

Independent Auditor's report on the Annual Accounts and the Final Statement of eligible expenditure actually incurred of European Christian Political Movement for the year ended 31 December 2016

In accordance with our service contract dated 18 November 2016 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 2016, the income statement for the year ended 31 December 2016 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 political foundations at European level.

Report on the Annual Accounts and the Final Statement of eligible expenditure actually incurred- Unqualified opinion

We have audited the Annual Accounts of European Christian Political Movement (the "Entity") as of and for the year ended 31 December 2016, prepared in accordance with the financial-reporting framework applicable in the Netherlands, we have audited the Final Statement of eligible expenditure actually incurred for the period of eligibility defined by the grant award decision of European Christian Political Movement, and prepared in accordance with the rules and regulations applicable to funding of political parties and political foundations at European level.

The Annual Accounts show a balance sheet total of € 162.932 and the income statement shows a profit for the year of € 5.416. The profit of the year has been transferred to the Specific Reserve Account. Reserve accumulated (including the result of the year) amount to € 23.296 and a carry-over to € 69.693.

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

The Members of the Board are responsible for the preparation of Annual Accounts that give a true and fair view in accordance with the financial-reporting framework as applicable in the Netherlands. 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 actually incurred, it is our responsibility to express an opinion on the compliance with rules and regulations applicable to funding of political parties and political foundations at European level.

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 and the Final Statement of eligible expenditure actually incurred are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and Notes in the Annual Accounts and the Final Statement of eligible expenditure actually incurred. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Annual Accounts and the Final Statement of eligible expenditure actually incurred, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity’s preparation and fair presentation of the Annual Accounts and the Final Statement of eligible expenditure actually incurred 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 and the Final Statement of eligible expenditure actually incurred.

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.

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 2016, and of its results for the year ended, prepared in accordance with the financial-reporting framework applicable in the Netherlands and the Final Statement of eligible expenditure has been prepared in accordance with the rules and regulations applicable to funding of political parties and political foundations at European level.

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.

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.


We make the following additional statements, which do not modify the scope of our opinion on the Annual Accounts and on the Final Statement of eligible expenditure actually incurred:

- ▶ without prejudice to certain formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in the Netherlands;
- ▶ the financial documents submitted by European Christian Political Movement to the European Parliament are consistent with the financial provisions of the Bureau’s grant award decision;
- ▶ the expenditure declared was actually incurred;
- ▶ the statement of revenue is exhaustive;

- ▶ the obligations arising from the Regulation (EC) No 2004/2003 have been met;
- ▶ the obligations arising from the Bureau decision of 29 March 2004 have been met;
- ▶ the obligations arising from the grant award decision, in particular from Article II.7 - Award of contracts and Article II.11 - Eligible expenditure, have been met;
- ▶ any surplus carried over to the next financial year has been used in the first quarter of the financial year, pursuant to Article 6a of the Bureau decision of 29 March 2004;
- ▶ the obligations arising out of Article 125(5) and (6) of the Financial Regulation have been met;
- ▶ the contributions in kind have actually been provided to the beneficiary and have been valued in compliance with the applicable rules.

Diegem, 11 April 2017

Ernst & Young Réviseurs d'Entreprises scrl
Auditor
represented by



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

17DV0740

European Christian Political Movement



Financial Report 2016

Brandon Lewis

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Remission Receipt

1/1

General Information

Financial report 2015 approved

At the General Assembly, held on June 11th, the financial report 2015 has been approved including all small changes made with regard to EP services comments. The result of the financial year 2015: € 3.610 has been added to the EP-reserve.

ECPM

The name of the association (legal form) is European Christian Political Movement (ECPM). It has its registered office in The Hague, the Netherlands. The objectives of the association are to reinforce Christian politics on a European, national, regional and local level.

Board at 31 December 2016

chairman: Peter Östman (since 7 June 2012, chairman since 7 June 2013)
vice-chairman: George Rukhadze (since 7 June 2012)
member: Vladimir Plamadeala (since 12 June 2009)
member: Stieneke van der Graaff (since 7 June 2013)
member: Branislav Skripek (boardmember since 25 Oktober 2014)
Benjamin Harnwell resigned on 5 December 2016.

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

Meetings in 2016

The ECPM had two General Assemblies, one on 11 June 2016 in Rotterdam and one on 5 December 2016 in Brussels.

The board had meetings on: 29 January; 21 March; 11 June and 1 October.

All ECPM events are in the 2016 ECPM yearbook.

Committee ex Article 15(4)

According to Article 15(4) of the Statutes shall the congress appoint a committee consisting of at least two persons, not being board members, to audit the board's report and report its findings to the congress. For the year 2015 an external auditor audited the annual accounts and issued an unqualified opinion.

Branislav Skripek

Balance Sheet 31 december 2016

ASSETS	2016		2015	
	€	€	€	€
Fixed Assets		9.086		2.349
Current Assets				
European Parliament grant	109.488		92.190	
Other Assets	18.038		6.621	
Membership fees	14.349		6.500	
		141.875		105.311
Cash and cash equivalents:				
Rabobank 11.38.70.159	11.970		15.270	
Rabobank 31.76.676.654	-		-	
Paypal	-		-	
Creditcard	-		-	
Cash	-		-	
		11.971		15.271
		162.932		122.931

LIABILITIES & EQUITY	2016		2015	
	€	€	€	€
Reserves				
General reserve	3.077		3.077	
Specific EP reserve	23.296		17.880	
		26.373		20.957
Provision carry-over Q1 next year		69.693		62.224
Current Liabilities:				
Creditors	28.029		15.538	
Short-term Loans	10.005		-	
Taxes	4.182		9.630	
Holiday allowance payable	24.623		8.473	
Other liabilities	27		6.109	
		66.866		39.750
		162.932		122.931

Branka Luyck

Statement of Income and Expenditures

	2016	Budget 2016	2015
	€	€	€
Revenue			
D.2 European Parliament grant	547.440	575.000	460.950
D.3 Membership fees			
3.1 from member parties	22.201	25.000	28.020
3.2 from individual members	6.700	1.000	2.496
D.4. Donations			
4.1 above 500 EUR	40.153	40.000	22.647
4.2 below 500 EUR	10.801	20.000	13.382
D.5 Other own resources (to cover expenditure)	25.825	14.000	17.982
D.6 Contributions in kind	3.530	10.000	2.019
E.1. Additional own resources	62.224	-	12.367
D. TOTAL REVENUE	718.873	685.000	559.863
Expenditure			
A.1: Personnel costs			
1. Salaries	248.839	210.000	186.822
2. Contributions	-	10.000	-
3. Professional training	4.564	6.000	1.110
4. Staff missions expenses	11.713	10.000	3.673
5. Other personnel costs	28.054	15.000	13.648
	293.170	251.000	205.253
A.2: Infrastructure and operating costs			
1. Rent, charges and maintenance costs	22.225	25.000	21.040
2. Costs relating to installation, operation and maintenance	1.312	4.000	1.621
3. Depreciation of movable and immovable property	1.283	2.500	1.410
4. Stationery and office supplies	1.700	4.000	3.243
5. Postal and telecommunications charges	7.523	2.500	8.279
6. Printing, translation and reproduction costs	688	6.000	118
7. Other infrastructure costs	83	8.000	720
	34.815	52.000	36.432
A.3: Administrative expenditure			
1. Documentation costs (newspapers, press agencies, data)	295	5.000	219
2. Costs of studies and research	-	5.000	-
3. Legal costs	-	2.500	186
4. Accounting and audit costs	4.845	5.000	4.080
5. Support to affiliated organisations and subsidies to them	21.200	40.000	22.750
6. Miscellaneous administrative costs	794	3.000	704
	27.134	60.500	27.939
A.4: Meetings and representation costs			
1. Costs of meetings of the political party	248.917	221.000	186.541
2. Participation in seminars and conferences	590	7.000	2.964
3. Representation costs	-	5.000	-
4. Costs of invitations	-	5.000	311
5. Other meeting-related costs	-	9.000	-
	249.507	247.000	189.816
A.5: Information and publication costs			
1. Publication costs	5.150	10.000	9.093
2. Creation and operation of Internet sites	3.589	15.000	3.394
3. Publicity costs	6.494	15.000	12.382
4. Communications equipment (gadgets)	13.191	6.000	4.108
5. Seminar and exhibitions	-	10.000	2.000
6. Election campaigns	-	5.000	-
7. Other information-related costs	-	3.500	-
	28.423	64.500	30.978
A.6: expenditure relating to contributions in kind	3.530	10.000	2.019
Allocation to "Provision to cover eligible expenditure to be incurred in the first quarter of N+1"	69.693	-	62.224
A. TOTAL ELIGIBLE EXPENDITURE	705.271	685.000	554.661
B.1 Non-eligible expenditure			
1. Allocations to other provisions	-	-	-
2. Financial charges	5	-	53
3. Exchange losses	-	-	1.200
4. Doubtful claims on third parties	4.776	-	-
5. Others (to be specified)	2.405	-	340
B. TOTAL NON ELIGIBLE EXPENDITURE	7.186	-	1.592
C. TOTAL EXPENDITURE	713.457	685.000	556.253
PROFIT	5.416	-	3.610

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

The accounting principles used are based on historical costs.

The financial statements have been prepared in accordance with the Guidelines for annual reporting 640 'Not-for-profit organisations'. The financial statements were prepared on March 27th, 2017. There were no changes in accounting policies. The financial statements are prepared to assist European Christian Political Movement to comply with Part B: Financial Provisions of the grant award decision dated December 17th, 2015.

Basis of Accounting

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

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

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

Interest income is recognised pro rata in the profit and loss account, taking into account the effective interest rate for the asset concerned.

Expenses are determined with due observance of the aforementioned accounting policies and allocated to the financial year to which they relate.

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

Comparable figures

The comparable figures for 2015 are not adjusted in comparison with the 2015 financial report.

Notes to the balance sheet**Reserves**

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

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

General reserve

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

Specific (European Parliament) reserve

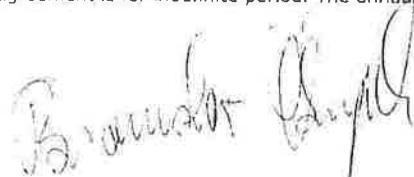
	€
Generated in financial year 2010	-
Generated in financial year 2011	3.907
Generated in financial year 2012	587
Generated in financial year 2013	5.763
Generated in financial year 2014	4.013
Generated in financial year 2015	3.610
Specific reserve at 31 December 2015	<u>17.880</u>
Generated in financial year 2016	5.416
Specific reserve at 31 December 2016	<u>23.296</u>

Arrangements not shown in the balance sheet

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

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

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



Notes to statement of Income and Expenditures

The European Parliament grant is recognized for the full amount of the contract with the European Parliament for 2016. This grant is based on an annual application. The provisions for this grant are laid down in the grant decision FINS-2016-10 dated 17-12-2015. The Final report over 2015 has been approved by the European Parliament on 16-09-2016.

Analytical review of budget versus actual

The differences between budget and actual are:
The Budget was lower than applied for, to have maximum benefit from changes made in the total grant. All other costs are lower than in the budget because the budget is lower. The Board and Director adapted the budget after award decision.

A.1.1. Salaries

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

	2016	2015
	€	€
Dutch Salaries	91.715	116.491
Belgian Salaries	107.123	10.534
Dutch social security (wn-verz)	16.134	19.881
Belgian social security (RSZ)	8.676	2.901
Other personell costs	25.191	35.229
	248.839	185.036

The average number of staff employed by the Movement in 2016 was 4 (NL)+3(BE) 2015: 5 (NL)+2(BE)

D.3.1. Membership fee of Member parties and organizations

ChristenUnie	Netherlands	2.460
EVP	Switzerland	960
ECD	Estonia	249
SGP	Netherlands	1.460
Bundnis C	Germany	192
CDI	Georgia	10.000
Right of the republic	Poland	1.500
Union of Bulgarians in the Banat	Romania	600
LP Christian (CDI)	France	4.200
Hrast	Kroatia	480
CDU	Ukraine	100
		22.201

D.4.1. Donations above € 500

FICDD	11.301
Le XII Solidaire	12.000
C-Axent	2.000
A-Partners Donation	3.114
WEA Business coalition	2.000
Langesund Bad Holding	2.188
European Coalition for Israel	1.000
EDW donation	5.000
Teula Vodo	1.000
Transatlantic Christian Council	550
	40.153

Annexes

Annex 1 Members and associates at December 31, 2016

Armenia	Christian Democratic Union of Armenia
Croatia	H-rast
Estonia	Estonian Christian Democrats
France	Christian Democratic Party (PCD)
Georgia	Christian Democratic People's Party
Germany	BundnisC
Latvia	Christian-Democratic Union
Netherlands, the	ChristianUnion
Netherlands, the	Reformed Political Party (SGP)
Moldova	People's Party
Poland	Right of the republic
Romania	Union of Bulgarians in the Banat
Switzerland	Evangelical People's Party
Ukraine	Christian Democratic Union of Ukraine
United Kingdom	Christian Peoples Alliance

Bransche Bijzet

Breakdown of the provisional operating budget

EXPENDITURE		Budget	Actual	REVENUE	
Eligible expenditure					
Category 1: Personnel costs		251.000,00	293.169,55		
1. Salaries		210.000,00	248.838,87	575.000,00	62.224,00
2. Contributions		10.000,00	0,00	26.000,00	28.900,52
3. Professional training		6.000,00	4.564,00	25.000,00	22.201,00
4. Staff mission expenses		10.000,00	11.712,79	1.000,00	6.699,52
5. Other personnel costs		15.000,00	28.053,89	60.000,00	50.954,17
Category 2: Infrastructure and operating costs		52.000,00	34.814,53	40.000,00	40.193,40
1. Rent, charges and maintenance costs		25.000,00	22.225,16	20.000,00	10.800,77
2. Costs relating to the installation, operation and maintenance of equipment		4.000,00	1.312,07		
3. Depreciation of movable and immovable property		2.500,00	1.283,31		
4. Stationery and office supplies		4.000,00	1.700,30		
5. Postal and telecommunications charges		2.500,00	7.522,83		
6. Printing, translation and reproduction costs		6.000,00	688,25		
7. Other infrastructure costs		8.000,00	82,61		
Category 3: Administrative expenditure		60.500,00	27.134,21		
1. Documentation costs (newspapers, press agencies, databases)		5.000,00	295,40	13.800,00	25.441,98
2. Costs of studies and research		5.000,00	0,00	400,00	382,78
3. Legal costs		2.500,00	0,00		
4. Accounting and audit costs		5.000,00	4.844,68		
5. Support to affiliated organization and subsidies to third parties		40.000,00	21.200,00		
5. Miscellaneous administrative costs		3.000,00	794,13		
Category 4: Meetings and representation costs		247.000,00	248.507,48		
1. Costs of meetings of the political party		221.000,00	248.917,48		
2. Participation in seminars and conferences		7.000,00	990,00		
3. Representation costs		5.000,00	0,00		
4. Cost of invitations		5.000,00	0,00		
5. Other meeting-related costs		9.000,00	0,00		
Category 5: Information and publication costs		64.500,00	28.422,99		
1. Publication costs		10.000,00	5.149,76		
2. Creation and operation of Internet sites		15.000,00	3.588,85		
3. Publicity costs		15.000,00	5.493,86		
4. Communications equipment (gadgets)		6.000,00	13.190,52		
5. Seminars		10.000,00	0,00		
6. Exhibitions		5.000,00	0,00		
7. Other information-related costs		3.500,00	0,00		
Category 6: Expenditure relating to contributions in kind		10.000,00	3.529,51	10.000,00	3.529,51
Allocation to: "Provision to cover eligible expenditure to be incurred in the first quarter of N+1"			69.692,00		
TOTAL ELIGIBLE EXPENDITURE		685.000,00	706.271,27	685.000,00	718.872,96
(Category 7: Non-eligible expenditure					
1. Allocations to provisions		0,00	0,00		
2. Financial charges		0,00	4,92		
3. Exchange losses		0,00	0,00		
4. Doubtful claims on third parties		0,00	4.776,00		
5. Donation to Sellux and out of period expenditure		0,00	2.405,24		
TOTAL NON-ELIGIBLE EXPENDITURE		0,00	7.186,16	0,00	0,00
TOTAL BUDGET		685.000,00	713.457,43	685.000,00	718.872,96
H.1 Allocation of own resources to the specific reserve account 1		0,00	5.415,53		
H. Profit/loss vor verifying compliance with the no-profit rule (G-H.1) 1		0,00	0,00		

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