due at the start of the year for a one year membership. As such the revenue that is recorded 31 December equals the membership fees received for the respective year.

The annual Membership Fees of the based on a basic sum per member of Parliament in the National of Regional Parliament of the country the member is based.

- The annual Membership Fees of the party's Associated Member Parties, based on the votes obtained by these Associated Member parties during the last national elections. The Associated Member parties will start paying Membership Fees immediately after their admission as an Associated Member Foundation, pro rata temporis.
- The annual Membership fees for Members Associations, which are determined by the Political Assembly upon proposal of the Treasurer and Secretary General.

There are consequences if a party accumulates arrears in the payment of their annual Membership Fee.

- One year arrears of membership fees, the party in question loses its speaking and/or voting rights within the organs and bodies of the association as well as its right to propose candidates for positions within the association, until they have paid off their arrears.
- Two years arrears of membership fees, the Presidency has to propose to the Political Assembly to exclude the party in question.

In line with the IFRS requirements the Foundation will cease to account for revenue when the collectability criterion is no longer met.

l) Joint operation

A joint operation is a joint arrangement not structured in a separate vehicle, in which the parties with joint control have rights to the assets and obligations for the liabilities relating to the arrangement. A joint operator shall recognize

- (a) its assets, including its share of any assets held jointly;
- (b) its liabilities, including its share of any liabilities incurred jointly;
- (c) its revenue from the sale of its share of the output arising from the joint operation;
- (d) its share of the revenue from the sale of the output by the joint operation; and
- (e) its expenses, including its share of any expenses incurred jointly.

The Foundation performs joint projects, in which it enters into a joint arrangement together with the member foundations. The cost incurred in these projects are for 10%-90% covered by the member foundations and both parties have joint rights to the asset being created. The portion of the cost covered by the member foundation is set off against the income flowing from the invoices issued to the member foundation. In 2019 the Foundation has not taken part in a joint operation.

2.3. Changes in accounting policies and disclosures

The Foundation applied IFRS 16 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the financial statements of the Foundation. The Foundation has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and supersedes IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Foundation adopted IFRS 16 using the modified retrospective method with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Foundation elected to apply the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4. The Foundation will therefore not apply the standard to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4. The Foundation also elected to use the exemptions on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Foundation mainly leases office workspace, that are accounted for in accordance with IFRS 16 as from 1 January 2019 and were previously accounted for as operating leases under IAS 17.

The Foundation recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application or the interest rate implicit in the lease when available.

The Foundation also applied the available practical expedients wherein it:

- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Applied the low value exemption to leases for which the underlying assets value is lower than 5.000 EUR
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

The effect of the adoption IFRS 16 as at 1 January 2019 is an increase of total assets by 39.912 EUR for the right-of-use assets, and an increase of total liabilities by 39.912 EUR for the lease liabilities. The net effect of these adjustments had been adjusted to retained earnings (0 EUR).

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018 as follows:

Items	EUR
Operating lease commitments as at 31 December 2018	8.422
Less: Commitments relating to short-term leases	-
Less: Commitments relating to leases of low-value assets	-

Plus: Lease payments relating to renewal periods not included in operating lease commitments as at 31 December 2018	34.852
Subtotal	43.274
Discounting effect at incremental borrowing rate as at 1 January 2019	(3.362)
Discounted lease liability as at 1 January 2019	39.912

The weighted average incremental borrowing rate applied to lease liabilities at the date of initial application is 2,50%.

2.4. Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Foundation's financial statements are disclosed below. The Foundation intends to adopt these standards and interpretations, if applicable, when they become effective.

- *Amendments to References to the Conceptual Framework* in IFRS Standards, effective 1 January 2020
- *Amendments to IFRS 3 Business Combinations – Definition of a business*, effective 1 January 2020
- *Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of material*, effective 1 January 2020
- *Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Interest Rate Benchmark Reform*, effective 1 January 2020
- *Amendments to IAS 39 Financial Instruments: Recognition and measurement and IFRS 7 Financial Instruments: Disclosures - Interest Rate Benchmark Reform*, effective 1 January 2020
- *IFRS 17 Insurance Contracts*, effective 1 January 2021
- *Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current*, effective 1 January 2022

3. Critical accounting estimates and judgments

The preparation of the Foundation's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Foundation based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Foundation. Such changes are reflected in the assumptions when they occur.

Determining the lease term of contracts with renewal options

The Foundation determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. For extension options, the Foundation applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal.

After the commencement date, the Foundation reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Recovery order European Parliament Grant

The external auditor and/or auditor of the European Parliament can reject expenditure of the Foundation if not eligible. This can result in a recovery order being issued to the Foundation and hence a reimbursement of a portion of the grant. If this is the case, the Foundation sets up a liability at year end. In December 2019 this liability amounts to EUR 525 (2018: EUR 0).

4. Revenue from contracts with customers

The line item “Revenue from contracts with customers” in the income statement relates to:

EUR	2019	2018
Type of revenue		
Membership fees:		
- From parties	4.300	23.100
- From associate members	-	750
Total revenue from contracts with customers	4.300	23.850
Geographical market		
Membership fees:		
- From France	500	2.000
- From The Netherlands	2.100	16.000
- From United Kingdom	500	5.000
- From Others	1.200	850
Total revenue from contracts with customers	4.300	23.850

The revenue of the membership fees is recorded over time as the service is delivered throughout the year. The membership fee receivables amount to EUR 500 at 31 December 2019 (EUR 5.084 in 2018). These receivables are non-interest bearing and are generally on terms of 30 days. In 2019 EUR 0 (EUR 0 2018) was recognized as a provision on ECL on trade receivables.

5. Other income

The line item “Other income” in the income statement relates to:

EUR	2019	2018
Other income		
European Parliament Grant	357.765	359.442
European Parliament Grant-carry over	59.527	-
Donations:		
- Above EUR 500	15.448	15.858
- Below EUR 500	2.445	971
Other	1.524	3.159
Total other income	436.709	379.430

6. Expenses by nature and other operating income

A breakdown of the “General and administrative expenses” by nature can be found in the table below:

EUR	2019	2018
Advertising and promotional costs	2.403	1.140
Amortization intangible assets	3.962	2.410
Depreciation Property Plant and Equipment	612	1.153
Depreciation on right of use - offices	5.933	-
Event costs	113.110	123.771
Meetings and representation costs	8.381	1.528
Office cost	16.710	4.742
Rent	-	11.072
Accounting cost	9.672	6.962
Documentation costs (newspaper, database, press agencies)	80	5.674
Research and development costs	56.300	30.500
Information and publication costs	1.535	1.250
IT, phone & internet	2.251	3.383
Website	9.516	7.334
Travel expenses	33.202	38.215
Wages and salaries	111.459	104.761
Social security cost	21.783	20.164
Employer related costs – cars, trainings and others	38.706	33.172
Other	2.034	3.268
Total	437.649	400.499

7. Finance income and costs

EUR	2019	2018
Finance income		
Total finance income	-	-
Finance costs		
Interest on lease liabilities	834	-
Bank charges	459	-
Other finance costs	-	94
Total finance costs	1.293	94

8. Employee benefit expense

EUR	2019		2018	
	Included in General and administrative expenses	Included in Other operating income/expenses	Included in General and administrative expenses	Included in Other operating income/expenses
Wages and salaries	111.459	-	104.761	-
Social security costs	21.783	-	20.164	-
Employer related costs	38.706	-	33.172	-
Total employee benefit expense	171.948	-	158.097	-

	2019	2018
Average number of employees - head office	3	3
Total average number of employees	3	3

9. Property, plant and equipment

EUR	Plant, Machinery and equipment	Furniture and material	Right-of-use offices	Total
At 1 January 2018				
Cost or valuation	1.552	5.872	-	7.424
Accumulated depreciation, impairments and other adjustments	(905)	(4.690)	-	(5.595)
Opening net book value at 1 January 2018	647	1.182	-	1.829
Period ended 31 December 2018				
Additions	-	1.207	-	1.207
Disposals	-	-	-	-
Closing Cost or Valuation at 31 December 2018	1.552	7.079	-	8.631
Accumulated depreciation on disposals	-	-	-	-
Depreciation charge for the year	(311)	(842)	-	(1.153)
Closing Accumulated depreciation, impairments and other adjustments at 31 December 2018	(1.216)	(5.532)	-	6.748
Closing net book value at 31 December 2018	336	1.547	-	1.883
Period ended 31 December 2019				
Initial application of IFRS 16 as of 1 January 2019	-	-	39.912	39.912
Additions	1.752	-	-	1.752
Disposals	-	(2.956)	-	(2.956)
Closing Cost or Valuation at 31 December 2019	3.304	4.123	39.912	47.339
Accumulated depreciation on disposals	-	2.956	-	2.956
Depreciation charge for the year	(310)	(302)	(5.933)	(6.545)
Closing Accumulated depreciation, impairments and other adjustments at 31 December 2019	(1.526)	(2.878)	(5.933)	(10.337)
Closing net book value at 31 December 2019	1.778	1.245	33.979	37.002

The Foundation has lease contracts for offices. Leases have lease terms of 6 years.

10. Intangible assets

EUR	Internally generated intangible assets (Website & Apps)	Software and licences	Total
At 1 January 2018			
Cost or valuation	6.716	696	7.412
Accumulated amortization, impairments and other adjustments	(1.153)	(145)	(1.298)
Opening net book value at 1 January 2018	5.563	551	6.114
Period ended 31 December 2018			
Additions	7.294	-	7.294
Disposals			
Closing Cost or Valuation at 31 December 2018	14.010	696	14.706
Accumulated depreciation on disposals			
Depreciation charge for the year	(2.336)	(174)	(2.410)
Closing Accumulated depreciation, impairments and other adjustments at 31 December 2018	(3.389)	(319)	(3.708)
Closing net book value at 31 December 2018	10.621	377	10.998
Period ended 31 December 2019			
Additions	1.423	-	1.423
Disposals	-	-	-
Closing Cost or Valuation at 31 December 2019	15.433	696	16.129
Accumulated depreciation on disposals			
Depreciation charge for the year	(3.788)	(174)	(3.962)
Closing Accumulated depreciation, impairments and other adjustments at 31 December 2019	(7.177)	(493)	(7.670)
Closing net book value at 31 December 2019	8.256	203	8.459

Internally generated assets relate to the website and a newly developed online bookstore.

11. Financial assets and financial liabilities

a) Financial assets

Financial assets	31 December 2019	31 December 2018
	EUR	EUR
Debt instruments at amortised cost		
Non-current financial assets	-	-
Trade and other receivables (Note 14)	16.726	5.084
Total financial assets	16.726	5.084
Total current	15.124	5.084
Total non-current	1.602	-

b) Financial liabilities: Borrowings

Financial Liabilities	31 December 2019	31 December 2018
	EUR	EUR
Other financial liabilities at amortised cost, other than interest-bearing loans and borrowings		
Trade and other payables (Note 16)	38.530	35.023
European Parliament grant	7.825	59.527
Total other financial liabilities	46.355	94.550
Total current	46.335	94.550
Total non-current	-	-

	Interest rate	Maturity	31 December 2019	31 December 2018
	%		EUR	EUR
Current interest-bearing loans and borrowings				
Leasing liabilities	2,5%	2020	6.205	-
Total current interest-bearing loans and borrowings			6.205	-
Non-current interest-bearing loans and borrowings				
Leasing liabilities	2,5%	2021-2025	27.571	-
Total non-current interest-bearing loans and borrowings			27.571	-
Total interest-bearing loans and borrowings			33.776	-

c) Fair Values

The Foundation mainly has short term financial assets and financial liabilities. As a result, the carrying amount is a reasonable approximation of the fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments:

	31 December 2019		31 December 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
	EUR	EUR	EUR	EUR
Financial assets				
Non-current financial assets	-	-	-	-
Trade receivables	16.726	16.726	5.084	5.084
Total	16.726	16.726	5.084	5.084
Financial liabilities				
Leasing liabilities	33.776	33.776	-	-
Bank loan	-	-	-	-
Trade and other payables	46.355	46.355	94.550	94.550
Total	80.131	80.131	94.550	94.550

The Party has mainly short term financial assets and financial liabilities for which the carrying amount is a reasonable approximation of the fair value. Moreover the carrying amount of leasing liabilities is also a reasonable approximation of the fair value.

12. Financial risk management

a) Financial risk factors

The Party's principal financial liabilities comprise lease liabilities and trade and other payables. The main purpose of these liabilities is to finance the Foundation's operations. The Foundation's principal financial assets include trade receivables and cash and short term deposits that derive directly from its operations. The Party is exposed primarily to market risk and liquidity risk. Foundation's managers oversee the management of these risks.

The Foundation's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Foundation's financial performance. The objective is to identify, quantify, manage and then monitor events or actions that could lead to financial losses.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and foreign exchange risk. The Foundation's interest rate risk is limited given the short term nature of the borrowings.

Foreign exchange risk

The Foundation's exposure to the risk of changes in foreign exchange rates relates primarily to the Foundation's operating activities. Foreign exchange risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Foundation's exposure to foreign currency changes for all other currencies is not material.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Foundation is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

Credit risk from operating activities

The trade receivables balance contain the member party contributions to be received. The impairment policy of the Foundation is to write-off receivables as soon as they remain unpaid for two years. When members are excluded, the related receivable is often waived and written-off. For its receivables, the Foundation has policies to ensure that her receivables on member parties or members are closely monitored by the finance department. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than two years and are not subject to enforcement activity. The Foundation does not hold collateral as security.

Credit risk from financing activities

Credit risk from balances with banks and financial institutions is managed by the Foundation's finance department in accordance with the Foundation's policy.

Liquidity risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 December 2019 (EUR)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings					
Trade and other payables	38.530	-	-	-	38.530
Leasing liabilities	6.970	6.970	20.911	1.162	36.013
European Parliament grant	7.825	-	-	-	7.825
At 31 December 2018 (EUR)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings					
Trade and other payables	35.023	-	-	-	35.023
Leasing Liabilities					
European Parliament grant	59.527	-	-	-	59.527

Changes in liabilities arising from financing activities are shown in the table below:

	1 January 2019 EUR	Cash outflows EUR	Cash inflows EUR	IFRS 16 impact & Other EUR	31 December 2019 EUR
Current leasing liabilities	-	(6.136)	-	12.341	6.205
Non-current leasing liabilities	-	-	-	27.571	27.571
Total liabilities from financing activities	-	(6.136)	-	39.912	33.776

	1 January 2018 EUR	Cash flows EUR	31 December 2018 EUR
Current interest-bearing loans and borrowings (excluding items listed below)	60.115	(60.115)	-
Total liabilities from financing activities	60.115	(60.115)	-

b) Capital management

The Foundation's objectives when managing capital are to safeguard the Foundation's ability to continue as a going concern:

EUR	31 December 2019	31 December 2018
Cash and cash equivalents - note 15	21.189	77.763
Less: total borrowings	-	-
Net cash	21.189	77.763

13. Joint Operations

The Foundation has a 10%-90% part in a joint arrangement with Members for which they conduct together joint projects, such as: conferences, debates, research papers, internal trainings, public events, etc. The foundation will call for proposals to partners and choose projects that will go through an approval process with the executive board. Once the project is approved they implement the project together with their partner. During 2019, the Foundation has not taken part in any joint arrangement.

14. Trade and other receivables

EUR	31 December 2019	31 December 2018
Trade receivables	340	-
Less: allowance for ECL	-	-
Trade receivables - net	340	-
Membership fees receivable	500	5.084
Donations receivable	10.698	-
Prepayments	3.586	-
Rental deposits	1.602	-
Total trade and other receivables	16.726	5.084
Non-current portion	1.602	-
Current portion	15.124	5.084

The carrying amounts of the Foundation's trade and other receivables are denominated in EURO.

The ageing of the trade receivables is as below:

31 December 2019	Days past due					Total
	Current	<30 days	30–60 days	61–90 days	>91 days	
	EUR	EUR	EUR	EUR	EUR	EUR
Total gross carrying amount at default	340	-	-	-	-	340

15. Cash and cash equivalents

EUR	31 December 2019	31 December 2018
Cash at banks and on hand	16.189	57.763
Savings accounts	5.000	20.000
Total cash and cash equivalents (excluding bank overdrafts)	21.189	77.763

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

EUR	31 December 2019	31 December 2018
Cash and cash equivalents	21.189	77.763
Bank overdrafts	-	-
Cash and cash equivalents (including bank overdrafts)	21.189	77.763

16. Trade and other payables

EUR	31 December 2019	31 December 2018
Trade payables	21.998	19.620
Social security and other taxes	9.409	8.752
European Parliament Grant	7.825	59.527
Other liabilities	7.123	6.651
Total Trade and other payables	46.355	94.550
Non-current portion	-	-
Current portion	46.355	94.550

The trade and other payables of the Foundation are current financial liabilities and are non-interest bearing and are normally settled on 30 day terms.

The movement of the European Parliament Grant of the period is further detailed in the table below:

(EUR)	31 December 2019	31 December 2018
At 1 January	59.527	418.968
Release grant into income statement	(358.290)	(359.441)
Grant carried-over 2018	(59.527)	-
Recovery order prior year	525	-
Grant awarded 2019	365.590	-
At 31 December	7.825	59.527

17. Commitments and contingencies

Contingent liabilities

The rental agreements for the office space contains a restoration clause. However the restoration obligation is at the discretion of the lessor and therefore not within the control of the Foundation.

18. Events after the reporting date

1) COVID-19 Crisis:

During the first half of 2020, the coronavirus outbreak has had huge impacts on the EU economy. In response to the pandemic worldwide spread, many governments in affected jurisdictions imposed travel bans, quarantines and other emergency public safety measures. For example, governments have imposed restrictions on travel and the movement and gathering of people. As a non-adjusting event, the outbreak of the coronavirus does not require any adjustments to the figures reported in these annual accounts.

For subsequent reporting periods, COVID-19 may affect the recognition and measurement of some assets and liabilities on the balance sheet and also of some revenue and expenses recognised in the statement of financial performance. For example, some planned events and meetings were cancelled, and revenue from external sources has decreased. The impact of these, among other effects, on the financial performance may be significant for the reporting year 2020. However the impact on Sallux revenue so far has not been significant. Based on the information available at the date of signature of these annual accounts, the financial effects of the coronavirus outbreak cannot be reliably estimated. The situation gives rise to uncertainty on the ability of the entity to continue as a going concern. The Board is confident however that Sallux will raise enough Own resources to secure the European Parliament Grant of 2020.

2) Brexit:

On 31 January 2020, the United Kingdom withdrew from the European Union. At present, negotiations for a new partnership with the United Kingdom of Great Britain and Northern Ireland

are ongoing. The Foundation estimates that this event will not have a significant impact on the operations and financial situation of the entity.