Identité et Démocratie Fondation

Grant Thornton Bedrijfsrevisoren BV

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Independent auditor's report on the Financial Statements for the year ended 31 December 2023

Independent auditor's report on the Financial Statements in accordance with International Financial Reporting Standards of Identité et Démocratie Fondation for the year ended 31 December 2023

Qualified opinion

We have audited the Financial Statements of Identité et Démocratie Fondation (the "Entity"), which comprise the statement of financial position as at 31 December 2023, 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.

Except for the impact of the matter described in the section entitled "Basis for the qualified opinion", the accompanying Financial Statements give, in our opinion, a true and fair view of the financial position of the Entity as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for the qualified opinion

During the financial year under review the Entity has accounted for an expected credit loss for an amount of € 17.300. This expected credit loss should have been accounted for in previous financial year and our independent auditor's report of prior year shows a qualified opinion in this respect. Consequently, the income statement relating to the financial year under review contains an expense amounting to € 17.300 originating in the previous financial year.

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 opinion.

Material uncertainty related to going concern

We draw the attention to the disclosure note 2.1. to the financial statements, in which is mentioned that the foundation has a negative net equity as at 31 December 2023. This negative equity is an indication that a material uncertainty exists that may cast significant doubt on the Foundation's ability to continue as a going concern. Our opinion is not modified in respect of this Matter.

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

We have also audited the Annual Accounts of the Entity prepared in accordance with the financial reporting framework applicable in France and the Final Statement of eligible 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 June 28th, 2024.

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, March 31, 2025

Grant Thornton Bedrijfsrevisoren BV
Represented by

Gunther Loits (Signature)

Digitally signed by Gunther Loits (Signature)
DN: cn=Gunther Loits (Signature)
Date: 31/March/2025

Gunther Loits
Registered auditor

Identité et Démocratie Fondation – ID Fondation

Financial statements as of and for the year ended 31 December 2023

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Statement of financial position at 31 December 2023

EUR	Notes	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Property, plant and equipment	9	45 596	80 349
Trade and other receivables	12	7 744	7 158
Total non-current assets		**53 340**	**87 507**
Current assets			
Trade and other receivables	12	74 050	63 205
Cash and cash equivalents	13	2 610 834	3 205 177
Total current assets		**2 684 884**	3 268 382
Total assets		**2 738 224**	**3 355 889**
EQUITY AND LIABILITIES			
Reserves		(8 859)	(8 859)
Retained earnings		(45 668)	(26 783)
Total equity		**(54 528)**	**(35 643)**
Non-current liabilities			
Leasing liabilities	10	0	41 573
Total non-current liabilities		0	**41 573**
Current liabilities			
Trade and other payables	10	2 751178	3 309 399
Leasing liabilities	10	41 573	40 559
Total current liabilities		**2 792 751**	**3 349 958**
Total liabilities		**2 792 751**	**3 391 531**
Total equity and liabilities		**2 738 224**	**3 355 889**

The accompanying notes 1 to 16 are an integral part of these financial statements.

Statement of profit or loss for the year ended 31 December 2023

EUR	Notes	2023	2022
Revenue from contracts with customers	4	46 000	50 000
Other income	5	887 487	548 830
Revenue		**933 487**	**598 830**
General and administrative expenses	6	(916 641)	(623 464)
Other operating income/(expenses)	6	(33 044)	305
Operating profit/(loss)		**(16 198)**	**(24 329)**
Finance income	7	70	1
Finance costs	7	(2 758)	(2 562)
Profit/(loss) for the year		**(18 885)**	**(26 890)**

The accompanying notes 1 to 16 are an integral part of these financial statements.

Statement of comprehensive income for the year ended 31 December 2023

EUR	Notes	2023	2022
Profit/(loss) for the year		(18 885)	(26 890)
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods		-	-
Total comprehensive income for the year, net of tax		(18 885)	(26 890)

The accompanying notes 1 to 16 are an integral part of these financial statements.

Statement of changes in equity for the year ended 31 December 2023

EUR	Reserves	Retained earnings	Total equity
Balance at 1 January 2022	**(8 859)**	**107**	**(8 752)**
Profit/(loss) for the year	-	(26 890)	(26 890)
Balance at 31 December 2022	**(8 859)**	**(26 783)**	**(35 643)**
Balance at 1 January 2023	**(8 859)**	**(26 783)**	**(35 643)**
Profit/(loss) for the year	-	(18 885)	(18 885)
Balance at 31 December 2023	**(8 859)**	**(45 668)**	**(54 528)**

The accompanying notes 1 to 16 are an integral part of these financial statements.

Statement of cash flows for the year ended 31 December 2023

EUR	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the year		(18 885)	(26 890)
Adjustments for:			
Finance income		(70)	(1)
Finance costs		2 758	2 562
Depreciation and impairment of property, plant and equipment	9	41 707	40 174
European Parliament grant	5	(880 027)	(548 830)
Impairment loss and trade receivables	12	(26 000)	9 700
Net profit/(loss) before changes in working capital		**(880 518)**	**(523 285)**
Changes in working capital:			
Decrease/(increase) in trade and other receivables	12	14 640	(16 348)
Increase/(decrease) in trade and other payables	14	(30 470)	31 663
Receipt of European Parliament grant	14	349 844	611 208
Net cash flows from operating activities		**(546 504)**	**103 238**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(6 954)	-
Net cash flows from investing activities		**(6 954)**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		2 432	
Interest paid on lease liabilities	11	(2 758)	(2 562)
Payments of lease liabilities	11	(40 559)	(39 570)
Net cash flows from financing activities		**(40 885)**	**(42 132)**
Movement in cash and cash equivalents including bank overdrafts		**(594 343)**	**61 106**
Net increase in cash and cash equivalents		**(594 343)**	**61 106**
Net foreign exchange difference			
Cash and cash equivalents at 1 January		**3 205 177**	**3 144 071**
Cash and cash equivalents at 31 December		**2 610 834**	**3 205 177**

The accompanying notes 1 to 16 are an integral part of these financial statements.

Notes to the financial statements for the year ended 31 December 2023

1. General information

Identité et Démocratie Fondation - ID Fondation is an European political foundation incorporated and domiciled in France. The registered office is located at 75 Boulevard Haussmann, 75008 Paris, France. The Foundation is a political foundation at European level.

Financial statements

The financial statements as of and for the year ended 31 December 2023 were authorized for issue in accordance with a resolution of the Board of Directors on 26/03/2025.

Board of directors

At the end of the financial period, the Board of Directors was composed of the following members:

Name	Function
Andras Laszlo	President
Ludovit Goga	Treasurer
Harald Vilimsky	Member
Tom Vandendriessche	Member
Anders Vistisen	Member
Mathilde Androuet	Member
Thierry Mariani	Member
Emmanouil Koulas	Member
António Tânger Corrêa	Member
Ádam KAVECSÁNSZKI	Member
Tomasz Buczek	Member
Susanna Ceccardi	Member
Alfonso Cader	Member

Auditors

The statutory audit of the standalone financial statements is performed by Grant Thornton Bedrijfsrevisoren BV represented by Gunther Loits.

Figures in the financial statements

These financial statements are presented in euro, which is the Foundation's presentation currency and the functional currency of the Foundation. 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 Foundation for the year ended 31 December 2023 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 2023 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 Foundation'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 Foundation's statement of financial position shows a situation of negative equity at 31 December 2023. The financial statements have been prepared on a going concern basis on the directors' confidence that the Foundation 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 Foundation 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 Foundation classifies all other liabilities as non-current.

b) Foreign currencies

Functional and presentation currency

Items included in the financial statements of the Foundation 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 Foundation's presentation currency and the functional currency of the Foundation.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Foundation 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.

The foundation has limited transactions in foreign currency, therefore the foreign exchange risk is not considered to have a significant impact on the profit before tax and pre-tax equity.

c) Property, plant and equipment

The Foundation's property, plant and equipment are mainly composed of IT equipment, furniture, office equipment, leasehold improvements and right-of-use assets relating to lease contract of offices.

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:

Property, plant and equipment	Useful lives
IT equipment	4 years
Office equipment and furniture	4 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.

d) European Parliament grants

The Foundation receives a grant from the European Parliament, which is awarded at the end of each 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 Foundation 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 will 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 Foundation has to make a reimbursement to the European Parliament, the Foundation needs to account for a liability.

e) 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 Foundation’s cash management.

f) 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 Foundation'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 Foundation'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 Foundation applies a simplified approach in calculating Expected Credit Losses (ECL). The Foundation 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 Foundation may also consider a financial asset to be in default when internal or external information indicates that the Foundation 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 Foundation'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 Foundation'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 Foundation does not offset its financial assets and liabilities.

h) Impairment of non-financial assets

The Foundation 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 Foundation 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 Foundation 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 Foundation 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 Foundation 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.

j) Leases – lessee accounting

The Foundation 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 Foundation leases office workspace. The Foundation applied a single recognition and measurement approach for all leases for which it is the lessee. The Foundation 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 2021.

Short-term leases and leases of low-value assets

The Foundation applies the short-term lease recognition exemption to its short-term leases of offices (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). 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.

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 Foundation receives Membership fees from Affiliated European Party or Individual Members. Membership fees are fixed in euro; they are payable without deduction of incurred costs. The fees are payable at the start of the year for one year membership. As such the revenue that is recorded equals the membership fees receivable for the respective year. The annual Individual Members' Membership fees are set up by the Bureau.

There are two kinds of Membership Fees:

- The annual Individual Member's membership fee set up by the Bureau.
- The annual Membership Fees of the Foundation's affiliated European party

There is no consequence if the Foundation accumulates arrears in the payment of their annual Membership fee.

In line with the IFRS requirements the Party will cease to account for revenue when the collectability criterion is no longer met.

2.3. Changes in accounting policies and disclosures

During the current financial year, the foundation 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, 2023, as issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

For the preparation of the financial statements on December 31st, 2023 the group applied the rules and interpretations mandatory applicable from January 1st, 2023.

- Amendment to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: disclosure of Accounting policies.
- Amendment to IAS 8 Accounting policies, Changes in Accounting estimates and Errors: definition of Accounting Estimates.
- Amendments IAS 12 Income taxes: Deferred Tax related to Assets Liabilities arising from a single transaction.
- Amendments IAS 12 Income taxes: International tax reform – Pillar Two Model Rules.
- IFRS 17 Insurance contracts (replacing IFRS 4), including amendments to IFRS 17.
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – comparative Information.

The application of the other new Standards, Interpretations and Changes has not resulted in any important changes to the group's principles for financial reporting.

At the date of authorization of these consolidated financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB and endorsed by the EU. None of these Standards or amendments to existing Standards have been adopted early by the Group:

- Amendments IAS 1 Presentation of Financial Statements: classification of liabilities as current or non-current
- Amendments to IAS 1 Presentation of Financial Statements: non-current liabilities with covenants
- Amendments to IFRS 16 Leases: leases on sale and leaseback
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: supplier finance agreements
- Amendments to IAS 21 Effects of Changes in Foreign Exchange rates: lack of exchangeability

2.4. Standards issued but not yet effective

The foundation 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, applicable for annual periods beginning on or after 1 January 2023.

Those new Standards, Interpretations and Changes have not resulted in any important changes to the foundation's principles for financial reporting.

- *Amendments to IFRS 17: Insurance contracts: Initial application of IFRS 17 and IFRS 9 - Comparative information ;*
- *Amendments to IAS 12: Income taxes: Deferred tax related to assets and liabilities arising from a single transaction;*
- *Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies;*
- *Amendments to IAS 8: Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates;*
- *IFRS 17: Insurance contracts, including Amendments to IFRS 17;*

Nor has the party proceeded with an early adoption of the new standards and amendments to existing standards and interpretations that were not yet endorsed by the European Union:

- *Amendments to IAS 1: Presentation of Financial Statements: Classification of Liabilities as current or non-current and Non-current liabilities with covenants: applicable for annual periods beginning on or after 1 January 2024.*
- *Amendments to IFRS 16: Leases: Lease liability in a Sale and Leaseback: applicable for annual periods beginning on or after 1 January 2024.*

3. Critical accounting estimates and judgments

The preparation of the Foundation'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 Foundation 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 Foundation. Such changes are reflected in the assumptions when they occur.

Determining the lease term of contracts with renewal options

The Foundation 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 Foundation 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 Foundation 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 Foundation if not eligible. This can result in a recovery order being issued to the Foundation and hence a reimbursement of a portion of the grant. If this is the case, the Foundation sets up a liability at year end. In December 2023 this liability amounts to EUR 2 655 319 (2022: EUR 3 185 502).

4. Revenue from contracts with customers

The line item “Revenue from contracts with customers” in the income statement relates to:

EUR	2023	2022
Type of revenue		
Membership fees:		
- From parties	-	-
- From individual members	46 000	50 000
Total revenue from contracts with customers	**46 000**	**50 000**

The revenue of the membership fees is recorded over time as the service is delivered throughout the year. The membership fee receivables amount to EUR 31 000 at 31 December 2023 (EUR 84 300 in 2022).

5. Other income

The line item “Other income” in the income statement relates to:

EUR	2023	2022
Other income		
European Parliament Grant	888 850	585 850
EP carry-over	(8 823)	(37 020)
Individual participation fees for events	7 460	
Donations:		
- Below EUR 500	-	-
Total other income	**887 487**	**548 830**

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	2023	2022
Depreciation Property Plant and Equipment	1 533	0
Depreciation on right of use – offices	40 174	40 174
Meetings and representation costs	455 248	104 842
Infrastructure and operating costs	283	406
Rent of office & other rents	4 365	10 628
Utilities and maintenance	8 202	3 762
Accounting cost	24 883	11 631
Documentation costs (newspaper, database, press agencies)	169 209	52 853
Information and publication costs	42 576	84 051
IT, phone & internet	198	3 843
Website	-	-
Travel expenses	11 825	33 388
Wages and salaries	67 530	22 785
Social security cost	22 887	10 370
Consulting fees	89 597	130 675
Other	(21 868)	114 055
Total	**916 641**	**623 463**

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.

Other income

	2023		2022	
EUR	Other operating (income)	Other operating expenses	Other operating (income)	Other operating expenses
Cost recuperations	-	-	-	-
Payment differences	-	1	-	-
Personal contribution lunch Vouchers	-	-	-	-
Participations fees	-	-	-	-
Registration fees	-	-	-	-
Rental income	-	-	-	-
Book sales	-	-	-	-
Merchandising	-	-	-	-
Use of own resources	-	-	-	-
Contribution in kind	-	-	-	-
Cooperation agreements with partners	-	-	-	-
(Gain)/Loss on sale of assets	-	-	-	-
Impairment on financial assets	-	-	-	-
Allowances expected credit loss	-	-	-	-
(Gain)/loss on trade receivables	-	43 300	-	-
Loss realisation trade debtors	-	-	-	-
Foreign exchange (gain)/loss	-	-	-	-
VAT	-	-	-	-
Taxes	-	-	-	-
Local taxes	-	-	-	-
Tax on real estate	-	-	-	-
Social security and other taxes	-	227	-	-
Other extraordinary income	(14 504)	-	-	-
Other (income)/expense	(1)	4021	(305)	-
Total	**(14 505)**	**47 548**	**(305**	**-**

7. Finance income and costs

Finance income

EUR	2023	2022
Interest income on:		
Short-term bank deposits	-	-
Other interest income	-	-
Realised exchange gains on foreign currencies	-	-
Defined benefit obligation	-	-
Other finance income	70	1
Total finance income	**70**	**1**

Finance costs

Interest expense on bank borrowings	-	-
Leases interest expenses	2 758	2 562
Interest expense on defined benefit obligation	-	-
Bank charges	-	-
Payment differences	-	-
Foreign exchange (gain)/loss	-	-
Other finance costs	-	-
Total finance costs	**2 758**	**2 562**

8. Employee benefit

Employee benefit expense

	2023		2022	
EUR	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	67 530	-	22 785	-
Social security costs	22 887		10 370	
Total	**90 417**	**-**	**33 155**	**-**

9. Property, plant and equipment

EUR	Right of use - offices	Office and IT equipment
At 1 January 2022		-
Cost or valuation	152 658	4 177
Accumulated depreciation, impairments and other adjustments	(32 135)	(4 177)
Opening net book value at 1 January 2022	120 523	-
Period ended 31 December 2022		
Additions		
Closing Cost or Valuation at 31 December 2022	152 658	4 177
Depreciation charge for the year	(40 174)	-
Closing Accumulated depreciation, impairments and other adjustments at 31 December 2022	(72 310)	(4 177)
Closing net book value at 31 December 2022	80 349	-
Period ended 31 December 2023		
Additions		6 954
Disposals		
Closing Cost or Valuation at 31 December 2023	152 658	11 131
Depreciation charge for the year	(40 174)	(1 533)
Closing Accumulated depreciation, impairments and other adjustments at 31 December 2023	(112 484)	(5 710)
Closing net book value at 31 December 2023	40 174	5 422

10. Financial assets and financial liabilities

a) Financial assets

Financial assets	31 December 2023	31 December 2022
	EUR	EUR
Debt instruments at amortised cost		
Non-current financial assets	-	-
Trade and other receivables (Note 12)	81 794	70 363
Total financial assets	81 794	70 363
Total current	74 050	63 205
Total non-current	7 744	7 158

b) Financial liabilities: Borrowings

Financial Liabilities	31 December 2023	31 December 2022
	EUR	EUR
Other financial liabilities at amortised cost, other than interest-bearing loans and borrowings		
Trade and other payables (Note 14)	95 859	123 897
European Parliament grant	2 655 319	3 185 502
Total other financial liabilities	2 751 178	3 309 399
Total current	2 751 178	3 309 399
Total non-current	-	-

c) Interest-bearing loans and borrowings

	Interest rate	Maturity	31 December 2023	31 December 2022
	%		EUR	EUR
Current interest-bearing loans and borrowings				
Leasing liabilities	2,5	2024	41 573	40 559
Bank loan			-	-
Total current interest-bearing loans and borrowings			**41 573**	**40 559**
Non-current interest-bearing loans and borrowings				
Leasing liabilities	2,5	2025	-	41 573
Bank loan			-	-
Total non-current interest-bearing loans and borrowings			**-**	**41 573**
Total interest-bearing loans and borrowings			**41 573**	**82 133**

d) Fair Values

The Foundation has mainly short-term financial assets and financial liabilities for which the carrying amount is a reasonable approximation of the fair value.
Set out below is a comparison, by class, of the carrying amounts and fair values of the Foundation's financial instruments:

	31 December 2023		31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	EUR	EUR	EUR	EUR
Financial assets				
Trade receivables and other receivables	81 794	81 794	70 363	70 363
Total	**81 794**	**81 794**	**70 363**	**70 363**
Financial liabilities				
Leasing liabilities	41 573	41 573	82 133	82 133
Trade and other payables	2 751 178	2 751 178	3 302 840	3 309 399
Total	**2 792 751**	**2 792 751**	**3 384 973**	**3 391 531**

11. Financial risk management

a) Financial risk factors

The Foundation's principal financial liabilities comprise trade and other payables. The main purpose of these liabilities is to finance the Foundation's operations. The Foundation's principal financial assets include trade receivables, and cash that derive directly from its operations. The Foundation is exposed primarily to credit risk and liquidity risk. Foundation's managers oversee the management of these risks.

The Foundation's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Foundation's financial performance. The objective is to identify, quantify, manage and then monitor events or actions that could lead to financial losses.

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 Foundation is exposed to credit risk from its operating activities (primarily trade receivables).

Credit risk from operating activities

The trade receivables balance contain the member party contributions to be received. The impairment policy of the Foundation 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 Foundation 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 Foundation does not hold collateral as security.

Expected credit loss

Days past due 31 December 2023	Current	<30 days	30–60 days	61–90 days	>91 days	Total
	EUR	EUR	EUR	EUR	EUR	EUR
Expected credit loss rate (%)	0%	0%	0%	0%	0%	
Estimated total gross carry-ing amount at default	0	-	-	-	0	0
Expected credit loss	-	-	-	-	0	0

Trade Receivables Days past due 31 December 2022	Current	<30 days	30–60 days	61–90 days	>91 days	Total
	EUR	EUR	EUR	EUR	EUR	EUR
Expected credit loss rate (%)	0%	0%	0%	0%	61%	
Estimated total gross carry-ing amount at default	42 000	-	-	-	42 300	84 300
Expected credit loss	-	-	-	-	26 000	26 000

Liquidity risk

The Foundation 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 2023 (EUR)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Trade and other payables	95 859	-	-	-	95 859
Leasing liabilities	41 573	-	-	-	41 573
European Parliament grant	2 655 319	-	-	-	2 655 319

At 31 December 2022 (EUR)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Trade and other payables	123 897	-	-	-	123 897
Leasing liabilities	40 559	41 573	-	-	82 132
European Parliament grant	3 185 502	-	-	-	3 185 502

Liabilities from financing activities

EUR	1 January 2023	New leases during the year	Move NC to C	Cash outflows	Cash inflows	Interest	Extension	31 December 2023
Current leasing liabilities	40 559	-	41 573	-43 317	-	2 562	-	41 573
Non-current leasing liabilities	41 573	-	-41 573	-	-	-	-	-
Total liabilities from financing activities	**82 133**	**-**	**0**	**-43 317**	**-**	**2 562**	**-**	**41 573**

EUR	1 January 2022	New leases during the year	Move NC to C	Cash outflows	Cash inflows	Interest	Extension	31 December 2022
Current leasing liabilities	39 570	-	40 559	-42 131	-	2 562	-	40 559
Non-current leasing liabilities	82 133	-	-40 559	-	-	-	-	41 573
Total liabilities from financing activities	**121 703**	**-**	**0**	**-42 131**	**-**	**2 562**	**-**	**82 133**

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 2023	31 December 2022
Cash and cash equivalents - note 13	2 610 834	3 205 177
Less: total borrowings	-	-
Net cash	**2 610 834**	**3 205 177**

12. Trade and other receivables

EUR	31 December 2023	31 December 2022
Trade receivables	0	84 300
Less: allowance for ECL	0	(26 000)
Trade receivables – net	**0**	**58 300**
Membership fees receivable	31 000	-
Accrued income and deferred charges	6 685	2 100
Rental deposits	7 744	7 158
Other receivables	36 365	2 806
Total trade and other receivables	**81 791**	**70 363**
Non-current portion	**7 744**	**7 158**
Current portion	**74 050**	**63 205**

The non-current trade and other receivable relate to guarantee deposit for office lease.

The movement in the bad debt allowance is as below :

EUR	31 December 2023	31 December 2022
At 1 January	26 000	16 300
Addition to the ECL allowance	-	-
Reversal ECL allowance	(26 000)	9 700
Write-off	-	-
Foreign exchange movement	-	-
At 31 December	0	26 000

13. Cash and cash equivalents

EUR	31 December 2023	31 December 2022
Cash at banks and on hand	2 610 834	3 205 177
Total cash and cash equivalents (excluding bank overdrafts)	**2 610 834**	**3 205 177**

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 2023	31 December 2022
Cash and cash equivalents	2 610 834	3 205 177
Cash and cash equivalents (including bank overdrafts)	**2 610 834**	**3 205 177**

14. Trade and other payables

EUR	31 December 2023	31 December 2022
Trade and other payables	95 859	123 897
European Parliament Grant	2 655 319	3 185 502
Total Trade and other payables	**2 751 178**	**3 309 399**

Non-current portion	-	-
Current portion	**2 751 178**	**3 309 399**

The trade and other payables of the Foundation are current financial liabilities and are non-interest bearing and are normally settled on 30 day terms.

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

Opening 1 January 2022	**3 123 124**
Release grant into income statement	(585 850)
Grant carried-over 2021	37 020
Reimbursement of grant	(1 509 988)
Grant award 2022	2 121 196
Closing 31 December 2022	**3 185 502**
Release grant into income statement	(888 850)
Grant carried-over 2022	8 823
Payment recovery order prior year	(1 650 156)
Grant award 2023	2 000 000
Closing 31 December 2023	**2 655 319**

15. Commitments and contingencies

There are no commitments and contingencies

16. Events after the reporting date

There are no significant events to report

ASSOCIATION FOUNDATION DES PATRIOTES POUR L'EUROPE
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ATTESTATION DU 26/03/2025

Je soussigné Andras Laszlo, président de l'association **Patriots for Europe Foundation** (précédemment IDENTITY et DEMOCRACY FOUNDATION) certifie que les comptes de l'exercice comptable clos le 31/12/2023 traduit aux normes IFRS sont conformes.

Je donne tous pouvoirs au directeur de Patriots for Europe Foundation pour effectuer les démarches de formalités et de communications relatives à ces derniers.

Fait pour valoir ce que de droit.

A Bruxelles, le 26/03/2025

Le Président

Andras LASZLO