ECPM

Financial statements as of and for the year ended 31 December 2022

Statement of financial position at 31 December 2022

EUR	Notes	31 December 2022	31 December 2021
ASSETS			
Non-current assets			
Property, plant and equipment	9	45.379	63.246
Intangible assets	10	-	-
Trade and other receivables	14	3.479	3.479
Total non-current assets		48.858	66.725
Current assets			
Trade and other receivables	14	31.184	61.893
Cash and cash equivalents	15	242.049	89.197
Total current assets		273.233	151.090
Total assets		322.091	217.815
EQUITY AND LIABILITIES			
Reserves		3.077	3.077
Retained earnings		(15.833)	(18.695)
Total equity		(12.756)	(15.618)
Non-current liabilities			
Leasing liabilities	11	21.130	38.915
Total non-current liabilities		21.130	38.915
Current liabilities			
Trade and other payables	16	294.407	176.397
Leasing liabilities	11	19.310	18.121
Total current liabilities		313.717	194.518
Total liabilities		334.847	233.433
Total equity and liabilities		322.091	217.815

The notes 1 to 18 are an integral part of these financial statements.

Statement of profit or loss for the year ended 31 December 2022

EUR	Notes	2022	2021
Revenue from contracts with customers	4	25.585	27.198
Other income	5	671.204	780.142
Revenue		696.789	807.340
General and administrative expenses	6	(691.724)	(798.352)
Operating profit/(loss)		**5.065**	**8.988**
Finance costs	7	(2.203)	(2.027)
Profit/(loss) for the year		**2.862**	**6.961**

The notes 1 to 18 are an integral part of these financial statements.

Statement of comprehensive income for the year ended 31 December 2022

EUR	Notes	2022	2021
Profit/(loss) for the year		2.862	6.961
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		-	-
Remeasurement gain/(loss) on defined benefit plans		-	-
Total comprehensive income for the year, net of tax		2.862	6.961

The notes 1 to 18 are an integral part of these financial statements.

Statement of changes in equity for the year ended 31 December 2022

EUR	Initial funds	Reserves	Retained earnings	Total equity
Balance at 1 January 2021	-	3.077	(25.656)	(22.579)
			-	-
Profit/(loss) for the year	-		6.961	6.961
Balance at 31 December 2021		3.077	(18.695)	(15.618)
	-			
Balance at 1 January 2022	-	3.077	(18.695)	(15.618)
			-	-
Profit/(loss) for the year	-		2.862	2.862
Balance at 31 December 2022		3.077	(15.833)	(12.756)

The notes 1 to 18 are an integral part of these financial statements.

Statement of cash flows for the year ended 31 December 2022

EUR	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the year		2.862	6.961
Adjustments for:			
Finance costs	7	2.203	2.027
Depreciation and impairment of property, plant and equipment	9	22.508	25.612
Amortisation and impairment of intangible assets	10	-	446
European Parliament grant	5	(627.965)	(691.900)
Net profit/(loss) before changes in working capital		**(600.392)**	**(656.854)**
Changes in working capital:			
Decrease/(increase) in trade and other receivables		30.709	(30.933)
Increase/(decrease) in trade and other payables		(58.905)	47.756
Cash receipt/(reimbursement) European Parliament grant:			
Receipt of European Parliament grant	16	803.854	732.817
Net cash flows from operating activities		**175.266**	**92.786**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment	10	(4.641)	(3.923)
Proceeds from sale of property, plant and equipment	9	-	(173)
Net cash flows from investing activities		**(4.641)**	**(4.096)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	12	-	-
Interest paid on borrowings	7	-	-
Interest paid on lease liabilities	7	(1.177)	(1.549)
Payments of lease liabilities	12	(16.596)	(14.096)
Net cash flows from financing activities		**(17.773)**	**(15.645)**
Movement in cash and cash equivalents including bank overdrafts		**152.852**	**73.045**
Net increase in cash and cash equivalents		**152.852**	**73.045**
Net foreign exchange difference			
Cash and cash equivalents at 1 January		**89.197**	**16.152**
Cash and cash equivalents at 31 December		**242.049**	**89.197**

The notes 1 to 18 are an integral part of these financial statements.

Notes to the financial statements for the year ended 31 December 2022

General information

ECPM is a limited Party incorporated and domiciled in The Netherlands. The registered office is located at Bergstraat 33, 3811NG AMERSFOORT. The Party is a Political party on European Level.

Financial statements

The financial statements as of and for the year ended 31 December 2022 were authorized for issue in accordance with a resolution of the Board of Directors on 26 June 2023.

Board of directors

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

Name	Function	Start of mandate	End of mandate
Jacques Bazen	Treasurer	23-5-2017	30-06-2025
Filip Łajszczak	Member	23-05-2017	30-06-2025
Valeriu Ghileţchi	President	23-05-2017	30-06-2025
Karin Heepen	Member	03-06-2020	30-06-2024
Leon Meijer	Member	28-05-2021	30-06-2025
Michal Považan	Member	28-05-2021	30-06-2025

Auditors

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

Figures in the financial statements

These financial statements are presented in euro, which is the Party's presentation currency and the functional currency of the Party. All amounts in these financial statements are presented in euro, unless otherwise stated.

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 Party for the year ended 31 December 2022 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 2022 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 Party'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 Party's statement of financial position shows a situation of negative equity at 31 December 2022. This described circumstance indicates the existence of a material uncertainty which may cast significant doubt about the Party's ability to continue as a Going Concern. However, its operations are foreseen to continue as long as it receives annual subsidies from the European Parliament. In this regard the financial statements have been prepared under assumption of going concern. 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 Party 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 realized or intended to be sold or consumed in the normal operating cycle, meaning within a calendar year,
- Expected to be realized 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 Party classifies all other liabilities as non-current.

b) Foreign currencies

Functional and presentation currency

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

Transactions and balances

Transactions in foreign currencies are initially recorded by the Party 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 Party 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) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite. The Party does not have any intangible assets with an indefinite useful life.

Intangible assets with finite useful lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite useful lives is recognized in the income statement in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

Website costs

Research costs are expensed as incurred. Website development costs are only recognized as intangible asset if: 1/ it can be demonstrated that the website will generate probable future economic benefits when, for example, donations can be made through the website and 2/ the Party can demonstrate:

- ✓ The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- ✓ Its intention to complete and its ability and intention to use or sell the asset;
- ✓ How the asset will generate future economic benefits;
- ✓ The availability of resources to complete the asset; and
- ✓ The ability to measure reliably the expenditure during development.

Directly attributable costs that are capitalized as part of the intangible asset include costs incurred for external consultants and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization will begin when development is completed and the asset is available for use. The costs are amortized using the straight-line method over their estimated useful lives (4 years). During the period of development, the asset is tested for impairment annually.

Summary of the policies applied to the intangible assets

	Website
Useful lives	4 years
Amortisation method used	Straight-line basis
Internally generated	Acquired

d) Property, plant and equipment

The Party's property, plant and equipment are mainly composed of IT equipment, furniture, office equipment 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	5 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.

e) European Parliament grants

The Party receives a contribution from the European Parliament, which is awarded at the beginning of each accounting year At that moment there is a reasonable assurance that the contribution 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 Party 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 contribution amount or exceeds the grant amount. In this scenario, the entire contribution is recorded as income in the income statement,
- Scenario 2 in which the amount of eligible expenditure is less than the contribution amount. In this scenario, the portion of the contribution 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 contribution and can result in a reimbursement of a portion of the contribution 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 contribution amount and a reimbursement. If the Party has to make a reimbursement to the European Parliament, the Parties needs to account for a liability.

f) 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 Party’s cash management.

g) 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 Party'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 Party'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 recognized in profit or loss when the asset is derecognized, 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 Party applies a simplified approach in calculating Expected Credit Losses (ECL). The Party 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 Party may also consider a financial asset to be in default when internal or external information indicates that the Party 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 recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Party'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 Party'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 recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization 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 amortization 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 Party does not offset its financial assets and liabilities.

h) Impairment of non-financial assets

The Party 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 Party 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 Party 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 Party 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 Party expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized 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 recognized as a finance cost.

j) Leases – lessee accounting

The Party 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 Party leases office workspace. The Party applied a single recognition and measurement approach for all leases for which it is the lessee. The Party recognized 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 2019.

Lease liabilities

At the commencement date of the lease, the Party recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. The lease payments also include the exercise price of a purchase option if reasonably certain to be exercised by the Party and payments of penalties for terminating a lease, if the lease term reflects the Party exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Party uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Party selected the accounting policy to present interest paid on lease liabilities as part of the cash flows for financing activities.

Right-of-use assets

The Party recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of initial measurement of the lease liability, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Underlying assets	Useful lives
Office	6 years

If ownership of the leased asset transfers to the Party at the end of the lease term, or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful live of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section re 'Impairment of non-financial assets'.

Short-term leases and leases of low-value assets

The Party applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (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). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. 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.

The information about leases is included in the following notes:

Depreciation charges on right-of-use assets	Note 6 Expense by nature
Interest expense on lease liabilities	Note 7 Finance income and costs
Right of use assets movement	Note 9 Property, plant and equipment
Lease liabilities movement	Note 11 Financial assets and financial liabilities

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 Party has a contract with Member parties for which it receives Member party contributions or Membership fees. Membership fees are fixed in euro; they are payable without deduction of incurred costs, and are adjusted annually in line with Belgian inflation. The fees are due at the start of the year for a one year membership and are recorded upfront. As such the revenue that is recorded 31 December equals the membership fees received for the respective year.

The Regulation for membership fee is as follows:

The annual Membership Fees of the based on:

- A basic sum calculated on the presence of (special) MP's of the Member-party. The board may grant a full or partial exemption from the obligation to pay a contribution
- The annual Membership fees for Members Associations, which are determined by the Political Assembly upon proposal of the Treasurer and Secretary General.

There are consequences if a party accumulates arrears in the payment of their annual Membership Fee:

- One year arrears of membership fees, the party in question loses its speaking and/or voting rights within the organs and bodies of the association as well as its right to propose candidates for positions within the association, until they have paid off their arrears.
- Two years arrears of membership fees, the Presidency has to propose to the Political Assembly to exclude the party in question.

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

l) Joint operation

A joint operation is a joint arrangement not structured in a separate vehicle, in which the parties with joint control have rights to the assets and obligations for the liabilities relating to the arrangement. A joint operator shall recognize

(a) its assets, including its share of any assets held jointly;
(b) its liabilities, including its share of any liabilities incurred jointly;
(c) its revenue from the sale of its share of the output arising from the joint operation;
(d) its share of the revenue from the sale of the output by the joint operation; and
(e) its expenses, including its share of any expenses incurred jointly.

The Party performs joint projects, in which it enters into a joint arrangement together with the member Parties. The cost incurred in these projects are partially covered by the member Parties and both parties have joint rights to the asset being created. The portion of the cost covered by the member Party is set off against the income flowing from the invoices issued to the member Party.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and supersedes IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Party adopted IFRS 16 using the modified retrospective method with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Party elected to apply the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4. The Party will therefore not apply the standard to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4. The Party also elected to use the exemptions on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Party mainly leases office workspace, that are accounted for in accordance with IFRS 16 as from 1 January 2019 and were previously accounted for as operating leases under IAS 17.

The Party recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application or the interest rate implicit in the lease when available.
The Party also applied the available practical expedients wherein it:

- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Applied the low value exemption to leases for which the underlying assets value is lower than 5.000 EUR
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

2.3. Changes in accounting policies and disclosures

During the current financial year, the party 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 1 January 2022, as issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

Amendments to IFRS 3 Business combinations, IAS 16 Property, plant and equipment, IAS 37 Provisions, contingent liabilities and contingent assets and annual improvements to IFRS (cycle 2018 - 2020): applicable for annual periods beginning on or after 1 January 2022.

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

2.4. Standards issued but not yet effective

The party 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, but which were not compulsorily applicable for the period beginning on 1 January 2022:

Amendments to IFRS 17: Insurance contracts: Initial application of IFRS 17 and IFRS 9 - Comparative information: applicable for annual periods beginning on or after 1 January 2023.
Amendments to IAS 12: Income taxes: Deferred tax related to assets and liabilities arising from a single transaction: applicable for annual periods beginning on or after 1 January 2023.
Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies: applicable for annual periods beginning on or after 1 January 2023.
Amendments to IAS 8: Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates: applicable for annual periods beginning on or after 1 January 2023.
IFRS 17: Insurance contracts, including Amendments to IFRS 17: applicable for annual periods beginning on or after 1 January 2023.

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 Party'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 Party 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 Party. Such changes are reflected in the assumptions when they occur.

Determining the lease term of contracts with renewal options

The Party 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 Party 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 Party 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 Party if not eligible. This can result in a recovery order being issued to the Party and hence a reimbursement of a portion of the grant. If this is the case, the Party sets up a liability at year end. In December 2022 this liability amounts to EUR 949 (2021: EUR 0).

4. Revenue from contracts with customers

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

EUR	2022	2021
Type of revenue		
Membership fees:		
- From parties	25.525	27.168
- From associate members	60	30
Total revenue from contracts with customers	**25.585**	**27.198**
Geographical market		
Membership fees:		
- From The Netherlands	9.232	2.720
- From Croatia	-	8.192
- From Poland	432	240
- From Germany	3.887	6.552
- From France	192	192
- From Others	11.842	9.302
Total revenue from contracts with customers	**25.585**	**27.198**

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 5.382 at 31 December 2022 (EUR 7.640 in 2021). These receivables are non-interest bearing and are generally on terms of 30 to 90 days. In 2022 EUR 0 (EUR 0 2021) was recognized as a provision on ECL on trade receivables.

5. Other income

The line item "Other income" in the income statement relates to:

EUR	2022	2021
Other income		
European Parliament Grant	868.270	732.817
EP carry-over	(240.305)	(24.156)
Donations:		
- Above EUR 500	35.482	67.289
- Below EUR 500	7.319	4.186
Other	438	6
Total other income	**671.204**	**780.142**

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	2022	2021
Advertising and promotional costs	14.492	30.021
Amortization intangible assets	3.108	446
Depreciation Property Plant and Equipment	-	7.219
Depreciation on right of use - offices	19.370	18.393
Event costs	141.230	191.338
Meetings and representation costs	205	187
Office cost	11.287	10.694
Rent	-	-
Accounting cost	15.603	10.728
Documentation costs (newspaper, database, press agencies)	-	-
Research and development costs	12.985	15.540
Information and publication costs	3.666	26.970
IT, phone & internet	4.119	5.519
Website	8.056	7.190
Travel expenses	51.803	25.120
Wages and salaries	259.494	273.431
Social security cost	61.002	56.186
Employer related costs – cars, trainings and others	52.304	61.408
Support to associated entities	33.000	38.000
Other	-	19.962
Total	**691.724**	**798.352**

7. Finance income and costs

EUR	2022	2021
Finance income	-	-
Total finance income	**-**	**-**
Finance costs		
Interest expense on bank borrowings	-	-
Leases interest expenses	1.177	1.549
Bank charges	1.026	478
Total finance costs	**2.203**	**2.027**

8. Employee benefit expense

	2022		2021	
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	259.494	-	273.431	-
Social security costs	61.002	-	56.186	-
Employer related costs	52.304	-	61.408	-
Total employee benefit expense	**372.800**	**-**	**391.025**	**-**

	2022	2021
Average number of employees – Netherlands	1,46FTU	1,67FTU
Average number of employees - Belgium	2,75FTU	3,00FTU
Average number of employees - Germany	0,03FTU	0,00FTU
Total average number of employees	**4,24FTU**	**4,67FTU**

9. Property, plant and equipment

EUR	Plant, machinery and Equipment	Furniture and material	Right-of-use offices	Total
At 1 January 2021				
Cost or valuation	1.978	31.514	82.210	115.702
Accumulated depreciation, impairments and other adjustments	(907)	(18.114)	(11.919)	(30.940)
Opening net book value at 1 January 2021	**1.071**	**13.400**	**70.291**	**84.762**
Period ended 31 December 2021				
Additions	-	3.923	4.454	8.377
Disposals	-	(12.842)	-	(12.842)
Closing Cost or Valuation at 31 December 2021	**1.978**	**22.595**	**86.664**	**111.237**
Accumulated depreciation on disposals	-	8.561	-	8.561
Depreciation charge for the year	(495)	(6.724)	(18.393)	(25.612)
Closing Accumulated depreciation, impairments and other adjustments at 31 December 2021	**(1.402)**	**(16.277)**	**(30.312)**	**(47.991)**
Closing net book value at 31 December 2021	**576**	**6.318**	**56.352**	**63.246**
Period ended 31 December 2022				
			-	-
Additions	-	1.684	2.957	4.641
Disposals	-	(4.206)	-	(4.206)
Closing Cost or Valuation at 31 December 2022	**1.978**	**20.073**	**89.621**	**111.672**
Accumulated depreciation on disposals	-	4.206	-	4.206
Depreciation charge for the year	(494)	(2.644)	(19.370)	(22.508)
Closing Accumulated depreciation, impairments and other adjustments at 31 December 2022	**(1.896)**	**(14.715)**	**(49.682)**	**(66.293)**
Closing net book value at 31 December 2022	**82**	**5.358**	**39.939**	**45.379**

The Party has lease contracts for offices. Leases have lease terms of 5 years. In determination of the lease term, the Party took into account its intentions to stay in the offices until the next elections.

10. Intangible assets

EUR	Website
At 1 January 2021	
Cost or valuation	9.007
Accumulated amortization, impairments and other adjustments	(8.561)
Opening net book value at 1 January 2021	**446**
Period ended 31 December 2021	
Additions	-
Disposals	-
Closing Cost or Valuation at 31 December 2021	**9.007**
Accumulated depreciation on disposals	-
Depreciation charge for the year	(446)
Closing Accumulated depreciation, impairments and other adjustments at 31 December 2021	**(9.007)**
Closing net book value at 31 December 2021	**-**
Period ended 31 December 2022	
Additions	-
Disposals	-
Closing Cost or Valuation at 31 December 2022	**9.007**
Accumulated depreciation on disposals	-
Depreciation charge for the year	-
Closing Accumulated depreciation, impairments and other adjustments at 31 December 2022	**(9.007)**
Closing net book value at 31 December 2022	**-**

11. Financial assets and financial liabilities

a) Financial assets

Financial assets	31 December 2022	31 December 2021
	EUR	EUR
Debt instruments at amortised cost		
Non-current financial assets	-	-
Trade and other receivables (Note 14)	34.663	65.372
Total financial assets	**34.663**	**65.372**
Total current	**31.184**	**61.893**
Total non-current	**3.479**	**3.479**

b) Financial liabilities: Borrowings

Financial Liabilities	31 December 2022	31 December 2021
	EUR	EUR
Other financial liabilities at amortised cost, other than interest-bearing loans and borrowings		
Trade and other payables (Note 16)	53.153	111.032
European Parliament grant	241.254	65.365
Total other financial liabilities	**294.407**	**176.397**
Total current	**294.407**	**176.397**
Total non-current	-	-

	Interest rate	Maturity	31 December 2022	31 December 2021
	%		EUR	EUR
Current interest-bearing loans and borrowings				
Leasing liabilities	2.37	2023	19.310	18.121
Total current interest-bearing loans and borrowings			**19.310**	**18.121**
Non-current interest-bearing loans and borrowings				
Leasing liabilities	2.37	2024-2025	21.130	38.915
Total non-current interest-bearing loans and borrowings			**21.130**	**38.915**
Total interest-bearing loans and borrowings			**40.440**	**57.036**

c) Fair Values

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments:

	31 December 2022		31 December 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	EUR	EUR	EUR	EUR
Financial assets				
Non-current financial assets	-	-	-	-
Trade receivables	34.663	34.663	65.372	65.372
Total	**34.663**	**34.663**	**65.372**	**65.372**
Financial liabilities				
Leasing liabilities	40.440	40.440	57.036	57.036
Trade and other payables	294.407	294.407	176.397	176.397
Total	334.847	334.847	233.433	233.433

The Party has mainly short term financial assets and financial liabilities for which the carrying amount is a reasonable approximation of the fair value. Moreover the carrying amount of leasing liabilities is also a reasonable approximation of the fair value.

12. Financial risk management

a) Financial risk factors

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

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

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and foreign exchange risk. The Party's interest rate risk is limited given the short term nature of the borrowings.

Foreign exchange risk

The Party's exposure to the risk of changes in foreign exchange rates relates primarily to the Party's operating activities. Foreign exchange risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.. The Party's exposure to foreign currency changes for all other currencies is not material.

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 Party is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

Credit risk from operating activities

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

Credit risk from financing activities

Credit risk from balances with banks and financial institutions is managed by the Party's finance department in accordance with the Party's policy. The Party's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2022 and 2021 is the carrying amounts as illustrated in Note 15.

Liquidity risk

The Party 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 2022 (EUR)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Trade and other payables	53.153	-	-	-	**53.153**
Leasing liabilities	19.310	19.310	1.819	-	**40.439**
European Parliament grant	241.254	-	-	-	**241.254**

At 31 December 2021 (EUR)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Trade and other payables	111.032	-	-	-	**111.032**
Leasing liabilities	18.121	18.121	20.794	-	**57.036**
European Parliament grant	65.365	-	-	-	**65.365**

Changes in liabilities arising from financing activities are shown in the table below:

	1 January 2022	Cash outflows	Cash inflows	Other	31 December 2022
	EUR	EUR	EUR	EUR	EUR
Current leasing liabilities	20.860	-16.596	15.045	1	19.310
Non-current leasing liabilities	36.177	0	-15.045	-3	21.129
Total liabilities from financing activities	**57.037**	**-16.596**	**0**	**-2**	**40.439**

	1 January 2021	Cash flows	New leases	Other	31 December 2021
	EUR	EUR	EUR	EUR	EUR
Current leasing liabilities	16.834	(14.096)	18.122		20.860
Non-current leasing liabilities	54.298	0	(18.122)	1	36.177
Total liabilities from financing activities	**71.132**	**(14.096)**	**0**	**0**	**57.037**

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 2022	31 December 2021
Cash and cash equivalents - note 15	242.049	89.197
Net cash	**242.049**	**89.197**

13. Joint Operations

The Party has a 20-100% part in a joint arrangement with the Member Parties or third party for which they conduct together joint projects, such as: conferences, debates, research papers, internal trainings, public events, etc. The Party will call for proposals to partners and choose projects that will go through an approval process with the executive board. Once the project is approved they implement the project together with their partner. The portion of the cost covered by the Member Party or third party is set off against the revenue flowing from the Member Party or third party.

14. Trade and other receivables

EUR	31 December 2022	31 December 2021
Membership fees receivable	5.382	7.640
Donations receivable	20.226	30.657
Prepayments	5.576	23.596
Rental deposits	3.479	3.479
Other receivables	-	-
Total trade and other receivables	**34.663**	**65.372**
Non-current portion	**3.479**	**3.479**
Current portion	**31.184**	**61.893**

15. Cash and cash equivalents

EUR	31 December 2022	31 December 2021
Cash at banks and on hand	98.049	29.197
Savings accounts	144.000	60.000
Total cash and cash equivalents (excluding bank overdrafts)	**242.049**	**89.197**

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 2022	31 December 2021
Cash and cash equivalents	242.049	89.197
Bank overdrafts	-	-
Cash and cash equivalents (including bank overdrafts)	**242.049**	**89.197**

16. Trade and other payables

EUR	31 December 2022	31 December 2021
Trade payables	27.063	71.529
Social security and other taxes	4.057	3.223
European Parliament Grant	241.254	65.365
Accrued expenses and deferred income	-	-
Other liabilities	22.033	36.280
Total Trade and other payables	**294.407**	**176.397**
Non-current portion	-	-
Current portion	294.407	176.397

The trade and other payables of the Party 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:

(EUR)	31 December 2022	31 December 2021
At 1 January	65.365	24.448
Release grant into income statement	(802.905)	(732.817)
Grant carried-over 2022/21	(65.365)	(24.448)
Grant carried over 2023/22	240.305	65.365
Grant award 2022	803.854	732.817
At 31 December	241.254	65.365

17. Commitments and contingencies

Contingent liabilities

The rental agreements for the office space contains a restoration clause. However the restoration obligation is at the discretion of the lessor and therefore not within the control of the Party.

18. Events after the reporting date

There are no events after year-end.