

Independent auditor's report to European Christian Political Movement for the year ended 31 December 2017

In accordance with our service contract dated 18 November 2016 with the European Union represented by the European Parliament, we report to you as independent auditor on the performance of our audit mandate which was entrusted to Ernst & Young Réviseurs d'Entreprises scrl. This report includes our opinion on the balance sheet as at 31 December 2017, the income statement for the year ended 31 December 2017 and the disclosures (all elements together the "Annual Accounts") and on the Final Statement of eligible expenditure actually incurred as well as on compliance with rules and regulations applicable to funding of political parties and political foundations at European level and includes as well our report on regulatory requirements. These two reports are considered as one report and are inseparable.

We have been appointed as independent auditor by the European Parliament in our contract dated 18 November 2016. Our mandate expires after the delivery of our audit opinion for the year ending 31 December 2017.

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 European Christian Political Movement (the "Entity"), that comprise of the balance sheet on 31 December 2017, as well as the income statement of the year and the disclosures, which show a balance sheet total of € 155.268 and of which the income statement shows a positive result for the year of € 2.143.

The positive result of the year has been transferred to the Specific Reserve Account. Reserve accumulated (including the result of the year) amount to € 20.023 and the carry-over to nil.

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 2017, 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 2017 in accordance with

rules and regulations applicable to funding of political parties and political foundations at European level of European Christian Political Movement.

In our opinion, the Final Statement of eligible expenditure actually incurred of the Entity for the year ended 31 December 2017 is prepared, in all material respects, in accordance with rules and regulations applicable to funding of political parties and political foundations at European level.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 Annex 2, i.e. 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.

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

The Members of the Board are responsible for the preparation of the Annual Accounts that give a true and fair view in accordance with the reporting framework applicable in the Netherlands and the Final Statement of eligible expenditure actually incurred. This responsibility includes: designing, implementing and maintaining internal control which the Members of the Board determines to be necessary to enable the preparation of the Annual Accounts and the Final Statement of eligible expenditure actually incurred that are free from material misstatement, whether due to fraud or error.

The Members of the Board are responsible towards the European Parliament for the use of the grant and must comply with the provisions of the Regulation (EC) No 2004/2003 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Annual Accounts and the Final Statement of eligible expenditure actually incurred.

Furthermore, with respect to the Final Statement of eligible expenditure actually incurred, it is our responsibility to express an opinion on the compliance with rules and regulations applicable to funding of political parties and political foundations at European level.

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

- ▶ Identification and assessment of the risks of material misstatement of the Annual Accounts and the Final Statement of eligible expenditure actually incurred, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements is larger when these misstatements are due to fraud, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ Obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;

- ▶ Evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Members of the Board as well as the underlying information given by the Members of the Board;
- ▶ Conclude on the appropriateness of the Members of the Board's use of the going-concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to event or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Annual Accounts or, if such disclosures are inadequate, to modify our

opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going-concern;

- ▶ Evaluating the overall presentation, structure and content of the Annual Accounts and the Final Statement of eligible expenditure actually incurred, and evaluating whether these Annual Accounts and the Final Statement of eligible expenditure actually incurred reflect a true and fair view of the underlying transactions and events.

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

Report on regulatory requirements

Responsibilities of the Members of the Board

The Members of the Board are responsible for the compliance by the Entity with the legal and regulatory requirements applicable in the Netherlands, its articles of association, the legal and regulatory requirements regarding bookkeeping and the provisions of the European Parliament's grant award decision, Regulation (EC) No 2004/2003 and the underlying acts.

Responsibilities of the auditor

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

Independence matters

We have not performed any 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 financial documents submitted by European Christian Political Movement to the European Parliament are consistent with the financial provisions of the Bureau's grant award decision;
- ▶ The expenditure declared was actually incurred;
- ▶ The statement of revenue is exhaustive;
- ▶ The obligations arising from the Regulation (EC) No 2004/2003 have been met;
- ▶ The obligations arising from the Bureau decision of 29 March 2004 have been met;
- ▶ The obligations arising from the grant award decision, in particular from Article II.7 - Award of contracts and Article II.11 - Eligible expenditure, have been met;
- ▶ Any surplus carried over to the next financial year has been used in the first quarter of the financial year, pursuant to Article 6a of the Bureau decision of 29 March 2004;
- ▶ The obligations arising out of Article 125(5) and (6) of the Financial Regulation have been met;
- ▶ The contributions in kind have actually been provided to the beneficiary and have been valued in compliance with the applicable rules.

Brussels, 27 March 2018

Ernst & Young Réviseurs d'Entreprises scrl
Independent Auditor
represented by



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

European Christian Political Movement



Financial Report 2017

Contents	Page
General Information	3
Balance sheet 31 december 2017	4
Statement of Income and Expenditures	5
Notes to Financial Statements	6
Annexes	8

General Information

Financial report 2016 approved

At the General Assembly, held on May 23rd, the financial report 2016 has been approved.

The result of the financial year 2016: € 5.416 has been added to the EP-reserve.

After approval the DG Finance of the EP and ECPM have discussed changes in the Payment of the Grant of 2016. This led to the fact that the result of € 5.416 and the Carry-over of € 69.693 were changed in a result of € 0 and a Carry-over of € 20.797,73. These changes have been processed in the comparing figures of this Annual Account.

ECPM

The name of the association (vereniging zonder winstoogmerk) is European Christian Political Movement (ECPM). It has its registered office in The Hague, the Netherlands.

The objectives of the association are to reinforce Christian politics on a European, national, regional and local level.

ECPM has affiliated Parties: Sallux (political Foundation) and ECP Youth.

Board at 31 December 2017

chairman: Branislav Skripek (boardmember since 25 October 2014, president since 1 January 2017)

vice-chairman: George Rukhadze (since 7 June 2012)

member: Jacques Bazen (since 23 May 2017)

member: Stieneke van der Graaff (since 7 June 2013)

member: Filip Łajszczak (since 23 May 2017)

member: Valeriu Ghilețchi (since 23 May 2017)

member: Ladislav Ilčić (since 23 May 2017)

Due to geographical distance it was practically not feasible to sign the Financial Report.

Meetings in 2017

The ECPM had two General Assemblies, one on 23 May 2017 in Warschau and one on 7 December 2017 in Brussels.

The board had meetings on:

All ECPM events are in the 2017 ECPM yearbook.

Committee ex Article 15(4)

According to Article 15(4) of the Statutes shall the congress appoint a committee consisting of at least two persons, not being board members, to audit the board's report and report its findings to the congress. For the year 2017 an external auditor audited the annual accounts and issued an unqualified opinion.

Balance Sheet 31 december 2017

	2017		2016	
	€	€	€	€
ASSETS				
Fixed Assets		7.009		9.086
Current Assets				
European Parliament grant	99.998		55.177	
Other Assets	34.367		18.038	
Membership fees	8.800		14.349	
		143.165		87.564
Cash and cash equivalents				
Rabobank 11.38.70.159	4.726		11.970	
Rabobank 31.76.676.654	1		1	
Paypal	366		-	
Creditcard	-		-	
Cash	-		-	
		5.093		11.971
		155.268		108.621

	2017		2016	
	€	€	€	€
LIABILITIES & EQUITY				
Reserves				
Legal reserve (General reserve)	3.077		3.077	
Other reserve (Specific EP reserve)	20.023		17.880	
		23.100		20.957
Provision carry-over Q1 next year		-		20.798
Current Liabilities				
Creditors	22.463		28.029	
Short-term Loans	75.537		10.005	
Taxes	3.122		4.182	
Holiday allowance payable	26.513		24.623	
Other liabilities	4.533		27	
		132.168		66.866
		155.268		108.621

Statement of Income and Expenditures

	2017	Budget 2017	2016
	€	€	€
Revenue			
D.1 Dissolution allocation to carry-over	20.798	-	62.224
D.2 European Parliament grant	499.993	585.000	493.129
D.3 Membership fees			
3.1 from member parties	24.809	29.000	22.201
3.2 from individual members	1.090	1.000	6.700
D.4. Donations			
4.1 above 500 EUR	47.102	40.000	40.153
4.2 below 500 EUR	9.133	20.000	10.801
D.5 Other own resources (to cover expenditure)	22.381	14.000	25.825
D.6 Contributions in kind	2.504	10.000	3.530
D. TOTAL REVENUE	627.808	699.000	664.563
Expenditure			
A.1: Personnel costs			
1. Salaries	300.953	224.000	248.839
2. Contributions	-	10.000	-
3. Professional training	98	6.000	4.564
4. Staff missions expenses	3.780	10.000	11.713
5. Other personnel costs	19.880	15.000	28.054
	324.711	265.000	293.170
A.2: Infrastructure and operating costs			
1. Rent, charges and maintenance costs	20.096	25.000	22.225
2. Costs relating to installation, operation and maintenance of eq	606	4.000	1.312
3. Depreciation of movable and immovable property	2.893	2.500	1.283
4. Stationery and office supplies	1.243	4.000	1.700
5. Postal and telecommunications charges	6.137	2.500	7.523
6. Printing, translation and reproduction costs	117	6.000	688
7. Other infrastructure costs	123	8.000	83
	31.215	52.000	34.814
A.3: Administrative expenditure			
1. Documentation costs (newspapers, press agencies, databases)	575	5.000	295
2. Costs of studies and research	-	5.000	-
3. Legal costs	1.665	2.500	-
4. Accounting and audit costs	6.510	5.000	4.845
5. Support to affiliated organisations and subsidies to third parties	24.392	40.000	21.200
6. Miscellaneous administrative costs	921	3.000	794
	34.064	60.500	27.134
A.4: Meetings and representation costs			
1. Costs of meetings of the political party	214.382	221.000	233.917
2. Participation in seminars and conferences	622	7.000	590
3. Representation costs	-	5.000	-
4. Costs of invitations	979	5.000	-
5. Other meeting-related costs	303	9.000	-
	216.286	247.000	234.507
A.5: Information and publication costs			
1. Publication costs	6.296	10.000	5.150
2. Creation and operation of Internet sites	1.421	15.000	3.589
3. Publicity costs	5.984	15.000	6.494
4. Communications equipment (gadgets)	2.747	6.000	13.191
5. Seminar and exhibitions	-	10.000	-
6. Election campaigns	-	5.000	-
7. Other information-related costs	-	3.500	-
	16.449	64.500	28.424
A.6: expenditure relating to contributions in kind	2.504	10.000	3.530
Allocation to "Provision to cover eligible expenditure to be incurred in the first quarter of N+1"	-	-	20.798
A. TOTAL ELIGIBLE EXPENDITURE	625.229	699.000	642.377
B.1 Non-eligible expenditure			
1. Allocations to other provisions	-	-	-
2. Financial charges	397	-	5
3. Exchange losses	-	-	-
4. Doubtful claims on third parties	40	-	4.776
5. Others (to be specified)	-	-	17.405
B. TOTAL NON ELIGIBLE EXPENDITURE	437	-	22.186
C. TOTAL EXPENDITURE	625.666	699.000	664.563
RESULT to Other reserve (EP-Reserve)	2.143	-	-

Notes to Financial Statements**Statement of accounting Policies****General**

The accounting principles used are based on historical costs.

The financial statements have been prepared in accordance with the Guidelines for annual reporting 640 'Not-for-profit organisations' from the Dutch Accounting Standards Board.

The financial statements were prepared on March 27th, 2018. There were no changes in accounting policies.

The financial statements are prepared to assist European Christian Political Movement to comply with Part B: Financial Provisions of the grant award decision dated December 12th, 2016.

Basis of Accounting

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

Tangible and intangible fixed assets in use by the company are carried at the costs of acquisition net of accumulated depreciation. Depreciation is calculated on a straight-line basis over their expected useful economic lives, taking into account their residual value. Receivables are carried at face value net of a provision for doubtful debts where necessary. Cash at bank and in hand are carried at face value. The provision carry-over is calculated in accordance with Part B: Financial Provisions of the grant award decision. Current liabilities are carried at face value.

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

Interest income is recognised pro rata in the profit and loss account, taking into account the effective interest rate for the asset concerned. Expenses are determined with due observance of the aforementioned accounting policies and allocated to the financial year to which they relate.

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

Comparable figures

The comparable figures for 2016 are adjusted in comparison with the 2016 financial report. This is because the DG Finance of the European Parliament and ECPM agreed that one project in 2016 had to be moved to the ineligible costs.

Notes to the balance sheet**Reserves**

The established reserves can be kept for an unlimited period or can also be fully or partially dissolved in any year to cover (non-)eligible expenditure.

The 'specific EP' reserve has been established in accordance with the guidance given by the EP services.

General reserve

	€
General reserve at 1 January 2016	3.077
Generated in financial year 2016	
	<u>3.077</u>
General reserve at 31 December 2016	<u>3.077</u>

Specific (European Parliament) reserve

	€
Generated in financial year 2010	3.907
Generated in financial year 2011	587
Generated in financial year 2012	5.763
Generated in financial year 2013	4.013
Generated in financial year 2014	3.610
Generated in financial year 2015	
Generated in financial year 2016	<u>17.880</u>
Specific reserve at 31 December 2017	2.143
Generated in financial year 2017	<u>20.023</u>
Specific reserve at 31 December 2017	<u>20.023</u>

Arrangements not shown in the balance sheet

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

ECPM has a rental commitment for office space until March 15, 2020 of € 20.986. This office space is based at the following address: Bergstraat 33, 3811NG Amersfoort

In Brussels, ECPM has rented office space located on the Bellardstraat 205-14. The agreement is for indefinite period. The annual rent is established at € 7.524.

Notes to statement of Income and Expenditures

The European Parliament grant of 2016 is recognized for € 493.129. The Grant applied for in 2016 was: € 547.440. Due to an agreement between ECPM and DG Finance an amount of € 15.000 was considered ineligible. This led to a reduction of the Grant of € 54.311. The provisions for this grant are laid down in the grant decision FINS-2017-10 dated 12-12-2016. The Final report over 2016 has been approved by the European Parliament on 03-10-2017.

Analytical review of budget versus actual

The differences between budget and actual are:

The Budget was lower than applied for, to have maximum benefit from changes made in the total grant.

All other costs are lower than in the budget because the budget is lower. The Board and Director adapted the budget after award decision.

A.1.1. Salaries

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

	<u>2017</u>	<u>2016</u>
	€	€
Dutch Salaries	93.172	91.715
Belgian Salaries	193.215	107.123
Dutch social security (wn-verz)	17.087	16.134
Belgian social security (RSZ)	1.424	8.676
Payment from Insurance	20.856-	-
Pensions	-	-
Other personell costs	16.911	25.191
	<u>300.953</u>	<u>248.839</u>

The average number of staff employed by the Movement in 2017 was 4 (NL)+2,8(BE) 2016: 4 (NL)+3(BE)

As a result of one staff-member moving from The Netherlands to Belgium in 2016 a lot of changes had to be made in the salaries. These costs have all been paid in 2017

D.3.1. Membership fee of Member parties and organizations

ChristenUnie	Netherlands	1.000
EVP	Switzerland	960
ECD	Estonia	182
SGP	Netherlands	1.480
Bundnis C	Germany	417
CDI	Georgia	10.000
Right of the republic	Poland	5.000
Union of Bulgarians in the Banat	Romania	1.200
LP Christian (CDI)	France	-
Hrast	Kroetia	4.490
CDU	Ukraine	100
		<u>24.809</u>

D.4.1. Donations above € 500

FICDD	3.000 v
VOE Netherlands	4.700 v
Novelle Femmes	7.200
Leo van Doesburg	1.500
Branislav Skripek	2.760
Krohkmel	1.960 v
ECI	874 v
George Rukhadze	798 v
Political Network for Values	10.000
ChristenUnie	700
Langesund Bad Holding	2.122 v
Fundatia Misinnee Parnee Vietil	2.000
European Dignity Watch	7.500 v
Estonia	1.000 v
EFN e.v.	1.000 v
	<u>47.102</u>

Annexes

Annex 1 Members and associates at December 31, 2017

Armenia	Christian Democratic Union of Armenia
Croatia	H-rašt
Estonia	Estonian Christian Democrats
France	Christian Democratic Party (PCD)
Georgia	Christian Democratic People's Party
Germany	Bundnis C
Latvia	Christian-Democratic Union
Malta	Alleanza Bidla
Netherlands, the	Christian Union
Netherlands, the	Reformed Political Party (SGP)
Moldova	People's Party
Poland	Right of the Republic
Romania	Union of Bulgarians in the Banat
Switzerland	Evangelical People's Party
Ukraine	Christian Democratic Union of Ukraine
United Kingdom	Christian Peoples Alliance

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