

ENF

Europe of Nations
and Freedom

REPORT BY THE ENF GROUP
IN THE EUROPEAN PARLIAMENT

BUDGET ITEM 400

2018

Philip CLAEYS
Secretary General

Contents

Auditor Report3

Balance sheet.....5

Notes to the accounts financial year 2018 10

Chapter 7 article 1 13

 Financial inventory financial year 2018 14

Auditor Report

REPORT OF THE EXTERNAL AUDITORS ON THE ANNUAL ACCOUNTS RELATIVE TO THE USE OF THE CREDITS OF ITEM 400 OF THE BUDGET OF THE EUROPEAN PARLIAMENT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2018

EUROPE OF NATIONS AND FREEDOM IN THE EUROPEAN PARLIAMENT AUDITOR'S REPORT

In accordance with the audit mandate, we have audited the Group's Financial Statement prepared by the Group Accountant for the financial year 2018 ending 31/12/2018 as presented on pages 1 to 14 of this document.

Respective responsibilities of the Group and the auditor

Pursuant to the rules on the use of appropriation from budget item 400 (hereafter "the Rules"), the Group is responsible to the European Parliament for the conformity of appropriation usage and of the preparation of the group's financial year 2018 financial report.

We are responsible for planning and carrying out the required work to verify the financial report prepared by the Group and to report with reasonable assurance our audit opinions to the Group.

Basis of Opinions

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

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

- a) the statement of revenue and expenditure gives a true and fair view of the group's financial position for the budget period concerned;
- b) the balance sheet gives a true and fair view of the Group's assets at the end of the budget period,
- c) the overall considerations on financial statements in the rules adopted by the Accounting Officer of the Commission set out in Article 80 of the Financial Regulation¹, 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.
- d) an effective and efficient internal control system for the management of operations, which includes effective segregation of the duties of authorising officer and accounting officer or of the equivalent functions, is in place;

¹ Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012.

- e) the accounts have been presented in accordance with the harmonised Accounting Plan in Part 2 of the Rules;
- f) the expenditure complies with the provisions of the Rules;
- g) the expenditure has been charged to the correct item in the budget of the Group;
- h) the appropriations were available;
- i) the principles of sound financial management have been applied;
- j) payment orders are substantiated by original supporting documents (or certified true copies);
- k) the Group's internal rules have been observed.


The audit work included verification of the risk management activities of the Group and on the quality of management and control systems. If necessary, recommendations for improving the conditions of implementation of operations and promoting sound financial management were issued.

The audit work also included assessment of the suitability and effectiveness of internal management systems and the performance of departments in implementing policies, programmes and actions by reference to the risks associated with them; and assessment of the efficiency and effectiveness of the internal control and audit systems applicable to every budget implementation operation.

Opinions

- As a result of our work, we did not identify any material non-conformity with the dispositions laid out in the Rules or with the Group's internal rules including the internal control system.
- The overall presentation of the income and expense statement and of the balance sheet complies with the chart of account provided with the Rules.
- No departures from generally accepted accounting principles have been established.
- The principle of sound financial management has been applied.
- In our opinion, the balance sheet gives a true and fair view of the financial position of the Group at 31/12/2018 and of the revenue and expenses for the year ending 31/12/2018

Zaventem, April 16, 2019



RSM INTERAUDIT CVBA-SCRL
REGISTERED AUDITORS
REPRESENTED BY
KARINE MORRIS
PARTNER

Balance sheet

ENF

Europe of Nations
and Freedom

BALANCE SHEET ENF Group in the European Parliament 2018

	<u>2017</u>	<u>2018</u>
	<i>notes</i>	
ASSETS		
FIXED ASSETS		
<i>Chapter 1 Intangible and tangible assets</i>		
.1 Intangible assets	0,00	0,00
.2 Tangible assets	11.030,73	16.355,14
Sub total chapter 1	<u>11.030,73</u>	<u>16.355,14</u>
CURRENT ASSETS		
Chapter 2 Debtors, stocks and other working assets		
.1 Debtors	0,00	0,00
.2 Staff	0,00	0,00
.3 VAT	0,00	0,00
.4 Stocks	0,00	0,00
.5 Various	96.684,45	0,00
Sub total chapter 2	<u>96.684,45</u>	<u>0,00</u>
Chapter 3 Financial assets		
.1 Financial securities	0,00	0,00
.2 Cash and cash equivalent	1.647.051,58	1.048.231,27
Sub total chapter 3	<u>1.647.051,58</u>	<u>1.048.231,27</u>
Chapter 4 Deferred charges and accrued income		
.1 Deferred charges	219.272,06	15.943,92
.2 Accrued income	0,00	0,00
Sub total chapter 4	<u>219.272,06</u>	<u>15.943,92</u>
TOTAL ASSETS	<u>1.974.038,82</u>	<u>1.080.530,33</u>

ENF

Europe of Nations
and Freedom

BALANCE SHEET ENF Group in the European Parliament 2018

	<u>2017</u>	<u>2018</u>
	<i>notes</i>	
LIABILITIES		
Chapter 1 Reserves		
.1 Carry forward to next financial year	1 1.090.927,53	653.121,57
Sub total chapter 1	<u>1.090.927,53</u>	<u>653.121,57</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	219.688,49	333.660,10
.2 Debt E.P.	663.422,80	0,00
Sub total chapter 3	<u>883.111,29</u>	<u>333.660,10</u>
Chapter 4 Deferred income/accrued charges		
.1 Deferred income	0,00	0,00
.2 Accrued charges	0,00	93.748,66
Sous Total Chapitre 4	<u>0,00</u>	<u>93.748,66</u>
TOTAL LIABILITIES	<u>1.974.038,82</u>	<u>1.080.530,33</u>

ENF

Europe of Nations
and Freedom

Statement of revenue and expenditure of the ENF Group in the European Parliament 2018

	<u>2017</u>	<u>2018</u>
<i>Notes</i>		
<u>Receipts</u>		
<i>Chapter 1 Grants and other receipts from the European Parliament</i>		
.1 EP allocation	2.718.648,83	3.237.751,03
.2 Other EP resources	0,00	0,00
Subtotal for Chapter 1	<u>2.718.648,83</u>	<u>3.237.751,03</u>
<i>Chapter 2 Own resources</i>		
.1 Interest and assimilated products	0,00	0,00
.2 Profit on currency exchange	77,48	30,45
.3 Miscellaneous	0,00	3.277,33
.4 VAT reimbursements	0,00	0,00
.5 Amount carried forward from previous financial year	845.704,22	1.090.927,53
Subtotal for Chapter 2	<u>845.781,70</u>	<u>1.094.235,31</u>
Total receipts	<u>3.564.430,53</u>	<u>4.331.986,34</u>
Grand total	<u>3.564.430,53</u>	<u>4.331.986,34</u>

**Statement of revenue and expenditure of the ENF Group in the European Parliament
2018**

Expenditure	<i>Notes</i>	<u>2017</u>	<u>2018</u>
<i>Chapter 1 Staff</i>			
.1 Secretariat missions		417.918,45	396.752,78
.2 Recruitment		0,00	0,00
.3 Traineeships		20.881,19	4.050,00
.4 Salaries and related costs, fees		0,00	0,00
.5 Staff training		0,00	1.715,75
.6 Staff representation costs		22.780,25	0,00
Subtotal for Chapter 1		<u>461.579,89</u>	<u>402.518,53</u>
<i>Chapter 2 Equipment, routine administrative costs and operating costs</i>			
.1 Equipment, operating expenditure, computer-related engineering and maintenance	3	488,99	35.141,31
.2 Equipment, telecommunications-related installation and maintenance expenditure, office machinery, furniture and technical installations	3	166,20	502,11
.3 Stationery and office supplies		1.559,27	1.413,40
.4 Postage and telecommunications		21.218,56	3.613,81
.5 Printing and photocopying costs		0,00	850,00
.6 Office rental costs		25.459,84	18.090,49
Subtotal for Chapter 2		<u>48.892,86</u>	<u>59.611,12</u>
<i>Chapter 3 Documentation, studies and research</i>			
.1 Newspapers, magazines, press agencies and books		538,19	0,00
.2 Studies and research		0,00	0,00
.3 Databases		0,00	0,00
Subtotal for Chapter 3		<u>538,19</u>	<u>0,00</u>
<i>Chapter 4 Legal and accountancy fees, financial and other charges</i>			
.1 Legal costs		6.050,00	7.562,50
.2 Accounting costs/audits		109,56	10.000,00
.3 Financial charges and losses from currency exchange	2	2.727,22	11.379,13
.4 Translation and interpretation costs		4.724,20	0,00
.5 Other operating expenditure		64.681,00	940,80
Subtotal for Chapter 4		<u>78.291,98</u>	<u>29.882,43</u>
<i>Chapter 5 Cost of meetings and representation</i>			
.1 Official Group meetings		0,00	0,00
.2 Other meetings and conferences		271.395,29	45.930,19
.3 Expenditure on entertainment		40.663,96	9.221,09
.4 Guests		4.867,64	0,00
.5 Individual fact finding missions of members		0,00	0,00
Subtotal for Chapter 5		<u>316.926,89</u>	<u>55.151,28</u>
<i>Chapter 6 Publications and publicity</i>			
.1 Posters, leaflets and booklets		22.171,71	222.204,54
.2 Advertising inserts and audiovisual advertising		4.356,80	2.250,00
.3 Advertising material, gadgets, publicity by telecommunication equipments		15.866,50	9.066,68
.4 Internet sites + e-publicity		11.684,83	4.508,41
.5 Visits to institutions, information stands		0,00	0,00
Subtotal for Chapter 6		<u>54.079,84</u>	<u>238.029,63</u>



**Statement of revenue and expenditure of the ENF Group in the European Parliament
2018**

	<i>Notes</i>	<u>2017</u>	<u>2018</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>		1.511.193,25	2.827.244,28
Subtotal for Chapter 7		<u>1.511.193,25</u>	<u>2.827.244,28</u>
<i>Chapter 8 Grants, subscriptions and contributions</i>			
.1 Subsidies		2.000,00	0,00
.2 Subscriptions		0,00	0,00
Subtotal for Chapter 8		<u>2.000,00</u>	<u>0,00</u>
Total expenditure		<u>2.473.502,90</u>	<u>3.612.437,27</u>
Credits repayable to European Parliament		0,00	0,00
Amount carried forward to next financial year		1.090.927,63	719.549,07
Grand total		<u>3.564.430,53</u>	<u>4.331.986,34</u>

Notes to the accounts financial year 2018

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. on 10 December 2018 and on 11 February 2019.
- 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 2018 financial year:	3.118.536,35 €
2: Maximum amount of carry forward to 2019 financial year:	1.559.268,17 €
3: Remainder at the end of the 2018 financial year:	719.549,07 €
4: Credits to be returned to the EP:	-
5: Carry forward to 2019 financial year:	653.121,57 €

In 2017 an amount of 66.427,50 € was put under a recovery procedure and already deducted from the credits received in 2017. Since the recovery procedure did not succeed, the receivable was deducted directly from the carry forward to 2019.

The credits received in 2018 includes the credits for the 2018 financial year of 3.118.536,35 € and the regularisation for prior years of € 119.214,68.

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 audio-visual 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:

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 2017 which last from 01/01/2018 to 31/12/2018.

Comparative figures for the previous budget period from 01/01/2017 to 31/12/2017 are also presented.

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

The ENF group has not granted any technical support to political parties and foundations as defined in article 13 of the EP Bureau decision dated 12 June 2017.

Chapter 7 article 1

Ventilation following the accounting plan annexed to the 400 financial rules.

Chapter / article	Heading	Execution budget period 2016	%	Execution budget period 2017	%
10	Staff	264.665,21	17,51%	217.386,10	7,69%
20	Secretariat - equipment and expenses	88.260,37	5,84%	214.251,25	7,58%
30	Documentation, studies and research	48.075,00	3,18%	224.525,22	7,94%
40	Legal, accounting, financial and other operating costs	19.163,03	1,27%	28.300,45	1,00%
52	Other meetings and conferences	222.750,06	14,75%	367.627,66	13,00%
53	Representation costs	39.707,40	2,63%	88.788,74	3,14%
54	Guests	36.332,31	2,40%	31.673,04	1,12%
61	Posters, leaflets and booklets	215.520,46	14,26%	714.647,94	25,28%
62	Advertising inserts and audio-visual advertising	106.476,50	7,05%	333.597,34	11,80%
63	Advertising material, gadgets, publicity by telecommunication equipment	110.317,33	7,30%	111.640,09	3,95%
64	Web sites Internet Sites + e-publicity	321.308,30	21,26%	444.406,45	15,72%
65	Visits to institutions; information stands	38.617,28	2,55%	50.400,00	1,78%
	TOTAL ART. 7.1.	1.511.193,25	100%	2.827.244,28	100%

Financial inventory financial year 2018							
	Category and	Audiovisual equipment	Telecom equipment	Software	Technical equipment	Office furniture	Total
	depreciation rate	25%	25%	25%	12,5%	10%	
		(Euro)	(Euro)	(Euro)	(Euro)	(Euro)	
	Opening balances (historic cost)	1.280,16	12.984,25	0,00	4.418,00	0,00	18.682,41
	Less Sales entered in profit and loss account						
Historic Cost	Add Acquisitions during financial year		6055,11	4400,00		63,34	10518,45
	Add Transfers						
	Gives closing balance at historical cost	1.280,16	19.039,36	4.400,00	4.418,00	63,34	29.200,86
	Opening balances (accumulated depreciation)	412,72	6.707,94	0,00	531,02	0,00	7.651,68
Accumulated depreciation	Less accumulated depreciation of fixed assets sold and entered in profit and loss account						
	Add depreciation for financial year	320,03	3.739,35	204,72	927,88	2,06	5.194,04
	Gives Closing balance at historic cost	732,75	10.447,29	204,72	1.458,90	2,06	12.845,72
	Net accounting value as at 31/12/2017	867,44	6.651,95	0,00	3.511,34	0,00	11.030,73
Net value	Net accounting value as at 31/12/2018	547,41	8592,06	4195,28	2.959,11	61,28	16.355,14