

**REPORT OF THE AUDITOR ON THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED DECEMBER 31, 2015 OF THE INTERNATIONAL
ASSOCIATION EUROPEAN POLICY CENTRE (EPC AISBL)**

EUROPEAN POLICY CENTRE AISBL
Rue du Trône 14-16
1000 Brussels

**AUDITOR'S REPORT FOR THE FINANCIAL YEAR STARTED ON THE
1ST JANUARY 2015 AND ENDED ON THE 31ST DECEMBER 2015 OF THE EUROPEAN
POLICY CENTRE AISBL (EPC)**

Objective and scope of the review

Upon the request of the Director, we have reviewed the accompanying financial statements of the association EUROPEAN POLICY CENTRE (EPC) as at December 31st, 2015. The Board of Directors of EPC is responsible for the preparation of this financial information in accordance with the Belgian generally accepted accounting principles. These statements indicate a balance sheet total of € 442.186,69 as well as revenues in excess of expenses of € 59.585,73.

We conducted our review 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*) and, more particularly, in accordance with its Standards in regards to a limited review.

This review, in accordance with the aforementioned standards, consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters.

A limited review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements. Accordingly, we do not express an audit opinion. A limited review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit.

Review

We have obtained from the management and responsible officers of the association all of the explanations and information necessary for our review. We believe that the evidence we have obtained in our review is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the financial statements as of December 31st, 2015, were established in accordance with the financial reporting framework applicable in Belgium and the accounting records were maintained with the legal and regulatory requirements applicable in Belgium. 

The current revenues amount to € 2.051.002,06 and the expenses amount to € 1.991.416,33 and hence, the financial statement as at 31st December 2015 indicates revenues in excess of expenses of € 59.585,73.

After thorough examination and analysis of the available documents and data, we can confirm that operating costs were sufficiently justified by supporting documents.

Furthermore we would like to draw your attention to the annual accounts indicating the EUROPEAN POLICY CENTRE INTERNATIONAL ASSOCIATION (EPC) closed the accounting which ended per 31 December 2015 with revenues in excess of expenses of € 59.585,73 which brings the negative equity capital equalled to € 172.608,50. Under these circumstances an important uncertainty may exist which could cast a significant doubt in regard to the association's continuity. The Board of Directors is aware of the situation and actions have been taken, which are starting to deliver results as evidenced by the aforementioned revenues in excess of expenses of € 59.585,73 in 2015.

Additional information

The compliance by the association with the law of 27 June 1921 related to not-for-profit associations, international not-for-profit associations and foundations is the responsibility of management.

Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.

There are no transactions undertaken or decisions taken in violation of the foundations by-laws or the law of 27 June 1921 related to not-for-profit associations, international not-for-profit associations and foundations that we have to report to you.

Conclusion

We have reviewed the accompanying financial statements of the association EUROPEAN POLICY CENTRE (EPC) as at 31st of December 2015, prepared by its Board of Directors, indicating a balance sheet total of € 442.186,69 and expenses in excess of revenues of € 59.585,73.

Based on our reviews, nothing has come to our attention that causes us to believe that the financial statements are not prepared, in all material respect, in accordance with the Belgian generally accepted accounting principles.

Asse, 8th February 2016.



Saskia Luteijn Bedrijfsrevisor Burg. BVBA
represented by Saskia Luteijn

**European Policy Centre
International Association
Financial Statements for the Year Ended
31 December 2015**

Balance Sheets as at 31 December

	<u>2015</u>	<u>2014</u>
	€	€
<u>Intangible Fixed Assets</u>		
Software	41 125,00	41 125,00
Less : Depreciation	-41 125,00	-27 657,00
	<u>0,00</u>	<u>13 468,00</u>
<u>Tangible Fixed Assets</u>		
Furniture and Equipment	40 143,25	39 994,49
Less : Depreciation	-37 351,31	-35 729,36
	<u>2 791,94</u>	<u>4 265,13</u>
<u>Financial Fixed Assets</u>		
Deposits and Guarantees	2 374,89	3 415,89
Total Fixed Assets	<u>5 166,83</u>	<u>21 149,02</u>
<u>Current Assets</u>		
Debtors	164 340,00	379 190,79
Other Receivables	26 405,22	0,00
Cash at Bank and in Hand	7 054,29	22 978,47
Accruals	239 220,35	101 876,29
	<u>437 019,86</u>	<u>504 045,55</u>
Less :		
<u>Current Liabilities</u>		
Short Term Bank Loans	-34 760,92	-74 603,12
Creditors, Taxes and Social Debts	-248 157,21	-209 243,02
Deferred Income and Accruals	-331 877,06	-473 542,66
	<u>-614 795,19</u>	<u>-757 388,80</u>
Total Equity	<u><u>-172 608,50</u></u>	<u><u>-232 194,23</u></u>

**European Policy Centre
International Association
Financial Statements for the Year Ended
31 December 2015**

Balance Sheets as at 31 December

	<u>2015</u>	<u>2014</u>
	€	€
<u>Income</u>		
Members' Subscriptions	649 245,36	705 008,67
Grants	587 392,19	608 939,34
Events / Projects	800 692,05	803 273,41
Other Revenue	8 674,97	42 264,38
Exceptional revenues	4 895,14	0,00
Total Income	<u><u>2 050 899,71</u></u>	<u><u>2 159 485,80</u></u>
<u>Expenditure</u>		
Staff Costs	551 107,47	602 103,66
Fees consultants, lawyer, accountant,...	871 162,19	975 932,42
Suppliers	15 686,73	5 993,34
Communications and IT	30 702,10	35 211,09
Press, Library and Subscriptions	31 185,40	28 134,13
Depreciations and provisions	15 280,58	25 248,27
Event Costs and Project Travel Costs	204 561,70	242 263,79
Travel and Subsistence	4 735,39	6 527,71
Equipment Rent	79 585,00	137 873,01
Office Rent and Cleaning	180 463,09	192 786,35
Financial Costs	3 882,44	2 678,00
Exceptional costs	2 961,89	98,53
Total Expenditure	<u><u>1 991 313,98</u></u>	<u><u>2 254 850,30</u></u>
Surplus/Deficit (-) for the year	<u><u>59 585,73</u></u>	<u><u>-95 364,50</u></u>

**European Policy Centre
International Association
Financial Statements for the Year Ended
31 December 2015**

Balance Sheets as at 31 December

Assets

1. Intangible Fixed Assets

<u>Cost</u>	<u>Balance as per 1 January 2015</u>	<u>Additions</u>	<u>Balance as per 31 December 2015</u>
	€	€	€
Software	41 125,00	0,00	41 125,00
Fixed Assets at Cost	<u>41 125,00</u>	<u>0,00</u>	<u>41 125,00</u>
Depreciation	-27 657,00	-13 468,00	-41 125,00
Net Book Value	<u>13 468,00</u>	<u>-13 468,00</u>	<u>0,00</u>

2. Tangible Fixed Assets

	€	€	€
Office Furniture and Equipment	32 548,17	269,46	32 817,63
Conference Room	7 446,32	0,00	7 446,32
Fixed Assets at Cost	<u>39 994,49</u>	<u>269,46</u>	<u>40 263,95</u>
Depreciation	-35 849,85	-1 812,80	-37 662,65
Regularisation stolen equipment	190,64		190,64
Net Book Value	<u>4 335,28</u>	<u>-1 543,34</u>	<u>2 791,94</u>

3. Current Assets

	<u>2015</u>	<u>2014</u>
	€	€
<i>The debtors consist out of :</i>		
Members / Other Receivables	155 340,00	362 262,73
Credit Notes to be Received	0,00	16 928,06
Invoices to be Drafted	9 000,00	0,00
Dubious Debts	0,00	0,00
Depreciations on Dubious Debts	0,00	0,00
	<u>164 340,00</u>	<u>379 190,79</u>
Other Receivables		
Recoverable VAT	18 472,85	0,00
Advance on Social Security Contributions	7 932,37	0,00
	<u>26 405,22</u>	<u>0,00</u>

4. Accruals

	<u>2015</u>	<u>2014</u>
	€	€
Deferred Costs	7 676,53	18 457,22
Accrued Income	231 543,82	83 419,07
	<u>239 220,35</u>	<u>101 876,29</u>

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Financial Statements for the Year Ended
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Balance Sheets as at 31 December

Liabilities

5. Creditors, Taxes and Social Debts	<u>2015</u>	<u>2014</u>
	€	€
<i>The creditors, taxes and social debt consist out of :</i>		
Suppliers of Goods and Services	95 964,54	46 134,26
Credit Notes to be Drafted	500,00	15 500,00
Invoices to be Encoded	56 764,52	17 059,44
Due Taxes	23 392,91	32 363,61
Due Remuneration	71 535,24	98 185,71
	<u>248 157,21</u>	<u>209 243,02</u>

6. Deferred Income and accruals

Most of this item consists out of invoiced subscriptions in 2015 relating to 2016 which are on a 12 month basis as opposed to a calendar year basis :

	<u>2015</u>	<u>2014</u>
	€	€
Members' Subscriptions	235 435,48	321 891,71
Deferred Income on Projects	55 406,00	146 160,00
Accrued Costs	41 035,58	5 490,95
	<u>331 877,06</u>	<u>473 542,66</u>

7. Proper Funds

	<u>2015</u>	<u>2014</u>
	€	€
Prior Period Funds (+) / Forwarded Deficit (-)	-232 620,15	-137 255,65
Surplus (+) / Deficit (-) for the Year	59 585,73	-95 364,50
Surplus (+) / Deficit (-) to carry forward	<u>-173 034,42</u>	<u>-232 620,15</u>