

**REPORT OF THE AUDITOR ON THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDED DECEMBER 31, 2016 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  
1<sup>ST</sup> JANUARY 2016 AND ENDED ON THE 31<sup>ST</sup> DECEMBER 2016 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 31<sup>st</sup>, 2016. 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 € 506.473,21 as well as revenues in excess of expenses of € 118.820,00.

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 31<sup>st</sup>, 2016, 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 € 2.293.979,11 and the expenses amount to € 2.175.159,11 and hence, the financial statement as at 31<sup>st</sup> December 2016 indicates revenues in excess of expenses of € 118.820,00.

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 2016 with revenues in excess of expenses of € 118.820,00 which brings the negative equity capital equalled to € 53.788,50. 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 € 118.820,00 in 2016.

### ***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.

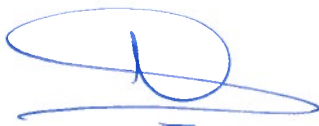
There are no transactions undertaken or decisions taken in violation of the foundations by-laws or the law of 27 June 1921 related to not-for-profit associations, international not-for-profit associations and foundations that we have to report to you.

### ***Conclusion***

We have reviewed the accompanying financial statements of the association EUROPEAN POLICY CENTRE (EPC) as at 31<sup>st</sup> of December 2016, prepared by its Board of Directors, indicating a balance sheet total of € 506.473,21 and revenues in excess of expenses of € 118.820,00.

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, 22<sup>nd</sup> February 2017.



Saskia Luteijn Bedrijfsrevisor Burg. BVBA  
represented by Saskia Luteijn



**European Policy Centre  
International Association  
Financial Statements for the Year Ended  
31 December 2016**

**Balance Sheets as at 31 December**

	<u>2016</u>	<u>2015</u>
	€	€
<b><u>Intangible Fixed Assets</u></b>		
Software	41 125,00	41 125,00
Less : Depreciation	-41 125,00	-41 125,00
	0,00	0,00
<b><u>Tangible Fixed Assets</u></b>		
Furniture and Equipment	44 545,05	40 143,25
Less : Depreciation	-40 229,01	-37 351,31
	4 316,04	2 791,94
<b><u>Financial Fixed Assets</u></b>		
Deposits and Guarantees	848,23	2 374,89
<b>Total Fixed Assets</b>	5 164,27	5 166,83
<b><u>Current Assets</u></b>		
Debtors	126 435,32	164 340,00
Other Receivables	32 125,00	26 405,22
Cash at Bank and in Hand	181 002,77	7 054,29
Accruals	161 745,85	239 220,35
	501 308,94	437 019,86
<b>Less :</b>		
<b><u>Current Liabilities</u></b>		
Short Term Bank Loans	0,00	-34 760,92
Creditors, Taxes and Social Debts	-140 944,41	-248 157,21
Deferred Income and Accruals	-419 317,30	-331 877,06
	-560 261,71	-614 795,19
<b>Total Equity</b>	<b>-53 788,50</b>	<b>-172 608,50</b>

**European Policy Centre  
International Association  
Financial Statements for the Year Ended  
31 December 2016**

**Balance Sheets as at 31 December**

	<u>2016</u> €	<u>2015</u> €
<b><u>Income</u></b>		
Members' Subscriptions	599 843,35	649 245,36
Grants	779 175,03	587 392,19
Events / Projects	914 953,19	800 692,05
Other Revenue	0,00	8 674,97
Financial income	7,54	0,00
Exceptional revenues	0,00	4 895,14
<b>Total Income</b>	<b><u><u>2 293 979,11</u></u></b>	<b><u><u>2 050 899,71</u></u></b>
<b><u>Expenditure</u></b>		
Staff Costs (included interim costs)	572 564,53	551 107,47
Fees consultants, lawyer, accountant,...	1 047 966,90	871 162,19
Suppliers	11 394,77	15 686,73
Communications and IT	23 565,76	30 702,10
Press, Library and Subscriptions	33 157,72	31 185,40
Depreciations and provisions	24 587,24	15 280,58
Event Costs and Project Travel Costs	197 238,39	204 561,70
Travel and Subsistence	2 706,03	4 735,39
Equipment Rent	68 642,08	79 585,00
Office Rent and Cleaning	178 440,29	180 463,09
Financial Costs	2 895,40	3 882,44
Exceptional costs	12 000,00	2 961,89
<b>Total Expenditure</b>	<b><u><u>2 175 159,11</u></u></b>	<b><u><u>1 991 313,98</u></u></b>
<b>Surplus/Deficit (-) for the year</b>	<b><u><u>118 820,00</u></u></b>	<b><u><u>59 585,73</u></u></b>

**European Policy Centre  
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Financial Statements for the Year Ended  
31 December 2016**

**Balance Sheets as at 31 December**

**Assets**

**1. Intangible Fixed Assets**

<u>Cost</u>	<u>Balance as per 1 January 2016</u>	<u>Additions</u>	<u>Balance as per 31 December 2016</u>
	€	€	€
Software	41 125,00	0,00	41 125,00
Fixed Assets at Cost	41 125,00	0,00	41 125,00
Depreciation	-41 125,00	0,00	-41 125,00
<b>Net Book Value</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>

**2. Tangible Fixed Assets**

	€	€	€
Office Furniture and Equipment	32 696,93	568,60	33 265,53
Conference Room	7 446,32	1 335,00	8 781,32
Alarm system	0,00	2 498,20	2 498,20
Fixed Assets at Cost	40 143,25	4 401,80	44 545,05
Depreciation	-37 351,31	-2 877,70	-40 229,01
<b>Net Book Value</b>	<b>2 791,94</b>	<b>1 524,10</b>	<b>4 316,04</b>

**3. Current Assets**

	<u>2015</u>	<u>2015</u>
	€	€
<i>The debtors consist out of :</i>		
Members / Other Receivables	128 600,00	155 340,00
Credit Notes to be Received	16 544,86	0,00
Invoices to be Drafted	3 000,00	9 000,00
Dubious Debts	0,00	0,00
Depreciations on Dubious Debts	-21 709,54	0,00
	<u>126 435,32</u>	<u>164 340,00</u>
Other Receivables		
Recoverable VAT	32 125,00	18 472,85
Advance on Social Security Contributions	0,00	7 932,37
	<u>32 125,00</u>	<u>26 405,22</u>

**4. Accruals**

	<u>2015</u>	<u>2015</u>
	€	€
Deferred Costs	43 045,85	7 676,53
Accrued Income	118 700,00	231 543,82
	<u>161 745,85</u>	<u>239 220,35</u>

**European Policy Centre  
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Financial Statements for the Year Ended  
31 December 2016**

**Balance Sheets as at 31 December**

**Liabilities**

<b>5. Creditors, Taxes and Social Debts</b>	<u>2016</u>	<u>2015</u>
	€	€
<i>The creditors, taxes and social debt consist out of :</i>		
Suppliers of Goods and Services	28 983,96	95 964,54
Credit Notes to be Drafted	2 600,00	500,00
Invoices to be Encoded	877,28	56 764,52
Due Taxes	22 556,47	23 392,91
Due Social debts	85 926,80	71 535,24
	<u>140 944,51</u>	<u>248 157,21</u>

**6. Deferred Income and accruals**

*Most of this item consists out of invoiced subscriptions in 2016 relating to 2017 which are on a 12 month basis as opposed to a calendar year basis :*

	<u>2016</u>	<u>2015</u>
	€	€
Members' Subscriptions	212 638,67	235 435,48
Deferred Income on Projects	168 317,00	55 406,00
Accrued Costs	38 361,63	41 035,58
	<u>419 317,30</u>	<u>331 877,06</u>

<b>7. Proper Funds</b>	<u>2016</u>	<u>2015</u>
	€	€
Initial funds	425,92	425,92
Prior Period Funds (+) / Forwarded Deficit (-)	-173 034,42	-232 620,15
Surplus (+) / Deficit (-) for the Year	118 820,00	59 585,73
Surplus (+) / Deficit (-) to carry forward	<u>-53 788,50</u>	<u>-172 608,50</u>