

Independent unqualified auditor's report

To: European Christian Political Movement

We have audited the accompanying financial statements of European Christian Political Movement, which comprise the balance sheet as at December 31, 2012, the statement of income and expenditures for the year then ended and the notes comprising a summary of the accounting policies and other explanatory information. The financial statements have been prepared by management of European Christian Political Movement based on the financial reporting provisions of Part B: Financial Provisions of the grant award decision dated February 15, 2012 between European Christian Political Movement and European Parliament.

Management's responsibility

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Part B: Financial Provisions of the grant award decision dated February 15, 2012. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch Law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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, the auditor considers internal control relevant to the entity's preparation 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of European Christian Political Movement for the year ended December 31, 2012 are prepared, in all material respects, in accordance with the financial reporting provisions of Part B: Financial Provisions of the grant award decision dated February 15, 2012.

This implies that:

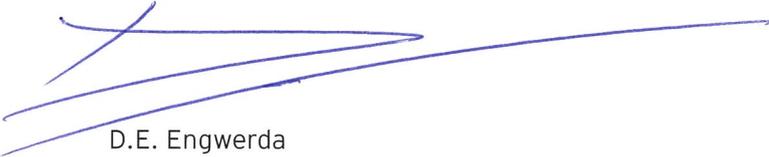
- ▶ the financial statements have been prepared in accordance with the national legislation applicable to the party, are free of material misstatement and show a true and fair view of the financial position and the operating results;
- ▶ the financial documents submitted by the party to Parliament are consistent with the financial provisions of the grant award decision;
- ▶ the expenditure declared was actually incurred;
- ▶ the statement of income and Expenditures is exhaustive;
- ▶ the obligations arising from Regulation (EC) No 2004/2003 have been met;
- ▶ the obligations arising from the Bureau decision of 29.3.2004 have been met;
- ▶ any surplus carried over to the next financial year has been used in the first quarter of the financial year, pursuant to Article 6a of the Bureau decision of 29.3.2004;
- ▶ contributions in kind have actually been provided to the party and have been valued in compliance with the provisions of Article II.11.4 of the grant award decision;
- ▶ the obligations arising out of Article 109(4) of the Financial Regulation have been met;
- ▶ the obligations arising from Article II.11 - Eligible expenditure, of the grant award decision have been met and we were able to reconcile the eligible expenditure with the financial statements;
- ▶ the obligations arising from Article II.7 - Award of contracts, of the grant award decision have been met.

Basis of accounting

We draw attention to the statement of accounting policies included in the notes to the financial statements, which describes the special purpose and the basis of accounting. 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 15, 2012. As a result, the financial statements may not be suitable for another purpose. Our opinion is not qualified in this respect.

Zwolle, August 28, 2013

Ernst & Young Accountants LLP



D.E. Engwerda

Initials for identification purposes:

For identification purposes

Accountants LLP

European Christian Political Movement

Financial Report 2012



For identification purposes
ERNST & YOUNG
Accountants LLP

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General Information

Financial report 2011 approved

At the members congress, held on the 7th June 2012, the financial report 2011 has been approved.
The result of the financial year 2011, € 16.183 has been deducted from the general 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 2012

chairman: Peeter Võsu (since 15 September 2005)
vice-chairman: Kris Vleugels (since 15 September 2005)
member: Vladimir Plamadala (since 12 June 2009)
member: Dick van Dijk (since 22 September 2007)
member: George Rukhadze (since 7 June 2012)
member: Peter Östman (since 7 June 2012)
member: Benjamin Harnwell since (7 June 2012)

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

Meetings in 2012

The ECPM had 1 general assembly in June 2012 in Brussels, Belgium.

The board had meetings on: 3 February, 10 May, 6 June, 21 August and 3rd December.

All ECPM events are in the 2012 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 2012 an external auditor audited the annual accounts and issued an unqualified auditors opinion.

Balance Sheet 31 december 2012

	<u>2012</u>		<u>2011</u>	
	€	€	€	€
ASSETS				
Fixed Assets		-		-
Current Assets				
European Parliament grant	47.288		51.970	
Other Assets	3.656		3.062	
Membership fees	<u>200</u>		<u>1.200</u>	
		51.145		56.233
Cash and cash equivalents				
Rabobank 11.38.70.159	14.118		2.950	
Rabobank 31.76.676.654	200		-	
Cash	<u>-</u>		<u>-</u>	
		14.318		2.950
		<u>65.463</u>		<u>59.183</u>

	<u>2012</u>		<u>2011</u>	
	€	€	€	€
LIABILITIES & EQUITY				
Reserves				
General reserve	3.077		3.077	
Specific EP reserve	<u>4.494</u>		<u>3.907</u>	
		7.571		6.984
Provision carry-over Q1 next year		1.296		
Current Liabilities				
Creditors	-		702	
Other liabilities	6.597		8.997	
Short during loan	<u>50.000</u>		<u>42.500</u>	
		56.597		52.199
		<u>65.463</u>		<u>59.183</u>

Statement of Income and Expenditures

	2012	Budget 2012	2011
	€	€	€
Revenue			
D.2 European Parliament grant	241.807	306.780	259.852
D.3 Membership fees			
3.1 from member parties	5.438	7.000	6.200
3.2 from individual members	-	500	378
D.4. Donations			
4.1 below 500 EUR	9.437	28.500	10.013
4.2 above 500 EUR	19.670	8.500	26.000
D.5 Other own resources (to cover expenditure)	7.480	5.500	6.038
D.6 Contributions in kind	1.600	10.000	3.800
D. TOTAL REVENUE	285.432	366.780	312.281
Expenditure			
A.1: Personnel costs			
1. Salaries	119.600	84.000	125.925
2. Contributions	-	5.000	-
3. Professional training	647	4.000	-
4. Staff missions expenses	-	15.000	4.412
5. Other personnel costs	7.550	5.000	5.152
	127.797	113.000	135.489
A.2: Infrastructure and operating costs			
1. Rent, charges and maintenance costs	24.296	11.000	10.462
2. Costs relating to installation, operation and maintenanc	-	580	1.772
3. Depreciation of movable and immovable property	-	5.000	5.906
4. Stationery and office supplies	-	-	422
5. Postal and telecommunications charges	4.899	700	8.893
6. Printing, translation and reproduction costs	177	10.000	5.318
7. Other infrastructure costs	584	5.000	5.999
	29.956	32.280	38.772
A.3: Administrative expenditure			
1. Documentation costs (newspapers, press agencies, dat	219	3.000	27
2. Costs of studies and research	3.000	5.000	8.209
3. Legal costs	-	2.500	697
4. Accounting and audit costs	104-	3.000	7.150
5. Support to affiliated organisations and subsidies to thir	27.862	40.000	-
6. Miscellaneous administrative costs	-	-	-
	30.977	53.500	16.083
A.4: Meetings and representation costs			
1. Costs of meetings of the political party	58.802	101.000	88.523
2. Participation in seminars and conferences	5.248	5.500	10.269
3. Representation costs	1.238	7.000	1.707
4. Costs of invitations	250	3.000	-
5. Other meeting-related costs	19.094	5.000	8.283
	84.633	121.500	108.782
A.5: Information and publication costs			
1. Publication costs	4.320	7.000	6.338
2. Creation and operation of Internet sites	54	7.000	321
3. Publicity costs	2.850	12.000	17.017
4. Communications equipment (gadgets)	996	3.500	28
5. Seminar and exhibitions	-	7.000	1.500
6. Election campaigns	-	-	-
7. Other information-related costs	-	-	-
	8.220	36.500	25.204
A.6: expenditure relating to contributions in kind	1.600	10.000	3.800
A.7: allocation to "Provision to cover eligible expenditure to be incurred in the first quarter of N+1"	1.296	-	-
A. TOTAL ELIGIBLE EXPENDITURE	284.478	366.780	328.130
B.1 Non-eligible expenditure			
1. Allocations to other provisions	-	-	-
2. Financial charges	-	-	578
3. Exchange losses	-	-	-
4. Doubtful claims on third parties	-	-	-
5. Others (to be specified)	367	-	243-
B. TOTAL NON ELIGIBLE EXPENDITURE	367	-	335
C. TOTAL EXPENDITURE	284.845	366.780	328.465
PROFIT/LOSS	587	-	16.183-

Notes to Financial Statements

General

The accounting principles used are based on historical cost.

The financial statements have been prepared in accordance with Directive 640 of the Dutch Council on Annual Reporting.

The financial statements were prepared in May 2013. 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 15, 2012.

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.

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.

Statement of Income and Expenditures:

The European Parliament grant is recognized for the full amount of the contract with the European Parliament for 2012.

This grant is based on an annual application.

The provisions for this grant are laid down in the grant decision FINS-2012-10 dated 15-02-2012.

The Final report over 2011 has been approved by the European Parliament on 05-07-2012.

Notes to Financial Statements continued

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 2012	3.077
Generated in financial year 2012	-
	<u>3.077</u>
General reserve at 31 December 2012	<u>3.077</u>

Specific (European Parliament) reserve

	€
Generated in financial year 2010	-
Generated in financial year 2011	3.907
Specific reserve at 31 december 2011	<u>3.907</u>
Generated in financial year 2012	587
Specific reserve at 31 December 2012	<u>4.494</u>

The 'specific (European Parliament) reserve is made visible in the annual accounts of 2012 for the first time. The comparable figures for 2011 were amended accordingly.

Annexes

Annex 1 Specification Donations above 500 euro

	€
Donation The Partners Antioch, U.S.A.	5.670
Donation Dignitatis Humanea Institute, Italy	3.000
Donation Christian Democratic Union, Latvia	2.000
Donation ChristenUnie, The Netherlands	7.000
Donation A. Marsh, U.K.	1.000
Donation G.E.R. Din Parlamentul, Romania	1.000
	<u>19.670</u>