

**Financial Audit Report
for the year ended December 31, 2010**

**TRANSFORM EUROPE ASBL
RUE PARNASSE 30
1050 BRUXELLES
BELGIUM**

Convention FINS-2010-15

BEDRIJFSREVISOR FRANK HUYBRECHTS BVBA

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According to the audit mandate, I have audited the financial statements of TRANSFORM EUROPE ASBL prepared by its accountant for the year ending 31/12/2010 as laid out on pages 4 to 5 of this document.

1. Respective responsibilities of the Foundation and the auditors

The Foundation is responsible to 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. It is further responsible for the preparation of its annual financial statements.

I have the responsibility to plan and carry out the required work to verify the financial statements prepared by the Foundation and to report to the Foundation with a reasonable assurance my audit opinions.

2. Basis of Opinions

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

The audit work included specific procedures to gather sufficient and appropriate audit evidence that

- the financial statements have been prepared in accordance with the national legislation applicable to the Foundation, are free of material misstatement and show a true and fair view of the financial position and the operating results;
- the financial documents submitted by the Foundation to Parliament are consistent with the financial provisions of the grant agreement;
- the expenditure declared was actually incurred;
- the statement of revenue is exhaustive;
- the obligations arising out of Articles 6, 7, 8, 9(2) and 10(2) of Regulation (EC) No 2004/2003 have been met;



3. Opinions

In my opinion,

- the financial statements have been prepared in accordance with the national legislation applicable to the beneficiary, are free of material misstatement and show a true and fair view of the financial position and the operating results;
- the financial documents submitted by the Foundation to Parliament are consistent with the financial provisions of the grant agreement;
- the expenditure declared was actually incurred;
- the statement of revenue is exhaustive;
- the obligations arising out of Articles 6, 7, 8, 9(2) and 10(2) of Regulation (EC) No 2004/2003 have been met;
- We have received all necessary explanations for the purpose of our work.

Appendices: 3 pp

- **Financial Statements as of December 31, 2010**
- **Budget 2010**

Geel, June 13, 2011

BEDRIJFSREVISOR FRANK HUYBRECHTS BURG BVBA

Represented by


Frank Huybrechts



Transform Europe ASBL

ASSETS		2010	LIABILITIES	2010
FIXED ASSETS			EQUITY	
I.	Formation expenses	3.812	I. Capital	-62.935
II.	Intangible assets	0	II. Share premium account	0
III.	Property, plant & equipment	0	III. Revaluation surpluses	0
IV.	Financial investments	3.812	IV. Reserves	0
A.	Investments	0	V. Profit or loss carried forward	-62.935
B.	Amounts receivable	0	VI. Investment grants	0
CURRENT ASSETS		127.457	PROVISIONS AND DEFERRED TAX	0
V.	Amounts receivable after one year	0	VII. A. Provisions for liabilities and charges	0
A.	Trade receivables	0	B. Deferred tax	0
B.	Other amounts	0	LIABILITIES	194.204
VI.	Stocks and contracts in progress	0	VIII. Amounts payable after one year	0
A.	Stocks	0	A. Financial debts	0
B.	Works in progress	0	B. Trade creditors	0
VII.	Amounts receivable within one year	94.750	C. Down payments on works in process	0
A.	Trade receivables	94.532	D. Other amounts payable	0
B.	Other amounts receivable	218	IX. Amounts payable within one year	194.204
VIII.	Held for trading securities and bank deposits	0	A. Long term financial debt maturing within one year	0
IX.	Cash and cash equivalents	9.660	B. Financial debts	88.591
X.	Deferred charges and accrued income	23.046	C. Trade payables	64.417
			D. Down payments on works in process	0
			E. Amounts payable regarding taxes and social costs	26.764
			F. Other amounts payable	14.433
			X. Accrued charges and deferred income	0
TOTAL ASSETS		131.269	TOTAL LIABILITIES	131.269

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		2010	2010
CHARGES			INCOME
II.	Operating charges	559.080	
	A. Raw materials, consumables and goods for resale	0	
	B. Services and other goods	452.961	
	C. Remuneration, social security costs and pensions	102.966	
	D. Depreciation of and other amounts written off on formation expenses, intangible and tangible fixed assets		
	E. Increase (+); Decrease (-) in amounts written off on stocks, works in process and trade receivables	3.153	
	F. Provisions for liabilities and charges	0	
	G. Other operating charges	0	
	H. Operating charges capitalised as restructuring costs	0	
III.	Operating profit	2.269	
V.	Financial charges	2.769	
	A. Interests and other debt charges	0	
	B. Increase (+); Decrease (-) in amounts written off on current assets other than those mentioned under II.E.	0	
	C. Other financial charges	2.769	
VI.	Current profit before tax	0	
VIII.	Extraordinary charges	14.500	
	A. Extraordinary depreciation of and amounts written off on formation expenses, intangible and tangible fixed assets	0	
	B. Amounts written off financial fixed assets	0	
	C. Provisions for extraordinary liabilities and charges	0	
	D. Loss on disposal of fixed assets	0	
	E. Other extraordinary charges	14.500	
	F. Extraordinary charges capitalised as restructuring costs	0	
IX.	Profit before tax	0	
X.	B. Transfer to deferred tax	0	
XI.	Income taxes	0	
XII.	Net profit	0	
I.	Operating income		561.348
	A. Turnover		0
	B. Increase (+); Decrease (-) in stocks of finished goods, works in progress		0
	C. Fixed assets - own construction		0
	D. Grants to be received		474.957
	E. Other operating income		86.391
III.	Operating loss		0
IV.	Financial income		14
	A. Income from financial fixed assets		0
	B. Income from current assets		14
	C. Other financial income		0
VI.	Current loss before tax		-486
VII.	Extraordinary income		375
	A. Adjustments to depreciation of and to other amounts written off on intangible and tangible fixed assets		0
	B. Adjustments to amounts written off financial fixed assets		0
	C. Adjustments to provisions for extraordinary liabilities and charges		0
	D. Gain on disposal of fixed assets		0
	E. Other extraordinary income		375
IX.	Loss before tax		-14.611
X.	A. Transfer from deferred tax		0
XII.	Net loss		-14.611

EXPENDITURE		Budget	Actual	REVENUE		Budget	Actual
Eligible expenditure				D.1 Dissolution of "Provision to cover eligible costs to be incurred in the first quarter of N+1"			
A.1: Personnel costs		131.000,00	120.653,67	D.2 European Parliament grant		476.524,00	474.956,69
1. Salaries		118.000,00	103.071,03	D.3 Membership fees		1.200,00	1.391,50
2. Contributions		4.000,00	1.405,00	3.1 from member parties			
3. Professional training		9.000,00	16.177,64	D.4 Donations		0,00	0,00
4. Staff mission expenses				4.1 above 500 EUR			
5. Other personnel costs		19.400,00	42.552,08	4.2 below 500 EUR			
A.2: Infrastructure and operating costs		10.400,00	12.104,56	D.5 Other own resources (to cover eligible expenditure) (to be listed)		90.200,00	85.000,00
1. Rent, charges and maintenance costs		5.000,00	3.328,33	Cooperation agreement with the RLF		42.000,00	45.000,00
2. Costs relating to the installation, operation and maintenance of equipment		3.555,18	5.491,11	Cooperation agreement with Espaces Marx		19.000,00	19.000,00
3. Depreciation of movable and immovable property		4.000,00	17.974,53	Cooperation agreement with NPI		10.000,00	11.000,00
4. Stationery and office supplies			-263,70	Cooperation agreement with "Sozialismus"		10.000,00	10.000,00
5. Postal and telecommunications charges		6.500,00	13.250,29	Cooperation agreement with FIM		9.200,00	
6. Printing, translation and reproduction costs			527,90				
7. Other infrastructure costs		6.500,00	12.722,39				
A.3: Administrative expenditure		8.500,00	19.079,28	D.6 Contributions in kind		29.500,00	
1. Documentation costs (newspapers, press agencies, databases)		8.500,00	18.256,24	D. REVENUE (to cover eligible expenditure)		597.424,00	561.348,19
2. Costs of studies and research				E.1 Additional other own resources (to cover non-eligible expenditure) (to be listed)			
3. Legal costs				E. REVENUE (to cover non-eligible expenditure)		0,00	0,00
4. Accounting and audit costs				F. TOTAL REVENUE		597.424,00	561.348,19
5. Support to affiliated organisations and subsidies to third parties		6.500,00	12.722,39	G. Profit/loss (F-C)		1.769,00	-14.611,16
6. Miscellaneous administrative costs							
A.4: Meetings and representation costs		8.500,00	19.079,28				
1. Costs of meetings of the political party		8.500,00	18.256,24				
2. Participation in seminars and conferences							
3. Representation costs							
4. Cost of invitations							
5. Other meeting-related costs			115,00				
A.5: Information and publication costs		400.755,00	363.237,26				
1. Publication costs		122.500,00	158.005,17				
2. Creation and operation of internet sites			6.780,00				
3. Publicity costs							
4. Communications equipment (gadgets)							
5. Seminars and exhibitions							
6. Election campaigns ¹		278.255,00	198.452,09				
7. Other information-related costs							
A.6: Expenditure relating to contributions in kind		29.500,00					
A.7: Allocation to "Provision to cover eligible expenditure to be incurred in the first quarter of N+1"							
B. TOTAL ELIGIBLE EXPENDITURE		595.655,00	558.772,58				
B.1: Non-eligible expenditure		0,00	17.186,77				
1. Allocations to other provisions							
2. Financial charges			2.124,77				
3. Exchange losses							
4. Doubtful claims on third parties			14.500,00				
5. Others (to be specified)			562,00				
B. TOTAL NON-ELIGIBLE EXPENDITURE		0,00	17.186,77				
C. TOTAL EXPENDITURE		595.655,00	575.959,35				
H.1 Allocation of own resources to the specific reserve account¹		1.769,00					
H. Profit/loss for verifying compliance with the no-profit rule (G-H.1)¹		0,00	-14.611,16				

¹: Not applicable to political foundations at European level