

# Sallux

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Independent auditor's report on the financial year  
ended 31 December 2020

**Grant Thornton Bedrijfsrevisoren SCRL**

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## **Independent auditor's report with respect to the Annual Accounts of the Sallux for the year ended 31 December 2020**

In accordance with our service contract dated 5 January 2021 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 Grant Thornton Bedrijfsrevisoren CVBA. This report includes our opinion on the balance sheet as at 31 December 2020, the income statement for the year ended 31 December 2020 and the disclosures (all elements together the "Annual Accounts") using the abbreviated schedule 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 5 January 2021. Our mandate expires after the delivery of our audit opinion for the year ended 31 December 2021.

### **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 comprise the balance sheet on 31 December 2020, as well as the income statement of the year and the disclosures, which show a balance sheet total of € 43.601 and of which the income statement shows a profit for the year of € 3.307.

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 2020, and of its results for the year then ended, prepared in accordance with the financial reporting framework applicable in The Netherlands, using the abbreviated schedule.

We have also audited the Final Statement of eligible expenditure actually incurred for the year ended 31 December 2020, in accordance with 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 2020 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.

### **Emphasis of Matter - Going concern**

We draw your attention to the disclosure on page 7 of to the Annual Accounts relating to the preparation of the Annual Accounts under the assumption that the activities will be continued, despite its financial position. 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). Following intense negotiations, an agreement on future EU-UK relations was concluded end of December 2020. The Entity has not made any disclosure of its assessment of the impact of Brexit and the aforementioned agreement 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 determine 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.

When performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the financial statements in The Netherlands. However, a statutory audit does not provide assurance as to the future viability of the Entity nor as to the efficiency or effectiveness with which the governing body has conducted or will conduct the Entity's business. Our responsibilities regarding the assumption of going concern applied by the governing body are described below.



Furthermore, with respect to the Final Statement of eligible expenditure actually incurred, it is our responsibility to express an opinion on the compliance with 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 Grant Agreement between the European Parliament and the Entity ('the Funding Agreement'), 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 agreement, 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**

- Without prejudice to certain formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in The Netherlands;
- The costs declared were actually incurred;
- The statement of revenue is exhaustive;
- The financial documents submitted by the entity to the European Parliament are consistent with the financial provisions of the Funding Agreement;
- 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 Agreement, in particular from Article II.9 and Article II.19 thereof, have been met;
- 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.

Vilvoorde, 25 June 2021

Grant Thornton Bedrijfsrevisoren SCRL  
Represented by

Gunther Loits  
Registered auditor

## **Annex 1: Annual accounts**



**sallux**

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ECPM FOUNDATION

Annual reporting 2020



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## Basic information about Sallux

### Regulations

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 political 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) No1141/2014 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 thinktanks and NGO's.

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

### Amendments of the Articles

On May 22 2014 the name of the association was changed from European Christian Political Foundation in to Christian Political Foundation for Europe. And on December 5 2016 the name was changed into Sallux, ECPM foundation. At 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.

### Board

The board has 11 members that are elected by the General Assembly. At the end of the year 2020 the board had the following members:

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)
	Gabriella Urbanova	(since June 9, 2018)
	Slawomir Ducher	(since June 9, 2018)
	Adam Bohar	(since June 13, 2019)
	Petru Bulica	(since December 18 2020)
	Valentina Rovinalti	(since December 18 2020)
	Ralf Pieckenbrock	(since December 18 2020)

In 2020 boardmember Karin Heepen left the board to become boardmember of ECPM.

The board had meetings on 11 February, 21 April, 2 July, 24 September and 3 December



## **General Assembly**

Sallux had in 2020 2 General Assemblies, both online, on May 29<sup>th</sup> and December 18<sup>th</sup> of 2020.

## **Financial report 2019 approved**

At the General Assembly held on May 29<sup>th</sup> the financial report 2019 has been approved, including all small changes made with regard to EP-services comments. The result of 2019: € 3.463 has been added to the General reserve.

## **Activities**

Most of the Events that were held, had to be done via digital platforms so there were not really main activities in real life.

All mayor and minor Sallux Events are registered on the website [www.sallux.eu](http://www.sallux.eu).

## **2020 Financial statements**

of  
SALLUX



## Balance sheet as at 31 December 2020

after appropriation of result

### Assets

(in euros)

	2020	2019*
<b>Non-current assets</b>		
Intangible assets (1)	5.153	9.531
Property, plant and equipment (2)	4.334	3.023
Financial assets (3)	1.602	1.602
Total of non-current assets	11.089	14.156
<b>Current assets</b>		
Receivables (4)	750	15.124
Cash at bank and in hand	31.762	21.189
Total of current assets	32.512	36.313
<b>Total assets</b>	<u>43.601</u>	<u>50.469</u>

### Equity and liabilities

(in euros)

	2020	2019
<b>Group equity (5)</b>		
Own equity	7.422	4.115
<b>Provisions (6)</b>	6.068	7.300
<b>Current liabilities (7)</b>	30.111	39.054
<b>Total of equity and liabilities</b>	<u>43.601</u>	<u>50.469</u>



## Income statement for the year ended 31 December 2020

(in euros)

	<u>2020</u>	<u>Budget 2020</u>	<u>2019</u>
<b>gross operating result (8)</b>	327.869	409.474	448.835
wages and salaries (9)	116.491	121.000	111.459
social security charges (10)	20.768	22.000	21.783
amortization of intangible assets and depreciation of property, plant and equipment (11)	6.306	5.000	4.886
other operating expenses (12)	<u>178.353</u>	<u>260.674</u>	<u>305.773</u>
<b>Total of sum of expenses</b>	321.918	408.674	443.901
	5.951	800	4.934
financial income and expenses (13)	-2.644	-800	-1.471
<b>Result</b>	<u>3.307</u>	<u>-</u>	<u>3.463</u>

### Appropriation of results

	<u>General reserve</u>
	€
General reserve at January 1, 2020	4.115
Result 2020	3.307
General reserve at December 31, 2020	<u>7.422</u>



## Statement of Cash Flows for the year ended 31 December 2020

	2020	2019
<b>Operating income for the year</b>	5.951	4.934
Adjustments for:		
Finance costs	7 -2.644	-1471
Depreciation and impairment of property, plant and equipment	9 1.927	612
Amortisation and impairment of intangible assets	10 4.378	4.274
Movement in provisions	5 -1.232	-52.227
European Parliament grant	-299.291	-365.590
<b>Net profit/(loss) before changes in working capital</b>	<b>-290.911</b>	<b>-409.468</b>
Changes in working capital:		
Decrease/(increase) in trade and other receivables	14.374	-11.642
Increase/(decrease) in trade and other payables	-8.943	3.506
Cash receipt/(reimbursement) European Parliament grant:		
Receipt of European Parliament grant	16 299.291	365.590
<b>Net cash flows from operating activities</b>	<b>13.812</b>	<b>-52.014</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of intangible assets	10 0	-2.807
Purchases of property, plant and equipment	9 -3.238	-1.752
Proceeds from sale of property, plant and equipment	0	0
<b>Net cash flows from investing activities</b>	<b>-3.238</b>	<b>-4.559</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	0	0
Interest paid on lease liabilities	7 0	0
Payments of lease liabilities	12 0	0
<b>Net cash flows from financing activities</b>	<b>0</b>	<b>0</b>
<b>Movement in cash and cash equivalents including bank overdrafts</b>	<b>10.573</b>	<b>-56.573</b>
<b>Net increase in cash and cash equivalents</b>	<b>10.573</b>	<b>-56.573</b>
Net foreign exchange difference		
<b>Cash and cash equivalents at 1 January</b>	<b>21.189</b>	<b>77.762</b>
<b>Cash and cash equivalents at 31 December</b>	<b>31.762</b>	<b>21.189</b>



# Accounting policies used in preparing the financial statements

## General

The registered office according to the Articles of Association of SALLUX is in Amersfoort SALLUX is registered in the Register of the Chamber of Commerce under the file number: 51012030. SALLUX was named European Christian Political Foundation until May 22, 2014 and Christian Political Foundation for Europe until April 11, 2017. SALLUX is officially registered with the Authority for European Political parties and foundations.

The address of SALLUX is Bergstraat 33, 3811NG AMERSFOORT

The financial statements for the year ended 31 December 2020 have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code. The financial statements were prepared on March 22nd 2021.

Although SALLUX is registered as a Association under Dutch Law, for reasons of clarity, SALLUX will be mentioned as 'the Foundation'. This is because of the registration of SALLUX with before mentioned Authority.

## Framework

In 2020 the Foundation has changed their presentation-framework of the Annual Account. The framework used to be 'in accordance with the Guidelines for annual reporting of the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving')' but changed to the model provided in RJK C1. The change in Framework has no effect on the result and own equity of 2019 and 2020.

## Affiliated organizations

SALLUX is the official Foundation of ECPM, a Political party on European Level.

## Activities

The Foundations main activities are organizing of meetings, studies and research and the support of ECPM and influencing the opinion in Europe.

## Going concern

The equity of SALLUX amounts to € 7.422 as at 31 December 2020. The reserves used to be negative. Currents assets (€ 32.512) are just sufficient to cover short term liabilities (€ 30.111). 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 2021 the Authority awarded a grant of maximum € 366.409. 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.



## **Foreign currency**

### **Functional currency**

The financial statements are prepared and presented in euros, which is also the functional currency of the company.

### **Foreign currency translation**

Transactions denominated in foreign currencies are initially recorded at the functional currency exchange rates on the date of transaction. Monetary balance sheet items denominated in foreign currencies are translated at the functional currency exchange rates on the balance sheet date. Non-monetary balance sheet items that are measured at historical cost in a foreign currency are translated at the functional exchange rates ruling on the date of transaction. Non-monetary balance sheet items that are measured at current value are translated at the functional exchange rates ruling on the date of valuation.

Foreign currency exchange rate results arising on the settlement or translation of monetary items denominated in foreign currencies are recognized in the income statement.

Exchange differences arising on the translation of non-monetary assets and liabilities denominated in foreign currencies that are carried at current value are recognized directly in the revaluation reserves in equity.

## **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.

SALLUX does not have derivatives.

## **Intangible assets**

### **General**

An intangible asset is recognized in the balance sheet if:

- It is probable that the future economic benefits that are attributable to the asset will accrue to SALLUX
- The cost of the asset can be reliably measured

Costs relating to intangible assets not meeting the criteria for capitalization (for example, cost of research, internal developed brands, logos, trademark rights and client databases) are recognized directly in the income statement.

Intangible assets obtained on the acquisition of a group company are carried at the fair value as at the date on which they are obtained.



Intangible assets are carried at cost of acquisition or production net of accumulated amortization and accumulated impairment losses where applicable.

Intangible assets are amortized on a straight-line basis over their expected useful economic lives, subject to a maximum of 20 years. The useful economic life and the amortization method are reviewed at each financial year-end. If the estimated useful economic life exceeds twenty years, an impairment test is carried out at each financial year-end following the date of recognition.

## **Property, plant and equipment**

### **Property, plant and equipment for own use**

Property, plant and equipment for own use are carried at the cost of acquisition or production (less any investment grants) net of accumulated depreciation and, if applicable, accumulated impairment losses. Property, plant and equipment carried at cost do not include capitalized interest charges.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful economic lives, taking into account the residual value.

The duration of amortization is as follows:

- Other property, plant and equipment are depreciated over three to five years

If the expected depreciation method, useful economic life and/or residual value are subject to changes over time, they are treated as a change in accounting estimate.

The carrying amount includes capitalized major maintenance costs when incurred and if the recognition criteria are met. The carrying amount of the components to be replaced will be regarded as a disposal and recognized directly in the income statement. All other repair and maintenance costs are recognized directly in the income statement.

If a property, plant and equipment involves costs of obligations for restoring that are the consequence of having built the asset, the costs of restoring are recognized as part of the carrying amount of the asset, with a provision being recognized for an equal amount at the same time.

Property, plant and equipment is derecognized upon sale or when no further economic benefits are expected from its continued use or sale. The gain or loss arising on the disposal is recognized in the income statement.

## **Financial assets**



## **Other financial assets**

### **Non-current receivables**

Non-current receivables and loans granted to participating interests as well as other receivables granted are recognized initially at fair value plus directly attributable transaction costs, and subsequently stated at amortized cost based on the effective interest method, minus impairment where applicable. Gains and losses are recognized in the income statement when the receivables are transferred to a third party or an (reversal) impairment is recognized, as well as through the amortization process.

### **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.

### **Cash at bank and in hand**

Cash at bank and in hand includes cash in hand, bank balances, notes and cheques and carried at face value. It also includes deposits if these are effectively at SALLUX's free disposal, even if interest income may be lost.

Cash at bank and in hand not expected to be at SALLUX's free disposal for longer than twelve months is classified as financial assets under the non-current assets. Cash at bank and in hand are carried at face value.

## **Impairment of non-financial assets**

SALLUX assesses, at each reporting date, whether a non-financial asset or group of non-financial assets is impaired. SALLUX assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, SALLUX estimates the asset's recoverable amount. If it is not possible to determine the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

An impairment occurs when the carrying amount of an asset is higher than the recoverable amount; the recoverable amount is the higher of the net realizable value and the value in use. An impairment loss is directly recognized in the income statement while the carrying amount of the asset concerned is concurrently reduced.

The net realizable value is initially based on a binding sale agreement; if there is no such agreement, net realizable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. In cases where there is no active market, the net realizable value is derived from generally accepted valuation models. The costs deducted in determining the net realizable value are based on the estimated costs that are directly attributable to the sale and are necessary to realize the sale.

SALLUX assesses, at each reporting date, whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, SALLUX estimates the



asset's or cash-generating unit recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

## **Classification of equity and liabilities**

A financial instrument or its separate components are classified in the financial statements as liability or as equity, in accordance with the substance of the contractual agreement underlying the financial instrument. In SALLUX financial statements, a financial instrument is classified in accordance with the legal reality. Interest, dividends, gains and losses relating to a financial instrument, or part of a financial instrument, are included in the financial statements in accordance with the classification of the financial instrument as liability or equity.

## **Provisions**

A provision is recognized if SALLUX 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.

If a third-party reimbursement of expenses to settle a provision is probable, the reimbursement is recognized as a separate asset.

## **Non-current liabilities**

On initial recognition, non-current liabilities are carried at fair value less directly attributable transaction costs. After initial recognition, non-current liabilities are carried at amortized cost.

## **Current 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.

## **Income**

### **General**

The Foundation's income is mainly the European Parliament-Grant. Members are paying a annual membership fee, based on the regulation adopted by the General Assembly and the Board. The Foundation also sells books (via the website or on events) and charges fees for attendance of Events.

### **Sale of goods**

Income from the sale of goods is recognized in the income statement once all the major rights to economic benefits and significant risks relating to the goods have been transferred to the buyer, the income can be reliably measured and the income is probable to be received.



## Services

If the result of a transaction relating to a service can be reliably estimated and the income is probable to be received, the income relating to that service is recognized in proportion to the service delivered. Stage of completion is based on the costs incurred in providing the services up to the balance sheet date in proportion to the estimated costs of the total services to be provided.

## Interest

Interest income is recognized pro rata in the income statement, taking into account the effective interest rate for the asset concerned.

## Government grants related to income

Government grants related to income are recognized in the income statement in the year in which the subsidized expenditure is incurred, in which the reduction of income is recognized or in which the operating loss is incurred for which the grant was received. The EP-grant that the Foundation receives counts as a Government grant.

## Expenses

### General

Expenses are determined with due observance of the aforementioned accounting policies and allocated to the financial year to which they relate. Foreseeable and other obligations as well as potential losses arising before the financial year-end are recognized if they are known before the financial statements are prepared and provided all other conditions for forming provisions are met.

### Personnel

Wages, salaries and social security charges are recognized in the income statement according to the terms of employment, to the extent they are due to either employees or the tax authorities.

SALLUX recognizes an obligation if it has demonstrably committed to paying a termination benefit or transition payment. If the termination is part of a reorganization, SALLUX includes the costs of a termination benefit or transition payment in a provision for reorganization costs.

Jubilee benefits are recognized as an expense in the year in which they are paid.

### Interest

Interest is allocated to successive financial reporting periods in proportion to the outstanding principal. Premiums and discounts are treated as annual interest charges so that the effective interest rate, together with the interest payable on the loan, is recognized in the income statement, with the amortized (net) cost of the liabilities being recognized in the balance sheet. Period interest expense and similar related expenses are recognized in the year in which they fall due.



## Notes to the balance sheet as at 31 December 2020

### Intangible assets (1)

The movement of the Intangible assets can be calculated as follows:

	Software	Website	Total
<b>Opening net book amount at 1 January 2019</b>	377	10.621	10.998
Additions	-	2.807	2.807
Disposals	-	-	-
Depreciation charge	-174	-4.100	-4.274
<b>Closing net book amount at 31 December 2019</b>	<b>203</b>	<b>9.328</b>	<b>9.531</b>
<b>At 31 December 2019</b>			
Cost or valuation	696	16.817	17.513
Accumulated depreciation, impairment and other adjustments	-493	-7.489	-7.982
<b>Closing net book amount at 31 December 2019</b>	<b>203</b>	<b>9.328</b>	<b>9.531</b>
<b>Opening net book amount at 1 January 2020</b>			
Additions	203	9.328	9.531
Disposals	-	-	-
Depreciation charge	-174	-4.204	-4.378
<b>Closing net book amount at 31 December 2020</b>	<b>29</b>	<b>5.124</b>	<b>5.153</b>
<b>At 31 December 2020</b>			
Cost or valuation	696	16.817	17.513
Accumulated depreciation, impairment and other adjustments	-667	-11.693	-12.360
<b>Closing net book amount at 31 December 2020</b>	<b>29</b>	<b>5.124</b>	<b>5.153</b>
<b>Amortization rate</b>	<b>25%</b>	<b>33,3%</b>	



## Property, plant and equipment (2)

The movement of the property, plant and equipment can be calculated as follows

EUR	Plant, Machinery and equipment	Furniture and material	Total
<b>At 1 January 2019</b>			
Cost or valuation	1.552	4.124	5.676
Accumulated depreciation, impairments and other adjustments	-1.216	-2.577	-3.793
<b>Opening net book value at 1 January 2019</b>	<b>336</b>	<b>1.547</b>	<b>1.883</b>
<b>Period ended 31 December 2019</b>			
Additions	1.752	0	1.752
Disposals	0	0	0
<b>Closing Cost or Valuation at 31 December 2019</b>	<b>3.304</b>	<b>4.124</b>	<b>7.428</b>
Accumulated depreciation on disposals	0	0	0
Depreciation charge for the year	-310	-302	-612
<b>Closing Accumulated depreciation, impairments and other adjustments at 31 December 2019</b>	<b>-1.526</b>	<b>-2.879</b>	<b>-4.405</b>
<b>Closing net book value at 31 December 2019</b>	<b>1.778</b>	<b>1.245</b>	<b>3.023</b>
<b>Period ended 31 December 2020</b>			
Additions	0	3.238	3.238
Disposals	-	-2.365	-2.365
<b>Closing Cost or Valuation at 31 December 2020</b>	<b>3.304</b>	<b>4.997</b>	<b>8.301</b>
Accumulated depreciation on disposals	0	2.365	2.365
Depreciation charge for the year	-464	-1.463	-1.927
<b>Closing Accumulated depreciation, impairments and other adjustments at 31 December 2020</b>	<b>-1.990</b>	<b>-1.977</b>	<b>-3.967</b>
<b>Closing net book value at 31 December 2020</b>	<b>1.314</b>	<b>3.020</b>	<b>4.334</b>
Depreciation rate:	25%	20-33%	

All Property, plant and equipment is owned by the Foundation and valued  
The used method of depreciation is: straight-line depreciation.

The item Property, plant and equipment is only for SALLUX's own use. This was also the case in 2019.



### Financial assets (3)

The financial assets consist of a Rental-deposit that was paid to the lessor of the building on Bergstraat 33, Amersfoort NL.

EUR	31-dec-20	31-dec-19
Rental deposit	1.602	1.602
<b>Total Financial Assets</b>	<b>1.602</b>	<b>1.602</b>

### Receivables (4)

EUR	31-dec-20	31-dec-19
Trade receivables	0	340
Membership fees receivable	500	500
Donations receivable	0	10698
Prepayments	250	3586
<b>Total trade and other receivables</b>	<b>750</b>	<b>15.124</b>

### Own equity (5)

#### Equity

EUR	2020	2019
Opening amount January 1st	4.115	652
Result of the financial year	3.307	3.463
<b>Closing amount at 31 December</b>	<b>7.422</b>	<b>4.115</b>

### Provisions (6)

The Foundation has, according to Regulation EU, EURATOM 1141/2014 a possibility to 'carry-over' costs from year N+1 to year N, in order to receive the total contribution of the European Parliament. A provision is formed for the amount not spent in year N to receive the full contribution. This amount is calculated annually with support of a 'Contribution calculation document'.

EUR	31-dec-20	31-dec-19
<b>Provision carry-over Q1 next year</b>	<b>6.068</b>	<b>7.300</b>

Provisions are carried at present value, unless stated otherwise. This provision is the amount of the Grant of 2020 carried over to 2021. It has to be covered by expenses in the first 3 months of 2021. In these months the expenses were higher than the provision.



## Current liabilities (7)

EUR	31-dec-20	31-dec-19
Creditors	14.675	21.997
Taxes	9.357	9.409
European Parliament Grant	-	525
Holiday allowance	6.146	7.050
Salaries payable	-91	0
Other liabilities	24	73
<b>Total current liabilities</b>	<b>30.111</b>	<b>39.054</b>

## Arrangements and commitments not shown in the balance sheet

### Operating leases – group as lessee

SALLUX has entered into operating leases for office space as lessee. The face value of the future minimum lease payments is € 30.622 (2019: €36.928). The average maturity of the operating lease contracts per balance sheet date is 4,2 years (2019: 5,2 years).



## Notes to the income statement for the year ended 31 December 2020

### Gross operating result (8)

EUR	31-dec-20	Budget 2020	31-dec-19
EP-grant	299.291	389.000	365.590
Membershipfees	5.250	10.000	4.300
Donations	15.725	10.474	17.892
Booksales/Entrance fees	303	-	1.526
Carry-over	7.300	-	59.527
Interest from prefinancing	-	-	-
	<b>327.869</b>	<b>409.474</b>	<b>448.835</b>

The European Parliament grant is recognized for € 299.291 of the contract with the European Parliament. This grant is based on an annual application. The provisions for this grant are laid down in the grant decision FINS 2020-19 dated 13-02-2020. The final report of 2019 has been approved by the European Parliament on 18-01-2021.

### Wages and salaries (9)

EUR	31-dec-20	Budget 2020	31-dec-19
Wages and Salaries	116.491	121.000	111.459

### Social security charges (10)

EUR	31-dec-20	Budget 2020	31-dec-19
Pension charges	-	-	-
Other social security charges	20.768	22.000	21.783
	<b>20.768</b>	<b>22.000</b>	<b>21.783</b>

### Workforce

The average number of staff (in FTEs) employed by SALLUX in 2020 was 2,33 (2019:2,33.). All staff was working from the Amersfoort Office. There were no employees working from outside The Netherlands.

### Amortization of intangible assets and depreciation of property, plant and equipment (11)

EUR	31-dec-20	Budget 2020	31-dec-19
Intangible assets	4.379	3.000	4.274



Property, plant and equipment

1.927	2.000	612
<b>6.306</b>	<b>5.000</b>	<b>4.886</b>

## Other operating expenses (12)

EUR	31-dec-20	Budget 2020	31-dec-19
Other personell costs	39.171	46.500	71.908
Rent and cost of housing	12.095	11.000	10.787
Office costs	9.239	7.600	20.274
Accounting and Legal costs	9.931	9.500	10.694
Studies and research	60.150	100.000	56.300
Events and meetings	35.996	69.074	113.502
Publication costs	2.175	6.000	7.989
Website	4.383	5.500	2.236
Publicity and communications	9.832	2.813	3.000
Postal and telecom	2.400	2.500	2.251
	<b>178.353</b>	<b>260.674</b>	<b>305.773</b>

## Financial income and expenses (13)

EUR	31-dec-20	Budget 2020	31-dec-19
Financial costs	2.644	800	1.471
	<b>2.644</b>	<b>800</b>	<b>1.471</b>



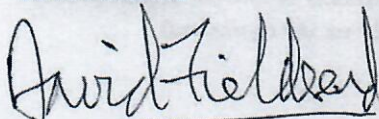
## Events after the balance sheet date for the consolidated financial statements

In 2020 the Corona-virus spread through the world. This was very disturbing for the economy and society. Because Sallux receives the main part of its income from the European Parliament, Sallux does not (financially) suffer from the crisis. For 2021 it is expected that more 'live-events' will take place again.

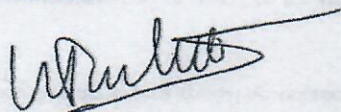
## Signatories to the financial statements

Board:

David Fieldsend



Walter van Luik





## **Other information**

### **Auditor's report**

The Auditor's report can be found on the next page.

### **Statutory remarks about Appropriation of results**

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 2020 of € 3.307 has been added to the General reserve.



## Annex 1: Profit and Loss account according to the models given by European Parliament

	2020	2020 budget	2019
<b>A.1: Personell costs</b>			
A.1.1. Salaries	155.390	160.000	150.462
A.1.2. Contributions	-	-	-
A.1.3. Professional training	-	500	-
A.1.4. Staff mission expensives	3.104	15.000	33.202
A.1.5. Other personell costs	17.936	14.000	21.486
	<hr/>	<hr/>	<hr/>
	176.431	189.500	205.150
<b>A.2: Infrastructure and operating costs</b>			
A.2.1. Rent, charges & maintenance costs	12.095	11.000	10.787
A.2.2. Costs relating to the installation, etc	2.803	3.000	701
A.2.3. Depreciation of (im)movable property	6.306	5.000	4.886
A.2.4. Stationary and office supplies	547	1.500	1.487
A.2.5. Postal and telecommunications charges	2.400	2.500	2.251
A.2.6. Printing, translations and reprod. costs	2.512	5.000	11.407
A.2.7. Other infrastructure costs	-	100	-
	<hr/>	<hr/>	<hr/>
	26.662	28.100	31.519
<b>A.3: Administrative expenditure</b>			
A.3.1. Documentation costs (newspapers etc.)	112	1.000	80
A.3.2. Costs of studies and research	60.150	100.000	56.300
A.3.3. Legal costs	-	500	1.022
A.3.4. Accounting and office costs	9.931	9.000	9.672
A.3.5. Support to affiliated org and subsidies	-	-	-
A.3.6. Miscellaneous administrative costs	425	800	459
	<hr/>	<hr/>	<hr/>
	70.618	111.300	67.533
<b>A.4: Meetings and representation costs</b>			
A.4.1. Costs of meetings of the foundation	35.848	67.074	112.961
A.4.2. Participation in seminars and conf	-	1.000	149
A.4.3. Representation costs	149	1.000	-
A.4.4. Costs of invitations	-	-	-
A.4.5. Other meeting related costs	-	-	392
	<hr/>	<hr/>	<hr/>
	35.997	69.074	113.502
<b>A.5: Information and publication costs</b>			
A.5.1. Publications costs	2.175	6.000	7.989
A.5.2. Creation and operation of internet sites	1.580	2.500	1.535
A.5.3. Publicity costs	2.813	2.000	7.429
A.5.4. Communication equipment (gadgets)	-	1.000	2.403
A.5.5. Seminars and exhibitions	-	-	-



A.5.6. Election Campaigns	-	-	-
A.5.7. Other information related costs	-	-	-
	6.568	11.500	19.356
A.6. Expenditure related to contrib. in kind	-	-	-
A.7. Allocation to "Provision to cover etc.	6.068	-	7.300
B.1 Non-eligible expenditure			
B.1.1. Allocations to other provisions	-	-	-
B.1.2. Financial charges	-	-	-
B.1.3. Exchange losses	-	-	-
B.1.4. Doubtfull claims on third parties	2.219	-	706
B.1.5. Others	-	-	306
	2.219	-	1.012
Total expenditure	324.563	324.563	409.474
D.1. Carry over last year	7.300	-	59.527
D.2. European parliament grant	299.291	389.000	365.590
D.3. Membership fees			
D.3.1. Membership fees from member parties	5.250	9.000	4.300
D.3.2. Membership fees from ind. members	-	1.000	-
D.4. Donations			
D.4.1. Donations above 500 EUR	14.840	10.474	15.448
D.4.2. Donations below 500 EUR	885	-	2.444
D.5. Other own resources	303	-	1.526
D.6. Interest from prefinancing	-	-	-
Total Revenue	327.869	409.474	448.835
Result	3.307	-	3.463



## Annex 2: Members of SALLUX (on 31-21-2020)

The following organisations are full members of Sallux. Full membership is the only type of membership in Sallux

<b>Name of organisation</b>	<b>Abbreviation</b>	<b>Country</b>
Familienforum Osterreich	FO	Austria
Kompassi	Kompassi	Finland
A Barankovics István Alapítvány (The Stephen Barankovics Foundation)	BIA	Hungary
Keresztény Értelmiségiek Szövetsége (Federation of Christian Intellectuals)	KESZ	Hungary
Fondazione Magna Carta	FMC	Italy
Integra	Integra	North Macedonia
Foundation for International Christian Democratic Development	FICDD	Netherlands
Wetenschappelijk Instituut ChristenUnie	WI CU	Netherlands
Wetenschappelijk Instituut SGP	WI SGP	Netherlands
European Economic Summit	EES	Netherlands
Schuman Centre for European Studies	Schuman Centre	Netherlands
Areopagus	Areopagus	Romania
Pro Vita București	PVB	Romania
World Teach	WT	Romania
Cristianos En Democracia	CED	Spain
Clapham Institute	CI	Sweden
Jubilee Centre	JC	UK
Foundation Democratic Initiatives	FDI	Ukraine

## **Annex 2: Final Statement of eligible expenditure actually incurred**



## ESTIMATED BUDGET

Costs		
Reimbursable costs	Budget	Actual
<b>A.1: Personnel costs</b>	<b>189.500,00</b>	<b>176.431,00</b>
1. Salaries	160.000,00	155.390,00
2. Contributions	0,00	0,00
3. Professional training	500,00	0,00
4. Staff missions expenses	15.000,00	3.104,00
5. Other personnel costs	14.000,00	17.937,00
<b>A.2: Infrastructure and operating costs</b>	<b>28.100,00</b>	<b>26.662,00</b>
1. Rent, charges and maintenance costs	11.000,00	12.095,00
2. Costs relating to installation, operation and maintenance of equipment	3.000,00	2.803,00
3. Depreciation of movable and immovable property	5.000,00	6.305,00
4. Stationery and office supplies	1.500,00	547,00
5. Postal and telecommunications charges	2.500,00	2.400,00
6. Printing, translation and reproduction costs	5.000,00	2.512,00
7. Other infrastructure costs	100,00	0,00
<b>A.3: Administrative costs</b>	<b>111.300,00</b>	<b>64.668,00</b>
1. Documentation costs (newspapers, press agencies, databases)	1.000,00	112,00
2. Costs of studies and research	100.000,00	54.200,00
3. Legal costs	500,00	0,00
4. Accounting and audit costs	9.000,00	9.931,00
5. Miscellaneous administrative costs	800,00	425,00
6. Support to third parties	0,00	0,00
<b>A.4: Meetings and representation costs</b>	<b>69.074,00</b>	<b>41.947,00</b>
1. Costs of meetings	67.074,00	41.798,00
2. Participation in seminars and conferences	1.000,00	0,00
3. Representation costs	1.000,00	149,00
4. Costs of invitations	0,00	0,00
5. Other meeting-related costs	0,00	0,00
<b>A.5: Information and publication costs</b>	<b>11.500,00</b>	<b>6.568,00</b>
1. Publication costs	6.000,00	2.175,00
2. Creation and operation of Internet sites	2.500,00	1.580,00
3. Publicity costs	2.000,00	2.813,00
4. Communications equipment (gadgets)	1.000,00	0,00
5. Seminar and exhibitions	0,00	0,00
6. Other information-related costs	0,00	0,00
<b>A.6. Allocation to "Provision to cover eligible costs of the first quarter of year N+1"</b>		<b>6.068,00</b>
<b>A. TOTAL ELIGIBLE COSTS</b>	<b>409.474,00</b>	<b>322.344,00</b>
<b>Ineligible costs</b>		
1. Provisions		
2. Exchange losses	0,00	
3. Doubtful claims on third parties		2.219,00
4. Contributions in kind		0,00
5. Others (to be specified)		0,00
<b>B. TOTAL INELIGIBLE COSTS</b>	<b>0,00</b>	<b>2.219,00</b>
<b>C. TOTAL COSTS</b>	<b>409.474,00</b>	<b>324.563,00</b>

Revenue		
	Budget	Actual
D.1. Dissolution of "Provision to cover eligible costs of the first quarter of year N"	n/a	7.300,00
D.2. European Parliament funding	389.000,00	299.291,00
D.3. Member contributions	10.000,00	5.250,00
3.1 from member organisations	10.000,00	5.250,00
3.2 from individual members	0,00	0,00
D.4 Donations	10.474,00	15.725,00
	10.474,00	14.840,00
		885,00
D.5 Other own resources	0,00	303,00
booksales		303,00
interest prefinancing		
D.6. Interest from pre-financing		
D.7. Contributions in kind		
<b>D. TOTAL REVENUE</b>	<b>409.474,00</b>	<b>327.869,00</b>
<b>E. profit/loss (D-C)</b>	<b>0,00</b>	<b>3.306,00</b>

F. Allocation of own resources to the reserve account	0,00	3.306,00
G. Profit/loss for verifying compliance with the no-profit rule (E-F)	0,00	0,00

DAVID FIELDSEND  
David Fieldsend

Walter van Luik  
Walter van Luik

# Sallux

Independent auditor's report on the Financial Statements for  
the year ended 31 December 2020

**Grant Thornton Bedrijfsrevisoren SCRL**

Registered Office  
Potvlietlaan 6  
2600 Berchem  
Belgium

[www.grantthornton.be](http://www.grantthornton.be)

**Independent auditor's report on the Financial Statements in accordance with International Financial Reporting Standards of Sallux for the year ended 31 December 2020**

**Unqualified opinion**

We have audited the Financial Statements of Sallux (the "Entity"), which comprise the statement of financial position as at 31 December 2020, 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 2020, 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 25 June 2021.

**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). Following intense negotiations, an



agreement on future EU-UK relations was concluded end of December 2020. 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.

### **Emphasis of Matter – 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.

Vilvoorde, 29 September 2021

Grant Thornton Bedrijfsrevisoren SCRL  
Represented by

Gunther Loits  
Registered auditor





ECPM FOUNDATION

Financial statements as of and for the year  
ended 31 December 2020

DAVID FIELDSEND  
David Fieldsend

W.T. van Lee

W.T. van Lee

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## Statement of financial position at 31 December 2020

EUR	Notes	31 December 2020	31 December 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	32.099	37.002
Intangible assets	10	4.427	8.459
Trade and other receivables	14	1.602	1.602
<b>Total non-current assets</b>		<b>38.128</b>	<b>47.063</b>
<b>Current assets</b>			
Trade and other receivables	14	750	15.124
Cash and cash equivalents	15	31.762	21.189
<b>Total current assets</b>		<b>32.512</b>	<b>36.313</b>
<b>Total assets</b>		<b>70.640</b>	<b>83.376</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Initial funds</b>			
Retained earnings		6.342	3.245
<b>Total equity</b>		<b>6.342</b>	<b>3.245</b>
<b>Non-current liabilities</b>			
Leasing liabilities	11	21.650	27.571
<b>Total non-current liabilities</b>		<b>21.650</b>	<b>27.571</b>
<b>Current liabilities</b>			
Trade and other payables	16	36.180	46.355
Leasing liabilities	11	6.468	6.205
<b>Total current liabilities</b>		<b>42.648</b>	<b>52.560</b>
<b>Total liabilities</b>		<b>64.298</b>	<b>80.131</b>
<b>Total equity and liabilities</b>		<b>70.640</b>	<b>83.376</b>

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



## Statement of profit or loss for the year ended 31 December 2020

EUR	Notes	2020	2019
Revenue from contracts with customers	4	5.250	4.300
Other income	5	303.551	436.709
<b>Revenue</b>		<b>308.801</b>	<b>441.009</b>
General and administrative expenses	6	304.449	437.649
<b>Operating profit/(loss)</b>		<b>4.302</b>	<b>3.360</b>
Finance costs	7	1.205	1.293
<b>Profit/(loss) for the year</b>		<b>3.097</b>	<b>2.067</b>

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

## Statement of comprehensive income for the year ended 31 December 2020

EUR	Notes	2020	2019
Profit/(loss) for the year		3.097	2.067
<b>Other comprehensive income</b>			
<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		-	-
<b>Total comprehensive income for the year, net of tax</b>		<b>3.097</b>	<b>2.067</b>

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



## Statement of changes in equity for the year ended 31 December 2020

EUR	Initial funds	Reserves	Retained earnings	Total equity
<b>Balance at 1 January 2019</b>	-	-	1.178	1.178
Other comprehensive income	-	-	-	-
Profit/(loss) for the year	-	-	2.067	2.067
<b>Balance at 31 December 2019</b>	-	-	3.245	3.245
<b>Balance at 1 January 2020</b>	-	-	3.245	3.245
Other comprehensive income	-	-	-	-
Profit/(loss) for the year	-	-	3.097	3.097
<b>Balance at 31 December 2020</b>	-	-	6.342	6.342

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

## Statement of cash flows for the year ended 31 December 2020

EUR	Notes	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit/(loss) for the year</b>		3.097	2.067
Adjustments for:			
Finance costs	7	1.205	1.293
Depreciation and impairment of property, plant and equipment	9	8.590	6.545
Amortisation and impairment of intangible assets	10	4.032	3.962
European Parliament grant	5	(301.748)	(417.292)
<b>Net profit/(loss) before changes in working capital</b>		<b>(284.824)</b>	<b>(403.425)</b>
Changes in working capital:			
Decrease/(increase) in trade and other receivables		14.374	(11.642)
Increase/(decrease) in trade and other payables		(8.843)	3.048
Cash receipt/(reimbursement) European Parliament grant:			
Receipt of European Parliament grant	16	299.991	365.590
<b>Net cash flows from operating activities</b>		<b>20.698</b>	<b>(46.429)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of intangible assets	10	0	(1.423)
Purchases of property, plant and equipment	9	(3.687)	(1.752)
Proceeds from sale of property, plant and equipment		-	-
<b>Net cash flows from investing activities</b>		<b>(3.687)</b>	<b>(3.175)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		-	-
Interest paid on lease liabilities	7	(780)	(834)
Payments of lease liabilities	12	(5.658)	(6.136)
<b>Net cash flows from financing activities</b>		<b>(6.438)</b>	<b>(6.970)</b>
<b>Movement in cash and cash equivalents including bank overdrafts</b>		<b>10.573</b>	<b>(56.574)</b>
<b>Net increase in cash and cash equivalents</b>		<b>10.573</b>	<b>(56.574)</b>
Net foreign exchange difference			
<b>Cash and cash equivalents at 1 January</b>		<b>21.189</b>	<b>77.763</b>
<b>Cash and cash equivalents at 31 December</b>		<b>31.762</b>	<b>21.189</b>

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



## Notes to the financial statements for the year ended 31 December 2020

### 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 2020 were authorized for issue in accordance with a resolution of the Board of Directors on September 29<sup>th</sup> 2021.

#### 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 Luik	Treasurer	07-06-2012	GA 2021
Christophe Foltzenlogel	Secretary	08-05-2015	GA 2021
Antero Laukkanen	Vice-President	25-03-2013	GA 2023
Annelie Enochson	Member	08-05-2014	GA 2023
Gabriela Urbanova	Member	09-06-2018	GA 2021
Slawomir Ducher	Member	09-06-2018	GA 2021
Adam Bohár	Member	13-06-2019	GA2022
Valentina Rovinalti	Member	18-12-2020	GA2024
Petru Bulica	Member	18-12-2020	GA2024
Ralf Pieckenbrock	Member	18-12-2020	GA2024

#### Auditors

The statutory audit of the standalone financial statements is performed by Grant Thornton Bedrijfsrevisoren SCRL represented by Gunther Loits.

#### 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 2020 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 2020 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
<b>Useful lives</b>	4 Years	4 Years
<b>Amortisation method used</b>	Straight-line basis	Straight-line basis
<b>Internally generated</b>	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 Party receives a grant from the European Parliament, which is awarded at the beginning of each accounting year (since January 1st 2019), whereas before it was most of the time awarded at the end of the prior accounting year. The Foundation received the grant for the income year 2020 in February 2020. 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 life 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.

#### **I) 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. 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.

The Foundation applied IFRS 16 Leases for the first time in the financial year closing 31 December 2019.



Several other amendments and interpretations apply for the first time in 20~~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 2020 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. 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

### **2.3. 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 Party's financial statements are disclosed below. The Party intends to adopt these standards and interpretations, if applicable, when they become effective.

- Amendments to IFRS 4: Insurance Contracts - deferral of IFRS 9: applicable for annual periods beginning on or after January 1, 2021.
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform - Phase 2: applicable for annual periods beginning on or after January 1, 2021.
- IFRS 17: Insurance contracts: applicable for annual periods beginning on or after January 1, 2023.
- Amendments to IAS 1: Presentation of Financial Statements: Classification of Liabilities as Current or Non-current: applicable for annual periods beginning on or after January 1, 2023.
- Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies: applicable for annual periods beginning on or after January 1, 2023.
- Amendments to IAS 8: Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates: applicable for annual periods beginning on or after January 1, 2023.
- Amendments to IAS 16: Property, Plant and Equipment: Proceeds before Intended Use: applicable for annual periods beginning on or after January 1, 2022.

- Amendments to IAS 37: Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract: applicable for annual periods beginning on or after January 1, 2022.
- Amendments to IFRS 3: Business Combinations: Reference to the Conceptual Framework: applicable for annual periods beginning on or after January 1, 2022.
- Annual improvements to IFRS Standards (2018 - 2020 cycle): applicable for annual periods beginning on or after January 1, 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 2020 this liability amounts to EUR 0 (2019: EUR 525).

#### 4. Revenue from contracts with customers

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

EUR	2020	2019
<b>Type of revenue</b>		
Membership fees:		
- From parties	5.250	4.300
- From associate members	-	-
<b>Total revenue from contracts with customers</b>	<b>4.300</b>	<b>23.850</b>
<b>Geographical market</b>		
Membership fees:		
- From France	-	500
- From The Netherlands	4.500	2.100
- From United Kingdom	-	500
- From Others	750	1.200
<b>Total revenue from contracts with customers</b>	<b>5.250</b>	<b>4.300</b>

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 0 at 31 December 2020 (EUR 500 in 2019). These receivables are non-interest bearing and are generally on terms of 30 days. In 2020 EUR 0 (EUR 0 2019) 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	2020	2019
<b>Other income</b>		
European Parliament Grant	293.223	357.765
European Parliament Grant-carry over	7.300	59.527
Donations:		
- Above EUR 500	1.840	15.448
- Below EUR 500	885	2.445
Other	303	1.524
<b>Total other income</b>	<b>303.551</b>	<b>436.709</b>

## 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	2020	2019
Advertising and promotional costs	-	2.403
Amortization intangible assets	4.032	3.962
Depreciation Property Plant and Equipment	1.927	612
Depreciation on right of use - offices	6.664	5.933
Event costs	28.798	113.110
Meetings and representation costs	2.324	8.381
Office cost	8.490	16.710
Rent	-	-
Accounting cost	9.931	9.672
Documentation costs (newspaper, database, press agencies)	112	80
Research and development costs	54.200	56.300
Information and publication costs	1.580	1.535
IT, phone & internet	2.400	2.251
Website	5.616	9.516
Travel expenses	3.104	33.202
Wages and salaries	116.491	111.459
Social security cost	20.768	21.783
Employer related costs – cars, trainings and others	36.068	38.706
Other	1.994	2.034
<b>Total</b>	<b>304.499</b>	<b>437.649</b>



## 7. Finance income and costs

EUR	2020	2019
<b>Finance income</b>		
<b>Total finance income</b>	-	-
<b>Finance costs</b>		
Interest on lease liabilities	780	834
Bank charges	425	459
Other finance costs	-	-
<b>Total finance costs</b>	<b>1.205</b>	<b>1.293</b>

## 8. Employee benefit expense

EUR	2020		2019	
	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	116.491	-	111.459	-
Social security costs	20.768	-	21.783	-
Employer related costs	36.068	-	38.706	-
<b>Total employee benefit expense</b>	<b>173.327</b>	<b>-</b>	<b>171.948</b>	<b>-</b>

	2020	2019
Average number of employees - head office	3	3
<b>Total average number of employees</b>	<b>3</b>	<b>3</b>

## 9. Property, plant and equipment

EUR	Plant, Machinery and equipment	Furniture and material	Right-of-use offices	Total
<b>At 1 January 2019</b>				
Cost or valuation	1.552	7.079	39.912	45.588
Accumulated depreciation, impairments and other adjustments	(1.216)	(5.536)	-	(3.793)
<b>Opening net book value at 1 January 2019</b>	<b>336</b>	<b>1.547</b>	<b>39.912</b>	<b>41.795</b>
<b>Period ended 31 December 2019</b>				
Additions	1.752	-	-	1.752
Disposals	-	-	-	-
<b>Closing Cost or Valuation at 31 December 2019</b>	<b>3.304</b>	<b>7.079</b>	<b>39.912</b>	<b>50.295</b>
Accumulated depreciation on disposals		-	-	-
Depreciation charge for the year	(310)	(302)	(5.933)	(6.545)
<b>Closing Accumulated depreciation, impairments and other adjustments at 31 December 2019</b>	<b>(1.526)</b>	<b>(5.834)</b>	<b>(5.933)</b>	<b>(10.338)</b>
<b>Closing net book value at 31 December 2019</b>	<b>1.778</b>	<b>1.245</b>	<b>33.979</b>	<b>37.002</b>
<b>Period ended 31 December 2020</b>				
<b>Initial application of IFRS 16 as of 1 January 2020</b>		-		-
Additions	-	3.238	449	3.687
Disposals	-	(2.365)	-	(2.365)
<b>Closing Cost or Valuation at 31 December 2020</b>	<b>3.304</b>	<b>7.952</b>	<b>40.361</b>	<b>48.662</b>
Accumulated depreciation on disposals		2.365	-	2.365
Depreciation charge for the year	(464)	(1.463)	(6.663)	(8.590)
<b>Closing Accumulated depreciation, impairments and other adjustments at 31 December 2020</b>	<b>(1.990)</b>	<b>(4.932)</b>	<b>(12.596)</b>	<b>(16.563)</b>
<b>Closing net book value at 31 December 2020</b>	<b>1.314</b>	<b>3.020</b>	<b>27.765</b>	<b>32.099</b>

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
<b>At 1 January 2019</b>			
Cost or valuation	14.010	696	14.706
Accumulated amortization, impairments and other adjustments	(3.389)	(319)	(3.708)
<b>Opening net book value at 1 January 2019</b>	<b>10.621</b>	<b>377</b>	<b>10.998</b>
<b>Period ended 31 December 2019</b>			
Additions	1.423	-	1.423
Disposals	-	-	-
<b>Closing Cost or Valuation at 31 December 2019</b>	<b>15.433</b>	<b>696</b>	<b>16.129</b>
Accumulated depreciation on disposals	-	-	-
Depreciation charge for the year	(3.788)	(174)	(3.962)
<b>Closing Accumulated depreciation, impairments and other adjustments at 31 December 2019</b>	<b>(7.177)</b>	<b>(493)</b>	<b>(7.670)</b>
<b>Closing net book value at 31 December 2019</b>	<b>8.256</b>	<b>203</b>	<b>8.459</b>
<b>Period ended 31 December 2020</b>			
Additions	-	-	-
Disposals	-	-	-
<b>Closing Cost or Valuation at 31 December 2020</b>	<b>15.433</b>	<b>696</b>	<b>16.129</b>
Accumulated depreciation on disposals	-	-	-
Depreciation charge for the year	(3.858)	(174)	(4.032)
<b>Closing Accumulated depreciation, impairments and other adjustments at 31 December 2020</b>	<b>(11.035)</b>	<b>(667)</b>	<b>(11.702)</b>
<b>Closing net book value at 31 December 2020</b>	<b>4.398</b>	<b>29</b>	<b>4.427</b>

Internally generated assets relate to the website and an online bookstore that was made in 2017 and 2018.



## 11. Financial assets and financial liabilities

### a) Financial assets

Financial assets	31 December 2020	31 December 2019
	EUR	EUR
<b>Debt instruments at amortised cost</b>		
Non-current financial assets	-	-
Trade and other receivables (Note 14)	2.352	16.726
<b>Total financial assets</b>	<b>2.352</b>	<b>16.726</b>
<b>Total current</b>	<b>750</b>	<b>15.124</b>
<b>Total non-current</b>	<b>1.602</b>	<b>1.602</b>

### b) Financial liabilities: Borrowings

Financial Liabilities	31 December 2020	31 December 2019
	EUR	EUR
<b>Other financial liabilities at amortised cost, other than interest-bearing loans and borrowings</b>		
Trade and other payables (Note 16)	30.112	38.530
European Parliament grant	6.068	7.825
<b>Total other financial liabilities</b>	<b>36.180</b>	<b>46.355</b>
<b>Total current</b>	<b>36.180</b>	<b>46.355</b>
<b>Total non-current</b>	<b>-</b>	<b>-</b>

	Interest rate	Maturity	31 December 2020	31 December 2019
	%		EUR	EUR
<b>Current interest-bearing loans and borrowings</b>				
Leasing liabilities	2,5%	2021	6.468	6.205
<b>Total current interest-bearing loans and borrowings</b>			<b>6.468</b>	<b>6.205</b>
<b>Non-current interest-bearing loans and borrowings</b>				
Leasing liabilities	2,5%	2022-2025	21.650	27.571
<b>Total non-current interest-bearing loans and borrowings</b>			<b>21.650</b>	<b>27.571</b>
<b>Total interest-bearing loans and borrowings</b>			<b>28.118</b>	<b>33.776</b>

### 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 2020		31 December 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
	EUR	EUR	EUR	EUR
<b>Financial assets</b>				
Non-current financial assets	-	-	-	-
Trade receivables	2.352	2.352	16.726	16.726
<b>Total</b>	<b>2.352</b>	<b>2.352</b>	<b>16.726</b>	<b>16.726</b>
<b>Financial liabilities</b>				
Leasing liabilities	28.118	28.118	33.776	33.776
Bank loan	-	-	-	-
Trade and other payables	36.180	36.180	46.355	46.355
<b>Total</b>	<b>64.298</b>	<b>64.298</b>	<b>80.131</b>	<b>80.131</b>

The Foundation 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 Foundations 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 Foundation 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.



SALLUX– Financial statements as of and for the year ended 31 December 2020

At 31 December 2020 (EUR)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings					
Trade and other payables	30.112	-	-	-	30.112
Leasing liabilities	6.486	6.630	15.019		28.135
European Parliament grant	6.068	-	-	-	6.068
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

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

	1 January 2020	Cash outflows	Cash inflows	IFRS 16 impact & Other	31 December 2020
	EUR	EUR	EUR	EUR	EUR
Current leasing liabilities	6.205	-5.658	281	5.658	6.486
Non-current leasing liabilities	27.571	0	-281	-5.658	21.632
<b>Total liabilities from financing activities</b>	<b>33.776</b>	<b>-5.658</b>	<b>0</b>	<b>0</b>	<b>28.118</b>

	1 January 2020	Cash outflows	Cash inflows	IFRS 16 impact & Other	31 December 2020
	EUR	EUR	EUR	EUR	EUR
Current leasing liabilities	-	-6.136		12.341	6.205
Non-current leasing liabilities	-	-	-	27.571	27.571
<b>Total liabilities from financing activities</b>	<b>-</b>	<b>-5.658</b>	<b>0</b>	<b>39.912</b>	<b>33.776</b>

## 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 2020	31 December 2019
Cash and cash equivalents - note 15	31.762	21.189
Less: total borrowings	-	-
<b>Net cash</b>	<b>31.762</b>	<b>21.189</b>

### 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.

### 14. Trade and other receivables

EUR	31 December 2020	31 December 2019
Trade receivables	-	340
Less: allowance for ECL	-	-
Trade receivables - net	-	<b>340</b>
Membership fees receivable	500	500
Donations receivable	-	10.698
Prepayments	250	3.586
Rental deposits	1.602	1.602
<b>Total trade and other receivables</b>	<b>2.352</b>	<b>16.726</b>
<b>Non-current portion</b>	<b>1.602</b>	<b>1.602</b>
<b>Current portion</b>	<b>750</b>	<b>15.124</b>

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 2020	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	-	-	-	-	-	-

### 15. Cash and cash equivalents

EUR	31 December 2020	31 December 2019
Cash at banks and on hand	31.762	16.189
Savings accounts	10.000	5.000
<b>Total cash and cash equivalents (excluding bank overdrafts)</b>	<b>31.762</b>	<b>21.189</b>

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 2020	31 December 2019
Cash and cash equivalents	31.762	21.189
Bank overdrafts	-	-
<b>Cash and cash equivalents (including bank overdrafts)</b>	<b>31.762</b>	<b>21.189</b>

## 16. Trade and other payables

EUR	31 December 2020	31 December 2019
Trade payables	14.675	21.998
Social security and other taxes	9.357	9.409
European Parliament Grant	6.068	7.825
Other liabilities	6.080	7.123
<b>Total Trade and other payables</b>	<b>36.180</b>	<b>46.355</b>
<b>Non-current portion</b>	<b>-</b>	<b>-</b>
<b>Current portion</b>	<b>36.180</b>	<b>46.355</b>

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 2020	31 December 2019
At 1 January	7.825	59.527
Release grant into income statement	(299.991)	(358.290)
Grant carried-over 2019	(7.300)	(59.527)
Recovery order prior year	(525)	525
Grant carried-over 2020-2021	6.068	7.300
Grant awarded 2020	299.991	365.590
<b>At 31 December</b>	<b>6.068</b>	<b>7.825</b>

## 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 the negotiations have ended in an agreement between the European Union and the United Kingdom. The Foundation estimates that this event will not have a significant impact on the operations and financial situation of the entity.

## Activity Report 2020

### School for Young Leaders

Skopje; 28/29 February 2020

Partner: Integra

On the 28<sup>th</sup> and 29<sup>th</sup> of February Sallux and Integra Foundation held their first joint event. This took place in the context of the (then) ongoing EU discussion whether the EU would open accession talks with North Macedonia. Meanwhile it has been decided that these talks will indeed start.

The topics reflected the shared values of Sallux and Integra in promoting European values and how to make them real in an uncertain environment and during global instability. Topics ranged from geopolitics and conflict management to managing crisis in your environment and how to become involved in your own society.

The event was well attended as the conference room was just sufficient to give all the attendants a place. Almost all participants were young people who did not shy away from a constructive discussion. It is clear that the next generation of North Macedonia is very much prepared for a European future for their country. Sallux thanks Integra Foundation for their excellent and promising cooperation.





## The Wilberforce Academy, Sweden,

Spring 2020

Partner: Clapham Institute

The Wilberforce Academy was re-launched, a course program for young professionals who wish to mature their Christian faith and as active believers in society. This year, the program was a joint project with the Clapham Institute, Apologia and Sallux.

The program consisted of three weekends with lectures and study visits to think tanks and other organizations working with opinion-making. Due to the Corona pandemic, the arrangement had to have some practical changes. Most notably, this meant that several speakers and some of the participants participated through Zoom instead of on site.

Some of the themes of the speakers were:

- Apologetics and World View Analysis, Culture, Secular Humanism, Political Ideologies from a Christian Perspective, Religious Freedom and Foreign Policy, New Political Landscapes in Sweden and Europe, Natural Law, Why the EU matters, How to write a debate article





**The Advanced School of Politics (Italy)  
February – April 2020  
Partner: Fondazione Magna Carta  
(As well as other partners)**

The Advanced School of Politics has been scheduled three months lasting event (Feb-April 2020). The initiative has the aim to give students the chance to study and debate many topics about Politics, Institutions, International Relations, Science, Anthropology and Ethical Issues.

In the academic year 2019/2020 40 students took part at the School. The School has been organised in frontal classes, speeches, Q&A. The Advanced School of Politics is inter-disciplinary by definition. The XIV Edition programme has been focused on five subject matters: History, Economics, Science, Anthropology, International Affairs. The lessons have been given by speakers with outstanding reputation. Many of them are Managers, commis de l'État, Professors, Journalists and Experts.

Once the lockdown was over, the Foundation decided to restart lessons in videoconference to give the 40 students, located all over Italy and abroad, to follow the programme. The programme has been completely reviewed to offer the participants the chance to debate with professors, managers and journalists regarding the pandemic situation, the consequences expected in the economic, academic & scientific and institutional field. Some of the lessons have been focused on the policies and institutional communication analysis regarding the strategies adopted by the EU and Western Countries in order to face the virus.



## Christian Politics in Eastern and Western Europe, Georgia

16/17 July 2020

Partner: CDI

On the 16<sup>th</sup> and 17<sup>th</sup> July 2020 Sallux Foundation and CDI Georgia organized a two-day seminar on Christian Politics aimed at building awareness in the CDPP and YCD young members of the basic Christian Democratic values, state of Christian politics in Georgia as well as in Eastern and Western Europe.

The seminar was attended by 30 young local and regional leaders from different regions of Georgia. The aim of speakers and participants was to grasp better knowledge of Christian Democracy as a political ideology as well as what about the state of Christian and Christian Demoractic political parties in Eastern and Western Europe. The speakers also focused on explaining differences in Christian politics based on region and denomination of Christianity.

The event contributed to enrich the knowledge of CDPP/YCD young regional eaders in theoretical and practical aspects of Christian Democracy, also the state of Christian political parties in Eastern and Western Europe.





## Training Young Professionals, Politics, Society and Religion (Romania)

Spring/Autumn 2020

Partner: Areopagus

The Sallux & Areopagus joint training program for young professionals focused on building a strong community of well-informed Christians prepared to take up leadership positions in our society and politics. Given the Pandemic context with all the restrictions in place, this year's activities were organized in online sections. There were two semi - public events hosted online under the auspices of Sallux and Areopagus. Each event attracted over 40 participants, mainly students and professionals from various professions, all interested in the role and the place of Christian thought in contemporary political and administrative life.







## Sallux events throughout 2020

### Webinar: 'Back to Normal?' 20 May 2020

'Back to normal' but what if normal pre-Corona was actually abnormal? What should be the new norm for our economy and economic policies when we try to restart the economy? To evaluate where we are and to find a new road and new goals we were pleased to have our webinar 'Business and Financial Markets Post-Corona'.

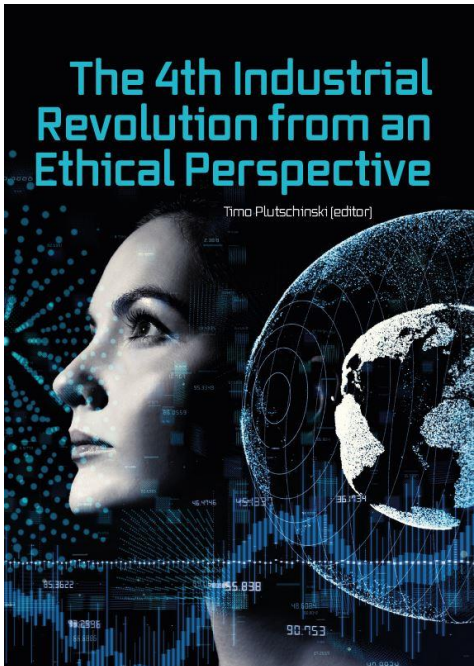
### Sallux General Members assembly 29 May 2020

On the 29th of May 2020, our 10th General Members' Assembly was held this time through Zoom. The formal GMA was followed by an informal program in which Sallux Members informed us on how the Corona crisis impacted their work and what they see as important consequences on the economy and society of this crisis. Discussion arose about what the relational dimensions will look like after this period since huge economic sectors have been influenced with post Covid effects. How will people work and get to know each other effectively with only web-based arrangements during meetings, conferences, events etc. A number of observations from the member-organisations were put forward showing how diverse the situation is across Europe.

### Webinar: "The EU Corona Budget, an emotional moment for the EU" 16 July 2020

There is a lot at stake when it comes to the EU Corona Budget: a 750 billion euro emergency package which created a lot of debate and controversy. There was a lot of focus by the media at the debate at the level of the leaders of the EU 27 Member States. The Sallux webinar of 16 July 2020 focused instead on the content of the proposal and on the emotions among the people in the various member-states. Before the webinar young professionals from various member-states wrote reflections over the Coronacrisis and EU solidarity as well as the sovereignty of the member-states and the emotions that this situation and the debate around the Commission proposal created. These reflections have been published on the Sallux website and provided input for the webinar.

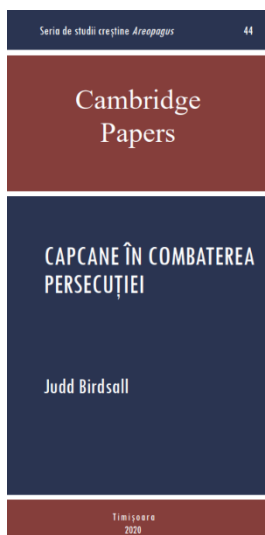
## The 4th Industrial Revolution from an Ethical Perspective' World Evangelical Alliance Business Coalition & Sallux



As the Fourth Industrial Revolution ushers into a new era of artificial intelligence (AI) and virtual reality, how should we respond to the societal and ethical dilemmas associated with this new age of transformative scientific power? This research highlights the need for an ethical and globally shared view on how technology affects the economic, social, cultural and spiritual aspects of daily life. With thanks to the international team of experts this book is outlining consequences of the Fourth Industrial Revolution in a broad range for business and work life, for leadership, for media and communication, for churches and for personal and family life. Authors are: Prof. Dr. Jack Barentsen (USA) Andrew Bunnell (USA) Jonathan Ebsworth (United Kingdom) Prof. Dr.-Ing. Klaus Henning (Germany) Prof. Dr. Bruce A. Little (USA) Jeremy Peckham (United Kingdom) Rev. Timo Plutschinski (Germany).

## Translation of Cambridge Papers; Areopagus & Sallux

This year 5 different titles of the Cambridge Papers have been translated into Romanian by the Areopagus Centre in Timisoara, Romania.



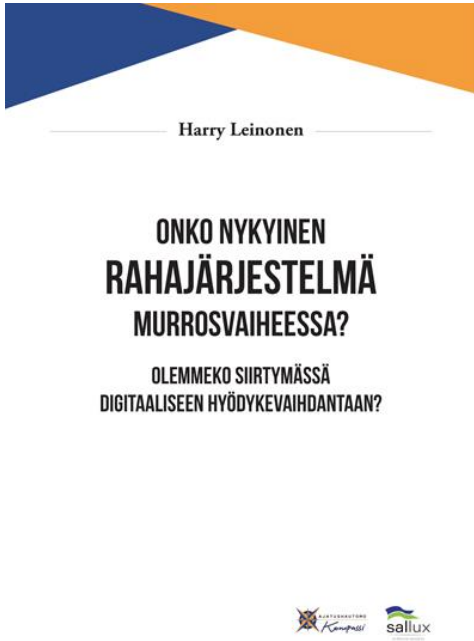
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Towards a Relational Europe

**‘Has the current monetary system reached a transition phase? Are we moving towards digital commodity exchange?’ Kompassi & Sallux**



In all major currency regions, central banks and banks are greatly increasing the money supply by increasing credit volumes. Central banks have lowered interest rates to zero and have employed quantitative easing as the last resort for conducting monetary policy, resulting in huge purchases of public and private securities. The key problem in the current monetary system is to achieve a balanced development of money/credit volumes and to determine the interest rate that is adequate to support such a development. Failure in this task will generally result in inflation/ deflation problems or economic crises, such as bank crises or recessions/depressions. One solution to the inflation/deflation problem could be to move to a commodity-based monetary system operating in real time. Operationally, as a payment alternative a commodity-based system utilizing modern information technology would be as

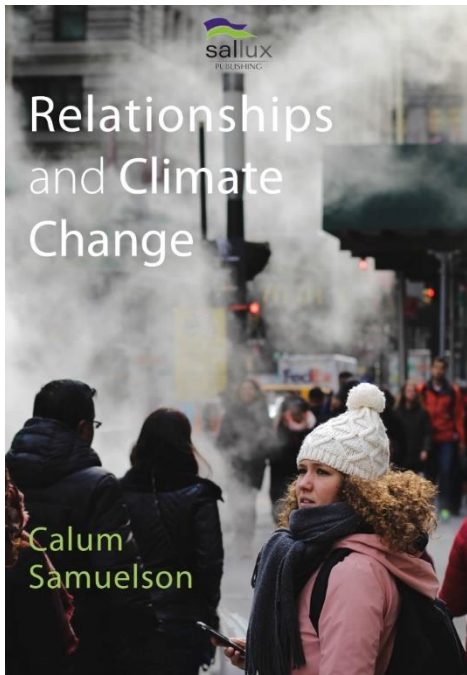
efficient as the current (digital) account-based system. A possible move to a commodity-based monetary system would bring about major structural changes within the current financial markets and the functions of banks and central banks. The inflation/deflation problem would disappear, and financial markets would be governed by a market-based real interest rate. The first steps towards a commodity-based monetary system can already be seen.

**Translation of the Book “Political Wisdom” into Ukrainian, FDA & Sallux**



Foundation for Democracy Assistance with cooperation of the Sallux Foundation, has published the Ukrainian translation of “Political Wisdom. The Future of Christian Politics” (Sallux publication)

## 'Relationships and Climate Change', Jubilee Centre & Sallux



The challenge of climate change is one of the defining issues the world is facing at the start of the 2020s. It has mobilized a whole new generation of social activists, some of whom are going to extreme lengths to confront the public and especially political leaders with the threat they perceive climate change makes to their future and the planet as a whole. Meanwhile governments and policy makers must manage the tension between responding to short-term social and economic needs, especially those aggravated by the Covid-19 pandemic, and the longer-term costs of mitigating climate change.

What is needed is a framework that can connect these two challenges in a holistic way, one which helps to align the needs of present and future generations, and which encourages every person to be part of the solution. This publication introduces one such framework, and argues that the biblical vision for relationships is the key to both human and environmental flourishing.

It is far from the last word on the matter, but it can at least be the first word, one which launches a conversation about our values, lifestyle and worldview when it comes to responding courageously to the challenges of climate change.

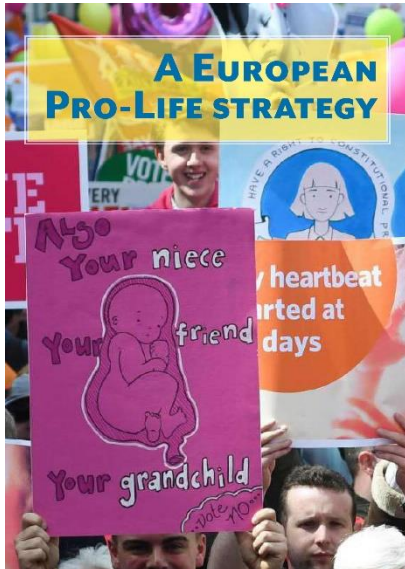
## 'Populism, Threat or Opportunity' Sallux & WI SGP



Sallux and the Scientific Institute of the SGP published this publication that reflects on populism from a Christian perspective.



## ‘A European Pro-Life Strategy’



As the life & ethics debate is becoming more and more Europeanized it is crucial to create a Pan-European strategy that provides a positive view on what the EU fundamental rights and ECHR jurisprudence mean in these debates. The recent debates in Ireland as well as similar debates throughout Europe provided the background for the various chapters.

Several (legal) experts in specific areas contributed to this publication. The publication is a strategy document for activists at EU-level and in the Member States that maps out how core European values can play a role in these debates.

## Pornography and human trafficking



Association of Christians in Democracy (Spain) and Sallux cooperated in a project that highlights the shortcomings of current EU regulations with regard to online pornography and its relation to human trafficking. Furthermore it emphasizes the violation of women's rights as another consequence of this situation.

## European Security, Turkish Foreign Policy and Article 5 of the NATO Treaty



Throughout 2018, 2019 and 2020 we witnessed unprecedented violence and aggression by Turkey in all the regions that are bordering with Turkey. This had and has severe effects on Europe's stability and security. As Sallux we have been involved in informing policy makers on these developments of which millions of people became victims of. Due to a fundamental misunderstanding of what serves European security as well as vested economic interests, there has been little or no action to stop the Erdogan regime. Moreover there is a certain degree of apathy regarding Turkey's NATO membership due to the legal impossibility to end Turkey's membership. This publication describes the chain of events, the root causes of these events and how they are related to one another, what 'European security'

means in this context and how the toxic relation with the western world can be changed by suspending Turkey's possibility to call upon Article 5 of the NATO Treaty.

## Activity Q 1 2021

### The Advanced School of Politics – XV edition (Italy)

February – April 2021

Partner: **Fondazione Magna Carta**  
(As well as other partners)

The Advanced School of Politics has been scheduled three months lasting event (Feb-April 2021). The initiative has the aim to give students the chance to study and debate many topics about Politics, Institutions, International Relations, Science, Anthropology, Ethical Issues. In the current academic year 40 students took part at the School.

The School has been organised entirely in videoconference, due to Coronavirus restrictions..The Advanced School of Politics is inter-disciplinary by definition. The XV Edition programme has been entitled to "Post Covid Policies" on five subject matters: Economics, Science and Technology, Anthropology, Constitutional Reforms, European and International Affairs. The lessons have been given by speakers with outstanding reputation. Many of them are Managers, commis de l'État, Professors, Journalists and Experts.

Despite the remote schedule, this edition has been one of the most successful in the history of the School. The students have demonstrated an extremely high level of activity and participation and the "online" version has permitted to involve speakers from all over the world enriching the academic program of the School. The law ban on public events made the final ceremony impossible.

