

Auditor's report on the financial statements of the European Christian Political Movement for the year ended 31 December 2013

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 contains our opinion on the financial statements (i.e. balance sheet, profit & loss account, off-balance accounts and notes) 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.

Unqualified auditor's report

We have audited the financial statements as defined above for the year ending 31 December 2013 and the final statement of the eligible expenditure actually incurred for the period of eligibility defined by the grant award decision of the European Christian Political Movement, as laid out on the following pages.

The financial statements for the year ended 31 December 2013 have been prepared in accordance with the financial reporting framework applicable in The Netherlands and show a balance sheet total of € 73,050 and a profit for the year of € 5,763. The profit of the year has been transferred to the Specific Reserve Account. Reserve accumulated (including the result of the year) amount to € 13,334 and a carry-over to € 14,518.

Respective responsibilities of the Board of Directors of the European Christian Political Movement

The Board of Directors is responsible for the preparation and fair presentation of the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation. Moreover, it includes a fair presentation of financial statements 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 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.

Respective responsibilities of the Auditor

Our responsibility is to express an opinion on these financial statements 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 legal requirements and the auditing standards applicable in The Netherlands, as issued by the International Standards on Auditing (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

***Audit report dated April 11, 2014 on the financial statements of
the European Christian Political Movement
for the year ended 31 December 2013***

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, we have considered internal control relevant to the association's preparation and fair presentation of the financial statements 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. We have evaluated the appropriateness of accounting policies used, the reasonableness of significant accounting estimates made by the association and the presentation of the financial statements, taken as a whole.

Finally, we have obtained from the Board of Directors and the association's officials the explanations and information necessary for executing our audit procedures. 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.

Opinion

In our opinion, the financial statements (i.e. balance sheet, profit & loss account, off-balance account and notes) for the period ended 31 December 2013 have been prepared in accordance with the financial reporting framework applicable in The Netherlands, are free of material misstatement and show a true and fair view of the financial position and the operating results.

Additional confirmations and statements

The association's compliance with:

- ▶ the Law for not-for-profit associations
- ▶ its articles of association, and
- ▶ the provisions of the European Parliament's grant award decision, Regulation (EC) No 2004/2003 and the underlying acts, is the responsibility of the Board of Directors.

We do not have to report any transactions undertaken or decisions taken in violation of the association's articles of association or the Law for not-for-profit associations.

In our opinion (which does not modify the scope of our opinion on the financial statements):

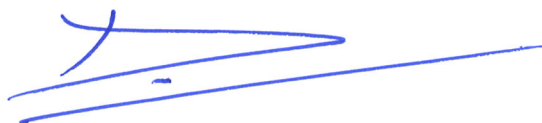
- ▶ without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in The Netherlands;
- ▶ the financial documents submitted by the European Christian Political Movement to the European Parliament are 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;

***Audit report dated April 11, 2014 on the financial statements of
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- ▶ 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.

Zwolle, April 11, 2014

Ernst & Young Accountants LLP
represented by



D.E. Engwerda
Partner

Initials for identification purposes:



European Christian Political Movement

Financial Report 2013



Contents	Page
General Information	3
Balance sheet 31 december 2013	4
Statement of Income and Expenditures	5
Notes to Financial Statements	6
Annexes	7

General Information

Financial report 2012 approved

At the members congress, held on the 7th June 2013, the financial report 2012 has been approved including all small changes made with regard to EP services comments. The result of the financial year 2012, € 587 has been added to the specific 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 2013

chairman: Peter Östman (boardmember since 7 June 2012)
vice-chairman: George Rukhadze (boardmember since 7 June 2012)
member: Vladimir Plamadeala (since 12 June 2009)
member: Stieneke van der Graaff (since 7 June 2013)
member: Endre Spaller (since 7 June 2013)
member: Benjamin Harnwell since (7 June 2012)

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

Meetings in 2013

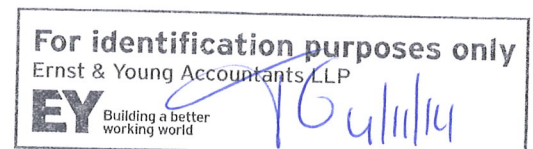
The ECPM had 1 general assembly in June 2013 in Helsinki, Finland

The board had meetings on: 16 February, 16 May, 26 August, 12 November

All ECPM events are in the 2013 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 2013 an external auditor audited the annual accounts and issued an unqualified auditors opinion.



Balance Sheet 31 december 2013

	2013		2012	
	€	€	€	€
ASSETS				
Fixed Assets		2.105		-
Current Assets				
European Parliament grant	61.003		47.288	
Other Assets	4.296		3.657	
Membership fees	-		200	
		65.299		51.145
Cash and cash equivalents				
Rabobank 11.38.70.159	5.646		14.118	
Rabobank 31.76.676.654	-		200	
Creditcard	-		-	
Cash	-		-	
		5.646		14.318
		73.050		65.463

	2013		2012	
	€	€	€	€
LIABILITIES & EQUITY				
Reserves				
General reserve	3.077		3.077	
Specific EP reserve	10.257		4.494	
		13.334		7.571
Provision carry-over Q1 next year		14.518		1.296
Current Liabilities				
Creditors	3.951		-	
Short-term Loans	25.000		50.000	
Taxes	2.750		-	
Holiday allowance payable	4.084		-	
Other liabilities	9.414		6.596	
		45.198		56.596
		73.050		65.463

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Statement of Income and Expenditures

	2013	Budget 2013	2012
	€	€	€
Revenue			
D.2 European Parliament grant	305.012	310.000	241.807
D.3 Membership fees			
3.1 from member parties	19.900	7.000	5.438
3.2 from individual members	247	500	-
D.4. Donations			
4.1 below 500 EUR	4.250	8.500	9.437
4.2 above 500 EUR	18.774	30.000	19.670
D.5 Other own resources (to cover expenditure)	7.854	5.000	7.480
D.6 Contributions in kind	10.000	10.000	1.600
D. TOTAL REVENUE	366.038	371.000	285.432
Expenditure			
A.1: Personnel costs			
1. Salaries	100.859	68.000	119.600
2. Contributions	-	32.000	-
3. Professional training	-	2.000	647
4. Staff missions expenses	15.877	8.000	-
5. Other personnel costs	11.999	5.000	7.550
	128.735	115.000	127.797
A.2: Infrastructure and operating costs			
1. Rent, charges and maintenance costs	13.877	15.000	24.296
2. Costs relating to installation, operation and maintenanc	281	2.800	-
3. Depreciation of movable and immovable property	851	500	-
4. Stationery and office supplies	2.608	-	-
5. Postal and telecommunications charges	7.792	700	4.899
6. Printing, translation and reproduction costs	1.586	6.000	177
7. Other infrastructure costs	1.562	4.000	584
	28.557	29.000	29.956
A.3: Administrative expenditure			
1. Documentation costs (newspapers, press agencies, data	211	3.000	219
2. Costs of studies and research	2.040	4.000	3.000
3. Legal costs	-	2.500	-
4. Accounting and audit costs	1.090	3.000	104-
5. Support to affiliated organisations and subsidies to thir	30.000	30.000	27.862
6. Miscellaneous administrative costs	5.363	1.000	-
	38.704	43.500	30.977
A.4: Meetings and representation costs			
1. Costs of meetings of the political party	116.668	101.000	58.802
2. Participation in seminars and conferences	3.770	4.000	5.248
3. Representation costs	131	2.000	1.238
4. Costs of invitations	574	3.000	250
5. Other meeting-related costs	7.869	4.000	19.095
	129.012	114.000	84.633
A.5: Information and publication costs			
1. Publication costs	700	7.000	4.320
2. Creation and operation of Internet sites	9.132	10.000	54
3. Publicity costs	218	10.000	2.850
4. Communications equipment (gadgets)	557	3.500	995
5. Seminar and exhibitions	-	5.000	-
6. Election campaigns	-	23.000	-
7. Other information-related costs	-	1.000	-
	10.608	59.500	8.219
A.6: expenditure relating to contributions in kind	10.000	10.000	1.600
Allocation to "Provision to cover eligible expenditure to be incurred in the first quarter of	14.518		1.296
A. TOTAL ELIGIBLE EXPENDITURE	360.134	371.000	284.478
B.1 Non-eligible expenditure			
1. Allocations to other provisions	-	-	-
2. Financial charges	141	-	-
3. Exchange losses	-	-	-
4. Doubtful claims on third parties	-	-	-
5. Others (to be specified)	-	-	367
B. TOTAL NON ELIGIBLE EXPENDITURE	141	-	367
C. TOTAL EXPENDITURE	360.275	371.000	284.845
Allocation to Specific Reserve account	5.763	-	587
PROFIT/LOSS	-	-	-

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 Directive 640 of the Dutch Council on Annual Reporting.

The financial statements were prepared on February 26th 2014. 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 February 11, 2013.

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 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.

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.

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 2013	3.077
Generated in financial year 2013	-
General reserve at 31 December 2013	<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
Specific reserve at 31 December 2012	<u>4.494</u>
Generated in financial year 2013	5.763
Specific reserve at 31 December 2013	<u>10.257</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 of € 5,405 for the year 2014

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 2013.

This grant is based on an annual application.

The provisions for this grant are laid down in the grant decision FINS-2013-10 dated 11-02-2013.

The Final report over 2012 has been approved by the European Parliament on 19-09-2013.

Analytical review of budget versus actual

The differences between budget and actual are:

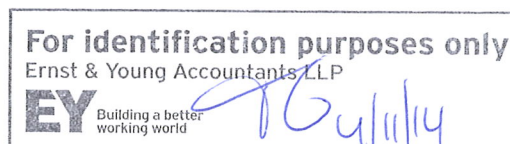
- The election costs of 2013 have not been spent. The budget is moved to the meetings budget.
- The personnel costs have been reallocated from contributions to salaries
- Members payments have been allocated to contributions instead of donations

A.1.1. Salaries

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

	<u>2013</u>	<u>2012</u>
	€	€
Wages	87.580	-
Social security premiums	13.279	-
Pensions	-	-
External hiring personnel	-	119.600
	<u>100.859</u>	<u>119.600</u>

In 2012 the Movement did not employ people itself. In 2013 the employees became a direct responsibility of ECPM. The average number of staff employed by the Movement in 2013 was 2,3 (2012: -).



Annexes

Annex 1 Specification Donations above 500 euro

	€
Centrul Chrestin al Roma	3.000
Christian Roma Centre	1.000
The A partners	3.000
Justin D. Kagan	2.204
The A-partners	1.570
Mr. Anheliuc	1.000
European Dignity watch	5.000
Latvian Socialas Tirgus Ekonomikas	2.000
	<u>18.774</u>

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ANNEXE

Annexe: Structure analytique du budget prévisionnel de fonctionnement

DÉPENSES		Budget	Réelles
Dépenses éligibles			
A.1: Frais de personnel		115.000,00	128.735,00
1. Salaires		68.000,00	100.859,00
2. Charges		32.000,00	0,00
3. Formation professionnelle		2.000,00	0,00
4. Frais de mission du personnel		8.000,00	15.877,00
5. Autres frais de personnel		5.000,00	11.999,00
A.2: Frais d'infrastructure et d'exploitation		29.000,00	28.557,00
1. Loyer, charges et frais d'entretien		15.000,00	13.877,00
2. Frais d'installation, d'exploitation et d'entretien des équipements		2.800,00	281,00
3. Frais d'amortissement des biens meubles et immeubles		500,00	851,00
4. Papeterie et fournitures de bureau		0,00	2.608,00
5. Affectations et télécommunications		700,00	7.792,00
6. Frais d'impression, de traduction et de reproduction		6.000,00	1.586,00
7. Autres frais d'infrastructure		4.000,00	1.562,00
A.3: Dépenses de fonctionnement		43.500,00	38.704,00
1. Frais de documentation (journaux, agences de presse, bases de données)		3.000,00	211,00
2. Frais d'études et de recherches		4.000,00	2.040,00
3. Frais juridiques		2.500,00	0,00
4. Frais de comptabilité et d'audit		3.000,00	1.090,00
5. Aide aux organisations affiliées et subventions à des tiers		30.000,00	30.000,00
6. Frais divers de fonctionnement		1.000,00	5.363,00
A.4: Réunions et frais de représentation		114.000,00	129.012,00
1. Frais de réunion du parti politique		101.000,00	116.668,00
2. Participation à des séminaires et conférences		4.000,00	3.770,00
3. Frais de représentation		2.000,00	131,00
4. Frais pour les invitations		3.000,00	574,00
5. Autres frais de réunions		4.000,00	7.869,00
A.5: Dépenses d'information et de publication		59.500,00	10.607,00
1. Frais de publication		7.000,00	700,00
2. Création et exploitation de sites Internet		10.000,00	9.132,00
3. Frais de publicité		10.000,00	218,00
4. Matériel de communications (gadgets)		3.500,00	557,00
5. Séminaires et expositions		5.000,00	0,00
6. Campagnes électorales ¹		23.000,00	0,00
7. Autres frais d'information		1.000,00	0,00
A.6: Dépenses relatives aux apports en nature		10.000,00	10.000,00
A.7: Dotation à la "Provision pour les dépenses éligibles intervenant au premier trimestre de l'année N+1"			14.518,00
A. TOTAL des DÉPENSES ÉLIGIBLES		371.000,00	360.133,00
B.1: Dépenses non éligibles		0,00	141,00
1. Dotations aux autres provisions		0,00	0,00
2. Charges financières		0,00	141,00
3. Pertes de change		0,00	0,00
4. Créances douteuses		0,00	0,00
5. Autres (à préciser)-exceptionnel (année 2012)		0,00	0,00
B. TOTAL des DÉPENSES NON ÉLIGIBLES		0,00	141,00
C. TOTAL des DÉPENSES		371.000,00	360.274,00

RECETTES		Budget	Réelles
D.1 Dissolution de la "Provision pour les dépenses éligibles intervenant au premier trimestre de l'année N+1"			
D.2 Subvention du Parlement européen		310.000,00	305.012,00
D.3 Cotisations		7.500,00	20.147,00
3.1 des partis		7.000,00	19.900,00
3.2 des membres		500,00	247,00
D.4 Dons		38.500,00	23.024,00
4.1 supérieurs à 500 EUR		8.500,00	4.250,00
4.2 inférieurs à 500 EUR		30.000,00	18.774,00
D.5 Autres ressources propres (affectées aux dépenses éligibles) (à énumérer)		5.000,00	7.854,00
D.6 Apports en nature		10.000,00	10.000,00
D. RECETTES (affectées aux dépenses éligibles)		371.000,00	366.037,00
E.1 Autres ressources propres (affectées aux dépenses non éligibles) (à énumérer)			0,00
E. RECETTES (affectées aux dépenses non éligibles)		0,00	0,00
F. TOTAL des RECETTES		371.000,00	366.037,00
G. Profits/pertes (F-C)		0,00	5.763,00

H.1 Dotation de ressources propres au compte de réserve spécifique¹	0,00	5.763,00
H. Profits/pertes pour vérifier le respect de la règle relative au but non lucratif (G-H.1)¹	0,00	0,00