

Independent Auditor's report to the general meeting of the Alliance for Direct Democracy in Europe ASBL for the year ended 31 December 2015

In accordance with our service contract dated 7 December 2012 with the European Union represented by the European Parliament, we report to you on the performance of our audit which was entrusted to Ernst & Young Réviseurs d'Entreprises scrl. This report includes the opinion on the balance sheet as at 31 December 2015, the income statement for the year ended 31 December 2015 and the Notes (all elements together "the Annual Accounts") and on the final statement of eligible expenditure actually incurred as well as on compliance with rules and regulations applicable to funding of political parties and foundations at European level.

Report on the Annual Accounts - Qualified opinion

We have audited the Annual Accounts of Alliance for Direct Democracy in Europe ASBL ("the Entity") as of and for the year ended 31 December 2015, prepared in accordance with the financial-reporting framework applicable in Belgium, we have audited the final statement of eligible expenditure actually incurred for the period of eligibility defined by the grant award decision of Alliance for Direct Democracy in Europe ASBL, and prepared in accordance with the rules and regulations applicable to funding of political parties and foundations at European level.

The Annual Accounts show a balance sheet total of € 335.713,15 and the income statement shows a profit for the year of € 18.233,88. The profit of the year has been transferred to the Specific Reserve Account. Reserve accumulated (including the result of the year) amount to € 18.233,88 and the Entity has no carry-over.

Responsibility of the Members of the Board for the preparation of the Annual Accounts

The Members of the Board are responsible for the preparation of Annual Accounts that give a true and fair view in accordance with the financial-reporting framework as applicable in Belgium. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of Annual Accounts that give a true and fair view and that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the given circumstances.

The Members of the Board are responsible towards the European Parliament for the use of the grant and must comply with the provisions of the Regulation EC (No) 2004/2003 and the underlying acts.

Responsibility of the Auditor

Our responsibility is to express an opinion on these Annual Accounts, based on our audit. Furthermore, with respect to the final statement of eligible expenditure, it is our responsibility to express an opinion on the compliance with rules and regulations applicable to funding of political parties and foundations at European level.

We conducted our audit in accordance with the International Standards on Auditing ("ISAs"). Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Annual Accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and Notes in the Annual Accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Annual Accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the Annual Accounts that give a true and fair view, 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. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of significant accounting estimates made by the Members of the Board, as well as evaluating the overall presentation of the Annual Accounts.

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

Our audit work included specific procedures to gather sufficient and appropriate audit evidence that the financial provisions and obligations of the grant award decision, Regulation (EC) No 2004/2003 and the underlying acts have been met.

Basis for qualified opinion

The Entity's income statement of the Annual Accounts and the final statement of eligible expenditure include costs for a total amount of € 157.935,05 for which we could not obtain sufficient and objective evidence to conclude on the eligibility in accordance with article II.11 of the Grant Award decision and article 7 & 8 of the Regulation (EC) N° 2004/2003. As a consequence, this might lead to a decrease of the recorded final European Parliament grant amount (i.e. decrease in revenue) and reserve account (i.e. decrease in equity) by a maximum of € 129.721,49.

Qualified Opinion

Except for the possible implications of the matter described in the paragraph 'Basis for qualified opinion', the Annual Accounts (i.e. balance sheet, income statement and Notes) give a true and fair view of the Entity's net equity and financial position as at 31 December 2015, and of its results for the year ended, prepared in accordance with the financial-reporting framework applicable in Belgium and the final statement of eligible expenditure has been prepared in accordance with the rules and regulations applicable to funding of political parties and foundations at European level.

Emphasis of certain matters

Without changing our audit opinion, we would like to draw the attention to the accounting policies of the Annual Accounts where the Members of the Board disclose that the Entity could incur cash flow problems. These circumstances, indicate a risk of the ability of the Entity to continue in going concern. The Annual Accounts are prepared under the assumption that the activities will be continued. This assumption is sustainable as long as the Party will receive financial support from the European Parliament or other financing sources.

Report on other legal and regulatory requirements

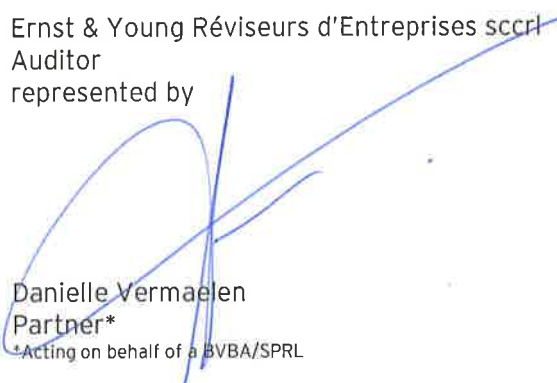
The Members of the Board are responsible for the compliance by the Entity of the law of 27 June 1921 on not-for-profit associations, international not-for-profit associations and foundations, its articles of association, the legal and regulatory requirements regarding bookkeeping and the provisions of the European Parliament's grant award decision, Regulation (EC) No 2004/2003 and the underlying acts.

We make the following additional statements, which do not modify the scope of our opinion on the Annual Accounts:

- ▶ without prejudice to certain formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium, except for the possible implications of the matter described in the paragraph 'Basis for qualified opinion';
- ▶ we do not have to report any transactions undertaken or decisions taken in violation of the Entity's articles of association or the Law for not-for-profit associations;
- ▶ the financial documents submitted by the Alliance for Direct Democracy in Europe ASBL to the European Parliament are consistent with the financial provisions of the Bureau's grant award decision except for the possible implications of the matter described in the paragraph 'Basis for qualified opinion';
- ▶ the expenditure declared was actually incurred except for the possible implications of the matter described in the paragraph 'Basis for qualified opinion';
- ▶ the statement of revenue is exhaustive except for the possible implications of the matter described in the paragraph 'Basis for qualified opinion';
- ▶ the obligations arising from the Regulation (EC) No 2004/2003 have been met, except for the possible implications of the matter described in the paragraph 'Basis for qualified opinion';
- ▶ the obligations arising from the Bureau decision of 29 March 2004 have been met, except for the possible implications of the matter described in the paragraph 'Basis for qualified opinion';
- ▶ the obligations arising from the grant award decision, in particular from Article II.7 - Award of contracts and Article II.11 - Eligible expenditure, have been met, except for the possible implications of the matter described in the paragraph 'Basis for qualified opinion';
- ▶ Following the obligations arising from the grant award decision, Article II.2 - Conflict of interest, we identified a conflict of interest with one supplier for a total value of € 36.300.
- ▶ the obligations arising out of Article 125(5) and (6) of the Financial Regulation have been met except for the possible implications of the matter described in the paragraph 'Basis for qualified opinion'.

Diegem, 7 April 2016

Ernst & Young Réviseurs d'Entreprises scrl
Auditor
represented by



Danielle Vermaelen
Partner*
Acting on behalf of a BVBA/SPRL

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Bilan du 30/09/2014-31/12/2015
Exercice 2015

11/04/2016 - 10:12

EUR

01/01/2015 - 31/12/2015

ACTIFS IMMOBILISES		20/28	71.031,35
Immobilisations incorporelles		21	63.872,24
210000	FRAIS DE RECHERCHE ET DE DEVELOPPEMENT		65.231,22
210009	AMORT S/ FRAIS DE DEVELOPPEMENT		(1.358,98)
Immobilisations corporelles		22/27	6.160,92
Mobilier et matériel roulant		24	6.160,92
Autres		242	6.160,92
242000	MATERIEL INFORMATIQUE		7.277,32
242009	AMORT S/ MATERIEL INFORMATIQUE		(1.116,40)
Immobilisations financières		28	998,19
Autres immobilisations financières		284/8	998,19
Créances et cautionnements en numéraire		285/8	998,19
288000	CAUTIONNEMENT VERSES EN NUMERAIRE		998,19
ACTIFS CIRCULANTS		29/58	264.681,80
Créances à un an au plus		40/41	249.676,00
Créances commerciales		40	1.331,00
404000	PRODUITS A RECEVOIR		1.331,00
Autres créances		41	248.345,00
415000	SUBSIDE A RECEVOIR		248.345,00
Valeurs disponibles		54/58	14.877,50
550000	COMPTE A VUE ING BE87 3631 3969 5194		14.877,50
Comptes de régularisation		490/1	128,30
490000	CHARGES A REPORTER		128,30
Montant total de l'actif			335.713,15

Bilan du 30/09/2014-31/12/2015
Exercice 2015

EUR

01/01/2015 - 31/12/2015

FONDS SOCIAL		10/15	18.233,88
Fonds affectés		13	18.233,88
133000 RESERVES DISPONIBLES			18.233,88
DETTES		17/49	317.479,27
Dettes à un an au plus		42/48	317.479,27
Dettes financières		43	245.959,25
Etablissements de crédit		430/8	245.959,25
430000 ETABL. CREDIT			245.959,25
Dettes commerciales		44	71.520,02
Fournisseurs		440/4	71.520,02
440000 FOURNISSEURS			69.020,02
444000 FACTURES A RECEVOIR			2.500,00
Montant total du passif			336.713,15

EUR

COMPTE DE RESULTATS			
Ventes et prestations		70/74	1.490.894,83
Cotisations; dons; legs et subsides		73	1.490.894,83
730000 CONTRIBUTIONS - DONS			22.000,00
731000 MEMBERSHIP			227.169,83
732000 SUBSIDES			1.241.725,00
Coût des ventes et des prestations		60/64	(1.486.174,47)
Services et biens divers		61	(1.449.755,48)
610000 LOCATION BUREAU ET MOBILIER			(9.708,12)
611000 SECURITE			(564,90)
611100 LOCATION MATERIEL ET LOCAUX REUNIONS			(6.795,73)
611200 FRAIS REUNION - BANQUET - CONFERENCE			(8.118,08)
612000 FOURNITURES DE BUREAU			(59,17)
612100 FRAIS ET FOURNITURES INFORMATIQUES			(37.301,98)
612200 ABON/DOC FORMATIONS CONFERENCES			(7.835,99)
612300 FRAIS POSTAUX			(181,54)
612500 IMPRESSIONS - PHOTOCOPIES			(2.477,79)
612800 FRAIS TELEPHONIQUES			(81,14)
613100 HONORAIRES COMPTABLES			(2.500,00)
613200 FRAIS DE PUBLICATION			(123,08)
613300 HONORAIRES DIVERS			(488.263,22)
613301 FRAIS DIVERS S/HONORAIRES			(34,00)
613310 PUBLICITE			(205.066,69)
613320 ETUDES - VOTES - ENQUETES			(379.200,75)
613400 FRAIS DE GESTION SEC SOCIAL			(1.547,52)
613500 CONVENTION ANGELIKA ZAPASNIK			(35.000,00)
613600 SPONSORSHIP - DONS			(46.274,02)
614000 FRAIS DIVERS VEHICULES - TAXIS CARBU...			(4.817,44)
614100 INDEMNITE KM			(875,00)
615000 COTISATION SOCIETAIRE			(223,96)
615200 ASSURANCE LOI			(92,40)
616000 FRAIS DE RESTAURANT			(9.724,06)
616100 CADEAUX CLIENTS			(237,60)
616300 FRAIS DE VOYAGE			(96.251,32)
618000 REMUN. DES ADMIN. ET GERANTS			(126.400,00)
Rémunérations; charges sociales et pensions (+)(-)		62	(13.914,21)
620200 REMUNERATIONS EMPLOYES			(10.328,69)
620210 PECULE DE VACANCES EMPLOYES			(1.383,90)
620220 PRIME DE FIN D ANNEE EMPLOYES			(950,82)
621000 COTISATIONS PATRONALES ASSUR SOC.			(1.031,22)
623000 AUTRES FRAIS DE PERSONNEL			(267,87)
625000 EXONERATION PP A PAYER			48,29
Amortissements et réductions de valeur sur frais d'établissement; sur immobilisations incorporelles et corporelles		630	(2.475,38)
630100 DOT. AMORT. IMMO. INCORPORELLES			(1.368,98)
630200 DOT. AMORT. IMMO. CORPORELLES			(1.116,40)
Autres charges d'exploitation		640/8	(29,40)
640000 CHARGES FISCALES D'EXPLOITATION			(29,40)
Résultat positif (néгатif) d'exploitation (+)(-)		9901	24.729,36

Bilan du 30/09/2014-31/12/2015
Exercice 2015

EUR

01/01/2015 - 31/12/2015

Produits financiers	75		521,47
Autres produits financiers	752/9		521,47
754100 DIFFERENCES DE CHANGE AUTRES		521,47	
Charges financières	65		(7.007,95)
Charges des dettes	650		(914,01)
650000 INTERETS, COMMISSIONS ET FRAIS DETTES		(914,01)	
Autres charges financières	652/9		(6.093,94)
654100 DIFFERENCES DE CHANGE AUTRES		(3.403,82)	
657200 AUTRES FRAIS FINANCIERS		(2.690,12)	
Résultat positif (négatif) courant (+)(-)	9902		18.233,88
Bénéfice (Perte) de l'exercice avant impôts	9903		18.233,88
Résultat positif (négatif) de l'exercice	9904		18.233,88
AFFECTATIONS ET PRELEVEMENTS			
Résultat positif (négatif) à affecter	9906		18.233,88
Résultat positif (négatif) de l'exercice à affecter	9905		18.233,88
Résultat positif (négatif) à reporter	(14)		18.233,88

**Bilan interne ASBL
Exercice 2015**

08/04/2016 - 10:35

01/01/2015 - 31/12/2015

Schéma complet

EUR

Comptes hors bilan

149999 - RESULTAT PROVISoire REPORTE

18.234

Reclassement bilantaire

The result should be allocated to the 13 account (Reserves).

Explanatory note on the accounting period

We note that the Alliance for Direct Democracy in Europe asbl has been established on September 26, 2014. The bylaws of the entity have foreseen in a prolonged first fiscal year, running from September 26, 2014 to December 31, 2015.

Due to technical limitations of the accounting software, the accounting period mentioned in the header could not be adjusted to reflect the actual system.

As such, we hereby confirm that the start of the accounting period is indeed September 26, 2014 instead of January 1, 2015.

Explanatory note on the valuation rules

Notwithstanding the negative cash position, we consider the Association as in going concern as long as it can receive grants from the European Parliament and/or other third parties (e.g. donations) which are already foreseen in the upcoming accounting year. Therefore the accounting records are established based on the principle of continuity



Annex: Breakdown of the provisional operating budget

EXPENDITURE		Budget	Actual	REVENUE		Budget	Actual
Eligible expenditure		400,000.00	589,894.94	D.1 Dissolution of "Provision to cover eligible costs to be incurred in the first quarter of N+1"		1,700,000.00	1,241,725.30
A.1: Personnel costs		200,000.00	642,360.63	D.2 European Parliament grant		200,000.00	227,169.83
1. Salaries		20,000.00	7,835.99	D.3 Membership fees		100,000.00	227,169.83
2. Contributions		40,000.00	1,815.39	3.1 from member parties and delegations		100,000.00	0.00
3. Professional training		40,000.00	52,377.09	D.4 Donations		70,000.00	22,000.00
4. Staff mission expenses		40,000.00	9,708.12	4.1 above 500 EUR		50,000.00	22,000.00
5. Other personnel costs		40,000.00	37,201.96	4.2 below 500 EUR		20,000.00	0.00
A.2: Infrastructure and operating costs		100,000.00	2,475.36	D.5 Other own resources (to cover eligible expenditure) (to be listed)		10,000.00	0.00
1. Rent, charges and maintenance costs		5,000.00	59.17	Subscriptions		10,000.00	0.00
2. Costs relating to the installation, operation and maintenance of equipment		100,000.00	2,417.79				
3. Costs relating to the installation, operation and maintenance of equipment		30,000.00	92.40				
4. Depreciation of movable and immovable property		100,000.00	381,954.11				
5. Stationery and office supplies		30,000.00	370,200.75				
6. Postal and telecommunications charges		100,000.00	253,336				
7. Printing, translation and reproduction costs		45,000.00	2,500.00				
A.3: Administrative expenditure		400,000.00	0.00				
1. Documentation costs (newspapers, press agencies, databases)		70,000.00	0.00				
2. Costs of studies and research		70,000.00	0.00				
3. Legal costs		70,000.00	0.00				
4. Accounting and audit costs		120,000.00	0.00				
5. Support to affiliated organisations and subsidies to third parties		400,000.00	173,420.55				
6. Miscellaneous administrative costs		160,000.00	56,251.32				
A.4: Meetings and representation costs		100,000.00	46,274.02				
1. Costs of meetings of the political party		20,000.00	20,000.00				
2. Participation in seminars and conferences		20,000.00	30,855.21				
3. Representation costs		20,000.00	205,427.95				
4. Cost of invitations		100,000.00	123.06				
5. Other meeting-related costs		380,000.00	205,066.69				
A.5: Information and publication costs		100,000.00	0.00				
1. Publication costs		60,000.00	0.00				
2. Creation and operation of internet sites		60,000.00	0.00				
3. Publicity costs		60,000.00	0.00				
4. Communications equipment (gadgets)		60,000.00	0.00				
5. Seminars and exhibitions		40,000.00	227.60				
6. Election campaigns		20,000.00	0.00				
7. Other information-related costs		20,000.00	0.00				
A.6: Expenditure relating to contributions in kind		2,000,000.00	1,468,174.47	D.6 Contributions in kind		20,000.00	0.00
A.7: Allocation to "Provision to cover eligible expenditure to be incurred in the first quarter of N+1"		3,000.00	7,007.59	Pro-bono research projects by consultants		10,000.00	0.00
A. TOTAL ELIGIBLE EXPENDITURE		2,000,000.00	3,604.13	Pro-bono provision of events materials and facilities		10,000.00	0.00
B.1: Non-eligible expenditure		2,000.00	3,403.82	D.7: REVENUE (to cover eligible expenditure)		2,000,000.00	1,469,884.53
1. Allocations to other provisions		1,000.00	0.00	E.1 Additional other own resources (to cover non-eligible expenditure) (to be listed)		3,000.00	521.47
2. Financial charges		0.00	0.00	Financial income and others		3,000.00	521.47
3. Exchange losses		0.00	0.00				
4. Doubtful claims on third parties		3,000.00	7,007.59				
5. Others (to be specified)		2,003,000.00	1,473,182.42				
B. TOTAL NON-ELIGIBLE EXPENDITURE		2,003,000.00	1,473,182.42	E. REVENUE (to cover non-eligible expenditure)		3,000.00	521.47
C. TOTAL EXPENDITURE				F. TOTAL REVENUE		2,003,000.00	1,469,416.30
				G. Profit/loss (F-C)		0.00	11,233.98
H.1 Allocation of own resources to the specific reserves account			18,233.88				
H. Profit/loss for verifying compliance with the no-profit rule (G-H.1)		0.00	0.00				

¹: Not applicable to political foundations at European level