

Auditor's report on the balance sheet and profit and loss account of CENTRE MAURITS COPPIETERS ASBL for the year ended 31 December 2012

In accordance with the statutory requirements and 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 contains our opinion on the balance sheet and profit and loss account.

Unqualified auditor's report with emphasis of matter

We have audited the balance sheet and profit and loss account for the year ending 31 December 2012 and the final statement of the eligible expenditure actually incurred for the period of eligibility defined by the grant award decision (based on the structure of the provisional budget) of Centre Maurits Coppieters ASBL, as laid out on the following pages.

The balance sheet and profit and loss account for the year ended 31 December 2012 have been prepared in accordance with the financial reporting framework applicable in Belgium and show a balance sheet total of € 61051,32 and a result for the year of nil.

Respective responsibilities of the Board of Directors of the Centre Maurits Coppieters ASBL

The Board of Directors is responsible for the preparation and fair presentation of the balance sheet and profit and loss account. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of balance sheet and profit and loss account 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 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.

Respective responsibilities of the Auditor

Our responsibility is to express an opinion on these balance sheet and profit and loss account based on our audit. We conducted our audit in accordance with the legal requirements and the auditing standards applicable in Belgium, as issued by the Institute of Registered Auditors (Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the balance sheet and profit and loss account are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the balance sheet and profit and loss account. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the balance sheet and profit and loss account, whether due to fraud or error.

In making those risk assessments, we have considered internal control relevant to the association's preparation and fair presentation of the balance sheet and profit and loss account 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. We have evaluated the appropriateness of accounting policies used, the reasonableness of significant accounting estimates made by the association and the presentation of the balance sheet and profit and loss account, taken as a whole. Finally, we have obtained from the Board of Directors and the association's officials the explanations and information necessary for executing our audit procedures. 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.

Opinion

In our opinion, the balance sheet and profit and loss account for the period ended 31 December 2012 prepared in accordance with the financial reporting framework applicable in Belgium, are free of material misstatement and show a true and fair view of the financial position and the operating results.

Notwithstanding that the Foundation has cash flow difficulties, which impacts the balance sheet and profit and loss account of the Foundation, the balance sheet and profit and loss account 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 complementing the balance sheet and profit and loss account in which the Foundation justifies the application of the accounting policies under the assumption of going concern.

Additional comments and statements

The association's compliance with:

- the Law for not-for-profit associations (Wet betreffende de verenigingen zonder winstoogmerk, de internationale verenigingen zonder winstoogmerk en de stichtingen / Loi sur les associations sans but lucratif, les associations internationales sans but lucratif et les fondations),
- its articles of association, and

- its articles of association, and
- the provisions of the European Parliament's grant award decision, Regulation (EC) No 2004/2003 and the underlying acts,

is the responsibility of the Board of Directors.

Our responsibility is to include in our report the following additional comments which do not modify the scope of our opinion on the balance sheet and profit and loss account:

- without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium;
- we do not have to report any transactions undertaken or decisions taken in violation of the association's articles of association or the Law for not-for-profit associations, except for the auditor's report not being presented to the General Assembly who approved the balance sheet and profit and loss account;
- the financial documents submitted by the Centre Maurits Coppieters ASBL to the European Parliament are consistent with the financial provisions of the grant award decision;
- the expenditure declared was actually incurred;
- the profit and loss account 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;
- Contributions in kind have actually been provided to the foundation and have been valued in compliance with the provisions of Article II.11.4 of the grant award decision;
- the obligations arising from Article II.11 - Eligible expenditure, of the grant award decision have been met and we were able to reconcile the eligible expenditure with the balance sheet and profit and loss account;
- the obligations arising from Article II.7 - Award of contracts, of the grant award decision have been met;
- we have received all necessary explanations for the purpose of our work.

Brussels, 7 May 2013

Ernst & Young Réviseurs d'Entreprises scerl
represented by

Danielle Vermaelen
Partner

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Centre Maurits Coppieters

Financial Statements

for the period

January 1, 2012-December 31, 2012

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Centre Maurits Coppieters

Notes to the Financial Statements for the year ended 31 December 2012

Basis of accounting

1. These accounts have been prepared in accordance with accounting policies generally accepted in Belgium, as supplemented and amended to suit the specific needs of the association.

Accrual base

2. All costs and revenues have been accounted for on an accrual base, and are related to the financial year 2012.

Revenues

3. The contributions in kind are in line with the regulations and imply contributions for the good functioning of the association.

Social Fund

4. The association has been created on September 20, 2007. The activities of Pilot project have been closed but a excess of expenditure over revenue of € 759,93 has been taken over by the Foundation.
5. The use of the social fund for the financing of current expenses can only be done after approval of the Bureau within the limits set out by the General Assembly.

Fixed Assets

6. The association's policy is to expense minor items of office furniture and equipment (less than 420 € for each individual item). Major items are capitalized and depreciated based on the EC valuation rules on a straight-line basis.

Value added tax

7. Expenses are recorded including value added tax.

Cash Flow

8. due to the current financing system , the Centre Maurits Coppieters could incur cash flow problems (year end N or beginning of year N+1) To overcome that potential problem a cash credit contract has been signed (allowing for overspending up to 35,000 EUR from 01/01/N+1 to



Centre Maurits Coppieters

Comparison of actual and budgeted income, expenditure and surplus/deficit for the period ended 31 December 2012

	Actual 12 months	Budget 2012
	€	€
Income		
Subsidy from European Parliament	199.584,56	
Project contribution	3.597,89	
Member contribution	13.000,00	
Participation fee	1.155,00	
Donation	500,00	
Contribution in kind	16.987,75	
Other income	135,00	
Bank interest - net	16,47	
Total income	234.976,67	
Expenditure		
Personnel costs	71.000,82	
Infrastructure and operating costs	41.354,15	
Administrative expenditure	15.399,21	
Meeting and representation costs	30.245,27	
Information and publication costs	59.989,47	
Contribution in kind	16.987,75	
Total expenditure	234.976,67	
Total surplus/deficit for the year	<u>0,00</u>	



Centre Maurits Coppieters

**Statement of Assets, Liabilities and Accumulated Surplus
as at 31 december 2012**

	31/12/2012
	€
Current assets	
Bank balances	48.430,64
Receivables	
- Prepaid expenses and sundry receivables	916,47
- Income to receive	3.174,63

	52.521,74
Fixed assets	
Equipment at cost, less depreciation	<u>8.529,58</u>
TOTAL ASSETS	<u>61.051,32</u>
Accumulated surplus:	
Social fund as of december 31, 2011	-762,35
result 1/1 - 31/12/2012	

Social Fund as of 31 december	-762,35
Liabilities	
Accounts payable and accrued liabilities	54.114,47
Salaries	7.699,20

	61.813,67
TOTAL LIABILITIES	<u>61.051,32</u>



EXPENDITURE		Budget	Actual 2012	REVENUE		Budget	Actual
Eligible expenditure							
A.1: Personnel costs		84.000,00	71.000,82	D.1 Dissolution of "Provision to cover eligible costs to be incurred in the first quarter of N+1"			
1. Salaries		75.000,00	65.338,85	D.2 European Parliament grant			
2. Contributions			250,00	259.134,00			
3. Professional training		5.000,00	1.347,90	D.3 Membership fees			
4. Staff mission expenses		4.000,00	4.064,06	15.400,00			
5. Other personnel costs				15.400,00			
A.2: Infrastructure and operating costs		42.857,00	41.354,15	D.4 Donations			
1. Rent, charges and maintenance costs		12.890,00	14.888,16	0,00			
2. Costs relating to the installation, operation and maintenance of equipment		4.500,00	2.928,89	4.1 above 500 EUR			
3. Depreciation of movable and immovable property		2.500,00	1.452,71	500,00			
4. Stationery and office supplies		1.777,00	4.883,61	4.2 below 500 EUR			
5. Postal and telecommunications charges		20.250,00	17.502,78	7.464,76			
6. Printing, translation and reproduction costs				D.5 Other own resources (to cover eligible expenditure) (to be listed)			
7. Other infrastructure costs		1.000,00		7.464,76			
A.3: Administrative expenditure		60.500,00	15.399,21	Special contributions (ad-hoc per project)			
1. Documentation costs (newspapers, press agencies, databases)		2.500,00	102,24	F29 Junio			
2. Costs of studies and research		50.000,00	9.599,60	Fundacio Josep Iria			
3. Legal costs		7.000,00	4.998,00	1.989,00			
4. Accounting and audit costs				1.809,99			
5. Support to affiliated organisations and subsidies to third parties		1.000,00	899,37	Generateat by own production			
6. Miscellaneous administrative costs		39.790,00	30.245,27	Participation fees			
A.4: Meetings and representation costs		32.000,00	24.889,15	Book sales			
1. Costs of meetings of the Foundation		4.000,00	95,00	bank interest property of CMC			
2. Participation in seminars and conferences		230,00		1.155,00			
3. Representation costs		1.260,00		135,00			
4. Cost of invitations		2.300,00	5.261,12	16,47			
5. Other meeting-related costs							
A.5: Information and publication costs		54.851,76	59.989,47	D.6 Contributions in kind			
1. Publication costs		20.866,74	42.281,06	22.894,76			
2. Creation and operation of internet sites		5.000,00	13.540,45				
3. Publicity costs		2.500,00	4.067,96				
4. Communications equipment (gadgets)		21.000,00					
5. Seminars and exhibitions							
6. Election campaigns ¹		5.462,02					
7. Other information-related costs		22.854,76	16.987,75				
A.6: Expenditure relating to contributions in kind				D. REVENUE (to cover eligible expenditure)			
A.7: Allocation to "Provision to cover eligible expenditure to be incurred in the first quarter of N+1"				304.863,52			
A. TOTAL ELIGIBLE EXPENDITURE		304.863,52	234.975,67	304.863,52			
B.1: Non-eligible expenditure		0,00	492,66	0,00			
1. Allocations to other provisions			492,66				
2. Financial charges							
3. Exchange losses							
4. Doubtful claims on third parties							
5. Others (to be specified)							
B. TOTAL NON-ELIGIBLE EXPENDITURE		0,00	492,66	0,00			
C. TOTAL EXPENDITURE		304.863,52	235.468,33	304.863,52			
H.1 Allocation of own resources to the specific reserve account¹				0,00			
H. Profitless for verifying compliance with the no-profit rule (G-H.1)¹				0,00			
F. TOTAL REVENUE				304.863,52			
G. PROFIT/LOSS (F-C)				0,00			

¹ Not applicable to political foundations at European level