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AUDITOR'S REPORT FOR THE YEAR ENDED 31/12/2009

FOUNDATION FOR EU DEMOCRACY, FEUD
Fondation privée

CONVENTION : FINS-2009-19

According to the audit mandate, I have audited the Foundation financial statement prepared by its accountant for the period from 1 January to 31 December 2009 as laid out pages 4 to 6 of this document.

1.1. Respective responsibilities of the Foundation and the auditor

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 statement prepared by the Foundation and to report to the Foundation with a reasonable assurance my audit opinions.

1.2. Basis of Opinions

I conducted the audit in accordance with International Standards on Auditing issued by the IASSB. This standard requires the auditor to plan and carry out his work in such 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;
- contributions in kind have (or have not) been provided to the foundation and have been valued in compliance with the provisions of article II.12.4 of the grant agreement.

1.3. 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 with the exception of a double booking of travel costs for an amount of 1.004,47 EUR that will have to be corrected in the 2010 accounts;
- 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;
- contributions in kind have not been provided to the Foundation;
- I have received all necessary explanations for the purpose of my work.

Brussels, June 28, 2010.



Martine BRANCART

FOUNDATION FOR EU DEMOCRACY

PROFIT AND LOSS

REVENUE

<u>Notes</u>	2009 EURO	2009 Budget EURO
European Parliament grant	153.170	153.170
1 Donations above 500 EUR	46.011	22.000
Donations below 500 EUR.....	0	1.030
Contributions in kind	0	4.000
TOTAL REVENUE	199.181	180.200

EXPENDITURE

Personal costs		
Salaries	54.100	60.000
Staff mission expenses	665	1.000
	54.765	61.000
Infrastructure and operating costs		
Stationary and office supplies	0	3.000
Postal and telecommunications charges.....	9	2.200
Printing, translation and reproduction costs	0	5.000
	9	10.200
Administrative expenditure		
Documentation costs	0	4.000
Accounting and audit costs	1.809	0
Regional tax	89	0
	1.898	4.000
Meeting and representation costs		
Participation in seminars and conferences.....	14.688	3.000
Other travel cost etc.	3.720	0
	18.408	3.000
Information and publican costs		
Publication costs/workshop and seminars	62.199	70.000
Creation and operation of internet sites	2.096	7.000
Publicity costs.....	76.795	11.000
Seminars and exhibitions	0	10.000
	141.090	98.000
Expenditure relating to contributions in kind	0	4.000
TOTAL ELIGIBLE EXPENDITURE	216.170	180.200
Financial charges and interests	248	0
Accounting and audit costs (project)	8.200	0
Seminars and project	3.032	0
TOTAL NON-ELIGIBLE EXPENDITURE	11.480	0
TOTAL EXPENDITURE	227.650	180.200
RESULT	- 28.469	0

FOUNDATION FOR EU DEMOCRACY

BALANCE SHEET PR. 31. DECEMBER

ASSETS

	EUR 2009	EUR 2008
Outstanding grants from Parliament	30.634	20.706
KBC Bank	2.257	582
TOTAL ASSETS	32.891	21.288

LIABILITIES

Capital resources:		
Capital last year	5.200	5.200
Reduced grant 2008 from Parliament	- 15.961	0
Result 2008	10.888	0
Result 2009	- 28.469	0
Correction reduces grant from Parliament	- 2.508	0
Total capital resources	- 30.850	5.200
Result 2008, transferred to capital	0	10.888
Return to Parliament	2.508	0
Creditors	61.233	5.200
Total debts	63.741	16.088
TOTAL LIABILITIES	32.891	21.288

NOTE

Note 1 – Donations above 500 EUR

Mr. J. Stuart Wheeler, 83 Victoria Street, Westminster, SW1H OHW, UK	12.000
Mrs. Wheeler, 83 Victoria Street, Westminster, SW1H OHW, UK	12.000
Perching LLC, One Pershing Plaza, Jersey City, NJ 07399, USA.....	12.000
Patrick Barbour, 35 Grove Park Road, London, UK	10.011
	46.011