

Independent Auditor's report to the general meeting of Christian Political Foundation for Europe for the year ended 31 December 2015

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

Report on the Annual Accounts - Unqualified opinion

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

The Annual Accounts show a balance sheet total of € 65.225 and the income statement shows a profit for the year of € 1.465. 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) amount to € 5.393.

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

The Members of the Board are responsible for the preparation of Annual Accounts that give a true and fair view in accordance with the financial-reporting framework as applicable in 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 Members of the Board are responsible towards the European Parliament for the use of the grant and must comply with the provisions of the Regulation EC (No) 2004/2003 and the underlying acts.

Responsibility of the Auditor

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

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

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

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

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

Unqualified Opinion

In our opinion, the Annual Accounts (i.e. balance sheet, income statement and Notes) give a true and fair view of the Entity's net equity and financial position as at 31 December 2015 and of its results for the year ended, prepared in accordance with the financial-reporting framework applicable in 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.

Report on other legal and regulatory requirements

The Members of the Board are responsible for the compliance by the Entity 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:

- ▶ 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.

Diegem, 11 April 2016

Ernst & Young Réviseurs d'Entreprises scrl
Auditor
represented by

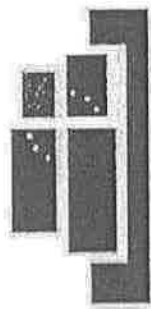
[Signed in original by Danielle Vermaelen on 11 April 2016]

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

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Christian Political Foundation for Europe

Financial Report 2015



**Christian Political
Foundation for Europe**
Thinking Christianly for Europe's Future



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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 2014 approved

At the general assembly, held on May 8, 2015, the financial report 2014 has been approved, including all small changes made with regard to EP services comments. The result of the financial year 2015, a profit of € 1465, has been added to the general reserve.

Board at December 31, 2015

Chairman:	David fieldsend	(since September 9, 2010)
Treasurer:	Walter van Luljk	(since June 7, 2012)
Secretary:	Christophe Foltzenlogel	(since May 8, 2015)
Members:	Peter Danku	(since March 25, 2013)
	Antero Laukkanen	(since March 25, 2013)
	Annella Enochsson	(since May 8, 2014)

Note:

Meetings In 2016

The Christian Political Foundation for Europe held in 2015 one general assembly at May 8, 2015 in Riga.

Furthermore the following major meetings took place:

- 1 International Lounge of the "Congress of Christian Leaders" (Kongress Christliche Führungskräfte (KCF)) that took place between 26 and 28 February 2015 in Hamburg. The Christian Political Foundation for Europe (CPFE) in partnership with the Schuman Centre for European Studies
- 2 arranged on the 8 and 9 May in Riga, "The State of Europe Forum".
- 3 At 13 May the CPFE presented its latest publication 'Personal Freedom through Debt Relief' in the Brussels Press Club. During the European Leadership Forum the CPFE provided the political track in the largest Evangelical leadership
- 4 gathering in Europe (30 May - 3 June).
- 5 The European Economic Summit meeting took place from 26 to 28 August.

The board had meetings on 28 February, 20 April, 12 September and 1 December.

All major and minor CPFE events are registered on the CPFE website: www.cpfe.eu.

Audit

For the year 2015 an external auditor audited the annual accounts and issued an unqualified auditors opinion.

Balance Sheet at December 31, 2015

	2015		2014	
	€	€	€	€
ASSETS				
Fixed Assets				
Tangible Assets		4.452		2.311
Current Assets				
Inventories	1.680		2.440	
European Parliament grant	53.349		37.367	
Other Assets	5.473		2.089	
Membership fees				
		<u>60.502</u>	<u>41.896</u>	
Cash and cash equivalents				
Rabobank 1539.31.095			2.691	
Rabobank Savings account			2.500	
Cash	245		-	
Payroll	27		17	
		<u>272</u>	<u>5.208</u>	
		<u>65.225</u>	<u>49.415</u>	

	2015		2014	
	€	€	€	€
LIABILITIES & EQUITY				
General reserve		5.393		6.859
Current Liabilities				
Creditors	18.619		3.961	
Taxes	6.744		3.968	
Short term loans	40.136		45.311	
Holiday allowance	4.516		2.701	
Rabobank 1539.31.095	467		-	
Other liabilities	137		333	
		<u>70.618</u>	<u>56.274</u>	
		<u>65.225</u>	<u>49.415</u>	

Statement of Income and Expenditures

	2015	Budget 2015	2014
	€	€	€
Revenue			
D.2 European Parliament grant	266.745	267.000	186.836
D.3 Membership fees			
3.1 from member parties	14.000	15.000	18.213
3.2 from individual members	100	-	25
D.4. Donations			
4.1 above 500 EUR	32.242	26.118	12.394
4.2 below 500 EUR	1.470	6.000	642
D.5 Other own resources (to cover expenditure)	3.451	-	5.962
D.6 Contributions in kind	-	-	-
D. TOTAL REVENUE	318.008	314.118	224.072
Expenditure			
A.1: Personnel costs			
1. Salaries	100.939	114.000	70.053
2. Contributions	-	2.000	-
3. Professional training	-	18.000	19.748
4. Staff missions expenses	29.377	-	10.328
5. Other personnel costs	35.338	2.000	-
	165.653	136.000	100.129
A.2: Infrastructure and operating costs			
1. Rent, charges and maintenance costs	12.103	8.000	6.582
2. Costs relating to installation, operation and maintenance of equi	1.235	1.000	674
3. Depreciation of movable and immovable property	1.776	1.000	886
4. Stationery and office supplies	1.799	1.500	1.356
5. Postal and telecommunications charges	2.861	4.000	4.894
6. Printing, translation and reproduction costs	1.648	1.000	1.011
7. Other infrastructure costs	450	-	-
	21.870	16.500	15.403
A.3: Administrative expenditure			
1. Documentation costs (newspapers, press agencies, databases)	-	250	328
2. Costs of studies and research	16.226	71.068	28.348
3. Legal costs	155	500	400
4. Accounting and audit costs	3.337	3.000	-
5. Support to affiliated organisations and subsidies to third parties	625	500	4.514
6. Miscellaneous administrative costs	-	-	-
	20.344	75.318	33.590
A.4: Meetings and representation costs			
1. Costs of meetings of the political party	97.857	70.000	63.541
2. Participation in seminars and conferences	500	-	-
3. Representation costs	597	-	-
4. Costs of invitations	-	-	1.339
5. Other meeting-related costs	604	-	-
	99.558	70.000	64.880
A.5: Information and publication costs			
1. Publication costs	900	10.000	2.943
2. Creation and operation of Internet sites	2.727	3.000	2.914
3. Publicity costs	4.597	3.000	3.303
4. Communications equipment (gadgets)	350	-	-
5. Seminar and exhibitions	-	-	-
6. Election campaigns	-	-	36
7. Other information-related costs	-	-	-
	8.573	16.000	9.196
A.6: expenditure relating to contributions in kind	-	-	-
A. TOTAL ELIGIBLE EXPENDITURE	315.998	313.818	223.197
B.1 Non-eligible expenditure			
1. Allocations to other provisions	-	-	-
2. Financial charges	184	300	577
3. Exchange losses	-	-	-
4. Doubtful claims on third parties	-	-	-
5. Others (to be specified)	362	-	-
	545	300	577
B. TOTAL NON ELIGIBLE EXPENDITURE			
C. TOTAL EXPENDITURE	316.543	314.118	223.774
PROFIT	1.465	0	298

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 March 29th 2016
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 December 17th 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 € 1465.
During the year ended December 31, 2015 the Foundation's current liabilities exceeded its total assets by € 5,394.
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 2016 the Bureau of the European Parliament awarded a grant of maximum € 326,023.
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, 2015	6.859-
Generated in financial year 2015	1.465
General reserve at December 31, 2015	5.394-

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 2020. The amount payable until March 15th 2020 is € 27.142

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 2015. This grant is based on an annual application. The provisions for this grant are laid down in the grant decision FINS-2015-26 dated on December 22, 2014. The Final report over 2014 has been approved by the European Parliament on October 7, 2015.

Analytical review of budget versus actual

The differences between budget and actual are:

- The staff was expanded in 2015. One person was sending invoices for the hours he made. These are accounted under A.1.5. CPFE had a new employee in the beginning of June 2015.
- The costs of rent etc. (A.2.1.) are higher than budgeted, because of the new office, which is bigger than the old one.
- 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 higher personell costs these 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:

	2015	2014
	€	€
Wages	77.487	61.085
Social security premiums	12.434	8.968
Pensions	11.018	-
Other personell costs	100.939	70.053

The average number of staff (including Interns) employed by the Foundation in 2015 was 1,5 (2014: 1,6).

D.3 Membership fees

3.1 from member parties

FICDD	7.000
WI-SGP Guido de Brassstichting	2.500
WI CU Groen van Prinstererstichting	2.000
Care	2.500
	<u>14.000</u>

D.4.1. Donations above € 500

GER Din Parlementul	3.000
ECPM	2.500
Theos	4.000
mr. Jonathan Tame	1.500
Stichting voor Christelijke filosofie	4.000
St assistentie Eurofractie	2.000
Resurgo Trust CHA	6.842
Coallie Apostolische Reformalle	5.500
Care For Europe	1.600
European Syriac Union	1.300
	<u>32.242</u>

Annexes

Annex 1 Members and associates at December 31, 2016

Members

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

Country	Organisation
France	ECLJ
Germany	Ethik und Werte
Hungary	Barankovics Foundation
Hungary	KEESZ
Italy	Cercasi un Fine
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

The membership of the following organizations terminated in 2015:

Belgium	Care for Europe
Ireland	Iona Institute

EXPENDITURE		REVENUE	
	Budget	Actual	
Eligible expenditure			
A.f: Personnel costs	136,000.00	165,654.00	
1. Salaries	114,000.00	100,939.00	
2. Contributions	0.00	0.00	0.00
3. Professional training	2,000.00	0.00	
4. Staff mission expenses	18,000.00	29,377.00	
5. Other personnel costs	2,000.00	35,338.00	
A.2: Infrastructure and operating costs	16,500.00	21,872.00	
1. Rent, charges and maintenance costs	8,000.00	12,103.00	
2. Costs relating to the installation, operation and maintenance of equipment	1,000.00	1,235.00	
3. Depreciation of movable and immovable property	1,000.00	1,776.00	
4. Stationery and office supplies	1,500.00	1,799.00	
5. Postal and telecommunications charges	4,000.00	2,861.00	
6. Printing, translation and reproduction costs	1,000.00	1,948.00	
7. Other infrastructure costs	0.00	450.00	
A.3: Administrative expenditure	75,318.00	20,343.00	
1. Documentation costs (newspapers, press agencies, databases)	250.00	0.00	
2. Costs of studies and research	71,068.00	16,226.00	
3. Legal costs	500.00	155.00	
4. Accounting and audit costs	3,000.00	3,337.00	
5. Support to affiliated organizations and subsidies to third parties	0.00	0.00	
6. Miscellaneous administrative costs	500.00	825.00	
A.4: Meetings and representation costs	70,000.00	99,558.00	
1. Costs of meetings of the Foundation	70,000.00	87,857.00	
2. Participation in seminars and conferences	0.00	500.00	
3. Representation costs	0.00	587.00	
4. Cost of invitations	0.00	0.00	
5. Other meeting-related costs	0.00	804.00	
A.5: Information and publication costs	16,000.00	8,571.00	
1. Publication costs	10,000.00	900.00	
2. Creation and operation of internet sites	3,000.00	2,727.00	
3. Publicity costs	3,000.00	4,597.00	
4. Communications equipment (gadgets)	0.00	347.00	
5. Seminars and exhibitions	0.00	0.00	
6. Election campaigns ¹	0.00	0.00	
7. Other information-related costs	0.00	0.00	
A.6: Expenditure relating to contributions in kind	0.00	0.00	
A.7: Allocation to "Provision to cover eligible expenditure to be incurred in the first quarter of N+1"	0.00	0.00	
A. TOTAL ELIGIBLE EXPENDITURE	313,918.00	315,598.00	
B.1: Non-eligible expenditure	300.00	545.00	
1. Allocations to other provisions	300.00	0.00	
2. Financial charges	0.00	184.00	
3. Exchange losses	0.00	0.00	
4. Doubtful claims on third parties	0.00	0.00	
5. Others (to be specified)	0.00	361.00	
B. TOTAL NON-ELIGIBLE EXPENDITURE	300.00	545.00	
C. TOTAL EXPENDITURE	314,118.00	316,143.00	
D.6 Contributions in kind	0.00	0.00	
D. REVENUE (to cover eligible expenditure)	314,118.00	318,006.00	
E.1 Additional other own resources (to cover non-eligible expenditure) (to be listed)			
E. REVENUE (to cover non-eligible expenditure)			
F. TOTAL REVENUE	314,118.00	318,006.00	
G. Provisions (F-C)			

EXPENDITURE		REVENUE	
	Budget	Actual	
Eligible expenditure			
A.f: Personnel costs	136,000.00	165,654.00	
1. Salaries	114,000.00	100,939.00	
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B. TOTAL NON-ELIGIBLE EXPENDITURE	300.00	545.00	
C. TOTAL EXPENDITURE	314,118.00	316,143.00	
H.1 Allocation of own resources to the specific reserve account¹	0.00	1,465.00	
H. Profit/Loss for verifying compliance with the no-profit rule (G-H.1)¹	0.00	0.00	

¹: Not applicable to political foundations at European level