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## STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 OF THE ASSOCIATION "ELDR PARTY"

In accordance with the legal and statutory requirements, we report to you on the performance of the mandate of statutory auditor, which has been entrusted to us. This report contains our opinion on the true and fair view of the balance sheet and income and expenditure statement as well as the required additional statements and information.

## Unqualified audit opinion on the financial statements

We have audited the financial statements for the year ended 31 December 2010, prepared in accordance with the financial reporting framework applicable in Belgium, which show a balance sheet total of  $\notin$  2,094,245.10 and a profit for the year of  $\notin$  77,218.79.

Management is responsible for the preparation and the fair presentation of these financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and 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.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the Auditing Standards applicable in Belgium, as issued by the Institute of Registered Auditors (*Institut des Réviseurs d'Entreprises / Instituut van de Bedrijfsrevisoren*). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement, whether due to fraud or error.

In accordance with the above-mentioned auditing standards, we considered the association's accounting system, as well as its internal control procedures. We have obtained from management and from the association's officials the explanations and information necessary for executing our audit procedures. We have examined, on a test basis, the evidence supporting the amounts included in the financial statements. We have assessed the appropriateness of accounting policies and the reasonableness of the significant accounting estimates made by the association as well as the overall financial statements presentation. We believe that these procedures provide a reasonable basis for our opinion.

In our opinion, the financial statements for the year ended 31 December 2010 give a true and fair view of the association's assets and liabilities, its financial position and the results of its operations, in accordance with the financial reporting framework applicable in Belgium.

### Additional statements and information

The compliance by the association with the law of 27 June 1921 related to not-for-profit associations, international not-for-profit associations and foundations is the responsibility of management.

Our responsibility is to supplement our report with the following additional statements and information, which do not modify our audit 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 Belgium.
- There are no transactions undertaken or decisions taken in violation of the association's bylaws or the law of 27 June 1921 related to not-for-profit associations, international not-forprofit associations and foundations that we have to report to you.
- The financial documents submitted by the ELDR Party to the Parliament are consistent with the financial provisions of the grant agreement.
- The expenditure declared was actually incurred and the statement of revenue is exhaustive.
- The obligations arising out of Articles 6, 7, 8, 9 (2) and 10 (2) of Regulation (EC) N° 2004/2003 have been met.
- The obligations arising from the Bureau decision have been met.
- Any surplus carried over the next financial year has been used in the first quarter of the financial year, pursuant to Article 6a of the bureau decision.
- The obligations arising out of Article 109(4) of the Financial Regulation have been met.
- The obligations arising from Article II.12- Eligible expenditure, of the grant agreement have been met and we were able to reconcile the eligible expenditure with the financial statements. The financial statements as of and for the year, ended 31 December 2010, show a profit for the eligible period of 77,218.79 €. The result is realized by 1,932,932.42 € of revenues and 1,855,713.63 € of costs, including 27,497.16 € of non-eligible costs.

The funding of the European Parliament does not exceed the budget of the ELDR Party on European level for the eligible period. The eligible expenses amount to 1,828,216.47 EUR. The ELDR Party received, until now, a prepayment of 932,390.40 EUR from the European Parliament. The upper limit of 85% of the eligible expenses has been respected. The remainder of 310,796.80 EUR is to be received from the European Parliament.

- The obligations arising from Article II.7- Award of contracts, of the grant agreement have been met.
- We have received all necessary explanations for the purpose of our work.

Place and date of closing our main audit works: Brussels, April 28, 2011.

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"DGST & Partners – Réviseurs d'entreprises", ScivPRL, represented by Brigitte Neuville, Certified Auditor.

ELDR Party AISBL Rue Montoyer 31 – 7th Floor 1000 Brussels BALANCE SHEET AND INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

# E.L.D.R. Party

ASSETS		31/12/2010
FIXED ASSETS II. Intangible fixed assets		9.724,20
<ul> <li>III. Tangible fixed assets</li> <li>A. Land and buildings</li> <li>B. Plant, machinery and equipment</li> <li>C. Furniture and vehicles</li> <li>IV. Financial fixed assets</li> </ul>	823.806,54 12.374,90 18.739,21	854.920,65 250,00
CURRENT ASSETS		
<ul><li>VII. Amounts receivable within one year</li><li>A. Trade debtors</li><li>B. Other amounts receivable</li></ul>	1.225,00 334.634,98	335.859,98
IX. Cash at bank and in hand		893.131,07
X. Deferrals and accruals		359,20
TOTAL ASSETS		2.094.245,10
EQUITY AND LIABILITIES EQUITY		
I. Capital A. Issued capital	1.027.771,81	1.027.771,81
IV. Reserves C. Untaxed reserves	22.500,00	22.500,00
V. Accumulated profits (or losses (-)) Profit of the year 2010	85.358,90 77.218,79	162.577,69
AMOUNTS PAYABLE VIII. Amounts payable after more than one year		370.833,54
<ul><li>A. Financial debts</li><li>1. Credit institutions, leasing,</li></ul>	370.833,54	
<ul> <li>IX. Amounts payable within one year</li> <li>A. Current portion of amounts payable after more than one year falling due within one year</li> </ul>	24.999,96	234.777,00
C. Trade debts E. Taxes, remunerations and social security	129.760,68 80.016,36	
X. Deferred charges and accrued income		275.785,06
TOTAL LIABILITIES		<u>2.094.245,10</u>

# E.L.D.R. Party

# **INCOME STATEMENT**

I. Turnover & Cost of goods

<ol> <li>Operating income         <ol> <li>Grant European Parliament</li> <li>Carry Over to 2011</li> <li>Own ressources</li> <li>Other operating incomes</li> </ol> </li> </ol>	1.553.984,00 -274.251,21 354.471,02 19.447,36	1.653.651,17
<ul> <li>2. Operating charges</li> <li>B. Services and other goods</li> <li>C. Remuneration, social security and pensions</li> <li>D. Depreciation of and other amounts written down</li> <li>G. Other operating charges</li> </ul>	775.316,42 695.469,20 68.068,66 15.110,98	1.553.965,26
3. Operating profit or loss (-)		99.685,91
II. Financial income and charges		
<ul><li>4. Financial income</li><li>A. Income from financial fixed assets</li><li>B. Other financial incomes</li></ul>	5.012,67 17,37	
5. Financial charges A. Debt charges, and other	27.497,16	
6. Gain (loss) on ordinary activities before taxes		77.218,79
7. Extrordinary income		
8. Extrordinary charges		
9. Gain of the period		<u>77.218,79</u>

# **Overview Donations Received 2010**

- DIGITALEUROPE AISBL 7.000,00 EUR
- DELOITTE TOUCHE TOHMATSU 5.000,00 EUR

# Breakdown of the 2010 operating budget

EXPENDITURE			REVENUE		ſ
Eligible expenditure	Budget	Actual		Budget	Actual
A.1: Personnel costs	871.000,00	695,469,20	D 1 Dissolution of "Provision to cover eligible		
1. Salaries	830,500,00	633,552,26	costs to be incurred in the first quarter of N" <sup>1</sup>		
2. Contributions		101.0		1 570 001 00	1 110 001 00
2. Floressional dailing		4 100,31	D.2 Momborshin food	1 003 804,00	1.000.964,00
<ol> <li>Stall Illission Expenses</li> <li>Other personnel costs</li> </ol>	25,000,00	51 458 63	3.1 from member parties	no non cno	00'870'010
A.2: Infrastructure and operating costs	207,500,00	188 059,53	3.2. from individual members		
1. Rent, charges and maintenance costs	36.000,00	50,281,58	D.4 Donations	00'00	12,000,00
2. Costs relating to the installation, operation and maintenance of equipment	30,000,00	22.538,48	4.1 above 500 EUR		
<ol><li>Depreciation of movable and immovable property</li></ol>	68,500,00	68,068,66	4.2 below 500 EUR		
4. Stationery and office supplies	8,000,000	10.121,57	D.5 Other own resources (to cover eligible		1
<ol> <li>Postal and telecommunications charges</li> <li>Prioritic translation and second residences</li> </ol>	34,000,00	18.196,19	expenditure) (to be listed)		at 101 00
e. Frinting, translauont artu teproduction cuests 7. Other infrasthucture costs	1 000 00	151.32	various reimhursments		17 561 42
A.3: Administrative expenditure	95,000,00	67 926 32	rent		6 000 00
1. Documentation costs (newspapers, press agencies, databases)	1,000,00	880,44	bank interest		5,030,04
2. Costs of studies and research	50.000,00		selling promotion material		830,00
3. Legal costs	2,000,00	13.304,13			
4. Accounting and audit costs	11,000,00	9.938,34			
<ol> <li>Support to affiliated organisations and subsidies to third parties</li> <li>Miscollandous administrative costs</li> </ol>	31.000,000	30.994,48 17 808 03			
A 4. Hostings and concentration acts	110 000 001	00 000 207			
A.4. Meeuiigs allu representation costs	00'000.776	10,582.784			
1. Costs of meetings of the political party	542.000,000	4/0./00/0/			
	00 000 08	N0 706 16			
	20.000,000	Hat 127.17			
A. COSL OF INVIATIONS 5. Other meeting-related costs					
A.5: Information and publication costs	112.000.00	105 227.20			
1. Publication costs	30,000,00	35,592,78			
2. Creation and operation of Internet sites	16.000,00	19.056,82			
3. Publicity costs	45,000,00	22,285,32			
4. Communications equipment (gadgets)	20,000,00	28.292,28			
6. Election campaigns	00000				
A. Cutter intornauci Hetated costs <b>A.</b> 6: Expenditure relating to contributions in kind	20000		D.6 Contributions in kind		
A.7: Allocation to "Provision to cover eligible expenditure to be					
		274.251,21			
A. TOTAL ELIGIBLE EXPENDITURE	1.857,500,00	1.828.216,47	D. REVENUE (to cover eligible expenditure)	1,857.484,00	1.905.435,26
B.1: Non-eliaible expenditure	25.000,00	27.497,16			
1. Allocations to other provisions			E.1 Additional other own resources (to cover non-		
2. Financial charges 3. Exchange losses			eligible expenditure) (to be listed)		
<ul> <li>Doubtful claims on third parties</li> </ul>					
<ol><li>Others (retimbrs, loan 20.0006, cost of studies 5.000E)</li></ol>	25,000,00	27,497,16			
B. TOTAL NON-ELIGIBLE EXPENDITURE	25.000,00	27.497,16	E. REVENUE (to cover non-eligible expenditure)	25,000,00	27,497,16
C. TOTAL EXPENDITURE	nn'nnc:798'L	1.800,/13,03	G. Profitioss (F-C)	1,002.404,00	77,218,79
U 4 Allocation of our securious to the coordina second second		PT 218 79			
n.1 Allocation of own resources to the specific reserve account					

<sup>1</sup>: Not applicable to political foundations at European level

H. Profit/loss for verifying compliance with the no-profit rule (G-H.1)<sup>1</sup>

00'0

-16,00