

Independent auditor's report on the Financial Statements in accordance with International Financial Reporting Standards of the Party of the European Left for the year ended 31 December 2019

Qualified Opinion

We have audited the Financial Statements of Party of the European Left (the "Entity"), which comprise the statement of financial position as at 31 December 2019, as well as the statement of profit or loss and the statement of comprehensive income for the year then ended, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the 'Basis for qualified opinion' section, the Financial Statements give a true and fair view of the financial position of the Entity as at 31 December 2019, and of its financial performance and its cash flows for the year then ended, prepared in accordance with International Financial Reporting Standards (IFRS).

Basis for Qualified Opinion

The Entity's statement of profit and loss includes costs for a total amount of € 275.718,23 for which we could not obtain sufficient and objective evidence to conclude on the eligibility thereof, in accordance with article II.9 of the Contribution Agreement. As a consequence, this might lead to a decrease of the recorded final European Parliament grant amount (i.e. decrease in revenue) by a maximum of € 248.146,41 against an increase in grant repayable to the European Parliament (i.e. increase in liabilities), resulting in a decrease of the equity for the same amount.

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Matters – Auditor's Opinion on the Annual Accounts and the Final Statement of eligible expenditure actually incurred

We have also audited the Annual Accounts of the Entity prepared in accordance with the financial reporting framework applicable in Belgium and the Final Statement of reimbursable expenditure actually incurred, prepared in accordance with rules and regulations applicable to funding of political parties and political foundations at European level. In this regard, we have issued our audit report dated 30 April 2020.



Other Matters

We draw your attention to the developments surrounding the Covid-19 virus that has a profound impact on people's health and on society as a whole. This also has an impact on the operational and financial performance of organisations and the assessment of the Entity's ability to continue as a Going Concern. The situation gives rise to inherent uncertainty. We have considered the uncertainties related to the potential effects of Covid-19 and the assumptions made by the Entity in this respect on its operations and financial situation. Our opinion is not modified in respect of this matter.

On 31 January 2020, the United Kingdom withdrew from the European Union and the European Atomic Energy Community (EURATOM). At present, negotiations for a new partnership with the United Kingdom of Great Britain and Northern Ireland are ongoing. We have considered the uncertainties related to the potential effects of Brexit and the assumptions made by the Entity in this respect on its operations and financial situation. Our opinion is not modified in respect of this matter.

Material Uncertainty related to Going Concern

We draw your attention to the disclosure on page 10 of the Financial Statements relating to the preparation of the Financial Statements under the assumption that the activities will be continued, despite its negative equity position. This assumption is reasonable as long as the Entity continues to receive financial support from the European Parliament or other sources. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of Directors for the preparation of the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRS, and for such internal control as the Board of Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Pursuant to paragraph 1 of Article 23 of Regulation (EU, Euratom) No 1141/2014, the Entity is required to maintain and report on their Financial Statements on the basis of international accounting standards as defined in Article 2 of Regulation (EC) No 1606/2002.

In preparing the Financial Statements, the Board of Directors are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

The audit has been performed following our appointment by the European Parliament, which seeks to obtain assurance relating to the Entity's adherence to its obligations under Article 23 of Regulation (EU, Euratom) No 1141/2004.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit 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 Entity's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors or their delegates regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Restriction on use and distribution

The opinion transmitted is only intended for the Entity and for the European Parliament. It may not be distributed or made available to any other parties, except those who have regulatory rights of access to it. Any review, transmission, dissemination or other use of, or taking of any action in reliance upon this information by any persons or entities other than the Entity or the European Parliament is prohibited and we will not assume any duty of care or liability towards these persons or entities.

24 June 2020

EY Réviseurs d'Entreprises SRL
Represented by

A handwritten signature in blue ink, appearing to be 'Danielle Vermaelen', is written over a horizontal line. The signature is fluid and cursive.

Danielle Vermaelen*
Partner
* Acting on behalf of a BV/SRL

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PARTY of the EUROPEAN LEFT EUPP

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Financial statements as of and for the year
ended 31 December 2019

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Statement of financial position at 31 December 2019

EUR	Notes	31 December 2019	31 December 2018
ASSETS			
Non-current assets			
Property, plant and equipment	9	96.133	12.616
Intangible assets	10	11.112	6.998
Trade and other receivables	13	7.783	7.783
Total non-current assets		115.028	27.397
Current assets			
Trade and other receivables	13	27.040	48.055
Cash and cash equivalents	14	672.822	163.138
Total current assets		699.862	211.193
Total assets		814.890	238.590
EQUITY AND LIABILITIES			
Equity			
Reserves		(15.603)	(15.603)
Retained earnings		(68.729)	(115.516)
Total equity		(84.332)	(131.119)
Non-current liabilities			
Leasing liabilities	11	59.358	-
Total non-current liabilities		59.358	-
Current liabilities			
Trade and other payables	15	810.944	369.709
Leasing liabilities	11	28.920	-
Total current liabilities		839.864	369.709
Total liabilities		899.222	369.709
Total equity and liabilities		814.890	238.590

The accompanying notes are an integral part of these financial statements.

Statement of profit or loss for the year ended 31 December 2019

EUR	Notes	2019	2018
Revenue from contracts with customers	4	298.022	268.369
Other income	5	1.857.451	1.566.969
Revenue		2.155.473	1.835.338
General and administrative expenses	6	(2.096.554)	(1.877.761)
Other operating income/(expenses)	6	(7.675)	13.911
Operating profit/(loss)		51.244	(28.512)
Finance income	7	922	255
Finance costs	7	(5.379)	(4.183)
Profit/(loss) for the year		46.787	(32.440)

The accompanying notes are an integral part of these financial statements.

Statement of comprehensive income for the year ended 31 December 2019

EUR	Notes	2019	2018
Profit/(loss) for the year		46.787	(32.440)
Other comprehensive income		-	-
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods</i>		-	-
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods</i>		-	-
Remeasurement gain/(loss) on defined benefit plans		-	-
Total comprehensive income for the year, net of tax		46.787	(32.440)

The accompanying notes are an integral part of these financial statements.

Statement of changes in equity for the year ended 31 December 2019

EUR	Initial funds	Reserves	Retained earnings	Total equity
Balance at 1 January 2018		(15.603)	(83.076)	(98.679)
Other comprehensive income		-	-	-
Profit/(loss) for the year		-	(32.440)	(32.440)
Balance at 31 December 2018		(15.603)	(115.516)	(131.119)
Balance at 1 January 2019		(15.603)	(115.516)	(131.119)
Other comprehensive income		-	-	-
Profit/(loss) for the year		-	46.787	46.787
Balance at 31 December 2019		(15.603)	(68.729)	(84.332)

The accompanying notes are an integral part of these financial statements.

Statement of cash flows for the year ended 31 December 2019

EUR	Notes	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the year		46.787	(32.440)
Adjustments for:			
Finance income	7	(922)	(255)
Finance costs	7	5.379	4.183
Depreciation and impairment of property, plant and equipment	9	33.186	6.253
Amortisation and impairment of intangible assets	10	2.101	449
European Parliament grant	5	(1.844.664)	(1.546.390)
Impairment loss on trade receivables	13	11.395	5.460
Net profit/(loss) before changes in working capital		(1.746.738)	(1.562.740)
Changes in working capital:			
Decrease/(increase) in trade and other receivables		10.542	(28.813)
Increase/(decrease) in trade and other payables		32.311	1.927
Cash receipt/(reimbursement) European Parliament grant:			
Receipt of European Parliament grant	15	2.250.000	1.745.020
Net cash flows from operating activities		546.115	155.394
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of intangible assets	10	(6.215)	(7.447)
Purchases of property, plant and equipment	9	-	(2.949)
Net cash flows from investing activities		(6.215)	(10.396)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid on lease liabilities	7	(1.791)	-
Payments of lease liabilities	12	(28.425)	-
Net cash flows from financing activities		(30.216)	-
Movement in cash and cash equivalents including bank overdrafts		509.684	144.998
Net increase in cash and cash equivalents		509.684	144.998
Net foreign exchange difference			
Cash and cash equivalents at 1 January		163.138	18.140
Cash and cash equivalents at 31 December		672.822	163.138

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements for the year ended 31 December 2019

1. General information

European Left is a political party incorporated and domiciled in Belgium. The registered office is located at Square de Meeus 25, 1000 Brussels. The Party is a group of the European Left parties.

Financial statements

The financial statements as of and for the year ended 31 December 2019 were authorized for issue in accordance with a resolution of the Board of Directors on 25.06.2020.

Board of directors

At the end of the financial period, the Board of Directors was composed of the following members:

Name	Function	Start of mandate	End of mandate
Margarita MILEVA	Vice-President	15/12/2019	11/12/2022
Pierre LAURENT	Vice-President	15/12/2019	11/12/2022
Maite MOLA	1. Vice-President	15/12/2019	11/12/2022
Heinz BIERBAUM	President	15/12/2019	11/12/2022
Paolo FERRERO	Vice-President	15/12/2019	11/12/2022
Anne BERTHOUSOZ	Director	15/12/2019	11/12/2022
Anastasia THEODORAKOPOULOU	Vice-President	15/12/2019	11/12/2022
Anna MIKKOLA	Vice-President	15/12/2019	11/12/2022

Auditors

The statutory audit of the standalone financial statements is performed by EY Réviseurs d'entreprises SRL represented by Danielle Vermaelen.

Figures in the financial statements

These financial statements are presented in euro, which is the Party's presentation currency and the functional currency of the Party. All amounts in these financial statements are presented in euro, unless otherwise stated.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

The financial statements of the Party for the year ended 31 December 2019 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and IFRS Interpretations Committee (IFRIC) interpretations as endorsed by the European Union. The changes in accounting policies due to new IFRS standards entered into force in 2019 are described in Note 2.3.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Party’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Going concern

The Party’s statement of financial position shows a situation of negative equity at 31 December 2019. The financial statements have been prepared on a going concern basis on the directors’ confidence that the Party will continue to receive the European Parliament Grant and also generate other own resources. The historical cost convention and the accrual basis of accounting have been used to prepare the financial statements.

2.2. Summary of significant accounting policies

a) Current versus non-current classification

The Party presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle, meaning within a calendar year,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Party classifies all other liabilities as non-current.

b) Foreign currencies

Functional and presentation currency

Items included in the financial statements of the Party are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in euro (EUR), which is the Party’s presentation currency and the functional currency of the Party.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Party at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

The foundation has limited transactions in foreign currency, therefore the foreign exchange risk is not considered to have a significant impact on the profit before tax and pre-tax equity.

c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite. The Party does not have any intangible assets with an indefinite useful life.

Intangible assets with finite useful lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or

the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite useful lives is recognized in the income statement in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

Website costs

Research costs are expensed as incurred. Website development costs are only recognized as intangible asset if: 1/ it can be demonstrated that the website will generate probable future economic benefits when, for example, donations can be made through the website and 2/ the Party can demonstrate:

- ✓ The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- ✓ Its intention to complete and its ability and intention to use or sell the asset;
- ✓ How the asset will generate future economic benefits;
- ✓ The availability of resources to complete the asset; and
- ✓ The ability to measure reliably the expenditure during development.

Directly attributable costs that are capitalized as part of the intangible asset include costs incurred for external consultants and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization will begin when development is completed and the asset is available for use. The costs are amortized using the straight-line method over their estimated useful lives (X years). During the period of development, the asset is tested for impairment annually.

Summary of the policies applied to the intangible assets

	Website
Useful lives	Finite (4 years)
Amortisation method used	Straight-line basis
Internally generated	Internally generated

d) Property, plant and equipment

The Party's property, plant and equipment are mainly composed of IT equipment, furniture, office equipment, leasehold improvements and right-of-use assets relating to leases of office workspace.

Property, plant and equipment are stated at historical cost less subsequent depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Party and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on the assets is calculated using the straight-line method to allocate their cost over their estimated useful lives. These useful lives have been determined as follows:

Property, plant and equipment	Useful lives
IT equipment	4 years
Office equipment and furniture	10 years
Leasehold improvements	The shorter of the lease term and the asset's economic life

The methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate. Where an asset's carrying amount is greater than its estimated recoverable amount, it is written down to its recoverable amount.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

e) European Parliament grants

The Party receives a grant from the European Parliament, which is awarded at the beginning of each accounting year since January 1st, 2019, whereas before it was most of the time awarded at the end of the prior accounting year. At that moment there is a reasonable assurance that the grant will be received and all attached conditions (execution of the work plan) will be complied with. Since the grant relates to expense items, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The Party makes an assessment at the end of the accounting year of the amount of eligible expenditure it has incurred. The portion of the grant that will cover this expenditure is recorded as income in the income statement. Two scenarios can occur:

- Scenario 1 in which the amount of eligible expenditure matches the grant amount or exceeds the grant amount. In this scenario, the entire grant is recorded as income in the income statement,
- Scenario 2 in which the amount of eligible expenditure is less than the grant amount. In this scenario, the portion of the grant that is not used can be carried over to the next year. The amount of the carry-over will be accounted for as a liability in the balance sheet and will be released the next accounting year once the expenditure it is intended to cover has been incurred.

At the end of the reporting period, the final balance of eligible expenditure is determined after the external audit. The expenditure that is rejected through this audit may lead to a reduction of the final grant and can result in a reimbursement of a portion of the grant by the political party to the European Parliament. After payment of the final balance, the European Parliament can as well perform an audit even up till 5 years after the payment. This audit can also lead to a reduction of the grant amount and a reimbursement. If the Party has to make a reimbursement to the European Parliament, it needs to account for a liability.

f) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Party's cash management.

g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The Party's financial assets are composed of trade and other receivables and cash and cash equivalents. These financial assets have been classified as subsequently measured at amortised cost, except for cash and cash equivalents.

The trade receivables do not contain a significant financing component and have been initially measured at the transaction price determined under IFRS 15. The cash and cash equivalents have been initially measured at fair value plus transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost (debt instruments),
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments), or with no recycling of cumulative gains and losses upon derecognition (equity instruments),
- Financial assets at fair value through profit or loss.

The Party's financial assets are classified as financial assets at amortised cost (debt instruments) since both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The financial assets are derecognized when the rights to receive cash flows from the asset have expired.

In terms of impairment of the trade receivables, the Party applies a simplified approach in calculating Expected Credit Losses (ECL). The Party does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. A provision matrix that is based on historical credit loss experience has been established, which is adjusted for forward-looking factors specific to the debtors and the economic environment.

All financial assets are fully written off after two years when there is no reasonable expectation of recovering the contractual cash flows. However, in certain cases, the Party may also consider a financial asset to be in default when internal or external information indicates that the Party is unlikely to receive the outstanding contractual amounts in full.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Party's financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification. The Party's financial liabilities are all classified in the category loans and borrowings, or the category payables.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

The financial liabilities are derecognized when the obligation under the liability is discharged or cancelled or expires.

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The Party does not offset its financial assets and liabilities.

h) Impairment of non-financial assets

The Party assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Party estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

There were no indications that assets may be impaired during the accounting period. Moreover, the Party does not have intangible assets that are not ready to use or are not subject to amortization. As a result, there is no requirement to perform a yearly impairment test.

i) Provisions for other liabilities and charges

A provision is recognized when the Party has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Party expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

j) Leases – lessee accounting

The Party assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Party leases office workspace and IT equipment. The Party applied a single recognition and measurement approach for all leases for which it is the lessee. The Party recognised lease liabilities and right-of-use assets representing the right to use the underlying assets. In accordance with IFRS 16, the simplified modified retrospective method has been applied for the transition to IFRS 16 at the date of initial application of 1 January 2019.

Lease liabilities

At the commencement date of the lease, the Party recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include

fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. The lease payments also include the exercise price of a purchase option if reasonably certain to be exercised by the Party and payments of penalties for terminating a lease, if the lease term reflects the Party exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Party uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Party selected the accounting policy to present interest paid on lease liabilities as part of the cash flows for financing activities.

Right-of-use assets

The Party recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of initial measurement of the lease liability, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Underlying assets	Depreciation term
Right-of-use : office workspace	9 years

If ownership of the leased asset transfers to the Party at the end of the lease term, or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section re 'Impairment of non-financial assets'.

Short-term leases and leases of low-value assets

The Party applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The information about leases is included in the following notes:

Depreciation charges on right-of-use assets	Note 6 Expense by nature
Interest expense on lease liabilities	Note 7 Finance income and costs
Right of use assets movement	Note 9 Property, plant and equipment
Lease liabilities movement	Note 11 Financial assets and financial liabilities

k) Revenue from contracts with customers

IFRS 15 establishes a five-step model for recognizing revenue from contracts with customers. Under IFRS 15, revenue is recognized for the amount of consideration an entity expects to be entitled to in exchange for goods or services transferred to a customer.

- The Party has an agreement with Member Parties (articles 10 and 31 of its Statute) according to which it receives Membership fees from its Member Parties. Membership fees are fixed in euro; they are payable without deduction of incurred costs, and are adjusted annually in line with Belgian inflation. The fees are paid at the start of the year for a one year membership. As such the revenue that is recorded 31 December equals the membership fees received for the respective year.
- The annual Membership fees are determined by the Political Assembly upon proposal of the Treasurer and the Political Secretariat.
- If a Member party continuously fails to meet its statutory obligations in paying its annual membership fees article 7, paragraph 4 might of the party's statute is enabled.

In line with the IFRS requirements the party will cease to account for revenue when the collectability criterion is no longer met.

2.3. Changes in accounting policies and disclosures

The Party applied IFRS 16 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the financial statements of the Party. The Party has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and supersedes IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Party adopted IFRS 16 using the modified retrospective method with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Party elected to apply the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4. The Party will therefore not apply the standard to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4.

The Party also elected to use the exemptions on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

The Party leases certain IT equipment (i.e., personal computers, printing and photocopying machines) which are considered of low value.

The Party mainly leases office workspace that are accounted for in accordance with IFRS 16 as from 1 January 2019 and were previously accounted for as operating leases under IAS 17.

The Party recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application or the interest rate implicit in the lease when available.

The Party also applied the available practical expedients wherein it:

- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Applied the low value exemption to leases for which the underlying assets value is lower than 5.000 EUR

- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

The effect of adoption IFRS 16 as at 1 January 2019 is an increase of total assets by 116.703 EUR for the right-of-use assets, and an increase of total liabilities by 116.703 EUR for the lease liabilities.

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018 as follows:

Items	EUR
Operating lease commitments as at 31 December 2018	152.653
Less commitments relating to leases of low-value assets	(4.365)
Other	(27.424)
Subtotal	120.864
Discounting effect at Incremental borrowing rate as at 1 January 2019	(4.161)
Discounted lease liability as at 1 January 2019	116.703

The weighted average incremental borrowing rate applied to lease liabilities at the date of initial application is 1,74%.

2.4. Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Party's financial statements are disclosed below. The Party intends to adopt these standards and interpretations, if applicable, when they become effective.

- *Amendments to References to the Conceptual Framework* in IFRS Standards, effective 1 January 2020
- *Amendments to IFRS 3 Business Combinations* – Definition of a business, effective 1 January 2020
- *Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors* – Definition of material, effective 1 January 2020
- *Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures* - Interest Rate Benchmark Reform, effective 1 January 2020
- *Amendments to IAS 39 Financial Instruments: Recognition and measurement and IFRS 7 Financial Instruments: Disclosures* - Interest Rate Benchmark Reform, effective 1 January 2020
- *IFRS 17 Insurance Contracts*, effective 1 January 2021
- *Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current*, effective 1 January 2022

3. Critical accounting estimates and judgments

The preparation of the Party's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Party based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Party. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses of trade receivables and contract assets

The Party uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by customer type).

The provision matrix is initially based on the Party's historical observed default rates. The Party will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year this could lead to an increased number of defaults and an adjustment of the historical default rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Party's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Determining the lease term of contracts with renewal options

The Party determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. For extension options, the Party applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal.

After the commencement date, the Party reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Recovery order European Parliament Grant

The external auditor and/or auditor of the European Parliament can reject expenditure of the Party if not eligible. This can result in a recovery order being issued to the Party and hence a reimbursement of a portion of the grant. If this is the case, the Party sets up a liability at year end. In December 2019 this liability amounts to EUR 6.798 (2018: 0 EUR).

4. Revenue from contracts with customers

The line item “Revenue from contracts with customers” in the income statement relates to:

EUR	2019	2018
Type of revenue		
Membership fees:		
- From parties	298.022	268.369
Total revenue from contracts with customers	298.022	268.369
Geographical market		
Membership fees:		
- From Spain	13.500	13.500
- From Finland	8.000	1.000
- From Greece	15.000	15.000
- From Germany	195.000	125.000
- From Portugal	10.000	10.000
- From Austria	10.000	-
- From France	30.000	60.000
- From Others	16.522	43.869
Total revenue from contracts with customers	298.022	268.369

The revenue of the membership fees is recorded over time as the service is delivered throughout the year. The trade receivables amount to EUR 24.237 at 31 December 2019 (EUR 33.084 in 2018). These receivables are non-interest bearing and are generally on terms of 1 to 30 days. In

2019 EUR 11.395 (EUR 5.460 in 2018) was recognized as an addition to the provision on ECL on trade receivables. In 2019, EUR 51.127 (EUR 0 2018) of previous ECL provision was written off.

5. Other income

The line item “Other income” in the income statement relates to:

EUR	2019	2018
Other income		
European Parliament Grant	1.844.664	1.546.390
Individual participation fees for events	12.787	20.579
Total other income	1.857.451	1.566.969

6. Expenses by nature and other operating income

A breakdown of the “General and administrative expenses” by nature can be found in the table below:

EUR	2019	2018
Advertising and promotional costs	219.822	128.497
Amortization intangible assets	2.102	448
Depreciation Property Plant and Equipment	4.010	6.253
Depreciation on right of use - offices	29.176	-
Event costs	165.694	279.932
Meetings and representation costs	992.675	774.066
Office cost	30.257	25.202
Rent	90.015	104.524
Utilities and maintenance	31.521	16.722
IT, phone & internet	4.662	7.141
Website	323	7.611
Wages and salaries	330.843	374.459
Social security cost	72.326	84.823
Fees audit, translators and others	78.754	52.909
ECL of trade receivables	11.395	5.460
Other	32.980	9.714
Total	2.096.554	1.877.761

A breakdown of the “Other operating income/(expenses) - net” by nature can be found in the table below. The income is presented with a negative sign and the expenses are presented with a positive sign.

EUR	2019		2018	
	Other operating (income)	Other operating expenses	Other operating (income)	Other operating expenses
Foreign exchange (gain)/loss	-	365	-	719
Loss realization trade debtors	-	10.500	-	-
Cost recuperations	(1.983)	-	(267)	-
Personal contribution lunch vouchers	(1.207)	-	(1.323)	-
Other extraordinary income	-	-	(13.040)	-
Total	(3.190)	10.865	(14.630)	719

7. Finance income and costs

EUR	2019	2018
Finance income		
Other finance income	922	255
Total finance income	922	255
Finance costs		
Leases interest expenses	1.791	-
Other finance costs	3.588	4.183
Total finance costs	5.379	4.183

8. Employee benefit expense

EUR	2019		2018	
	Included in General and administrative expenses	Included in Other operating income/expenses	Included in General and administrative expenses	Included in Other operating income/expenses
Wages and salaries	330.843	-	374.459	-
Social security costs	72.326	-	84.823	-
Total employee benefit expense	403.169	-	459.282	-

	2019	2018
Average number of employees - head office	4	4
Total average number of employees	4	4

9. Property, plant and equipment

EUR	IT equipments	Furniture and material	Leasehold improvements	Right-of-use offices	Total
At 1 January 2018					
Cost or valuation	44.390	6.780	14.075	-	65.245
Accumulated depreciation, impairments and other adjustments	(39.125)	(5.911)	(4.289)	-	(49.325)
Opening net book value at 1 January 2018	5.265	869	9.786	-	15.920
Period ended 31 December 2018					
Additions	2.949	-	-	-	2.949
Disposals	-	-	-	-	-
Closing Cost or Valuation at 31 December 2018	47.339	6.780	14.075	-	68.194
Accumulated depreciation on disposals					
Depreciation charge for the year	(4.023)	(290)	(1.940)	-	(6.253)
Closing Accumulated depreciation, impairments and other adjustments at 31 December 2018	(43.148)	(6.201)	(6.229)	-	(55.578)
Closing net book value at 31 December 2018	4.191	579	7.846	-	12.616
Period ended 31 December 2019					
<i>Initial application of IFRS 16 as of 1 January 2019</i>					
Additions	-	-	-	-	-
Closing Cost or Valuation at 31 December 2019	47.339	6.780	14.075	116.703	184.897
Accumulated depreciation on disposals					
Depreciation charge for the year	(1.768)	(290)	(1.952)	(29.176)	(33.186)
Closing Accumulated depreciation, impairments and other adjustments at 31 December 2019	(44.916)	(6.491)	(8.181)	(29.176)	(88.764)
Closing net book value at 31 December 2019	2.423	289	5.894	87.527	96.133

The significant increase of the year is explained by adoption of IFRS 16, which results in a non-cash addition of EUR 116.703.

The Party has also certain leases of EUR 4.365 with lease terms of 12 months or less and leases of office equipment with low value. The Party applies the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for these leases.

The Party has the option, under its leases of offices space to terminate the lease after a period of 9 years, over a lease term of 9 years. The Party judges that it is reasonably certain that it will not exercise this termination option given the significant investments in leasehold improvements the party has invested in the leased offices. As such, the Party did not consider the termination option in its determination of the lease term.

10. Intangible assets

EUR	Internally generated intangible assets (Website& Apps)
At 1 January 2018	
Cost or valuation	10.465
Accumulated amortization, impairments and other adjustments	(10.465)
Opening net book value at 1 January 2018	-
Period ended 31 December 2018	
Additions	7.447
Closing Cost or Valuation at 31 December 2018	17.912
Accumulated depreciation on disposals	
Depreciation charge for the year	(449)
Closing Accumulated depreciation, impairments and other adjustments at 31 December 2018	(10.914)
Closing net book value at 31 December 2018	6.998
Period ended 31 December 2019	
Additions	6.215
Closing Cost or Valuation at 31 December 2019	24.127
Depreciation charge for the year	(2.101)
Closing Accumulated depreciation, impairments and other adjustments at 31 December 2019	(13.015)
Closing net book value at 31 December 2019	11.112

In 2019 there was an important update of the Party’s Website.

11. Financial assets and financial liabilities

a) Financial assets

Financial assets	31 December 2019	31 December 2018
	EUR	EUR
Debt instruments at amortised cost		
Trade and other receivables (Note 13)	34.823	55.838
Total financial assets	34.823	55.838
Total current	27.040	48.055
Total non-current	7.783	7.783

b) Financial liabilities: Borrowings

Financial Liabilities	31 December 2019	31 December 2018
	EUR	EUR
Other financial liabilities at amortised cost, other than interest-bearing loans and borrowings		
Trade and other payables (Note 15)	191.998	156.099
European Parliament grant (Note 15)	618.946	213.610
Total other financial liabilities	810.944	369.709
Total current	810.944	369.709
Total non-current	-	-

	Interest rate	Maturity	31 December 2019	31 December 2018
	%		EUR	EUR
Current interest-bearing loans and borrowings				
Leasing liabilities	1,74%	1 year	28.920	-
Total current interest-bearing loans and borrowings			28.920	-
Non-current interest-bearing loans and borrowings				
Leasing liabilities	1,74%	3 years	59.358	-
Total non-current interest-bearing loans and borrowings			59.358	-
Total interest-bearing loans and borrowings			88.278	-

c) Fair Values

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments:

	31 December 2019		31 December 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
	EUR	EUR	EUR	EUR
Financial assets				
Non-current financial assets	-	-	-	-
Trade receivables	34.823	34.823	55.838	55.838
Total	34.823	34.823	55.838	55.838
Financial liabilities				
Leasing liabilities	88.278	88.278	-	-
Trade and other payables	810.944	810.944	369.709	369.709
Total	899.222	899.222	369.709	369.709

The Party has mainly short term financial assets and financial liabilities for which the carrying amount is a reasonable approximation of the fair value. Moreover the carrying amount of leasing obligations is also a reasonable approximation of the fair value.

12. Financial risk management

a) Financial risk factors

The Party's principal financial liabilities comprise lease liabilities, and trade and other payables. The main purpose of these liabilities is to finance the Party's operations. The Party's principal financial assets include trade receivables, and cash and short term deposits that derive directly from its operations. The Party is exposed primarily to credit risk and liquidity risk. Party's managers oversee the management of these risks.

The Party's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Party's financial performance. The objective is to identify, quantify, manage and then monitor events or actions that could lead to financial losses.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Party is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

Credit risk from operating activities

The trade receivables balance contain the member party contributions to be received. The impairment policy of the Party is to write-off receivables as soon as they remain unpaid for two years. When members are excluded, the related receivable is often waived and written-off.

For its receivables, the Party has policies to ensure that her receivables on member parties or members are closely monitored by the finance department. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than two years and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

31 December 2019	Trade Receivables Days past due					Total EUR
	Current EUR	<30 days EUR	30–60 days EUR	61–90 days EUR	>91 days EUR	
Expected credit loss rate (%)	5,33%	5,63%	5,98%	9,87%	83,55%	
Estimated total gross carrying amount at default	21.328	-	-	-	24.600	45.928
Expected credit loss	1.137	-	-	-	20.554	21.691

31 December 2018	Trade Receivables Days past due					Total EUR
	Current EUR	<30 days EUR	30–60 days EUR	61–90 days EUR	>91 days EUR	
Expected credit loss rate (%)	0%	0%	0%	0%	64,99%	
Estimated total gross carrying amount at default	-	-	-	-	94.507	94.507
Expected credit loss	-	-	-	-	61.423	61.423

Credit risk from financing activities

Credit risk from balances with banks and financial institutions is managed by the Party's finance department in accordance with the Party's policy.

Liquidity risk

The party monitors its risk of a shortage of funds using a liquidity planning tool. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 December 2019 (EUR)	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	191,998	191,998	191,998	-	-	-
Leasing liabilities	88,278	90,648	30,216	60,432	-	-
European Parliament grant	618,946	618,946	618,946	-	-	-

At 31 December 2018 (EUR)	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	156.099	156.099	156.099	-	-	-
Leasing liabilities	-	-	-	-	-	-
European Parliament grant	213.610	213.610	213.610	-	-	-

Changes in liabilities arising from financing activities are shown in the table below:

	1 January 2019 EUR	Cash outflows EUR	Cash inflows EUR	IFRS 16 adoption and other EUR	31 December 2019 EUR
Current leasing liabilities	-	28.425	-	57.345	28.920
Non-current leasing liabilities	-	-	-	59.358	59.358
Total liabilities from financing activities	-	28.425	-	116.703	88.278

b) Capital management

The Party's objectives when managing capital are to safeguard the Party's ability to continue as a going concern:

EUR	31 December 2019	31 December 2018
Cash and cash equivalents - note 14	672.822	163.138
Net cash	672.822	163.138

13. Trade and other receivables

EUR	31 December 2019	31 December 2018
Trade receivables	45.928	94.507
Less: allowance for ECL	(21.691)	(61.423)
Trade receivables - net	24.237	33.084
Deferred income	2.803	14.971
Rental deposits	7.783	7.783
Total trade and other receivables	34.823	55.838
Non-current portion	7.783	7.783
Current portion	27.040	48.055

The movements in the Party's bad debt allowance are as follows:

EUR	31 December 2019	31 December 2018
At 1 January	61.423	55.963
Addition to the ECL Allowance	11.395	5.460
Write-off	(51.127)	-
At 31 December	21.691	61.423

14. Cash and cash equivalents

EUR	31 December 2019	31 December 2018
Cash at banks and on hand	672.822	163.138
Total cash and cash equivalents (excluding bank overdrafts)	672.822	163.138

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

EUR	31 December 2019	31 December 2018
Cash and cash equivalents	672.822	163.138
Cash and cash equivalents (including bank overdrafts)	672.822	163.138

15. Trade and other payables

EUR	31 December 2019	31 December 2018
Trade payables	154.758	156.099
Social security and other taxes	37.240	-
European Parliament Grant	618.946	213.610
Total Trade and other payables	810.944	369.709
Non-current portion	-	-
Current portion	810.944	369.709

The trade and other payables of the Party are current financial liabilities and are non-interest bearing and are normally settled on 30 day terms.

The movement of the European Parliament Grant of the period is detailed in the table below:

Opening 1 January 2018	1.760.000
Release grant into income statement	(1.486.390)
Grant carried-over 2017	(60.000)
Adjustment to final grant 2018	-
Reimbursement of grant	-
Recovery order prior year	-
Grant award 2019	-
Closing 31 December 2018	213.610
Release grant into income statement	(1.640.228)
Grant carried-over 2018	(179.327)
Adjustment grant 2018	(31.907)
Recovery order prior year	6.798
Grant award 2019	2.250.000
Closing 31 December 2019	618.946

16. Commitments and contingencies

Contingent liabilities

The rental agreements for the office space contains a restoration clause. However the restoration obligation is at the discretion of the lessor and therefore not within the control of the Party.

17. Events after the reporting date

COVID-19 Crisis:

During the first half of 2020, the coronavirus outbreak has had huge impacts on the EU economy. In response to the pandemic worldwide spread, many governments in affected jurisdictions imposed travel bans, quarantines and other emergency public safety measures. For example, governments have imposed restrictions on travel and the movement and gathering of people. As a non-adjusting event, the outbreak of the coronavirus does not require any adjustments to the figures reported in these annual accounts.

For subsequent reporting periods, COVID-19 may affect the recognition and measurement of some assets and liabilities on the balance sheet and also of some revenue and expenses recognized in the statement of financial performance. For example, some planned events and meetings were canceled, and revenues from external sources has decreased. The impact of these, among others effects, on the financial performance may be significant for the reporting

year 2020. Based on the information available at the date of signature of these annual accounts, the financial effects of the coronavirus outbreak cannot be reliably estimated.

At the same time, the leadership of the Party of the European Left is doing everything in its power to reduce the financial risks, stemming especially from potentially ineligible costs through late event cancellations as well as potential decreases in own resources because of difficult economic situations in its member parties' countries. Thus, while the situation gives rise to uncertainty on the ability of the entity to continue as a going concern our Board is working on different possible measures to combat the outbreak of activities and to sustain our going concern.

Brexit:

On 31 January 2020, the United Kingdom withdrew from the European Union. At present, negotiations for a new partnership with the United Kingdom of Great Britain and Northern Ireland are ongoing. The Party of the European Left estimates that this event will not have a significant impact on the operations and financial situation of the entity.

A handwritten signature in blue ink that reads "Heinz Bierbaum". The signature is written in a cursive style with a large initial 'H' and 'B'.

Heinz Bierbaum
(President, Party of the European Left)