

Auditor's report to the general meeting of the association Christian Political Foundation for Europe for the year ended 31 December 2014

In accordance with our service contract with the European Union represented by the European Parliament, we report to you on the performance of our audit which was entrusted to Ernst & Young Réviseurs d'Entreprises cvba. This report includes the opinion on the balance sheet as at 31 December 2014, the income statement for the year ended 31 December 2014 and the disclosures (all elements together "the Annual Accounts") and on the final statement of eligible expenditure actually incurred as well as on compliance with rules and regulations applicable to funding of political parties and foundations at European level.

1 Report on the Annual Accounts - Unqualified opinion

We have audited the Annual Accounts of the Christian Political Foundation for Europe ("the Association") as of and for the year ended 31 December 2014, prepared in accordance with the financial-reporting framework applicable in the Netherlands (the Guideline for annual reporting 640 'Not for-profit organisations' of the Dutch Accounting Standards Board) and the final statement of eligible expenditure actually incurred for the period of eligibility defined by the grant award decision of the Christian Political Foundation for Europe as laid out on the following pages.

The Annual Accounts show a balance sheet total of € 49,416 and the income statement shows a profit for the year of € 298. The profit of the year, transferred to the reserve account, is used to reduce the losses carried forward. Accumulated losses (including the result of the year) amounts to € 6,859.

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

The Board of Directors is responsible for the preparation of Annual Accounts that give a true and fair view in accordance with the financial-reporting framework applicable in the Netherlands (the Guideline for annual reporting 640 'Not for-profit organisations' of the Dutch Accounting Standards Board). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of Annual Accounts that give a true and fair view and that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the given circumstances.

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

Responsibility of the Auditor

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Annual Accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Annual Accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the Annual Accounts that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of significant accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the Annual Accounts.

We have obtained from the Board of Directors and the Association's officials the explanations and information necessary for performing our audit procedure and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit work included specific procedures to gather sufficient and appropriate audit evidence that the financial provisions and obligations of the grant award decision, Regulation (EC) No 2004/2003 and the underlying acts have been met.

Unqualified Opinion

In our opinion, the Annual Accounts (i.e. balance sheet, income statement and disclosures) give a true and fair view of the Association's net equity and financial position as at 31 December 2014, and of its results for the year ended, prepared in accordance with the financial-reporting framework applicable in the Netherlands (the Guideline for annual reporting 640 'Not for-profit organisations' of the Dutch Accounting Standards Board) and the final statement of eligible expenditure has been prepared in accordance with the rules and regulations applicable to funding of political parties and foundations at European level.

Emphasis of certain matters

Notwithstanding the loss carried forward which impact the Annual Accounts of the Foundation, the Annual Accounts are prepared under the assumption that the activities will be continued. This assumption is sustainable as long as the Foundation will receive financial support from the European Parliament or other financing sources. Without altering our audit opinion, we draw your attention to the notes in the Annual Accounts in which the Foundation justifies the application of accounting policies under the assumption of going concern.

2 Report on other legal and regulatory requirements

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

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

- ▶ Without prejudice to certain formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in The Netherlands.
- ▶ The financial documents submitted by the Christian Political Foundation for Europe to the European Parliament are consistent with the financial provisions of the Bureau's grant award decision.
- ▶ The expenditure declared was actually incurred.
- ▶ The statement of revenue is exhaustive.
- ▶ The obligations arising from the Regulation (EC) No 2004/2003 have been met.
- ▶ The obligations arising from the Bureau decision of 29 March 2004 have been met.
- ▶ The obligations arising from the grant award decision, in particular from Article II.7 - Award of contracts and Article II.11 - Eligible expenditure, have been met.

Zwolle, April 29 2015

Ernst & Young Accountants LLP
represented by

Signed by D.E. Engwerda

Christian Political Foundation for Europe

Financial Report 2014



Contents	Page
General Information	3
Balance sheet at December 31, 2014	4
Statement of Income and Expenditures	5
Notes to Financial Statements	6
Annexes	8

General Information

CPFE

The objectives of the association are to reinforce Christian politics on a European, national, regional and local level. The Christian Political Foundation for Europe is an association which has its seat in the municipality of Amersfoort.

Amendment of the Articles

On May 22, 2014 the name of the association was changed from European Christian Political Foundation into Christian Political Foundation for Europe.

Financial report 2013 approved

At the general assembly, held on May 8, 2014, the financial report 2013 has been approved, including all small changes made with regard to EP services comments. The result of the financial year 2013, a profit of € 1.334, has been added to the general reserve.

Board at December 31, 2014

Chairman:	David fieldsend	(since September 9, 2010)
Treasurer:	Walter van Luijk	(since June 7, 2012)
Secretary:	Beniamin Lup	(since September 9, 2010)
Members:	Peter Danku	(since March 25, 2013)
	Antero Laukkanen	(since March 25, 2013)
	Annelie Enochsson	(since May 8, 2014)
Note:	Paulius Saudargas resigned in 2014	

Meetings in 2014

The Christian Political Foundation for Europe held in 2014 one general assembly at May 8, 2014 in Athens. Furthermore the following major meetings took place:

Athens	May 8 and 9, 2014
Rome	June 8-10, 2014
Chisnau	August 8-10, 2014
Amsterdam	September 18-20, 2014
Caux	October 10 and 11, 2014
Timisoara	October 30 and 31, 2014
Brussels	November 19, 2014
Sighisoara	November 28, 2014

The board had meetings on February 22, April 29 and September 20, 2014.

All CPFE events are at the CPFE website: www.cpe.org.

Audit

For the year 2014 an external auditor audited the annual accounts and issued an unqualified auditors opinion.

Balance Sheet at December 31, 2014

		2014		2013	
		€	€	€	€
<u>ASSETS</u>					
	Fixed Assets				
	Tangible Assets		2.311		3.197
	Current Assets				
	Inventories	2.440		-	
	European Parliament grant	37.367		31.055	
	Other Assets	2.089		1.724	
	Membership fees	-		-	
			41.896		32.779
	Cash and cash equivalents				
	Rabobank 1539.31.095	2.691		376	
	Rabobank Savings account	2.500		-	
	Payroll	17		-	
			5.208		376
			<u>49.416</u>		<u>36.352</u>

		2014		2013	
		€	€	€	€
<u>LIABILITIES & EQUITY</u>					
	General reserve		6.859-		7.157-
	Current Liabilities				
	Creditors	3.961		3.971	
	Taxes	3.968		4.122	
	Short term loans	45.311		21.034	
	Holiday allowance	2.701		2.589	
	Other liabilities	334		11.793	
			56.275		43.509
			<u>49.416</u>		<u>36.352</u>

Statement of Income and Expenditures

	2014	Budget 2014	2013
	€	€	€
Revenue			
D.2 European Parliament grant	186.836	205.000	169.886
D.3 Membership fees			
3.1 from member parties	18.213	15.000	10.010
3.2 from individual members	25	-	-
D.4. Donations			
4.1 above 500 EUR	12.394	15.176	14.000
4.2 below 500 EUR	642	6.000	967
D.5 Other own resources (to cover expenditure)	5.962	-	6.455
D.6 Contributions in kind	-	-	-
D. TOTAL REVENUE	224.072	241.176	201.318
Expenditure			
A.1: Personnel costs			
1. Salaries	70.053	66.000	67.813
2. Contributions	-	-	-
3. Professional training	-	-	-
4. Staff missions expenses	19.748	10.000	10.341
5. Other personnel costs	10.328	5.000	2.892
	100.129	81.000	81.046
A.2: Infrastructure and operating costs			
1. Rent, charges and maintenance costs	6.582	9.000	5.566
2. Costs relating to installation, operation and maintenance of equi	674	1.000	2.326
3. Depreciation of movable and immovable property	886	250	886
4. Stationery and office supplies	1.356	1.000	1.567
5. Postal and telecommunications charges	4.894	2.000	2.692
6. Printing, translation and reproduction costs	1.010	5.000	-
7. Other infrastructure costs	-	-	-
	15.403	18.250	13.037
A.3: Administrative expenditure			
1. Documentation costs (newspapers, press agencies, databases)	328	1.000	154
2. Costs of studies and research	28.348	50.000	43.337
3. Legal costs	400	2.000	-
4. Accounting and audit costs	-	-	-
5. Support to affiliated organisations and subsidies to third parties	-	-	-
6. Miscellaneous administrative costs	4.514	2.500	3.943
	33.590	55.500	47.434
A.4: Meetings and representation costs			
1. Costs of meetings of the political party	63.541	60.000	53.246
2. Participation in seminars and conferences	-	-	-
3. Representation costs	-	-	-
4. Costs of invitations	-	426	-
5. Other meeting-related costs	1.339	6.000	-
	64.880	66.426	53.246
A.5: Information and publication costs			
1. Publication costs	2.943	10.000	940
2. Creation and operation of Internet sites	2.914	5.000	2.700
3. Publicity costs	3.303	5.000	1.464
4. Communications equipment (gadgets)	-	-	-
5. Seminar and exhibitions	-	-	-
6. Election campaigns	-	-	-
7. Other information-related costs	36	-	-
	9.196	20.000	5.104
A.6: expenditure relating to contributions in kind	-	-	-
A. TOTAL ELIGIBLE EXPENDITURE	223.197	241.176	199.867
B.1 Non-eligible expenditure			
1. Allocations to other provisions	-	-	-
2. Financial charges	577	-	117
3. Exchange losses	-	-	-
4. Doubtful claims on third parties	-	-	-
5. Others (to be specified)	-	-	-
B. TOTAL NON ELIGIBLE EXPENDITURE	577	-	117
C. TOTAL EXPENDITURE	223.774	241.176	199.984
PROFIT	298	-	1.334

Notes to Financial Statements

Statement of Accounting Policies

General

The accounting principles used are based on historical costs.

The financial statements have been prepared in accordance with the Guideline for annual reporting 640 'Not for-profit organisations'.

The financial statements were prepared on February 23, 2015.

There were no changes in accounting policies.

The financial statements are prepared to assist the Christian Political Foundation for Europe to comply with Part B: Financial Provisions of the grant award decision dated January 13, 2014.

Basis of Accounting

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

Tangible fixed assets in use by the company are carried at the cost of acquisition net of accumulated depreciation.

Depreciation is calculated on a straight-line basis over their expected useful economic lives, taking into account their residual value.

Inventories are carried at the lower of cost and the recoverable amount.

Receivables are carried at face value net of a provision for doubtful debts where necessary.

Cash at bank and in hand are carried at face value.

Current liabilities are carried at face values.

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

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

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

Going Concern

The financial statements indicate that the Foundation incurred a net profit of € 298.

During the year ended December 31, 2014 the Foundation's current liabilities exceeded its total assets by € 6,859.

These conditions indicate the existence of an uncertainty which may cast doubt

about the Foundation's ability to continue as a going concern.

For the year 2015 the Bureau of the European Parliament awarded a grant of maximum € 266,745.

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

Notes to the balance sheet

General reserve

	€
General reserve at January 1, 2014	7.157-
Generated in financial year 2014	298
General reserve at December 31, 2014	<u><u>6.859-</u></u>

Arrangements not shown in the balance sheet

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

CPFE has a rental commitment for office space until March 31, 2015 of € 1.113.

After this period CPFE will rent a new location. At this moment the new rental fee is not yet determined.

Notes to statement of Income and Expenditures

The European Parliament grant is recognized for the full amount of the contract with the European Parliament for 2014.

This grant is based on an annual application.

The provisions for this grant are laid down in the grant decision FINS-2014-24 dated on January 13, 2014.

The Final report over 2013 has been approved by the European Parliament on September 18, 2014.

Analytical review of budget versus actual

The differences between budget and actual are:

- The applied Grant was € 15.000 higher than the awarded Grant (D.2.). The foundation always applies for a higher amount because of maximization of the possible Grant.
- There has been a change between donations (D.3: decrease of aprox. € 8.000) and the membership fees (D.4: increase of aprox. € 3.000) and the other own resources (D.5: increase of aprox. € 6.000). This is because more members take their responsibility.
- The applied for personnel costs are lower than the actual costs (A.1.). In this year extra staff was hired and more activities were done by the own staff.
- In 2014 the main focus lied on meetings related costs. There were less publication costs (A.3.2) because of this focus. Also because of a lower Grant than applied for this costs were lower.
- The above mentioned is also the main reason that the information and publication costs (A.5) were lower than the budget.

A.1.1. Salaries

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

	<u>2014</u>	<u>2013</u>
	<u>€</u>	<u>€</u>
Wages	61.085	58.062
Social security premiums	8.968	9.751
Pensions	-	-
Other personell costs	-	-
	<u>70.053</u>	<u>67.813</u>

The average number of staff (including interns) employed by the Foundation in 2014 was 1,6 (2013: 1,3).

D.3 Membership fees

3.1 from member parties

Membership fees 2014 from member parties	<u>18.213</u>
	<u>18.213</u>
D.4.1. Donations above € 500	
GER Din Parlamentul Romaniaia	2.000
Association international Enseignement	3.000
Jubilee Campaign	2.000
Barnabas Fund	3.000
George Mioc	1.589
Ann Buwalda	805
	<u>12.394</u>

Members

The following organizations are members of the Christian Political Foundation for Europe:

Country	Organisation
Belgium	Care for Europe
France	ECLJ
Germany	Ethik und Werte
Hungary	Barankovics Foundation
Hungary	KEESZ
Italy	Cercasi un Fine
Ireland	Iona Institute
Netherlands	Groen van Prinsterer
Netherlands	Guido de Bres
Netherlands	FICDD
Netherlands	Schuman Centre
Romania	WorldTeach
Romania	Pro Vita
Romania	Areopagus
Romania	Pro Pretenia Arad
Romania	Centrul Crestin al Romilor
Ukraine	Foundation Democratic Initiatives
United Kingdom	Jubilee Centre