

## **Auditor's report to the general meeting of the association Organization for European Interstate cooperation for the year ended 31 December 2014**

In accordance with our service contract with the European Union represented by the European Parliament, we report to you on the performance of our audit which was entrusted to Ernst & Young Réviseurs d'Entreprises cvba. This report includes the opinion on the balance sheet as at 31 December 2014, the income statement for the year ended 31 December 2014 (all elements together "the Annual Accounts") and on the final statement of eligible expenditure actually incurred as well as on compliance with rules and regulations applicable to funding of political parties and foundations at European level.

### **Report on the Annual Accounts - Unqualified opinion**

We have audited the Annual Accounts of Organization for European Interstate cooperation ("the Association") as of and for the year ended 31 December 2014, prepared in accordance with the financial-reporting framework applicable in Sweden and the final statement of eligible expenditure actually incurred for the period of eligibility defined by the grant award decision of Organization for European Interstate cooperation, as laid out on the following pages.

The Annual Accounts show a balance sheet total of € 6 494 and the income statement shows a profit for the year of € 2 975. The profit of the year has been transferred to the Specific Reserve Account. The profit of the year, transferred to the reserve account, is used to reduce the losses carried forward. Accumulated losses (including the result of the year) amounts to € 16 175.

### *Responsibility of the Board of Directors for the preparation of the Annual Accounts*

The Board of Directors is responsible for the preparation of Annual Accounts that give a true and fair view in accordance with the financial-reporting framework as applicable in Sweden. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of Annual Accounts that give a true and fair view and 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 given circumstances.

The Board of Directors is responsible towards 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.

### *Responsibility of the Auditor*

Our responsibility is to express an opinion on these Annual Accounts and on the final statement of eligible expenditure actually incurred based on our audit. Furthermore, our

responsibility is to express an opinion on the compliance with rules and regulations applicable to funding of political parties and foundations at European level.

We conducted our audit in accordance with the International Standards on Auditing (“ISAs”). Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Annual Accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Annual Accounts. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Annual Accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association’s preparation and fair presentation of the Annual Accounts that give a true and fair view, 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 Association’s internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of significant accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the Annual Accounts.

We have obtained from the Board of Directors and the Association’s officials the explanations and information necessary for performing our audit procedure and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit work included specific procedures to gather sufficient and appropriate audit evidence that the financial provisions and obligations of the grant award decision, Regulation (EC) No 2004/2003 and the underlying acts have been met.

#### *Unqualified Opinion*

In our opinion the Annual Accounts (i.e. balance sheet, income statement and disclosures) give a true and fair view of the Association’s net equity and financial position as at 31 December 2014, and of its results for the year ended, prepared in accordance with the financial-reporting framework applicable in Sweden and the final statement of eligible expenditure has been prepared in accordance with the rules and regulations applicable to funding of political parties and foundations at European level.

#### *Emphasis of certain matters*

Notwithstanding the loss carried forward which impact the Annual Accounts of the Foundation, the Annual Accounts are prepared under the assumption that the activities will be continued. This assumption is sustainable as long as the Foundation will receive financial support from the European Parliament or other financing sources. Without altering our audit opinion, we draw your attention to the notes in the Annual Accounts in which the Foundation justifies the application of accounting policies under the assumption of going concern.

**Report on other legal and regulatory requirements**

The Board of Directors is responsible for the compliance by the Association of the legal and regulatory requirements applicable in Sweden, its articles of association, the legal and regulatory requirements regarding bookkeeping and the provisions of the European Parliament's grant award decision, Regulation (EC) No 2004/2003 and the underlying acts.

We make the following additional statements, which do not modify the scope of our opinion on the Annual Accounts:

- without prejudice to certain formal aspects of minor importance the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Sweden.
- the financial documents submitted by the Association Organization for European Interstate cooperation to the European Parliament are consistent with the financial provisions of the Bureau's grant award decision;
- the expenditure declared was actually incurred;
- the statement of revenue is exhaustive;
- the obligations arising from the Regulation (EC) No 2004/2003 have been met;
- the obligations arising from the Bureau decision of 29 March 2004 have been met;
- the obligations arising from the grant award decision, in particular from Article II.7 - Award of contracts and Article II.11 - Eligible expenditure, have been met;
- the contributions in kind have actually been provided to the beneficiary and have been valued in compliance with the applicable rules.

Stockholm, April 15<sup>th</sup> 2015

Ernst & Young AB

Auditor  
represented by



Suzanne Messo  
Chartered Public Accountant

**Annual accounts**  
of  
**Organization for European Interstate cooperation**  
Corporate ID no. 802455-0397

Financial year 2014-01-01 – 2014-12-31

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Income statement EUR	note	2014-01-01 2014-12-31	2013-01-01 2013-12-31	Budget 2014
<b>REVENUE</b>				
European Parliament Grant		135 223	123 230	170 658
Membership fees		0	0	15 000
Donations above 500 EUR	1	24 516	16 281	10 000
Contributions in kind		3 200	3 000	3 200
Other revenues		0	482	0
<b>TOTAL ELIGIBLE REVENUE</b>		<b>162 939</b>	<b>142 993</b>	<b>198 858</b>
Financial revenue due to exchange rates		3 210	101	0
Interest income		0	0	0
<b>TOTAL NON-ELIGIBLE REVENUE</b>		<b>3 210</b>	<b>101</b>	<b>0</b>
<b>TOTAL REVENUE</b>		<b>166 149</b>	<b>143 094</b>	<b>198 858</b>
<b>EXPENSES</b>				
<b>PERSONELL COSTS</b>				
Salaries		-70 619	-74 864	-97 000
Contributions		-22 188	-23 509	0
Professional training		0	0	-500
Staffs mission expenses		0	0	-2 000
<b>INFRASTRUCTURE AND OPERATING COSTS</b>				
Rent, charges and maintenance costs		-1 206	-916	-2 000
Costs relating to installation, operation and maintenance of equipment		-221	0	0
Stationary and office supplies		-10	-41	-700
Postal and telecommunications charges		-430	-173	-500
Printing, translation and reproduction costs		-10 715	0	-700
Other infrastructure costs		0	-52	0
<b>ADMINISTRATIVE EXPENDITURE</b>				
Documentation costs		-41	0	-400
Costs of studies and research		0	-4 288	0
Legal costs		0	-2 167	-500
Accounting and audit costs	425	-4 947	-5 202	-4 000
Miscellaneous administrative costs		-197	-304	-300
<b>MEETINGS AND REPRESENTATIONS COSTS</b>				
Costs of meetings of the political party		-2 468	-7 605	-3 000
Participation in seminars and conferences		-1 308	0	-1 000
Representation costs		-173	-230	-500
Other meeting-related costs		0	0	0
<b>INFORMATION AND PUBLICATIONS COSTS</b>				
Publication costs		-18 575	-18 900	-49 558
Creation and operation of Internet sites		-13 862	-2 830	-1 000
Publicity costs		0	0	-25 000
Seminars and exhibitions		0	-896	-7 000
Other information-related costs		-8 795	0	0
<b>EXPENDITURE RELATING TO CONTRIBUTIONS IN KIND</b>		<b>-3 249</b>	<b>-3 000</b>	<b>-3 200</b>
<b>TOTAL ELIGIBLE EXPENDITURE</b>		<b>-159 004</b>	<b>-144 977</b>	<b>-198 858</b>
Financial cost due to exchange rates		-4 158	-1 246	0
Interest cost		-12	-15	0
<b>TOTAL NON-ELIGIBLE EXPENDITURE</b>		<b>-4 170</b>	<b>-1 261</b>	<b>0</b>
<b>TOTAL EXPENDITURE</b>		<b>-163 174</b>	<b>-146 238</b>	<b>-198 858</b>
Net profit/loss for the year		+2 975	-3 144	0



Balance sheet		2014-12-31	2013-12-31
EUR	note		
<b>ASSETS</b>			
Current assets			
Current receivables		0	5
Cash and bank balances		6 494	9 029
<b>Total current assets</b>		<b>6 494</b>	<b>9 034</b>
<b>TOTAL ASSETS</b>		<b>6 494</b>	<b>9 034</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>2</b>		
Revaluation reserve		0	0
Profit or loss brought forward		-19 150	-15 700
Profit/loss for the year		+2 975	-3 144
<b>Total equity</b>		<b>-16 175</b>	<b>-18 844</b>
<b>Current liabilities</b>			
Accounts payable – trade		0	0
European parliament grant		0	3 416
Other liabilities		17 434	18 674
Accrued expenses and deferred income		5 235	5 788
<b>Total current liabilities</b>		<b>22 669</b>	<b>27 878</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6494</b>	<b>9 034</b>
<b>MEMORANDUM ITEMS</b>			
Assets pledged			None
Contingent liabilities			None



## SUPPLEMENTARY DISCLOSURES

### General disclosures

#### Accounting principles

The accounting principles applied comply with the Swedish Annual Accounts Act and general recommendations from the Swedish Accounting Standards Board, except that the Profit and Loss statement does not follow the recommended layout. It is instead structured according to the Donors wish of detailed information.

#### Valuations principles etc.

Assets, provisions and liabilities have been valued at acquisition value unless otherwise stated.

Receivables are entered at the amount in which they are expected to be received.

#### Currency

The accounting has been made in SEK and translated to EUR with the exchange rate of the period 20140101-20141231 presented by the Swedish tax authority (9.0961 SEK/EUR).

### NOTE TO FINANCIAL STATEMENTS

Note 1	Donations above 500 EUR	2014	2013	2012
	Demokratiföreningen	0	0	7 000
	Grostins Nordmunds	0	11 800	6 000
	Forum för EU-debatt	0	1 500	0
	Björn Jonasson	2 199	2 312	2 067
	Junilistan	22 317	590	609
		<u>24 516</u>	<u>16 202</u>	<u>15 676</u>
Note 2	Equity			
		Profit or loss brought forward	Profit/loss for the year	Total
	<b>Balance 2012-12-31</b>	<b>-13 316</b>	<b>-2 525</b>	<b>-15 841</b>
	Loss previous year	-2 384	+2 525	+ 141
	Profit/loss for the year	0	-3 144	-3 144
	<b>Balance 2013-12-31</b>	<b>-15 700</b>	<b>-3 144</b>	<b>-18 844</b>
	Loss previous year	-3 450	+3 144	-306
	Profit/loss for the year	0	+2 975	+2 975
	<b>Balance 2014-12-31</b>	<b>-19 150</b>	<b>+2 975</b>	<b>-16 175</b>



**Breakdown of the provisional operating budget**

EXPENDITURE			REVENUE		
Eligible expenditure	Budget	Actual		Budget	Actual
<b>Category 1: Personnel costs</b>	99 500,00	92 807,00	<b>1. EP grant</b>	170 858,00	135 223,00
1. Salaries	97 000,00	70 619,00	<b>2. Membership fees</b>	15 000,00	0,00
2. Contributions	0,00	22 188,00	<b>2.1 from member parties</b>	5 000,00	0,00
3. Professional training	500,00	0,00	<b>2.2. from individual members</b>	10 000,00	0,00
4. Staff mission expenses	2 000,00	0,00	<b>3. Donations</b>	10 000,00	24 516,00
5. Other personnel costs	0,00	0,00	<b>3.1 above 500 EUR</b>	10 000,00	24 516,00
<b>Category 2: Infrastructure and operating costs</b>	3 900,00	12 582,00	<b>3.2 above 500 EUR</b>		
1. Rent, charges and maintenance costs	2 000,00	1 206,00	<b>4. Other own resources (to cover eligible expenditure) (to be listed)</b>		
2. Costs relating to the installation, operation and maintenance of equipment	0,00	221,00			
3. Depreciation of movable and immovable property	0,00	0,00			
4. Stationery and office supplies	700,00	10,00			
5. Postal and telecommunications charges	500,00	430,00			
6. Printing, translation and reproduction costs	700,00	10 715,00			
7. Other infrastructure costs	0,00	0,00			
<b>Category 3: Administrative expenditure</b>	5 200,00	5 185,00			
1. Documentation costs (newspapers, press agencies, databases)	400,00	41,00			
2. Costs of studies and research	0,00	0,00			
3. Legal costs	500,00	0,00			
4. Accounting and audit costs	4 000,00	4 947,00			
5. Miscellaneous administrative costs	300,00	197,00			
<b>Category 4: Meetings and representation costs</b>	4 500,00	3 949,00			
1. Costs of meetings of the political party	3 000,00	2 468,00			
2. Participation in seminars and conferences	1 000,00	1 308,00			
3. Representation costs	500,00	173,00			
4. Cost of invitations	0,00	0,00			
5. Other meeting-related costs	0,00	0,00			
<b>Category 5: Information and publication costs</b>	82 558,00	41 232,00			
1. Publication costs	49 558,00	18 575,00			
2. Creation and operation of internet sites	1 000,00	13 862,00			
3. Publicity costs	25 000,00	0,00			
4. Communications equipment (gadgets)	0,00	0,00			
5. Seminars	7 000,00	0,00			
6. Exhibitions	0,00	0,00			
7. Other information-related costs	0,00	8 795,00			
<b>Category 6: Expenditure relating to contributions in kind</b>	3 200,00	3 249,00	<b>5. Contributions in kind</b>	3 200,00	3 200,00
<b>TOTAL ELIGIBLE EXPENDITURE</b>	198 858,00	159 004,00	<b>REVENUE (to cover eligible expenditure)</b>	198 858,00	182 939,00
<b>(Category 7:) Non-eligible expenditure</b>					
1. Allocations to provisions	0,00	0,00	<b>6. Additional other own resources (to cover non-eligible expenditure) (to be listed)</b>		
2. Financial charges	0,00	12,00			
3. Exchange losses	0,00	4 158,00			
4. Doubtful claims on third parties	0,00	0,00			
5. Others (to be specified)	0,00	0,00			
<b>TOTAL NON-ELIGIBLE EXPENDITURE</b>	0,00	4 170,00	<b>REVENUE (to cover non-eligible expenditure)</b>	0,00	3 210,00
<b>TOTAL BUDGET</b>	198 858,00	163 174,00	<b>TOTAL REVENUE</b>	198 858,00	166 149,00