

# European Conservatives and Reformists Party

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

Grant Thornton Bedrijfsrevisoren SCRL

Registered Office  
Potvlietlaan 6  
2600 Berchem  
Belgium

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**Independent auditor's report with respect to the Annual Accounts of the European Conservatives and Reformists Party 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 reimbursable 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 reimbursable expenditure actually incurred**

**Qualified opinion**

We have audited the Annual Accounts of European Conservatives and Reformists Party (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 € 3.335.142,63 and of which the income statement shows a loss for the year of € 23.938,66.

In our opinion, with the exception of the possible implications of the matter described in the paragraph 'Basis for qualified 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 Belgium, using the abbreviated schedule.

We have also audited the Final Statement of reimbursable 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 European Conservatives and Reformists Party.

In our opinion, with the exception of the possible implications of the matter described in the paragraph 'Basis for qualified opinion', the Final Statement of reimbursable 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 qualified opinion**

The Entity's balance sheet of the Annual Accounts includes long outstanding receivables for a total amount of € 202.669 for which we could not obtain sufficient and objective information enabling us to conclude on the collectability and the appropriate valuation. An impairment of these receivables would not have an impact on the recorded final European Parliament grant amount for the year, but would result in a decrease of the result for the year and of the reported reserves.

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 reimbursable 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.

Except for the matter described above, 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 reimbursable expenditure actually incurred. This schedule is prepared to assist the Entity to meet the requirements of the European Parliament. As a result, the schedule may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### **Material uncertainty related to going concern**

We draw your attention to the disclosure on page ABR-NPI 6.8 of the Annual Accounts relating to the preparation of the Annual Accounts under the assumption that the activities will be continued, despite the negative reserves. 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 reimbursable 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 Belgium and the Final Statement of reimbursable 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 reimbursable 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 contribution 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 reimbursable expenditure actually incurred**

Our objectives are to obtain reasonable assurance whether the Annual Accounts and the Final Statement of reimbursable 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 reimbursable 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 reimbursable 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 Belgium. 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 reimbursable 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 reimbursable 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 reimbursable expenditure actually incurred, and evaluating whether these Annual Accounts and the Final Statement of reimbursable 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 Belgium, its articles of association, the legal and regulatory requirements regarding bookkeeping and the provisions of the Contribution 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 contribution 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 reimbursable 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, and with the exception of the possible effect of the elements included in the section “Basis for qualified opinion”, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium;
- 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 unused part of Union funding is carried over to the next financial year;
- Any unused part of Union funding was used in accordance with Article 228(2) 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, 30 June, 2021

Grant Thornton Bedrijfsrevisoren SCRL  
Represented by

Gunther Loits  
Registered auditor

## **Annex 1: Annual accounts**



<b>201</b>				<b>1</b>	<b>EUR</b>	
NAT.	Filing date	N°. 0820.208.739	P.	U.	D.	ABR-NPI 1

**ANNUAL ACCOUNTS AND OTHER DOCUMENTS TO BE FILED IN  
ACCORDANCE WITH THE BELGIAN COMPANIES AND ASSOCIATIONS  
CODE**

**IDENTIFICATION DETAILS (at the filing date)**

NAME: **ALLIANCE OF EUROPEAN CONSERVATIVES**

Legal form: **Non-profit making association**

Address: **RUE DU TRONE**

N°. **4**

Postal code: **1000**

Town: **Brussel-Stad**

Country: **Belgium**

Register of legal persons – commercial court: **Brussel, French-speaking**

Website <sup>1</sup>:

Company registration number

**0820.208.739**

DATE **17/09/2019** of filing the most recent document mentioning the date of publication of the deed of incorporation and of the deed of amendment of the articles of association.

ANNUAL ACCOUNTS

**IN EURO (2 decimals)** <sup>2</sup>

approved by the general meeting of <sup>3</sup>

**19/06/2021**

regarding the period from

**1/01/2020**

to

**31/12/2020**

Preceding period from

**1/01/2019**

to

**31/12/2019**

The amounts for the preceding period **are / are not** <sup>4</sup> identical to the ones previously published.

Total number of pages filed: **17**

Numbers of the sections of the standard model form not filed

because they serve no useful purpose: 6.1.3, 6.2, 6.6, 7, 8

Signature Signature  
(name and position)

**Antonio Giordano**

**Secretary General (mandated to sign on behalf of Mrs.  
Meloni)**

Signature Signature  
(name and position)

<sup>1</sup> Optional mention.

<sup>2</sup> If necessary, adjust the unit and currency in which the amounts are expressed.

<sup>3</sup> By the Board of Directors in case of a foundation / by general management in case of an international non profit institution.

<sup>4</sup> Strike out what does not apply.

**LIST OF DIRECTORS AND AUDITORS  
AND DECLARATION REGARDING A COMPLIMENTARY REVIEW OR  
CORRECTION ASSIGNMENT**

**LIST OF DIRECTORS AND AUDITORS**

COMPLETE LIST with surname, first names, profession, place of residence (address, number, postal code and town) and position within the association or foundation

**Fotyga Anna**

Podlesna 25m, box 1, 80-255 Gdansk, Poland

Title : Vice president of the board of directors

Mandate : 28/09/2020

**Meloni Giorgia**

Via Giacomo Brogi 65, 00142 Rome, Italy

Title : President

Mandate : 28/09/2020

**Buxadé Villalba Jorge**

Calle Cabo Finisterre 5, box 9C, 28660 Boadilla del Monte - Madrid, Spain

Title : Vice president of the board of directors

Mandate : 28/09/2020

**DECLARATION REGARDING A COMPLIMENTARY REVIEW OR CORRECTION ASSIGNMENT**

Optional disclosures:

- if the annual accounts have been audited or adjusted by an external accountant or auditor who is not a statutory auditor, mention here after: name, first names, profession, residence-address of each external accountant or auditor, the number of membership with the professional Institute ad hoc and the nature of this engagement:
  - A. Bookkeeping of the association of foundation\*\*,
  - B. Preparing the annual accounts \*\*,
  - C. Auditing the annual accounts and/or
  - D. Correcting the annual accounts.
- If the assignment mentioned either under A or B is performed by authorised accountants or authorised accountants-tax consultants, information will be given on: name, first names, profession and residence-address of each authorised accountant or accountant-tax consultant, his number of membership with the Professional Institute of Accountants and Tax consultants and the nature of this engagement.

Surname, first names, profession and address	Membership number	Nature of the assignment (A, B, C and/or D)

\* Strike out what does not apply.

\*\* Optional mention.

## ANNUAL ACCOUNTS

## BALANCE SHEET AFTER APPROPRIATION

	Notes	Codes	Period	Preceding period
<b>ASSETS</b>				
<b>FORMATION EXPENSES</b> .....		20		
<b>FIXED ASSETS</b> .....		21/28	<u>26.715,80</u>	<u>3.829,54</u>
<b>Intangible fixed assets</b> .....	6.1.1	21	24.200,00	
<b>Tangible fixed assets</b> .....	6.1.2	22/27	2.515,80	3.829,54
Land and buildings .....		22		
Plant, machinery and equipment .....		23	2.515,80	3.633,92
Furniture and vehicles .....		24		195,62
Leasing and other similar rights .....		25		
Other tangible fixed assets .....		26		
Assets under construction and advance payments .....		27		
<b>Financial fixed assets</b> .....	6.1.3	28		
<b>CURRENT ASSETS</b> .....		29/58	<u>3.308.426,83</u>	<u>1.738.875,97</u>
<b>Amounts receivable after more than one year</b> .....		29		
Trade debtors .....		290		
Other amounts receivable .....		291		
<b>Stocks and contracts in progress</b> .....		3		
Stocks .....		30/36		
Contracts in progress .....		37		
<b>Amounts receivable within one year</b> .....		40/41	1.745.747,40	224.379,94
Trade debtors .....		40	242.205,88	224.379,94
Other amounts receivable .....		41	1.503.541,52	
<b>Current investments</b> .....		50/53		
<b>Cash at bank and in hand</b> .....		54/58	1.141.715,61	1.504.445,19
<b>Accruals and deferred income</b> .....		490/1	420.963,82	10.050,84
<b>TOTAL ASSETS</b> .....		20/58	3.335.142,63	1.742.705,51



**PROFIT AND LOSS ACCOUNT**

	Notes	Codes	Period	Preceding period
<b>Operating income and operating charges</b>				
Gross margin .....		9900	787.695,44	1.333.652,16
Of which: non-recurring operating income .....		76A		
Turnover <sup>5</sup> .....		70		
Membership fees, gifts, legacies and subsidies <sup>5</sup> .....		73	2.309.001,09	5.038.138,05
Goods for resale, raw materials, consumables, services and other goods <sup>5</sup> .....		60/61	1.522.334,61	4.512.037,15
Remuneration, social security and pensions .....		62	746.294,33	845.424,86
Amortisations of and other amounts written down on formation expenses, intangible and tangible fixed assets .....		630	6.153,74	1.916,49
Amounts written down on stocks, contracts in progress and trade debtors: additions (write-backs) .....		631/4		
Provisions for liabilities and charges: appropriations (uses and write-backs) .....		635/9		
Other operating charges .....		640/8	40.504,54	28.834,81
Operating charges reported as assets under restructuring costs .....		649		
Non-recurring operating charges .....		66A		
<b>Operating profit (loss)</b> .....		9901	<u>-5.257,17</u>	<u>457.476,00</u>
<b>Financial income</b> .....	6.4	75/76B	1.461,63	8.581,61
Recurring financial income .....		75	1.461,63	8.581,61
Non-recurring financial income .....		76B		
<b>Financial charges</b> .....	6.4	65/66B	20.143,12	199.290,39
Recurring financial charges .....		65	20.143,12	14.160,39
Non-recurring financial charges .....		66B		185.130,00
<b>Profit (Loss) for the period before taxes</b> .....		9903	<u>-23.938,66</u>	<u>266.767,22</u>
<b>Transfer from deferred taxes</b> .....		780		
<b>Transfer to deferred taxes</b> .....		680		
<b>Income taxes on the result</b> .....		67/77		
<b>Profit (Loss) of the period</b> .....		9904	<u>-23.938,66</u>	<u>266.767,22</u>
<b>Transfer from untaxed reserves</b> .....		789		
<b>Transfer to untaxed reserves</b> .....		689		
<b>Profit (Loss) of the period available for appropriation</b> .....		9905	<u>-23.938,66</u>	<u>266.767,22</u>

<sup>5</sup> Optional mention.

**APPROPRIATION ACCOUNT**

	Codes	Period	Preceding period
<b>Profit (Loss) to be appropriated</b> .....(+)/(-)	9906	-572.936,35	-548.997,69
Profit (Loss) of the period available for appropriation .....(+)/(-)	(9905)	-23.938,66	266.767,22
Profit (Loss) of the preceding period brought forward .....(+)/(-)	-14P	-548.997,69	-815.764,91
<b>Transfers from equity, funds, designated funds and other reserves</b> .....	791		
<b>Appropriations to designated funds and other reserves</b> .....	691		
<b>Profit (loss) to be carried forward</b> .....(+)/(-)	(14)	-572.936,35	-548.997,69

**NOTES ON THE ACCOUNTS**  
**STATEMENT OF FIXED ASSETS**

**INTANGIBLE FIXED ASSETS**

**Acquisition value at the end of the period** .....

**Movements during the period**

Acquisitions, including produced fixed assets .....

Sales and disposals .....

Transfers from one heading to another .....(+)/(-)

**Acquisition value at the end of the period** .....

**Amortisations and amounts written down at the end of the period** .....

**Movements during the period**

Recorded .....

Written back .....

Acquisitions from third parties .....

Cancelled owing to sales and disposals .....

Transferred from one heading to another .....(+)/(-)

**Amortisations and amounts written down at the end of the period** .....

**NET BOOK VALUE AT THE END OF THE PERIOD** .....

Codes	Period	Preceding period
8059P	xxxxxxxxxxxxxxx	18.051,71
8029	29.040,00	
8039		
8049		
8059	47.091,71	
8129P	xxxxxxxxxxxxxxx	18.051,71
8079	4.840,00	
8089		
8099		
8109		
8119		
8129	22.891,71	
(21)	<u>24.200,00</u>	



	Codes	Period	Preceding period
<b>TANGIBLE FIXED ASSETS</b>			
<b>Acquisition value at the end of the period</b> .....	8199P	xxxxxxxxxxxxxxxx	35.816,56
<b>Movements during the period</b>			
Acquisitions, including produced fixed assets .....	8169		
Sales and disposals .....	8179		
Transfers from one heading to another .....(+)/(-)	8189		
<b>Acquisition value at the end of the period</b> .....	8199	35.816,56	
<b>Revaluation surpluses at the end of the period</b> .....			
	8259P	xxxxxxxxxxxxxxxx	
<b>Movements during the period</b>			
Recorded .....	8219		
Acquisitions from third parties .....	8229		
Cancelled .....	8239		
Transfers from one heading to another .....(+)/(-)	8249		
<b>Revaluation surpluses at the end of the period</b> .....	8259		
<b>Amortisations and amounts written down at the end of the period</b> .....			
	8329P	xxxxxxxxxxxxxxxx	31.987,02
<b>Movements during the period</b>			
Recorded .....	8279	1.313,74	
Written back .....	8289		
Acquisitions from third parties .....	8299		
Cancelled owing to sales and disposals .....	8309		
Transfers from one heading to another .....(+)/(-)	8319		
<b>Amortisations and amounts written down at the end of the period</b> .....	8329	33.300,76	
<b>NET BOOK VALUE AT THE END OF THE PERIOD</b> .....	(22/27)	<u>2.515,80</u>	
<b>WHERE OF</b>			
<b>Owned by the association or foundation in full property</b> .....	8349		

**STATEMENT OF AMOUNTS PAYABLE****BREAKDOWN OF AMOUNTS PAYABLE WITH AN ORIGINAL TERM OF MORE THAN ONE YEAR, ACCORDING TO THEIR RESIDUAL MATURITY**

	Codes	Period
<b>Total current portion of amounts payable after more than one year falling due within one year .....</b>	(42)	
<b>Total amounts payable with a remaining term of more than one year, yet less than 5 years .....</b>	8912	36.550,00
<b>Total amounts payable with a remaining term of more than 5 years .....</b>	8913	
<b>AMOUNTS PAYABLE GUARANTEED (included in accounts 17 and 42/48 of liabilities)</b>		
<b>Amounts payable guaranteed by the Belgian government agencies</b>		
Financial debts .....	8921	
Credit institutions, leasing and other similar obligations .....	891	
Other loans .....	901	
Trade debts .....	8981	
Suppliers .....	8991	
Bills of exchange payable .....	9001	
Advance payments on contracts in progress .....	9011	
Remuneration and social security .....	9021	
Other amounts payable .....	9051	
<b>Total of the amounts payable guaranteed by the Belgian government agencies .....</b>	<b>9061</b>	
<b>Amounts payable guaranteed by real securities given or irrevocably promised by the association or foundation on its own assets</b>		
Financial debts .....	8922	
Credit institutions, leasing and other similar obligations .....	892	
Other loans .....	902	
Trade debts .....	8982	
Suppliers .....	8992	
Bills of exchange payable .....	9002	
Advance payments on contracts in progress .....	9012	
Taxes, remuneration and social security .....	9022	
Taxes .....	9032	
Remuneration and social security .....	9042	
Other amounts payable .....	9052	
<b>Total amounts payable guaranteed by real securities given or irrevocably promised by the association or foundation on its own assets .....</b>	<b>9062</b>	

**RESULTS****PERSONNEL AND PERSONNEL COSTS**

**Employees for whom the association or foundation submitted a DIMONA declaration or who are recorded in the general personnel register**

Average number of employees calculated in full-time equivalents .....

	Codes	Period	Preceding period
Average number of employees calculated in full-time equivalents .....	9087	4,0	5,3
<b>INCOME AND CHARGES OF EXCEPTIONAL SIZE OR FREQUENCY</b>			
<b>Non-recurring income</b> .....	76		
Non-recurring operating income .....	(76A)		
Non-recurring financial income .....	(76B)		
<b>Non-recurring charges</b> .....	66		185.130,00
Non-recurring operating charges .....	(66A)		
Non-recurring financial charges .....	(66B)		185.130,00
<b>FINANCIAL RESULTS</b>			
<b>Capitalised interests</b> .....	6502		

**RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET**

	Codes	Period
<b>PERSONAL GUARANTEES PROVIDED OR IRREVOCABLY PROMISED BY THE ASSOCIATION OR FOUNDATION AS SECURITY FOR DEBTS AND COMMITMENTS OF THIRD PARTIES .....</b>	9149	
<b>Of which</b>		
Bills of exchange in circulation endorsed by the association or foundation .....	9150	
 <b>REAL GUARANTEES</b>		
<b>Real guarantees provided or irrevocably promised by the association or foundation on its own assets as security of debts and commitments of the association or foundation</b>		
Mortgages		
Book value of the immovable properties mortgaged .....	91611	
Amount of registration .....	91621	
For irrevocable mortgage mandates, the amount for which the agent can take registration .....	91631	
Pledging of goodwill		
Maximum amount up to which the debt is secured and which is the subject of registration .....	91711	
For irrevocable mandates to pledge goodwill, the amount for which the agent can take the inscription .....	91721	
Pledging of other assets or irrevocable mandates to pledge other assets		
Book value of the immovable properties mortgaged .....	91811	
Maximum amount up to which the debt is secured .....	91821	
Guarantees provided or irrevocably promised on future assets		
Amount of assets in question .....	91911	
Maximum amount up to which the debt is secured .....	91921	
Vendor's privilege		
Book value of sold goods .....	92011	
Amount of the unpaid price .....	92021	

**RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET**

**Real guarantees provided or irrevocably promised by the association or foundation on its own assets as security of debts and commitments of third parties**

**Mortgages**

Codes	Period
91612	
91622	
91632	

**Pledging of goodwill**

91712	
91722	

**Pledging of other assets or irrevocable mandates to pledge other assets**

91812	
91822	

**Guarantees provided or irrevocably promised on future assets**

91912	
91922	

**Vendor's privilege**

92012	
92022	

**AMOUNT, NATURE AND FORM CONCERNING LITIGATION AND OTHER IMPORTANT COMMITMENTS**

Period

**SETTLEMENT REGARDING THE COMPLEMENTARY RETIREMENT OR SURVIVORS' PENSION FOR PERSONNEL AND BOARD MEMBERS**

**Brief description**

**Measures taken to cover the related charges**

**RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET**

**PENSIONS FUNDED BY THE ASSOCIATION OR FOUNDATION ITSELF**

Estimated amount of the commitments resulting from past services .....

Methods of estimation

Code	Period
9220	

**NATURE AND COMMERCIAL OBJECTIVE OF TRANSACTIONS NOT REFLECTED IN THE BALANCE SHEET**

If the risks and benefits resulting from such transactions are of any meaning and if publishing such risks and benefits is necessary to appreciate the financial situation of the association or foundation

Period

**OTHER RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET (including those that cannot be calculated)**

Pending lawsuit relating to a former employee - Undefined amount / outcome

Period

**SOCIAL BALANCE SHEET**

Numbers of the joint industrial committees competent for the association or foundation:

**EMPLOYEES FOR WHOM THE ASSOCIATION OR FOUNDATION HAS SUBMITTED A DIMONA DECLARATION OR WHO ARE RECORDED IN THE GENERAL PERSONNEL REGISTER**

	Codes	1. Full-time (period)	2. Part-time (period)	3. Total (T) or total in full-time equivalents (FTE) (period)	3P. Total (T) or total in full-time equivalents (FTE) (preceding period)
<b>During the period and the preceding period</b>					
Average number of employees .....	100	4,0		4,0 (FTE)	5,3 (FTE)
Number of actual hours worked .....	101	7.175		7.175 (T)	9.371 (T)
Personnel costs .....	102	746.294,33		746.294,33 (T)	845.424,86 (T)

	Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
<b>At the closing date of the period</b>				
<b>Number of employees .....</b>	105	4		4,0
<b>By nature of the employment contract</b>				
Contract for an indefinite period .....	110	4		4,0
Contract for a definite period .....	111			
Contract for the execution of a specifically assigned work	112			
Replacement contract .....	113			
<b>According to gender and study level</b>				
Men .....	120	4		4,0
primary education .....	1200	4		4,0
secondary education .....	1201			
higher non-university education .....	1202			
university education .....	1203			
Women .....	121			
primary education .....	1210			
secondary education .....	1211			
higher non-university education .....	1212			
university education .....	1213			
<b>By professional category</b>				
Management staff .....	130			
Salaried employees .....	134	4		4,0
Hourly employees .....	132			
Other .....	133			

**LIST OF PERSONNEL MOVEMENTS DURING THE PERIOD****ENTRIES**

Number of employees for whom the association or foundation submitted a DIMONA declaration or who have been recorded in the general personnel register during the period.....

**DEPARTURES**

Number of employees whose contract-termination date has been included in the DIMONA declaration or in the general personnel register during the period .....

Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
205	1		1,0
305	1		1,0

**INFORMATION ON TRAINING PROVIDED TO EMPLOYEES DURING THE PERIOD****Total of initiatives of formal professional training at the expense of the employer**

	Codes	Men	Codes	Women
Number of employees involved .....	5801	4	5811	
Number of actual training hours .....	5802	8	5812	
Net costs for the association or foundation.....	5803	266,46	5813	
of which gross costs directly linked to training .....	58031		58131	
of which contributions paid and payments to collective funds .....	58032	266,46	58132	
of which grants and other financial advantages received (to deduct) ...	58033		58133	

**Total of initiatives of less formal or informal professional training at the expense of the employer**

Number of employees involved .....	5821		5831	
Number of actual training hours .....	5822		5832	
Net costs for the association or foundation.....	5823		5833	

**Total of initial initiatives of professional training at the expense of the employer**

Number of employees involved .....	5841		5851	
Number of actual training hours .....	5842		5852	
Net costs for the association or foundation.....	5843		5853	



**VALUATION RULES**

Les règles d'évaluation sont déterminées selon les dispositions imposées par le Parlement Européen.

Convention de subvention de fonctionnement numéro:

Guide Funding awarded by the European Parliament to European political parties and foundations of June 2018.

Le Parti Politique a un fond de roulement négatif, mais la continuité est garantie aussi longtemps qu'il recevra des subsides du Parlement Européen et d'autres ressources. Les règles d'évaluation sont basées sur le principe de continuité.

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

**ESTIMATED BUDGET**

Costs		
Eligible costs	Budget	Actual
<b>A.1: Personnel costs</b>	800.000,00	739.438,92
1. Salaries	600.000,00	581.862,63
2. Contributions	100.000,00	135.066,03
3. Professional training	50.000,00	
4. Staff missions expenses	25.000,00	
5. Other personnel costs	25.000,00	22.510,26
<b>A.2: Infrastructure and operating costs</b>	100.000,00	107.817,34
1. Rent, charges and maintenance costs	30.000,00	60.750,13
2. Costs relating to installation, operation and maintenance of equipment	5.000,00	6.131,92
3. Depreciation of movable and immovable property	10.000,00	6.153,74
4. Stationery and office supplies	10.000,00	17.640,74
5. Postal and telecommunications charges	20.000,00	6.686,04
6. Printing, translation and reproduction costs	20.000,00	10.301,86
7. Other infrastructure costs	5.000,00	152,91
<b>A.3: Administrative costs</b>	800.000,00	181.425,66
1. Documentation costs (newspapers, press agencies, databases)	200.000,00	12.114,59
2. Costs of studies and research	300.000,00	45.980,00
3. Legal costs	50.000,00	54.208,61
4. Accounting and audit costs	50.000,00	45.593,18
5. Miscellaneous administrative costs	100.000,00	23.529,28
6. Support to associated entities	100.000,00	
<b>A.4: Meetings and representation costs</b>	1.100.000,00	811.298,13
1. Costs of meetings	800.000,00	616.472,96
2. Participation in seminars and conferences	150.000,00	132.373,05
3. Representation costs	65.000,00	48.538,91
4. Costs of invitations	35.000,00	
5. Other meeting-related costs	50.000,00	13.913,21
<b>A.5: Information and publication costs</b>	1.180.000,00	391.231,87
1. Publication costs	430.000,00	82.219,00
2. Creation and operation of internet sites	50.000,00	64.130,00
3. Publicity costs	200.000,00	195.902,07
4. Communications equipment (gadgets)	50.000,00	48.980,00
5. Seminar and exhibitions	450.000,00	
6. Election campaigns	0,00	
7. Other information-related costs	0,00	
<b>A. TOTAL REIMBURSABLE COSTS</b>	<b>3.980.000,00</b>	<b>2.231.211,92</b>
<b>Non-reimbursable costs</b>	<b>20.000,00</b>	<b>104.218,42</b>
1. Allocations to other provisions		
2. Financial charges	2.500,00	8.613,81
3. Exchange losses	12.500,00	10.054,80
4. Doubtful claims on third parties	2.500,00	
5. Others (to be specified)	2.500,00	85.549,81
6. Contributions in kind		
<b>B. TOTAL NON-REIMBURSABLE COSTS</b>	<b>20.000,00</b>	<b>104.218,42</b>
<b>C. TOTAL COSTS</b>	<b>4.000.000,00</b>	<b>2.335.430,34</b>

Revenue		
	Budget	Actual
D.1-1. European Parliament funding carried over from year N-1		1.441.480,00
D.1-2. European Parliament funding awarded for year N		3.600.000,00
D.1-3. European Parliament funding carried over to year N+1		3.253.065,27
<b>D.1. European Parliament funding used to cover 90% of reimbursable costs in year N</b>	<b>3.600.000,00</b>	<b>1.788.414,73</b>
<b>D.2 membership fees</b>	<b>250.000,00</b>	<b>250.584,71</b>
2.1 from member parties	200.000,00	250.584,71
2.2 from individual members	50.000,00	0,00
<b>D.3 Donations</b>	<b>100.000,00</b>	<b>246.924,02</b>
Donations	120.000,00	246.924,02
<b>D.4 Other own resources</b>	<b>50.000,00</b>	<b>25.568,22</b>
Contributions	25.000,00	
Participation Fees	25.000,00	23.077,63
Financial discounts		1,16
Recovery of meal vouchers		1.028,96
Realized exchange gains		1.460,47
D.5. Contributions in kind	0,00	0,00
<b>D. TOTAL REVENUE</b>	<b>4.000.000,00</b>	<b>2.311.491,68</b>
<b>E. profit/loss (D-C)</b>		<b>-23.938,66</b>
F. Allocation of own resources to the reserve account		-23.938,66
G. Profit/loss for verifying compliance with the no-profit rule (E-F)		0,00
H. Interest from pre-financing		

# European Conservative and Reformists Party (ECR Party)

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

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**Independent auditor's report on the Financial Statements in accordance with International Financial Reporting Standards of European Conservatives and Reformists Party for the year ended 31 December 2020**

**Qualified opinion**

We have audited the Financial Statements of European Conservatives and Reformists Party AISBL (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, with the exception of the possible implications of the matter described in the paragraph 'Basis for qualified 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) as adopted by the European Union.

**Basis for qualified opinion**

The Entity's balance sheet of the Financial Statements includes long outstanding receivables for a total amount of € 194.786 for which we could not obtain sufficient and objective information enabling us to conclude on the collectability and the appropriate valuation. An impairment of these receivables would not have an impact on the recorded final European Parliament grant amount for the year, but would result in a decrease of the result for the year and of the reported retained earnings.

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 qualified opinion.

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

We have also audited the Annual Accounts of the Entity prepared in accordance with the financial reporting framework applicable in Belgium and the Final Statement of reimbursable 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 30 June 2021.

**Material uncertainty related to going concern**

We draw your attention to the disclosure on page 11 of the Financial Statements relating to the preparation of the Financial Statements under the assumption that the activities will be continued, despite the negative retained earnings. 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. 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 Financial Statements. 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 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, 2 November 2021

Grant Thornton Bedrijfsrevisoren SCRL  
Represented by

Gunther Loits  
Registered auditor



European Conservative and Reformists Party  
(ECR Party)

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

Statement of financial position at 31 December 2020	4
Statement of profit or loss for the year ended 31 December 2020	5
Statement of comprehensive income for the year ended 31 December 2020	6
Statement of changes in equity for the year ended 31 December 2020	7
Statement of cash flows for the year ended 31 December 2020	8
Notes to the financial statements for the year ended 31 December 2020	9
1. General information	9
2. Significant accounting policies	10
2.1. Basis of preparation	10
2.2. Summary of significant accounting policies	11
a) Current versus non-current classification	11
b) Foreign currencies	11
c) Intangible assets	12
d) Property, plant and equipment	14
e) European Parliament grants	14
f) Cash and cash equivalents	15
g) Financial instruments	15
h) Impairment of non-financial assets	18
i) Provisions for other liabilities and charges	18
j) Leases – lessee accounting	18
k) Revenue from contracts with customers	20
l) Joint operation	21
2.3. Changes in accounting policies and disclosures	22
2.4. Standards issued but not yet effective	24
3. Critical accounting estimates and judgments	26
4. Revenue from contracts with customers	28
5. Other income	29
6. Expenses by nature and other operating income	29

7. Finance income and costs	30
8. Employee benefit expense	31
9. Property, plant and equipment	32
10. Intangible assets	34
11. Financial assets and financial liabilities	35
a) Financial assets	35
b) Financial liabilities: Borrowings	35
c) Fair Values	36
12. Financial risk management	36
a) Financial risk factors	36
b) Capital management	40
13. Trade and other receivables	41
14. Cash and cash equivalents	42
15. Trade and other payables	42
16. Commitments and contingencies	43
17. Events after the reporting date	44

## 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	160.793,44	199.987,56
<b>Total non-current assets</b>		<b>160.793,44</b>	<b>199.987,56</b>
<b>Current assets</b>			
Trade and other receivables	15	2.158.828,57	224.752,80
Cash and cash equivalents	16	1.141.715,61	1.504.445,19
<b>Total current assets</b>		<b>3.300.544,18</b>	<b>1.729.197,99</b>
<b>Total assets</b>		<b>3.461.337,62</b>	<b>1.929.185,55</b>
<b>EQUITY AND LIABILITIES</b>			
Initial funds		-	-
Reserves		-	-
Retained earnings		(607.819,13)	(560.202,48)
<b>Total equity</b>		<b>(607.819,13)</b>	<b>(560.202,48)</b>
<b>Non-current liabilities</b>			
Borrowings	11	36.550,00	-
Leasing liabilities	11	123.738,56	161.077,77
Trade and other payables	18	-	-
<b>Total non-current liabilities</b>		<b>160.288,56</b>	<b>161.077,77</b>
<b>Current liabilities</b>			
Trade and other payables	18	3.871.528,98	2.291.703,19
Leasing liabilities	11	37.339,21	36.607,07
<b>Total current liabilities</b>		<b>3.908.868,19</b>	<b>2.328.310,26</b>
<b>Total liabilities</b>		<b>4.069.156,75</b>	<b>2.489.388,03</b>
<b>Total equity and liabilities</b>		<b>3.461.337,62</b>	<b>1.929.185,55</b>

The accompanying notes 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	273.662,34	487.219,92
Other income	5	2.036.367,71	3.730.579,07
<b>Revenue</b>		<b>2.310.030,05</b>	<b>4.217.798,99</b>
General and administrative expenses	6	(2.294.874,09)	(3.925.336,20)
Other operating income/(expenses)	6	(52.033,85)	(31.529,26)
<b>Operating profit/(loss)</b>		<b>(36.877,89)</b>	<b>260.933,53</b>
Finance income	7	1.461,63	8.581,61
Finance costs	7	(12.200,38)	(13.952,71)
<b>Profit/(loss) for the year</b>		<b>(47.616,64)</b>	<b>255.562,43</b>

The accompanying notes are an integral part of these financial statements.

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

EUR	Note s	2020	2019
Profit/(loss) for the year		(47.616,64)	255.562,43
<b>Other comprehensive income</b>			
Total comprehensive income for the year, net of tax		(47.616,64)	255.562,43

The accompanying notes 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>	-	-	<b>(815.764,91)</b>	<b>(815.764,91)</b>
OCI			-	-
Profit/(loss) for the year			255.562,43	255.562,43
<b>Balance at 31 December 2019</b>	-	-	<b>(560.202,48)</b>	<b>(560.202,48)</b>
<b>Balance at 1 January 2020</b>	-	-	<b>(560.202,48)</b>	<b>(560.202,48)</b>
OCI			-	-
Profit/(loss) for the year			(47.616,64)	(47.616,64)
<b>Balance at 31 December 2020</b>	-	-	<b>(607.819,12)</b>	<b>(607.819,12)</b>

The accompanying notes 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>		(47.616,64)	255.562,43
Adjustments for:			
Finance income	7	(1.461,63)	(99,04)
Finance costs	7	12.200,38	13.952,71
Net foreign exchange differences		2.136,90	(8.482,57)
Depreciation and impairment of property, plant and equipment	9	39.194,36	37.938,06
European Parliament grant	5	(1.788.414,73)	(3.601.934,48)
Impairment loss on trade receivables	13	(1.795,33)	9.677,98
Movement in defined benefit obligation		-	-
<b>Net profit/(loss) before changes in working capital</b>		<b>(1.785.756,69)</b>	<b>(3.293.384,91)</b>
Changes in working capital:			
Decrease/(increase) in trade and other receivables	13	(434.075,77)	(83.504,12)
Increase/(decrease) in trade and other payables	16	(79.713,83)	122.668,72
Cash receipt/(reimbursement) European Parliament grant:			
Receipt of European Parliament grant		3.600.000,00	4.422.345,48
Reimbursement of European Parliament grant		(1.659.539,62)	(656.653,28)
<b>Net cash flows from operating activities</b>		<b>(359.085,91)</b>	<b>511.471,89</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of intangible assets	10	-	-
Purchases of property, plant and equipment	9	-	(4.472,22)
<b>Net cash flows from investing activities</b>		<b>(-)</b>	<b>(4.472,22)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Borrowings		36.550,00	0,00
Interest paid on lease liabilities		(3.586,57)	(3.767,09)
Payments of lease liabilities		(36.607,06)	(34.494,99)
<b>Net cash flows from financing activities</b>		<b>(3.643,63)</b>	<b>(38.262,08)</b>
<b>Movement in cash and cash equivalents including bank overdrafts</b>		<b>(362.729,54)</b>	<b>468.737,59</b>
<b>Net increase in cash and cash equivalents</b>		<b>(362.729,54)</b>	<b>468.737,58</b>
Net foreign exchange difference			
<b>Cash and cash equivalents at 1 January</b>		<b>1.504.445,19</b>	<b>1.035.707,61</b>
<b>Cash and cash equivalents at 31 December</b>		<b>1.141.715,61</b>	<b>1.504.445,19</b>

The accompanying notes are an integral part of these financial statements.



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

### 1. General information

European Conservative and Reformists Party (ECR Party) is a not-for-profit organization (PPE) incorporated and domiciled in Belgium. The registered office is located at Rue du Trône 4, 1000 Brussels. The organisation is a European political party in charge with political activities.

#### 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 Presidency on 2 August 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
Anna Elzbieta Fotyga	Vice-President	28/09/2020	21/06/2020
Giorgia Meloni	Vice-President	28/09/2020	current
Jorge Buxadé Villalba	Treasurer	28/09/2020	current

#### 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 Party's presentation currency and the functional currency of the Party. 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 Party 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 Party’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 Party’s statement of financial position shows a situation of negative equity at 31 December 2020. The financial statements have been prepared on a going concern basis on the directors’ confidence that the Party 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 Party 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 Party classifies all other liabilities as non-current.

### **b) Foreign currencies**

#### **Functional and presentation currency**

Items included in the financial statements of the Party 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 Party’s presentation currency and the functional currency of the Party.

#### **Transactions and balances**

Transactions in foreign currencies are initially recorded by the Party 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.

### Exchange rates used in the financial statements

	<u>2018</u>		<u>2019</u>		<u>2020</u>	
	<u>Closing</u>	<u>Average</u>	<u>Closing</u>	<u>Average</u>	<u>Closing</u>	<u>Average</u>
GBP	1,1138	1,1192	1,1711	1,1410	1,1053	1,1230

### 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 Party 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 Party 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>	Finite (4 years)	Finite (4 years)
<b>Amortisation method used</b>	Straight-line basis	Straight-line basis
<b>Internally generated</b>	Acquired	Internally generated

#### **d) Property, plant and equipment**

The Party's property, plant and equipment are mainly composed of IT equipment, furniture, office equipment and right-of-use assets relating to lease contract of offices, vehicles and IT equipment (printer).

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 Party 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:

<b>Property, plant and equipment</b>	<b>Useful lives</b>
IT equipment	4 years
Office equipment and furniture	4-8 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. 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 Party 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 may lead to a reduction of the final grant and can result in a reimbursement of a portion of the grant by the political party 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 Party has to make a reimbursement to the European Parliament the Party 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 Party'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 Party'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 Party'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 Party applies a simplified approach in calculating Expected Credit Losses (ECL). The Party 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 Party may also consider a financial asset to be in default when internal or external information indicates that the Party 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 Party'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 Party'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 Party does not offset its financial assets and liabilities.

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

The Party 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 Party 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 Party 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 Party 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 Party 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.

The Party rents a building for which the contract includes a restoration clause which is considered as a contingent obligation given the fact that the restoration obligation is at the discretion of the lessor and therefore not under the control of the lessee.

#### **j) Leases – lessee accounting**

The Party 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 Party leases office workspace, IT equipment (printer) and vehicles. The Party applied a single recognition and measurement approach for all leases for which it is the lessee. The Party

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 Party 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 Party and payments of penalties for terminating a lease, if the lease term reflects the Party 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 Party 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 Party 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 Party 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:

<b>Underlying assets</b>	<b>Depreciation Term</b>
<b>IT equipment (printer)</b>	9 years
<b>Office</b>	9 years
<b>Vehicles</b>	4 years

Right-of-use assets are subject to impairment.

If ownership of the leased asset transfers to the Party 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 re 'Impairment of non-financial assets'.

### **Short-term leases and leases of low-value assets**

The Party applies the short-term lease recognition exemption to its short-term leases of billboards (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:

<b>Depreciation charges on right-of-use assets</b>	<b>Note 6 Expenses by nature</b>
<b>Interest expense on lease liabilities</b>	Note 7 Finance income and costs
<b>Right of use assets movement</b>	Note 9 Property, plant and equipment
<b>Lease liabilities movement</b>	Note 12 Financial risk management

### **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 Party 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. The fees are due at the start of the year for a one year membership and are recorded upfront. As such the revenue that is recorded 31 December equals the membership fees received for the respective year.

There are three types of Membership Fees:

- Primary affiliation fee (which is an annual membership fee determined in the by-laws)
- Secondary affiliation fee (which is a contribution by the members to projects organized by European Conservative and Reformists Party (ECR Party))

- Sponsorship fee (free choice additional membership fees from members during the year)

In line with the IFRS requirements the Party 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 Party does not perform any joint projects.

### **2.3. Changes in accounting policies and disclosures**

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

Several other amendments and interpretations apply for the first time in 2020, but do not have an impact on the financial statements of the Party. The Party 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 Party 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 Party elected to apply the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4. The Party will therefore not apply the standard to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4.

The Party 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 Party mainly leases office workspace and IT equipment (printer) of high value, 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 Party 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 Party 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



## 2.4. Standards issued but not yet effective

During the current financial year, the entity applied all published new and revised standards and interpretations that are relevant to its activities and which are in force for the accounting period that started on January 1, 2020, as issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

- Amendments to references to the Conceptual Framework in IFRS standards: applicable for annual periods beginning on or after January 1, 2020.
- Amendments to IAS 1 and IAS 8: Definition of Material: applicable for annual periods beginning on or after January 1, 2020.
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform - Phase 1: applicable for annual periods beginning on or after January 1, 2020.
- Amendments to IFRS 3: Business Combinations: Definition of a Business: applicable for annual periods beginning on or after January 1, 2020.
- Amendments to IFRS 16: Leases: Covid-19-Related Rent Concessions: applicable as from June 1, 2020 at the latest for annual periods beginning on or after January 1, 2020.
- The application of the other new Standards, Interpretations and Changes has not resulted in any important changes to the principles for financial reporting.
- The entity has not yet proceeded with the early application of the new standards and amendments to existing standards and interpretations that had already been endorsed by the EU on the date of the financial statements' approval, but which were not compulsorily applicable for the period beginning on January 1, 2020:
- 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.
- The group did not carry out an early application of the new standards and changes to existing standards and interpretations that were not yet endorsed by the European Union:
- 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 Party'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 Party 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 Party. Such changes are reflected in the assumptions when they occur.

#### **Provision for expected credit losses of trade receivables and contract assets**

The Party uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by customer type).

The provision matrix is initially based on the Party's historical observed default rates. The Party will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year this could lead to an increased number of defaults and an adjustment of the historical default rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Party's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

### **Determining the lease term of contracts with renewal options**

The Party 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 Party 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 Party 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 Party if not eligible. This can result in a recovery order being issued to the Party and hence a reimbursement of a portion of the grant. If this is the case, the Party sets up a liability at year end. In December 2020 this liability amounts to EUR 390.882,00 (2019: EUR 508.094,13).

#### 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>		
<b>Primary affiliation fees:</b>	<b>250.584,71</b>	<b>342.879,50</b>
- Eastern Europe	-	2.500,00
- Western Europe	75.779,46	203.098,50
- Southeastern Europe	24.000,00	12.291,00
- Central Europe	170.322,40	119.990,00
- Northern Europe	5.000,00	
- Middle-East Asia	-	2.500,00
- Southern America	(24.517,15)	2.500,00
<b>Participation fees</b>	<b>23.077,63</b>	<b>122.340,42</b>
- Central Europe	-	32.859,82
- Northern Europe	308,00	-
- Asia	-	1.785,00
- Border East West Asia	-	645,00
- Middle-East Asia	-	520,00
- Eastern Europe	-	3.295,00
- Western Europe	22.769,63	71.773,45
- Southeastern Europe	-	11.462,15
<b>Sponsorship fees</b>	-	<b>22.000,00</b>
- Western Europe	-	22.000,00
<b>Total revenue from contracts with customers</b>	<b>273.662,34</b>	<b>487.219,92</b>

The revenue of the membership fees is recorded over time as the service is delivered throughout the year. The receivables amount to EUR 217.659,00 at 31 December 2020 (EUR 203.206,00 in 2019). These receivables are non-interest bearing and are generally on terms of 1 to 90 days. In 2020 EUR 7.882,65 (EUR 9.677,98 in 2019) was recognised as an allowance for 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	346.934,73	2.795.735,48
EP carry-over	1.441.480,00	806.199,00
Donations:		
- Above EUR 500	246.924,02	128.572,65
- Below EUR 500	-	-
Other	1.028,96	71,94
<b>Total other income</b>	<b>2.036.367,71</b>	<b>3.730.579,07</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	63.967,52	218.562,00
IT costs	29.040,00	-
Depreciation Property Plant and Equipment	1.313,74	1.916,49
Depreciation on right of use - offices	24.383,51	24.383,51
Depreciation on right of use - IT equipment	7.921,15	7.921,15
Depreciation on right of use - vehicles	5.575,72	3.717,15
Event costs	359.149,54	1.170.845,66
Meetings and representation costs	12.100,00	-
Building & materials	-	4.206,98
Office cost	21.709,26	15.279,43
Rent	15.740,80	23.260,14
Utilities and maintenance	5.314,22	4.707,98
Information and publication costs	95.010,26	275.522,96
IT, phone & internet	10.494,45	11.007,40
Website	75.322,50	50.000,00
Travel expenses	123.079,69	708.634,43
Wages and salaries	610.737,98	694.445,49
Social security cost	135.256,35	150.979,37
Consulting fees	699.768,64	548.907,07
Employer related costs – cars, trainings and others	434,50	266,36
Other personnel costs	300,00	-
ECL of trade receivables	(1.795,33)	9.677,98
Other	50,00	1.094,65
<b>Total</b>	<b>2.294.874,50</b>	<b>3.925.336,20</b>

A breakdown of the “Other operating income/(expenses) - net” by nature can be found in the table below. The income is presented with a negative sign and the expenses are presented with a positive sign.

EUR	2020		2019	
	Other operating (income)	Other operating expenses	Other operating (income)	Other operating expenses
Correction EP grant	-	32.789,00	-	-
Loss realisation trade debtors	-	-	-	18.570,10
Foreign exchange (gain)/loss	-	11.529,31	-	3.974,77
Local taxes	-	1.426,13	-	-
Tax on real estate	-	6.092,91	-	10.002,38
Social security and other taxes	-	-	(1.280,32)	-
Other (income)/expense	-	196,50	-	262,33
<b>Total</b>	-	<b>52.033,85</b>	<b>(1.280,32)</b>	<b>32.809,58</b>

## 7. Finance income and costs

### Finance income

EUR	2020	2019
Interest income on:		
Realised exchange gains on foreign currencies	1.460,47	8.482,57
Other finance income	1,16	99,04
<b>Total finance income</b>	<b>1.461,63</b>	<b>8.581,61</b>

### Finance costs

Leases interest expenses	3.586,57	3.767,09
Bank charges	8.499,13	9.670,06
Other finance costs	114,68	515,56
<b>Total finance costs</b>	<b>12.200,38</b>	<b>13.952,71</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	610.737,98	-	694.445,49	-
Social security costs	135.256,35	-	150.979,37	-
Net pension liability expense	-	-	-	-
Employer related costs	434,50	-	266,36	-
Post-employment benefit expenses	-	-	-	-
Termination benefits	-	-	-	-
Other employee benefits	-	-	-	-
<b>Total employee benefit expense</b>	<b>746.428,83</b>	<b>-</b>	<b>845.691,22</b>	<b>-</b>

	2020	2019
Average number of employees - head office	4	5
<b>Total average number of employees</b>	<b>4</b>	<b>5</b>



## 9. Property, plant and equipment

EUR	Plant, Machinery and equipment	Furniture and material	Right of use - offices	Right of use - vehicles	Right of use - IT equipment	Total	
<b>At 1 January 2019</b>							
Cost or valuation	14.665,28	16.678,82	-	-	-	31.344,10	
Accumulated depreciation, impairments and other adjustments	(13.885,01)	(16.185,52)	-	-	-	(30.070,53)	
<b>Opening net book value at 1 January 2019</b>	<b>780,27</b>	<b>493,30</b>	-	-	-	<b>1.273,57</b>	
<b>Period ended 31 December 2019</b>							
Additions	4.472,22	-	154.428,9	2	22.302,88	55.448,03	236.652,05
Disposals	-	-	-	-	-	-	-
<b>Closing Cost or Valuation at 31 December 2019</b>	<b>19.137,50</b>	<b>16.678,82</b>	<b>154.428,9</b>	<b>2</b>	<b>22.302,88</b>	<b>55.448,03</b>	<b>267.996,15</b>
Accumulated depreciation on disposals	-	-	-	-	-	-	-
Depreciation charge for the year	(1.618,81)	(297,44)	(24.383,51)	(3.717,15)	(7.921,15)	(37.938,06)	(68.008,59)
<b>Closing Accumulated depreciation, impairments and other adjustments at 31 December 2019</b>	<b>(15.503,82)</b>	<b>(16.482,96)</b>	<b>(24.383,51)</b>	<b>(3.717,15)</b>	<b>(7.921,15)</b>	<b>(68.008,59)</b>	
<b>Closing net book value at 31 December 2019</b>	<b>3.633,68</b>	<b>195,86</b>	<b>130.045,4</b>	<b>1</b>	<b>18.585,73</b>	<b>47.526,88</b>	<b>199.987,56</b>
<b>Period ended 31 December 2020</b>							
<b>Initial application of IFRS 16 as of 1 January 2019</b>							
Additions	0,24	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>Closing Cost or Valuation at 31 December 2020</b>	<b>19.137,74</b>	<b>16.678,82</b>	<b>154.428,9</b>	<b>2</b>	<b>22.302,88</b>	<b>55.448,03</b>	<b>267.996,15</b>
Accumulated depreciation on disposals	-	-	-	-	-	-	-
Depreciation charge for the year	(1.118,12)	(195,86)	(24.383,51)	(5.575,72)	(7.921,15)	(39.194,36)	(107.202,95)
<b>Closing Accumulated depreciation, impairments and other adjustments at 31 December 2020</b>	<b>(16.621,94)</b>	<b>(16.678,82)</b>	<b>(48.767,02)</b>	<b>(9.292,87)</b>	<b>(15.842,30)</b>	<b>(107.202,95)</b>	

<b>Closing net book value at 31</b>			<b>105.661,9</b>			
<b>December 2020</b>	<b>2.515,80</b>	<b>-</b>	<b>0</b>	<b>13.010,01</b>	<b>39.605,73</b>	<b>160.793,44</b>

The movement on tangible assets is only explained by the yearly depreciations.

Prior year, the significant increases of the current year are mainly explained by the capitalization of the leases of the office and the printer as from the accounting year 2019 for EUR 209.876,95 and a new lease during the year of a vehicle for EUR 22.302,88. This increase is partially offset by the yearly depreciations on tangible fixed assets EUR 37.938,06.

The Party has also certain leases of billboards with lease terms of 12 months or less. The Party applies the 'short-term lease' recognition exemptions for these leases.

Leases have lease terms between 4 and 9 years.

The Party has the option, under its leases of offices space to terminate the lease after a period of 3 years, over a lease term of 9 years. The Party judges that it is reasonably certain that it will not exercise this termination option. As such, the Party did not consider the termination option in its determination of the lease term.

## 10. Intangible assets

EUR	Internally generated intangible assets (Website& Apps)	Software and licences	Total
<b>At 1 January 2019</b>			
Cost or valuation	11.372,28	6.279,43	17.651,71
Accumulated amortization, impairments and other adjustments	(11.372,28)	(6.279,43)	(17.651,71)
<b>Opening net book value at 1 January 2019</b>	-	-	-
<b>Period ended 31 December 2019</b>			
Additions	-	-	-
Disposals	-	-	-
<b>Closing Cost or Valuation at 31 December 2019</b>	<b>11.372,28</b>	<b>6.279,43</b>	<b>17.651,71</b>
Accumulated depreciation on disposals	-	-	-
Depreciation charge for the year	-	-	-
<b>Closing Accumulated depreciation, impairments and other adjustments at 31 December 2019</b>	<b>(11.372,28)</b>	<b>(6.279,43)</b>	<b>(17.651,71)</b>
<b>Closing net book value at 31 December 2019</b>	-	-	-
<b>Period ended 31 December 2020</b>			
Additions	-	-	-
Disposals	(11.372,28)	-	(11.372,28)
<b>Closing Cost or Valuation at 31 December 2020</b>	-	<b>6.279,43</b>	<b>6.279,43</b>
Accumulated depreciation on disposals	11.372,28	-	11.372,28
Depreciation charge for the year	-	-	-
<b>Closing Accumulated depreciation, impairments and other adjustments at 31 December 2020</b>	-	<b>(6.279,43)</b>	<b>(6.279,43)</b>
<b>Closing net book value at 31 December 2020</b>	-	-	-

The intangible assets are fully depreciated. There were no investments.

## 11. Financial assets and financial liabilities

### a) Financial assets

	31 December 2020	31 December 2019
	EUR	EUR
<b>Debt instruments at amortised cost</b>		
Trade receivables & Other receivables	2.158.828,57	224.752,80
<b>Total financial assets</b>	<b>2.158.828,57</b>	<b>224.752,80</b>
<b>Total current</b>	<b>2.158.828,57</b>	<b>224.752,80</b>
<b>Total non-current</b>	-	-

### b) Financial liabilities: Borrowings

	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 15)	121.293,64	230.253,13
European parliament grant	3.609.113,75	1.949.574,13
<b>Total other financial liabilities</b>	<b>3.730.407,39</b>	<b>2.179.827,26</b>
<b>Total current</b>	<b>3.730.407,39</b>	<b>2.179.827,26</b>
<b>Total non-current</b>	-	-

	Interest rate	Maturity	31 December 2020	31 December 2019
	%	y	EUR	EUR
<b>Current interest-bearing loans and borrowings</b>				
Leasing liabilities	2	2020	37.339,21	36.607,07
<b>Total current interest-bearing loans and borrowings</b>			<b>37.339,21</b>	<b>36.607,07</b>
<b>Non-current interest-bearing loans and borrowings</b>				
Leasing liabilities	2	2023-2025	123.738,56	161.077,77
EP debt borrowing			36.550,00	-
<b>Total non-current interest-bearing loans and borrowings</b>			<b>160.288,56</b>	<b>161.077,77</b>
<b>Total interest-bearing loans and borrowings</b>			<b>197.627,77</b>	<b>197.684,84</b>

### c) Fair Values

Set out below is a comparison, by class, of the carrying amounts and fair values of the Party'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 & Other receivables	2.158.828,57	2.158.828,57	224.752,80	224.752,80
<b>Total</b>	<b>2.158.828,57</b>	<b>2.158.828,57</b>	<b>224.752,80</b>	<b>224.752,80</b>
<b>Financial liabilities</b>				
Leasing liabilities	161.077,77	161.077,77	197.684,84	197.684,84
EP debt borrowing	36.550,00	36.550,00	-	-
Trade & Other payables	3.730.407,39	3.730.407,39	2.179.827,26	2.179.827,26
<b>Total</b>	<b>3.928.035,16</b>	<b>3.928.035,16</b>	<b>2.377.512,10</b>	<b>2.377.512,10</b>

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

Moreover the carrying amount of leasing liabilities is also a reasonable approximation of the fair value.

Previous year, the financial liabilities in this note included non financial liabilities such as taxes for an amount of EUR 111.875,93. This is adjusted in the comparative amounts concerning 2019 in the financial statements of this year.

## 12. Financial risk management

### a) Financial risk factors

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

The Party's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Party'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 Party's interest rate risk is limited given the short term nature of the borrowings.

#### *Foreign exchange risk*

The Party is not significantly exposed to foreign exchange risk as most of the operation are in Euros. Only a few invoices are issued in foreign exchange but it doesn't represent a significant amount.

### **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 Party 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 Party 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 Party 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 maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Party does not hold collateral as security.

For the years 2018 and 2017 we considered the expected credit loss risk as remote since all membership fees have been collected in due time and no actual losses have been recorded.

For 2019, set out below is the information about the credit risk exposure on the Party's trade receivables and contract assets using a provision matrix:

<b>31 December 2019</b>	<b>Current</b>	<b>&lt;30 days</b>	<b>30–60 days</b>	<b>61–90 days</b>	<b>&gt;91 days</b>	<b>Total</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Expected credit loss rate (%)	1%	1%	2%	5%	5%	
Estimated total gross carrying amount at default	250,00	19.621,00	520,00	990,00	181.825,00	<b>203.206,00</b>
Expected credit loss	3,18	276,94	11,89	47,41	9.338,56	<b>9.677,98</b>

For 2020, set out below is the information about the credit risk exposure on the Party's trade receivables and contract assets using a provision matrix:

<b>31 December 2020</b>	<b>Current</b>	<b>&lt;30 days</b>	<b>30–60 days</b>	<b>61–90 days</b>	<b>&gt;91 days</b>	<b>Total</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Expected credit loss rate (%)	1%	1%	2%	4%	4%	
Estimated total gross carrying amount at default	-	17.490,00	-	5.000,00	195.169,00	<b>217.659,00</b>
Expected credit loss	-	185,14	-	179,57	7.517,94	<b>7.882,65</b>

#### *Credit risk from financing activities*

Credit risk from balances with banks and financial institutions is managed by the Party's finance department in accordance with the Party's policy. The Party's maximum exposure to credit risk

European Conservative and Reformists Party (ECR Party) – Financial statements as of and for the year ended 31 December 2020

for the components of the statement of financial position at 31 December 2020 and 2019 is the carrying amounts as illustrated in Note 11.

### Liquidity risk

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

At 31 December 2020 (EUR)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings	-	18.275,00	18.275,00	-	<b>36.550,00</b>
Trade and other payables	262.415,23	-	-	-	<b>262.415,23</b>
Leasing liabilities	37.339,21	38.085,99	85.652,57	-	<b>161.077,77</b>
European Parliament grant	3.609.113,75	-	-	-	<b>3.609.113,75</b>
At 31 December 2019 (EUR)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Trade and other payables	342.129,06	-	-	-	<b>342.129,06</b>
Leasing liabilities	40.193,64	40.193,64	110.923,12	17.116,88	<b>208.427,28</b>
European Parliament grant	1.949.574,13	-	-	-	<b>1.949.574,13</b>

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

	1 January 2020	Cash outflows	Cash inflows	IFRS 16 impact & Other	New leases in 2019	31 December 2020
	EUR	EUR	EUR	EUR	EUR	EUR
Current interest-bearing loans and borrowings (excluding items listed below)	0,00	0,00	0,00	0,00	0,00	0,00
Current leasing liabilities	36.607,07	-36.607,07	0,00	37.339,21	0,00	37.339,21
Non-current interest-bearing loans and borrowings (excluding items listed below)	0,00	0,00	0,00	0,00	0,00	0,00
Non-current leasing liabilities	161.077,77	0,00	0,00	-37.339,21	0,00	123.738,56
<b>Total liabilities from financing activities</b>	<b>197.684,84</b>	<b>-36.607,07</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>161.077,77</b>
	1 January 2019	Cash outflows	Cash inflows	Other	31 December 2019	



European Conservative and Reformists Party (ECR Party) – Financial statements as of and for the year ended 31 December 2020

	EUR	EUR	EUR	EUR	EUR
Current leasing liabilities	-	-34.494,99	-	71.102,06	36.607,07
Non-current leasing liabilities	-	-	-	161.077,77	161.077,77
<b>Total liabilities from financing activities</b>	-	<b>(34.494,99)</b>	-	<b>232.179,83</b>	<b>197.684,84</b>

**b) Capital management**

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

EUR	31 December 2020	31 December 2019
Cash and cash equivalents - note 15	1.141.715,61	1.504.445,19
Less: total borrowings	(36.550,00)	-
<b>Net cash</b>	<b>1.105.165,61</b>	<b>1.504.445,19</b>

### 13. Trade and other receivables

EUR	31 December 2020	31 December 2019
Trade receivables	217.659,00	203.206,00
Less: allowance for ECL	(7.882,65)	(9.677,98)
<b>Trade receivables - net</b>	<b>209.776,35</b>	<b>193.528,02</b>
European Parliament grant receivable	1.500.000,00	-
Accrued income and deferred charges	420.963,82	10.050,84
Other receivables	28.088,40	21.173,94
<b>Total</b>	<b>2.158.828,57</b>	<b>224.752,80</b>
<b>non-current portion</b>	-	-
<b>Current portion</b>	<b>2.158.828,57</b>	<b>224.752,80</b>

The movements in the Party's allowance for ECL are as follows:

EUR	31 December 2020	31 December 2019
<b>At 1 January</b>	<b>9.677,98</b>	-
Addition to the ECL allowance	-	9.677,98
Reversal ECL allowance	(1.795,33)	-
Write-off	-	-
Foreign exchange movement	-	-
<b>At 31 December</b>	<b>7.882,65</b>	<b>9.677,98</b>

## 14. Cash and cash equivalents

EUR	31 December 2020	31 December 2019
Cash at banks and on hand	1.141.715,61	1.504.445,19
<b>Total cash and cash equivalents (excluding bank overdrafts)</b>	<b>1.141.715,61</b>	<b>1.504.445,19</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	1.141.715,61	1.504.445,19
<b>Cash and cash equivalents (including bank overdrafts)</b>	<b>1.141.715,61</b>	<b>1.504.445,19</b>

## 15. Trade and other payables

The trade and other payables of the Party are current financial liabilities and are non-interest bearing and are normally settled on 31 day terms.

EUR	31 December 2020	31 December 2019
Trade payables	118.114,46	230.253,13
Social security and other taxes	141.121,59	111.875,93
European Parliament Grant	3.609.113,75	1.949.574,13
Other liabilities/payables	3.179,18	-
<b>Trade and other payables</b>	<b>3.871.528,98</b>	<b>2.291.703,19</b>
<b>Non-current portion</b>	<b>-</b>	<b>-</b>
<b>Current portion</b>	<b>3.871.528,98</b>	<b>2.291.703,19</b>

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

<b>Opening 1 January 2019</b>	<b>1.785.816,41</b>
Release grant into income statement	(2.980.865,48)
Grant carried-over 2018	(1.129.163,13)
Adjustment to final grant 2019	-
Reimbursement of grant	(656.653,28)
Recovery order prior year	508.094,13
Grant award 2020	4.422.345,48
<b>Closing 31 December 2019</b>	<b>1.949.574,13</b>
Release grant into income statement	(1.595.242,13)
Grant carried-over 2019	(1.441.480,00)
Payment recovery order prior year	1.500.000,00
Recovery order prior year	(403.738,25)
Grant award 2020	3.600.000,00
<b>Closing 31 December 2020</b>	<b>3.609.113,75</b>

## 16. 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 Party.

The Party has a pending lawsuit with a former employee for which the outcome currently remains undefined.

## 17. Events after the reporting date

The following events occurred after reporting date impacting the financial statements closing 31 December 2020.

### 1) COVID-19 Crisis:

During the first half of 2020, the coronavirus outbreak has had huge impact on the EU economy.

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 revenues from external sources has decreased. The impact of these, among other effects, on the financial performance may be significant for the reporting year 2021. 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 evaluating the possible measures to combat the outbreak of activities and to sustain our going concern.

There are no events occurred after reporting date impacting the financial statements closing 31 December 2020.

