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AUDITOR'S REPORT FOR THE YEAR ENDED 31/12/2009

PARTY OF THE EUROPEAN FREE ALLIANCE

CONVENTION : FINS-2009-08



According to the audit mandate, I have audited the Party financial statement prepared by the Party Accountant for the year ending 31/12/2009 as laid out pages 4 to 9 of this document.

1.1. Respective responsibilities of the Party and the auditor

The Party is responsible to 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. It is further responsible for the preparation of its annual financial statements.

I have the responsibility to plan and carry out the required work to verify the financial statement prepared by the political Party and to report to the Party with a reasonable assurance my audit opinions.

1.2. Basis of Opinions

I conducted the audit in accordance with International Standards on Auditing issued by the IASSB. This standard requires the auditor to plan and carry out his work in such a way to obtain sufficient and appropriate evidences and explanations to support his audit opinions. An audit includes an examination, on a sample basis, of evidence relevant to these opinions.

The audit work included specific procedures to gather sufficient and appropriate audit evidence that

- the financial statements have been prepared in accordance with the national legislation applicable to the party, are free of material misstatement and show a true and fair view of the financial position and the operating results;
- the financial documents submitted by the party to Parliament are consistent with the financial provisions of the grant agreement;
- the expenditure declared was actually incurred;
- the statement of revenue is exhaustive;
- the obligations arising out of Articles 6, 7, 8, 9(2) and 10(2) of Regulation (EC) No 2004/2003 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;
- the obligations arising out of Article 109(4) of the Financial Regulation have been met.

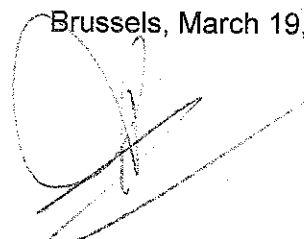


1.3. Opinions

In my opinion,

- the Financial statements have been prepared in accordance with the national legislation applicable to the beneficiary, are free of material misstatement and show a true and fair view of the financial position and the operating results;
- the financial documents submitted by the party to Parliament are consistent with the financial provisions of the grant agreement;
- the expenditure declared was actually incurred;
- the statement of revenue is exhaustive;
- the obligations arising out of Articles 6, 7, 8, 9(2) and 10(2) of Regulation (EC) No 2004/2003 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;
- the obligations arising out of Article 109(4) of the Financial Regulation have been met.
- I have received all necessary explanations for the purpose of my work.

Brussels, March 19, 2010.



Martine BRANCART

EUROPEAN FREE ALLIANCE ASBL

**Statement of Assets, Liabilities and Accumulated Surplus
as at 31 december 2009**

	31/12/2009
	€
Current assets	
Bank balances	4.795,33
Receivables	
- Prepaid expenses and sundry receivables	47.087,70
- Income to receive	45.320,00
	<u>97.203,03</u>
Fixed assets	
Equipment at cost, less depreciation	<u>1.304,76</u>
TOTAL ASSEST	98.507,79
Accumulated surplus	
Social fund as of December 31, 2008	12.317,43
Result 1/1/09-31/12/09	-21.664,92
Social fund as of December 31, 2009	<u>-9.347,49</u>
Liabilities	
Accounts payable and accrued liabilities	92.472,11
Salaries	15.383,17
	<u>107.855,28</u>
TOTAL LIABILITIES	98.507,79

EUROPEAN FREE ALLIANCE ASBL

**Comparison of actual and budgeted income, expenditure
and surplus/deficit for the period ended 31 December 2009**

	Actual 12 months €	Budget 2009 €
Income		
Subsidy from European Parliament	226.288,76	226.600,00
Member Contribution	60.780,00	67.500,00
Observer fees	2.100,00	
Participation fees	2.062,16	
Donations	2.099,97	1.200,00
Contribution out of the social fund	12.317,43	
Other income	20,00	7.000,00
Total income	305.668,32	302.300,00
Expenditure		
Personnel cost	130.836,46	145.000,00
Infrastructure and operating costs	6.964,86	27.780,00
Administrative expenditure	12.608,89	23.079,30
Meeting and representation costs	107.742,90	78.500,00
Information and publication costs	56.353,00	27.940,70
Non eligible expenditure	509,70	
Total expenditure	315.015,81	302.300,00
Total surplus/deficit for the year	-9.347,49	

Balance sheet / Profit and loss statement

View options

Balance: Type	Balance / Profit & Loss	Show
Financial year	2009	Period
Compare with		
	2009	
	Closing balance (Debit)	Closing balance (Credit)

Balance sheet

Assets		
Fixed assets		
Tangible assets		
Furniture and vehicles		
240100 - Furniture and Desk Equipment	14.789,13	
240910 - Furniture and Desk Equipment depreciation		13.484,37
Total: Furniture and vehicles	1.304,76	
Total: Tangible assets	1.304,76	
Total: Fixed assets	1.304,76	
Current assets		
Amounts receivable within one year		
Trade debtors		
400000 - Customers	15.137,86	
406000 - Advance payments	11.245,50	
Total: Trade debtors	26.383,36	
Other amounts receivable		
414000 - Income receivable	45.320,00	
416910 - Other debtors: Coppieters fund	20.305,88	
416920 - Other debtors: EFA Youth		68,00
Total: Other amounts receivable	65.557,88	
Total: Amounts receivable within one year	91.941,24	
Cash at bank and in hand		
550200 - KBC -68		42.283,80
550300 - KBC -62	4.246,24	
550400 - KBC -78 - Saving account	316,58	
550500 - KBC -86 - Saving account EP	43,61	
570000 - Cash in hand	188,90	
Total: Cash at bank and in hand		37.488,47
Deferred charges and accrued income (Asset)		
490000 - Deferred charges	466,46	
Total: Deferred charges and accrued income (Asset)	466,46	
Total: Current assets	54.919,23	
Total: Assets	56.223,99	
Liabilities		
Social fund		
Allocated funds		
131000 - Social passive funds		12.317,43
Total: Allocated funds		12.317,43
Total: Social fund		12.317,43
Debts		
Amounts payable within one year (toel. X)		
489100 - Other debts interest of subvention account - 86		12,87
C. Trade debts		

440000 - Suppliers		43.042,19
444000 - Invoice to be received		7.133,25
Total: C. Trade debts		50.175,44
E. Taxes, salaries and social security		
454000 - Social security contributions	2.727,69	
455000 - Remunerations		2.609,02
456000 - Holiday pay		15.501,84
Total: E. Taxes, salaries and social security		15.383,17
Total: Amounts payable within one year (toel. X)		65.571,48
Total: Debts		65.571,48
Total: Liabilities		77.888,91
Result (Loss)	21.664,92	
Total: Balance sheet	136.452,77	136.452,77

Profit and loss statement

Income statement

Operating income (code 70/74)

Turnover

701000 - Subvention of the European parliament		226.288,76
702000 - Member contributions		60.780,00
703000 - observer fees		2.100,00
704000 - Participation Fees		2.062,16
705000 - Donations		2.099,97
707000 - Other income		20,00

Total: Turnover

293.350,89

Total: Operating income (code 70/74)

293.350,89

Financial income

Other financial charges

658000 - Bank Interest 804,67

Total: Other financial charges

804,67

Other financial profits

757010 - Payment differences on purchase 24,74

758000 - Bank Interest 270,23

Total: Other financial profits

294,97

Total: Financial income

509,70

Total: Income statement

292.841,19

Staff costs

salaries

Wages, social charges and pension

620200 - Remunerations Salaried staff 85.482,86

620210 - Provision holiday pay 11.769,37

621000 - Employer's contribution social secu 25.776,76

Total: Wages, social charges and pension

123.028,99

Total: salaries

123.028,99

staff mission expenses

Wages, social charges and pension

623400 - Staff mission expenses 780,00

Total: Wages, social charges and pension

780,00

Total: staff mission expenses

780,00

other personnel costs

Wages, social charges and pension

623000 - Other personnel charges 2.098,80

623100 - Medical services 142,61

623200 - Meal tickets 2.524,60

623300 - Insurance Employees 787,49

Total: Wages, social charges and pension

5.553,50

Other operating income		
749100 - Tax withheld reduction		545,78
Total: Other operating income		545,78
Total: other personnel costs	5.007,72	
Operating charges		
Services and goods		
613240 - Fees Social Bureau	1.346,00	
613260 - Fees Ticket Restaurant	673,75	
Total: Services and goods	2.019,75	
Total: Operating charges	2.019,75	
Total: Staff costs	130.836,46	
Infrastructure and operating costs		
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Operating charges		
Services and goods		
613500 - Insurances	278,50	
Total: Services and goods	278,50	
Depreciations and devaluations on starting costs		
630200 - Depreciation. tangible assets	888,03	
Total: Depreciations and devaluations on starting cos	888,03	
Total: Operating charges	1.166,53	
office rental charges and maintenance costs		
Services and goods		
610000 - Rent building	4.500,00	
Total: Services and goods	4.500,00	
Total: office rental charges and maintenance costs	4.500,00	
stationary and office supplies		
Services and goods		
610100 - Rent Office Equipment	1.298,33	
Total: Services and goods	1.298,33	
Total: stationary and office supplies	1.298,33	
Total: Infrastructure and operating costs	6.964,86	
Operational costs		
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Financial charges		
670100 - Advance levy on income derived fr	40,54	
Other financial charges		
650400 - Bank Charges	874,42	
653200 - Interests suppliers	19,14	
659000 - Payment differences	470,08	
Total: Other financial charges	1.363,64	
Total: Financial charges	1.404,18	
stationary and office supplies		
Services and goods		
612500 - Office Equipment	688,91	
Total: Services and goods	688,91	
Total: stationary and office supplies	688,91	
postal and telecommunication		
Services and goods		
612100 - Telephone	1.756,65	
612110 - GSM	1.146,35	
612200 - Postage	96,67	
Total: Services and goods	2.999,67	
Total: postal and telecommunication	2.999,67	
Accounting and auditing costs		
Services and goods		
613210 - Fees Audit	9.516,13	
613220 - Fees Accountant		2.000,00

<i>Total: Services and goods</i>	7.516,13
<i>Total: Accounting and auditing costs</i>	7.516,13
<i>Total: Operational costs</i>	12.608,89

Meeting and representation costs

EFA youth

Services and goods	
615400 - EFAY	3.000,00
<i>Total: Services and goods</i>	3.000,00
<i>Total: EFA youth</i>	3.000,00

Costs for meetings of the political party GA

Services and goods	
615110 - General Assembly	87.366,63
<i>Total: Services and goods</i>	87.366,63
<i>Total: Costs for meetings of the political party GA</i>	87.366,63

Bureau Meetings

Services and goods	
615120 - Bureau Meeting	9.100,04
<i>Total: Services and goods</i>	9.100,04
<i>Total: Bureau Meetings</i>	9.100,04

Participation in seminars and Conferences

Services and goods	
615130 - Conferences	895,54
615140 - Other Meeting costs	7.310,71
<i>Total: Services and goods</i>	8.206,25
<i>Total: Participation in seminars and Conferences</i>	8.206,25

Representation Costs

Services and goods	
615300 - Representation presents	69,98
<i>Total: Services and goods</i>	69,98
<i>Total: Representation Costs</i>	69,98
<i>Total: Meeting and representation costs</i>	107.742,90

information publication

Operating charges

Services and goods	
612510 - Leaflets, booklayers	1.143,41
612520 - Informatics Costs	2.301,46
615200 - Information and publication costs	1.552,00
615500 - European Elections	51.082,26
<i>Total: Services and goods</i>	56.079,13
<i>Total: Operating charges</i>	56.079,13

Miscellaneous administrative costs

Services and goods	
611103 - Fees other	140,50
613230 - Fees Translators	133,37
<i>Total: Services and goods</i>	273,87
<i>Total: Miscellaneous administrative costs</i>	273,87
<i>Total: information publication</i>	56.353,00

Result (Loss)

Total: Profit and loss statement	317.856,56	21.664,92
		317.856,56