



Le Président,

M. Martin Schulz
Président du Parlement européen
Bruxelles

Bruxelles, le 27 avril 2016

Monsieur le Président,

Conformément à l'article 2.7.1 de la Réglementation régissant l'utilisation des crédits prévus au poste 400 du budget du Parlement européen, je vous prie de trouver ci-joint le rapport audité sur l'utilisation des crédits de l'exercice budgétaire 2015 pour ce qui concerne le Groupe **EUROPE OF FREEDOM AND DIRECT DEMOCRACY**.

Ce document comprend :

- le rapport de l'audit, attestant la régularité des comptes et leur conformité à la réglementation du poste 400 ;
- le bilan financier ;
- l'état des recettes et des dépenses ;
- Les notes annexes aux comptes annuels ;
- l'exécution de l'article 671 par compte ;
- le tableau d'amortissements/inventaire au 31 décembre 2015 ;

Je vous souhaite bonne réception de ces documents et vous prie de croire, Monsieur le Président, à l'assurance de ma très haute considération.

Nigel FARAGE
Co-Président du Groupe EFDD

Annexes



**REPORT BY THE EFDD GROUP
IN THE EUROPEAN PARLIAMENT**

BUDGET ITEM 400

2015

[Handwritten signatures]

Europe of Freedom and Direct Democracy
EFDD Group
Rue Wiertz 60
B-1047 Brussels

18 April 2016

Report of the external auditors on the financial statements relative to the use of the credits of Item 400 of the budget of the European Parliament for the financial year 2015 ending 31 December 2015

UNQUALIFIED AUDITOR'S REPORT

According to the audit mandate, we have audited the Group Financial Statement prepared by the Group Accountant for the year 2015 ending 31/12/2015 as laid out in the following pages of this document.

Respective responsibilities of the Group and the auditors

Pursuant to the rules on the use of appropriations from Budget Item 400 (hereafter "the rule"), the Group is responsible before the Institution of the conformity of appropriation usage and of the preparation of the Group annual financial statements.

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

Basis of Opinions

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

The audit work included specific procedures aiming at gathering sufficient and appropriate audit evidence that

- ▶ The statement of revenue and expenditure gives a true and fair view of the group's financial position for the financial year concerned;
- ▶ The balance sheet gives a true and fair view of the group's assets at the end of the financial year;
- ▶ The group's internal rules have been observed;
- ▶ Expenditures have been charged to the correct item in the budget of the Group;
- ▶ Appropriations are available;
- ▶ Expenditures are conformed to the Rules governing appropriation Item 400;
- ▶ Principles of sound financial management have been applied;
- ▶ Payment orders are supported by original documentations (or certified true copies);
- ▶ Accounts have been laid out in accordance with the harmonized accounting plan;



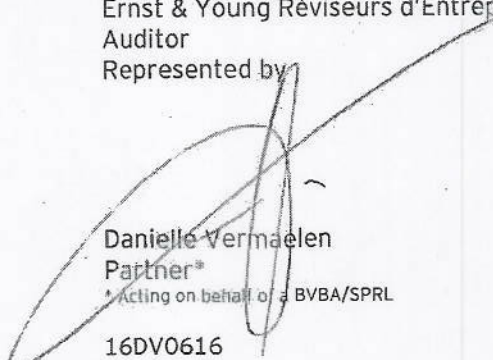
Building a better
working world

- ▶ The overall considerations on financial statements in the rules adopted by the Accounting Officer of the Commission referred to in Articles 143 and 144 of the Financial Regulation (Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25.10.2012 on the financial rules applicable to the general budget of the Union (Official Journal L 298, 26.10.2012, p.1)) have been observed in the preparation and presentation of the accounts or, where appropriate, a divergence from these overall considerations is adequately explained by a note to the financial statements;
- ▶ An effective and efficient internal control system for the management of operations, which includes effective segregation of the duties of authorizing officer and accounting officer or of the equivalent functions, is in place.

Opinions

- ▶ As a result of our work, we did not identify any material non conformity with the dispositions laid out in the Rule governing appropriation Item 400 or with the Group internal rules;
- ▶ The overall presentation of the income and expense statement and of the balance sheet complies with the chart of account provided with the rules governing the appropriation line 400;
- ▶ No departures from generally accepted accounting principles have been established;
- ▶ Payment orders are supported by original documentations (or certified true copies);
- ▶ Appropriations are available;
- ▶ Expenditures have been charged to the correct item in the budget of the Group;
- ▶ Expenditures are conformed to the Rules governing appropriation Item 400;
- ▶ The principle of sound financial management has been applied;
- ▶ An effective and efficient internal control system for the management operations, which includes effective segregation of the duties of authorizing officer and accounting officer or of the equivalent functions;
- ▶ In our opinion, the financial statements gives a true and fair view of the state of affair of the Group at 31/12/2015 and of the revenue and expenses for the 12 months ending 31/12/2015;
- ▶ We have received all necessary explanations for the purpose of our work.

Ernst & Young Réviseurs d'Entreprises scrl
Auditor
Represented by


Danielle Vermaelen
Partner*
*Acting on behalf of a BVBA/SPRL

16DV0616



**BALANCE SHEET EFDD Group In the European Parliament
2015**

		<u>2014/II</u>	<u>2015</u>
	<i>notes</i>		
ASSETS			
FIXED ASSETS			
<i>Chapter 1 Intangible and tangible assets</i>	3		
.1 Intangible assets		0,00	0,00
.2 Tangible assets		61.567,99	62.141,65
Sub total chapter 1		<u>61.567,99</u>	<u>62.141,65</u>
CURRENT ASSETS			
Chapter 2 Debtors, stocks and other working assets	5		
.1 Debtors		5.233,21	60.586,86
.2 Staff		0,00	0,00
.3 VAT		59.305,50	129.663,52
.4 Stocks		0,00	0,00
.5 Various		0,00	2.386,04
Sub total chapter 2		<u>64.538,71</u>	<u>192.636,42</u>
<i>Chapter 3 Financial assets</i>			
.1 Financial securities	4	0,00	0,00
.2 Cash and cash equivalent		1.907.318,67	1.962.583,58
Sub total chapter 3		<u>1.907.318,67</u>	<u>1.962.583,58</u>
Chapter 4 Deferred charges and accrued income			
.1 Deferred charges		0,00	12.166,67
.2 Accrued income		8.789,82	0,00
Sub total chapter 4		<u>8.789,82</u>	<u>12.166,67</u>
TOTAL ASSETS		<u>2.042.215,19</u>	<u>2.229.528,32</u>

LIABILITIES

	<i>notes</i>	<u>2014/II</u>	<u>2015</u>
Chapter 1 Reserves			
.1 Carry forward to next budgeting period	1	1.615.413,22	1.856.430,94
Sub total chapter 1		<u>1.615.413,22</u>	<u>1.856.430,94</u>
Chapter 2 Financial debts			
.1 Financial debts of a residual duration > 1 year		0,00	0,00
.2 Financial debts of a residual duration </= 1 year		0,00	0,00
Sub total chapter 2		<u>0,00</u>	<u>0,00</u>
Chapter 3 Other debts			
.1 Other debts		0,00	0,00
.2 Charges settled in current period but paid in next period		377.799,49	373.097,38
Sub total chapter 3		<u>377.799,49</u>	<u>373.097,38</u>
Chapter 4 Deferred income/accrued charges			
.1 Deferred income		0,00	0,00
.2 Accrued charges		49.002,48	0,00
Sous Total Chapitre 4		<u>49.002,48</u>	<u>0,00</u>
TOTAL LIABILITIES		<u>2.042.215,19</u>	<u>2.229.528,32</u>

Comments

Chap

Chap

Chap

Handwritten signature and initials in the bottom right corner of the page.



Statement of revenue and expenditure of the EFDD Group in the European Parliament
2015

	<u>2014/II</u>	<u>2015</u>
	<i>Notes</i>	
Receipts		
<i>Chapter 1 Grants and other receipts from the European Parliament</i>		
.1 EP allocation	2.001.698,79	3.842.626,46
.2 Other EP resources	0,00	0,00
Subtotal for Chapter 1	<u>2.001.698,79</u>	<u>3.842.626,46</u>
<i>Chapter 2 Own resources</i>		
.1 Interest and assimilated products	1.753,85	13.408,07
.2 Profit on currency exchange	2.918,70	14.195,35
.3 Miscellaneous	0,00	0,00
.5 Amount carried forward from previous budget period	822.047,84	1.615.413,22
Subtotal for Chapter 2	<u>826.720,39</u>	<u>1.643.016,64</u>
Total receipts	<u>2.828.419,18</u>	<u>5.485.643,10</u>
Grand total	<u>2.828.419,18</u>	<u>5.485.643,10</u>

Expenditure

	Notes	2014/II	2015
Chapter 1 Staff			
.1	Secretariat missions	165.487,71	462.936,96
.2	Recruitment	50.134,06	18.411,19
.3	Traineeships	25.964,78	99.556,53
.4	Salaries and related costs, fees	43.962,61	445.490,37
.5	Staff training	5.443,50	1.254,22
.6	Staff representation costs	0,00	0,00
Subtotal for Chapter 1		290.992,66	1.027.649,27
Chapter 2 Equipment, routine administrative costs and operating costs			
.1	Equipment, operating expenditure, computer-related engineering and maintenance	3 7.955,60	14.157,59
.2	Equipment, telecommunications-related Installation and maintenance expenditure, office machinery, furniture and technical Installations	3 6.615,13	16.181,79
.3	Stationery and office supplies	933,26	678,69
.4	Postage and telecommunications	8.769,64	25.925,65
.5	Printing and photocopying costs	4.682,87	8.803,73
.6	Office rental costs	0,00	0,00
Subtotal for Chapter 2		28.956,50	65.747,45
Chapter 3 Documentation, studies and research			
.1	Newspapers, magazines, press agencies and books	19.661,41	22.947,48
.2	Studies and research	0,00	0,00
.3	Databases	900,00	900,00
Subtotal for Chapter 3		20.561,41	23.847,48
Chapter 4 Legal and accountancy fees, financial and other charges			
.1	Legal costs	0,00	2.909,10
.2	Accounting costs/audits	7.680,00	2.360,00
.3	Financial charges and losses from currency exchange	2.816,51	17.038,00
.4	Translation and Interpretation costs	0,00	0,00
.5	Other operating expenditure	0,00	0,00
Subtotal for Chapter 4		10.496,51	22.307,10
Chapter 5 Cost of meetings and representation			
.1	Group meetings	0,00	0,00
.2	Other meetings and conferences	16.648,66	14.177,22
.3	Expenditure on entertainment	26.402,76	14.285,92
.4	Guests	0,00	1.186,55
.5	Individual fact finding missions of members	0,00	0,00
Subtotal for Chapter 5		43.051,42	29.649,69
Chapter 6 Publications and publicity			
.1	Posters, leaflets and booklets	0,00	3.176,04
.2	Advertising inserts and audiovisual advertising	0,00	0,00
.3	Advertising material, novelty items, telecommunication advertising	77.700,93	10.575,00
.4	Internet sites + e-publicity	1.629,91	789,10
.5	Visits to institutions, information stands	0,00	0,00
Subtotal for Chapter 6		79.330,84	14.540,14

	<i>Notes</i>	<u>2014/II</u>	<u>2015</u>
<i>Chapter 7 Members of Parliament</i>			
.1 Members' political and information activities, administrative expenses and political and information activities of national delegations <i>(details attached)</i>		690.614,14	2.445.471,03
Subtotal for Chapter 7		<u>690.614,14</u>	<u>2.445.471,03</u>
<i>Chapter 8 Grants, subscriptions and contributions</i>			
.1 Subsidies		0,00	0,00
.2 Subscriptions		0,00	0,00
Subtotal for Chapter 8		<u>0,00</u>	<u>0,00</u>
Total expenditure		<u>1.164.003,48</u>	<u>3.629.212,16</u>
Credits repayable to European Parliament		49.002,48	
Amount carried forward		1.615.413,22	1.856.430,94
Grand total		<u>2.828.419,18</u>	<u>5.485.643,10</u>

Comments

Item:

Item:

Item:

A handwritten signature or mark consisting of a stylized 'B' or similar character followed by an asterisk-like symbol.

NOTES TO THE ACCOUNTS FINANCIAL YEAR 2015

The accounts, hereafter, have been prepared in conformity with:

- the 400 financial rules approved by the Bureau of the European Parliament on 30 June 2003 and revised by the Bureau on 22 March 2006, 11 July 2007, 20 September 2010, 23 March 2011, 26 September 2011, 2 July 2012, 11 March 2013, 24 February 2014, 14 April 2014 and 27 April 2015.
- the internal financial rules of the Group
- the accounting principles and the harmonised accounting plan adopted by the Secretaries General of the political groups.

Accounting principles

1. Movements on the accounts and the balances shall be entered in the accounting ledgers.
2. All accounting entries, including adjustments to the accounts, shall be based on dated and numbered supporting documents, to which they shall refer.
3. The accounting system must be such as to leave a trail for all accounting entries.


The financial statements shall be drawn up in accordance with the generally accepted accounting principles, namely:

- going-concern basis;
- prudence;
- consistent accounting methods;
- comparability of information;
- materiality;
- no netting;
- reality over appearance;

Pursuant to Rule 2.5.3 of the Rules on the use of appropriations from budget item 400 the accounts are held on a modified accrual system.

All expenditure relative to activities of the current financial year or previous financial years is registered in the accounts of the current financial year, upon authorisation by the authorising officer responsible and payment by the accountant, if the actual payment is made no later than during the month following the end of the financial year.

All expenditure of a financial year paid during the month following the end of the financial year is booked on the expenditure accounts of the current financial year and as debt on the balance (chapter III.2).



All expenditure for which actual payment is made later than the end of the month following the closure of the financial year or for risks and future charges is registered in the accounts of the next financial year.

No provisions will be made for expenditure of the current financial year not paid by the end of the month following the end of this financial year or for risks and future charges.

All revenue is registered in the income accounts upon establishment by the authorising officer.

All revenue established and not received in the course of the financial year is registered on a balance sheet account in chapter IV (deferred charges and accrued income).

Classification

The classification of the expenditure on the expenditure accounts follows the principle of classification by destination by the accounting plan annexed to the Rules on the use of appropriations from article 400.

Note 1: Carry forward to next financial year (art 2.9.2 of the 400 fin. rules):

1: Credits received by our group for the 2015 financial year:	3.842.626,46€
2: Maximum amount of carry forward to 2016 financial year:	1.921.313,23€
3: Remainder at the end of the 2015 financial year:	1.856.430,94€
4: Credits to be returned to the EP:	0,00€
5: Carry forward to 2016 financial year:	1.856.430,94€

Note 2: Exchange policy:

The revenue and expenditure in other currencies are converted in euro following the exchange rate of the bank on the transaction day.

Note 3: Depreciations of fixed assets:

Assets with a unit value of 420 Euros or more and being intended to serve the activities of the group on a lasting basis are entered in the inventory and the Group's balance sheet. Fixed assets are to be valued at their acquisition price and depreciated on a monthly basis following the straight line method by the following annual percentages:

Software	25.0	%
Hardware:	25.0	%
Telecommunications and audiovisual equipment:	25.0	%
Technical equipment:	12.5	%
Other installations and machines:	12.5	%
Office furniture:	10.0	%

A recapitulative table of the assets in the balance sheet is annexed

Note 4: Valuation method for financial securities:

Not applicable

Note 5: Valuation of receivables, debts and other assets:

Receivables, debts and other assets are stated at their nominal value. Value reductions on receivables and other assets are accounted for if there is any uncertainty regarding their collectability.

Our group has concluded the following substantial long standing (>1 year) financial commitments:


Renting of 1 photocopy machine Ricoh MP 6502 contract up until November 2019
(Cost: 5.626,97 €/Year)

Note 6: Comparison of the figures:

According to article 2.1.1 of the financial rules governing budget item 400 this report covers the financial year 2015 which last from 01/01/2015 to 31/12/2015. Please note that the comparative figures cover the 6 month budget period of 2014/II which last from 01/07/2014 to 31/12/2014.

Note 7: Technical support to European political parties and foundations Regulation: (CE) 2004/2003

The EFDD group has not granted any technical support to political parties and foundations as defined in article 11 of the EP Bureau decision dated 29 March 2004.



**DETAIL OF THE EXECUTION OF THE DECENTRALISED CREDITS
CHAPTER 7 ARTICLE 1.**

Ventilation following the accounting plan annexed to the 400 financial rules

CHAPTER/ ARTICLE	CATEGORY	EXECUTION 2014/II	%	EXECUTION 2015	%
1	Staff	87.154,46	12,62%	128.241,59	5,24%
2	Secretariat – equipment and expenses	10.886,84	1,58%	13.561,54	0,55%
3	Documentation, studies and research	77.436,91	11,22%	36.788,14	1,50%
4	Legal, accounting, financial and other operating costs				
52	Other meetings and conferences	90.640,91	13,12%	804.973,95	32,92%
53	Representation costs				
54	Guests	11.509,08	1,67 %	17.704,50	0,72%
61	Posters, leaflets and booklets	229.269,66	33,20%	891.964,75	36,47%
62	Advertising Inserts and audiovisual advertising	123.448,41	17,88%	356.227,54	14,57%
63	Advertising material, gadgets, publicity by telecommunication equipments	37.664,62	5,45%	156.543,24	6,40%
64	Websites Internet sites + e-publicity	3.542,97	0,51 %	3.048,40	0,12%
65	Visits to Institutions; information stands	19.060,28	2,76 %	36.417,38	1,49%
	TOTAL ARTICLE 7.1	690.614,14	100 %	2.445.471,03	100 %

Category and write-down rate	IF software	IT hardware	Telecom- munications equipment	Technical equipment and supplies	Miscellaneous machinery and installations	Movable property (seats, desks, cabinets)	Total
	(€) 25%	(€) 25%	(€) 25%	(€) 12.5%	(€) 12.5%	(€) 10%	(€)
0							
Historical cost							
Opening balances (historical cost)	24.653,22	24.234,40	55.403,85	0,00	1.772,53	5.303,06	111.367,06
Less Items sold and entered in profit-and-loss account		-2.645,40			-1.345,03	0,00	-3.990,43
Plus Acquisitions during the financial year		7.235,90	16.654,52		1.385,08		25.275,50
Plus Transfers							
Result Closing balance at historical cost	24.653,22	28.824,90	72.058,37	0,00	1.812,58	5.303,06	132.652,13
Accumulated depreciation							
Opening balances (accumulated depreciation)	14.248,22	12.390,88	18.712,04	0,00	1.218,71	3.229,22	49.799,07
Less Accumulated depreciation of items sold and entered in p/l account	0,00	-2.645,40			-1.345,03	0,00	-3.990,43
Plus Depreciation charge for the financial year	5.202,50	4.578,16	13.928,59		462,28	530,31	24.701,84
Result Closing balance at historical cost	19.450,72	14.323,64	32.640,63	0,00	335,96	3.759,53	70.510,48
Written-down values							
Net book value of fixed assets on 31/12/2014	10.405,00	11.843,52	36.691,81	0,00	553,82	2.073,84	61.567,99
Net book value of fixed assets on 31/12/2015	5.202,50	14.501,26	39.417,74	0,00	1.476,62	1.543,53	62.141,65