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

Unqualified Opinion

We have audited the Financial Statements of Coppieters Foundation (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, the accompanying Financial Statements give a true and fair view of the financial position of the Entity as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Unqualified Opinion

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 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 eligible 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 5 May 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.

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.

10 July 2020

EY Réviseurs d'Entreprises SRL
Represented by

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

21DV0056

Coppieters Foundation

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

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	76.975,42	5.950,35
Intangible assets	10	7.506,29	10.924,54
Total non-current assets		**84.481,71**	**16.874,89**
Current assets			
Trade and other receivables	11,14	62.055,89	37.655,88
Cash and cash equivalents	12,15	248.650,55	185.781,53
Total current assets		**310.706,44**	**223.437,41**
Total assets		**395.188,15**	**240.312,30**
EQUITY AND LIABILITIES			
Retained earnings		107.447,83	67.728,78
Total equity		**107.447,83**	**67.728,78**
Non-current liabilities			
Borrowings	11,12	1.020,00	500,00
Leasing liabilities	11,12	59.439,46	-
Total non-current liabilities		**60.459,46**	**500,00**
Current liabilities			
Trade and other payables	11,16	211.732,57	171.047,38
Leasing liabilities	11,12	15.171,74	-
Borrowings	11,12	376,55	1 036,14
Total current liabilities		**227.280,86**	**172.083,52**
Total liabilities		**287.740,32**	**172.583,52**
Total equity and liabilities		**395.188,15**	**240.312,30**

The notes 1 to 18 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	31.401,81	17.805,66
Other income	5	511.967,67	388.702,46
Revenue		543.369,48	406.508,12
General and administrative expenses	6	(517.532,16)	(380.876,19)
Other operating income/(expenses)	6	15.372,82	14.979,24
Operating profit/(loss)		**41.210,14**	**40.611,17**
Finance costs	7	(1.491,09)	(793,85)
Profit/(loss) for the year		**39.719,05**	**39.817,32**

The notes 1 to 18 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		39.719,05	39.817,32
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods		-	-
Remeasurement gain/loss on defined benefit plans		-	-
Total comprehensive income for the year, net of tax		39.719,05	39.817,32

The notes 1 to 18 are an integral part of these financial statements.

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

EUR	Retained earnings	Total equity
Balance at 1 January 2018	**27.911,46**	**27.911,46**
Profit/(loss) for the year	39.817,32	39.817,32
Balance at 31 December 2018	**67.728,78**	**67.728,78**
Balance at 1 January 2019	**67.728,78**	**67.728,78**
Profit/(loss) for the year	39.719,05	39.719,05
Balance at 31 December 2019	**107.447,83**	**107.447,83**

The notes 1 to 18 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		39.719,05	39.817,32
Adjustments for:			
Finance costs	7	1.491,09	793,85
Depreciation and impairment of property, plant and equipment	6, 9	9.466,43	7.314,79
Amortisation and impairment of intangible assets	6 10	3.418,25	4.417,58
European Parliament grant	5	(511.967,67)	(388.702,46)
Net profit/(loss) before changes in working capital		**(457.872,85)**	**(336.358,92)**
Changes in working capital:			
Decrease/(increase) in trade and other receivables		(24.400,01)	1.421,34
Increase/(decrease) in trade and other payables		17.456,55	16.775,72
Cash receipt/(reimbursement) European Parliament grant:			
Receipt of European Parliament grant	1 6	534.179,08	479.297,01
Net cash flows from operating activities		**69.362,77**	**161.135,15**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of intangible assets	10	-	(13.673,00)
Purchases of property, plant and equipment	9	(796,79)	-
Net cash flows from investing activities		**(796,79)**	**(13.673,00)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	12	520,00	-
Interest paid on borrowings	7	(157,37)	(53,44)
Interest paid on lease liabilities	7	(316,49)	-
Payments of lease liabilities	12	(5.083,51)	-
Net cash flows from financing activities		**(5.037,37)**	**(53,44)**
Movement in cash and cash equivalents including bank overdrafts		**63.528,61**	**147.408,71**
Net increase in cash and cash equivalents		**63.528,61**	**147.408,71**
Cash and cash equivalents at 1 January		**184.745,39**	**37.336,68**
Cash and cash equivalents at 31 December		**248.274,00**	**184.745,39**

The notes 1 to 18 are an integral part of these financial statements.

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

1. General information

Coppieters is a foundation incorporated and domiciled in Belgium. The registered office is located at Boomkwekerijstraat 1 / 3, 1000 Brussels. The foundation promotes policy research at the European and international level focusing on management of cultural and linguistic diversity, political and economic governance of subcentral governments, self-determination, state and constitutional reform, conflict resolution, human rights and peace promotion.

Financial statements

The financial statements as of and for the year ended 31 December 2019 were authorized for issue in accordance with a decision of the Board of Directors of 10 July 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
Xabier Macias	President	01-04-2017	03-10-2020
Inaki Xabier Irazabalbeitia	Treasurer	12-07-2018	03-10-2020
Sandry Alan	Vice President	01-04-2017	03-10-2020
Vall Josep	Vice President	01-04-2017	03-10-2020
Antonia Luciani-Garcia	Vice President	01-04-2017	03-10-2020
Marianthi Bekiari	Administrator	01-04-2017	03-10-2020
Sharon Ann Webb	Administrator	01-04-2017	03-10-2020
Alix Lissi Horsch	Administrator	01-04-2017	03-10-2020
Antonello Nasone	Administrator	01-04-2017	03-10-2020

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 Foundation's presentation currency and the functional currency of the Foundation. 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 Foundation 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 historical cost convention has been used to prepare the financial statements. The accrual basis of accounting has been used to prepare the financial statements based on the assumption that the Foundation is a going concern and will continue operation in the foreseeable future.

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 Foundation'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.

2.2. Summary of significant accounting policies

a) Current versus non-current classification

The Foundation 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,
- ✓ 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 operations,
- ✓ 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 Foundation classifies all other liabilities as non-current.

b) Foreign currencies

Functional and presentation currency

Items included in the financial statements of the Foundation 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 Foundation's presentation currency and the functional currency of the Foundation .

Transactions and balances

Transactions in foreign currencies are initially recorded by the Foundation 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 Foundation 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 Foundation 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 (4 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 (3-4 years)
Amortisation method used	Straight-line basis
Internally generated	Internally generated

d) Property, plant and equipment

The Foundation's property, plant and equipment are mainly composed of IT equipment, furniture, office equipment and right-of-use assets relating to lease contract of offices.

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 Foundation 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	4-10 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 grant

The Foundation 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 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 Foundation 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 grant amount matches 95% of eligible expenditure or exceeds it. In this scenario, the entire grant is recorded as income in the income statement,
- ✓ Scenario 2 in which the grant amount is higher than 95% of eligible expenditure. In this scenario, up to 20% of the awarded grant and 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 foundation 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 Foundation has to make a reimbursement to the European Parliament, the Foundation 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 Foundation '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 Foundation'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 Foundation'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 (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 Foundation applies a simplified approach in calculating Expected Credit Losses (ECL). The Foundation 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 Foundation may also consider a financial asset to be in default when internal or external information indicates that the Foundation 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 Foundation's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification. The Foundation'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 Foundation does not offset its financial assets and liabilities.

h) Impairment of non-financial assets

The Foundation 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 Foundation 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 Foundation 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 Foundation 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 Foundation 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 Foundation 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 Foundation leases office workspace and IT equipment (printer). The Foundation applied a single recognition and measurement approach for all leases for which it is the lessee. The Foundation 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 Foundation 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 Foundation and payments of penalties for terminating a lease, if the lease term reflects the Foundation 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 Foundation 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 Foundation 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 Foundation 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
Offices	5 years

Right-of-use assets are subject to impairment.

If ownership of the leased asset transfers to the Foundation at the end of the lease term, or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful live 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 Foundation applies the short-term lease recognition exemption to its short-term leases of IT equipment (printer) and an office lease ending on September 30, 2019 (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 costs
Right of use assets movement	Note 9 Property, plant and equipment
Lease liabilities movement	Note 12 Financial risk management

k) Leases – Lessor accounting

Leases in which the Foundation does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income arising from leases of office space is accounted for on a straight-line basis over the lease term and is included in other operating income in the statement of profit or loss. The Foundation subleases some of her offices to third parties.

l) 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 Foundation has a contract with Member Foundations from which it receives Membership fees. Membership fees are fixed in Euro; they are payable without deduction of incurred costs. 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.

There are two kinds of Membership Fees:

- ✓ The annual Membership Fees for full members:
  - Calculated as a percentage of the member's yearly budget or a minimum fee (whichever is higher)
- ✓ The annual Membership Fees of the foundation's Associated Members:
  - Calculated as a lump sum.

Members and Associated Member Foundations will start paying Membership Fees immediately after their admission as an Associated Member Foundation, pro rata temporis.

The annual Membership fees for Members and Associated members are determined by the General Assembly upon proposal of the Board of directors (Bureau).

There are consequences if a foundation accumulates arrears in the payment of their annual Membership Fee.

- ✓ One year arrears of membership fees, the foundation in question loses its speaking and/or voting rights within the organs and bodies of the association as well as its right to propose candidates for positions within the association, and reimbursement of travel costs until they have paid off their arrears.
- ✓ Two years arrears of membership fees, the Bureau can propose to the General Assembly to exclude the foundation in question.

The Foundation will cease to account for revenue when the collectability criterion is no longer met.

The Foundation raises revenues through other activities like provision of services, donations, contributions, sponsorships and goods sales.

m) Joint operation

A joint operation is a joint arrangement not structured in a separate vehicle, in which the parties with joint control have rights to the assets and obligations for the liabilities relating to the arrangement. A joint operator shall recognize

(a) its assets, including its share of any assets held jointly;
(b) its liabilities, including its share of any liabilities incurred jointly;
(c) its revenue from the sale of its share of the output arising from the joint operation;
(d) its share of the revenue from the sale of the output by the joint operation; and
(e) its expenses, including its share of any expenses incurred jointly.

The Foundation performs joint projects, in which it enters into a joint arrangement together with the member foundations or third parties. The cost incurred in these projects are covered by Coppieters Foundation and the member foundations / partners make a contribution to Coppieters Foundation. Both parties have joint rights to the asset being created. The portion of the cost covered by the member foundation is set off against the income flowing from the invoices issued to the member foundation.

2.3. Changes in accounting policies and disclosures

The Foundation 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 Foundation. The Foundation 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 Foundation 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 Foundation elected to apply the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4. The Foundation will therefore not apply the standard to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4.

The Foundation 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.

The Foundation leases certain IT equipment (printer) and a lease for a building ending September 30, 2019 which are considered as short term leases.

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

The Foundation 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 Foundation 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
- ✓ 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 10.316,11 EUR for the right-of-use assets, and an increase of total liabilities by 10.316,11 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	47.408,69
Less commitments relating to short-term leases	(47.408,69)
Less commitments relating to leases of low-value assets	-
Lease payments relating to renewal periods not included in operating lease commitments as at 31 December 2018	8.550,00
Lease payment related to lease not included in 2018 commitments	2.250,00
Subtotal	10.800,00
Discounting effect at Incremental borrowing rate as at 1 January 2019	(483,89)
Discounted lease liability as at 1 January 2019	**10.316,11**

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 Foundation' financial statements are disclosed below. The Foundation 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 Foundation'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 Foundation 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 Foundation. Such changes are reflected in the assumptions when they occur.

Determining the lease term of contracts with renewal options

The Foundation 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 Foundation 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 Foundation 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 consider expenditure of the Foundation as not eligible for funding. The foundation may not execute the grant budget fully. This can result in a recovery order being issued to the Foundation and hence a reimbursement of a part of the grant. If this is the case, the Foundation sets up a liability at year end. In December 2019 this liability amounts to EUR 91.184,08 which relates to 2018 and EUR 22.211 carry over from 2019 to 2020, so in total kEUR 113 (2018: EUR 91.184,08).

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 members:		
- Northwestern Europe	1.240,00	-
- Southeastern Europe	600,00	-
- Southern Europe	10.661,81	-
- Southwestern Europe	2.400,00	-
From associated members inside EU	1.500,00	-
- From partners		
- Northern Europe	-	300,00
- Northwestern Europe	-	1.240,00
- Southeastern Europe	-	1.200,00
- Southern Europe	-	10.865,66
- Southwestern Europe	-	3.000,00
- From project contribution	-	1.200,00
- Additional contribution from members - Southern Europe	15.000,00	-
Total revenue from contracts with customers	**31.401,81**	**17.805,66**

The revenue of the membership fees is recorded over time as the service is delivered throughout the year. The trade receivables amount to EUR 34.935,29 at 31 December 2019 (EUR 36.125,30 in 2018). These receivables are non-interest bearing and are generally on terms of 30 to 90 days. In 2019 EUR 0 (EUR 0 in 2018) was recognized as a provision on ECL on trade receivables.

5. Other income

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

EUR	2019	2018
Other income		
European Parliament Grant	511.967,67	388.702,46
Total other income	**511.967,67**	**388.702,46**

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	32.811,85	38.575,38
Amortization intangible assets	3.418,25	4.417,58
Depreciation Property Plant and Equipment	4.278,15	7.314,79
Depreciation on right of use - offices	5.188,28	-
Meetings and representation costs	200.165,35	84.437,71
Rent	29.027,76	35.468,52
Utilities and maintenance	15.174,45	13.227,46
Wages and salaries	94.136,61	97.615,81
Social security cost	21.637,83	22.975,19
Fees audit, translators and others	64.133,72	40.042,75
External employees	34.233,01	22.623,72
Employer related costs – cars, trainings and others	8.590,54	13.730,86
Other	4.736,36	446,42
Total	**517.532,16**	**380.876,19**

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.

	2019		2018	
EUR	**Other operating (income)**	**Other operating expenses**	**Other operating (income)**	**Other operating expenses**
Payment difference	-	117,18	(57,69)	24,87
Participation fees	(5.710,00)	-	(9.940,00)	-
Rental income	(10.000,00)	-	(6.000,00)	-
Book sales	(80,00)	-	(95,00)	-
(Gain)/ loss on trade receivables	-	300,00	-	1.535,00
Other (income)/ expense	-	-	(446,42)	-
Total	**(15.790,00)**	**417,18**	**(16.539,11)**	**1.559,87**

7. Finance costs

EUR	2019	2018
Finance costs		
Interest expense on bank borrowings	157,37	53,44
Leases interest expenses	316,49	-
Bank charges	1.017,23	740,41
Total finance costs	**1.491,09**	**793,85**

8. Employee benefit expense

	2019		2018	
EUR	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	94.136,61	-	97.615,81	-
Social security costs	21.637,83	-	22.975,19	-
Employer related costs	8.590,54	-	13.730,86	-
Total employee benefit expense	**124.364,98**	**-**	**134.321,86**	**-**

	2019	2018
Average number of employees - head office	2	2
Total average number of employees	**2**	**2**

9. Property, plant and equipment

EUR	Furniture and material	Right of use - offices	Total
At 1 January 2018			
Cost or valuation	41.354,85	-	41.354,85
Accumulated depreciation, impairments and other adjustments	(28.089,71)	-	(28.089,71)
Opening net book value at 1 January 2018	**13.265,14**	-	**13.265,14**
Period ended 31 December 2018			
Additions	-	-	-
Disposals	-	-	-
Closing Cost or Valuation at 31 December 2018	**41.354,85**	-	**41.354,85**
Accumulated depreciation on disposals	-	-	-
Depreciation charge for the year	(7.314,79)	-	(7.314,79)
Closing Accumulated depreciation, impairments and other adjustments at 31 December 2018	**(35.404,50)**	-	**(35.404,50)**
Closing net book value at 31 December 2018	**5.950,35**	-	**5.950,35**
Period ended 31 December 2019			
Initial application of IFRS 16 as of 1 January 2019	-	10.316,12	**10.316,12**
Additions	796,79	69.378,60	**70.175,39**
Disposals	(7.080,96)	-	**(7.080,96)**
Closing Cost or Valuation at 31 December 2019	**35.070,68**	**79.694,72**	**114.765,40**
Accumulated depreciation on disposals	7.080,96	-	**7.080,96**
Depreciation charge for the year	(4.278,15)	(5.188,28)	**(9.466,43)**
Closing Accumulated depreciation, impairments and other adjustments at 31 December 2019	**(32.601,69)**	**(5.188,28))**	**(37.789,97)**
Closing net book value at 31 December 2019	**2.468,99**	**74.506,44**	**76.975,43**

The significant increase of the year is explained by adoption of IFRS 16 for a lease with a ROUA of 10.316,11 and a new lease contract for rent of office space, which results in a non-cash addition of EUR 69.378,61. The Foundation has lease contracts for offices with a lease term of 5 years.

The Foundation has also a lease of IT equipment (printer) and a lease of an office with lease terms of 12 months or less. The Foundation applies the ‘short-term lease’ recognition exemptions for these leases.

The Foundation has the option, under its leases of offices space to terminate the lease after a period of 3 years, over a lease term of 5 years. The Foundation judges that it is reasonably certain that it will not exercise this termination option. As such, the Foundation did not consider the termination option in its determination of the lease term.

10. Intangible assets

EUR	Internally generated intangible assets (Website & Apps)	Total
At 1 January 2018		
Cost or valuation	24.042,27	**24.042,27**
Accumulated amortization, impairments and other adjustments	(22.373,15)	**(22.373,15)**
Opening net book value at 1 January 2018	**1.669,12**	**1.669,12**
Period ended 31 December 2018		
Additions	13.673,00	**13.673,00**
Disposals	(14.568,40)	**(14.568,40)**
Closing Cost or Valuation at 31 December 2018	**23.146,87**	**23.146,87**
Accumulated depreciation on disposals	14.568,40	**14.568,40**
Depreciation charge for the year	(4.417,58)	**(4.417,58)**
Closing Accumulated depreciation, impairments and other adjustments at 31 December 2018	**(12.222,33)**	**(12.222,33)**
Closing net book value at 31 December 2018	**10.924,54**	**10.924,54**
Period ended 31 December 2019		
Additions	-	**-**
Disposals	-	**-**
Closing Cost or Valuation at 31 December 2019	**23.146,87**	**23.146,87**
Accumulated depreciation on disposals	-	**-**
Depreciation charge for the year	(3.418,25)	**(3.418,25)**
Closing Accumulated depreciation, impairments and other adjustments at 31 December 2019	**(15.640,58)**	**(15.640,58)**
Closing net book value at 31 December 2019	**7.506,29**	**7.506,29**

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 14)	62.055,89	37.655,88
Total financial assets	**62.055,89**	**37.655,88**
Total current	**62.055,89**	**37.655,88**
Total non-current	-	-

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 16)	98.337,08	78.963,30
European Parliament grant (Note 16)	113.395,49	91.184,08
Total other financial liabilities	**211.732,57**	**171.047,38**
Total current	**211.732,57**	**171.047,38**
Total non-current	-	-

	Interest rate	Maturity	31 December 2019	31 December 2018
	%		EUR	EUR
Current liabilities				
Leasing liabilities	1,53	2020	15.171,74	-
Bank overdrafts			376,55	1.036,14
Total current liabilities			**15.548,29**	**1.036,14**
Non-current liabilities				
Leasing liabilities	1,53	2021-2024	59.439,46	-
Rental deposits			1.020,00	500,00
Total non-current liabilities			**60.459,46**	**500,00**
Total liabilities			**76.007,75**	**1.536,14**

c) Fair Values

Set out below is a comparison, by class, of the carrying amounts and fair values of the Foundation'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 & other receivables	62.055,89	62.055,89	37.655,88	37.655,88
Total	**62.055,89**	**62.055,89**	**37.655,88**	**37.655,88**
Financial liabilities				
Leasing liabilities	74.611,20	74.611,20	-	-
Bank overdrafts	376,55	376,55	1.036,14	1.036,14
Rental deposits	1.020,00	1.020,00	500,00	500,00
Trade and other payables	211.732,57	211.732,57	171.047,38	171.047,38
Total	**287.740,32**	**287.740,32**	**172.583,52**	**172.583,52**

The Foundation mainly has short term financial assets and financial liabilities. As a result, the carrying amount is a reasonable approximation of the fair value. Moreover the carrying amount of leasing liabilities is also a reasonable approximation of the fair value.

12. Financial risk management

a) Financial risk factors

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

The Foundation's overall risk management program seeks to minimize potential adverse effects on the Foundation'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 Foundation 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 foundation contributions to be received. The impairment policy of the Foundation 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 Foundation 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. 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 historical observed default rates for Coppieters over the past years were limited and considered as non material compared to the total yearly revenue. The expected credit loss was therefore set to zero for the following years and no adjustements were made in this regard.

Credit risk from financing activities

Credit risk from balances with banks and financial institutions is managed by the Foundation's finance department in accordance with the Foundation's policy. The Foundation's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2019 and 2018 is the carrying amounts as illustrated in Note 14.

Liquidity risk

The Foundation 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)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings	376,55	520,00	500,00	-	**1.396,55**
Trade and other payables	98.337,08	-	-	-	**98.337,08**
Leasing liabilities	16.200,00	16.200,00	45.000,00	-	**77.400,00**
European Parliament grant	113.395,49	-	-	-	**113.395,49**

At 31 December 2018 (EUR)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings	1.036,14	-	500,00	-	**1.536,14**
Trade and other payables	79.863,30	-	-	-	**79.863,30**
European Parliament grant	91.184,08	-	-	-	**91.184,08**

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

	1 January 2019	Cash outflows	Cash inflows	IFRS 16 impact & Other	IFRS 16 addition	31 December 2019
	EUR	EUR	EUR	EUR		EUR
Current interest-bearing loans and borrowings (excluding items listed below)	1.036,14	(659,59)	-	-	-	376,55
Current leasing liabilities	-	(5.083,51)	-	3.334,82	16.920,43	15.171,74
Non-current interest-bearing loans and borrowings (excluding items listed below)	500,00	-	520,00	-	-	1.020,00
Non-current leasing liabilities	-	-	-	6.981,29	52.458,17	59.439,46
Total liabilities from financing activities	**1.536,14**	**(5.743,10)**	**520,00**	**10.316,11**	**69.378,60**	**76.007,75**

	1 January 2018	Cash outflows	Cash inflows	Other	31 December 2018
	EUR	EUR	EUR	EUR	EUR
Current interest-bearing loans and borrowings (excluding items listed below)	-	1.036,14	-	-	1.036,14
Non-current interest-bearing loans and borrowings (excluding items listed below)	500,00	-	-	-	500,00
Total liabilities from financing activities	**500,00**	**1.036,14**	**0,00**	**0,00**	**1.536,14**

b) Capital management

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

EUR	31 December 2019	31 December 2018
Cash and cash equivalents - note 15	248.650,55	185.781,53
Less: total borrowings	(1.396,55)	(1.536,14)
Net cash	**247.254,00**	**184.245,39**

13. Joint Operations

The Foundation has a certain part in a joint arrangement with the Member Foundations or third parties for which they conduct together joint projects, such as: conferences, debates, research papers, internal trainings, public events, etc. The foundation will call for proposals to partners and choose projects that will go through an approval process with the executive board and General Assembly. Once the project is approved they implement the project together with their partner. The cost incurred in these projects are covered by Coppieters Foundation and the member foundations / partners make a contribution to Coppieters Foundation. Both parties have joint rights to the asset being created. The portion of the cost covered by the member foundation is set off against the income flowing from the invoices issued to the member foundation.

14. Trade and other receivables

EUR	31 December 2019	31 December 2018
Trade receivables	34.935,29	36.125,30
Trade receivables - net	**34.935,29**	**36.125,30**
Accrued income and deferred charges	4.714,10	1.530,58
Other receivable	22.406,50	-
Total	**62.055,89**	**37.655,88**
Non-current portion	**-**	**-**
Current portion	**62.055,89**	**37.655,88**

The ageing of the trade receivables is as below:

31 December 2019	Days past due					
	Current	<30 days	30–60 days	61–90 days	>91 days	Total
	EUR	EUR	EUR	EUR	EUR	EUR
Total gross carrying amount at default	-	31.811,43	1.243,86	-	1.880,00	**34.935,29**

31 December 2018	Current	<30 days	30–60 days	61–90 days	>91 days	Total
	EUR	EUR	EUR	EUR	EUR	EUR
Total gross carrying amount at default	7.075,38	28.514,92	-	-	535,00	**36.125,30**

15. Cash and cash equivalents

EUR	31 December 2019	31 December 2018
Cash at banks and on hand	13.879,81	61.618,48
Short-term bank deposits	234.770,74	124.163,05
Total cash and cash equivalents (excluding bank overdrafts)	**248.650,55**	**185.781,53**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Foundation, and earn interest at the respective short-term 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	248.650,55	185.781,53
Bank overdrafts	(376,55)	(1.036,14)
Cash and cash equivalents (including bank overdrafts)	**248.274,00**	**184.745,39**

16. Trade and other payables

EUR	31 December 2019	31 December 2018
Trade payables	78.595,34	60.228,59
Social security and other taxes	19.741,74	19.634,71
European Parliament Grant	113.395,49	91.184,08
Total Trade and other payables	**211.732,57**	**171.047,38**
Non-current portion	**-**	**-**
Current portion	**211.732,59**	**171.047,38**

The trade and other payables of the Foundation 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 further detailed in the table below:

Opening 1 January 2018	**480.476,07**
Release grant into income statement	(479.886,54)
Grant carried-over 2017	-
Adjustment to final grant 2018	-
Reimbursement of grant	90.594,55
Recovery order prior year	-
Grant award 2019	-
Closing 31 December 2018	**91.184,08**
Release grant into income statement	(511.967,67)
Grant carried-over 2018	-
Payment recovery order prior year	-
Recovery order prior year	-
Grant award 2019	534.179,08
Closing 31 December 2019	**113.395,49**

17. Commitments and contingencies

Operating lease commitments – Foundation as a lessor

The Foundation has entered into operating leases on its rented office. These leases have a term of 1 and 3 years.

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are, as follows:

	31 December 2019	31 December 2018
	EUR	EUR
Within one year	10.000,00	6.000,00
After one year but not more than five years	-	4.000,00
More than five years	-	-
	10.000,00	**10.000,00**

18. Events after the reporting date

COVID-19 Crisis

During the first half of 2020, the COVID-19 outbreak has had a huge impact 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 COVID-19 does not require any adjustments to the figures reported in these annual accounts.

For subsequent reporting periods, the COVID-19 crisis may affect the recognition and measurement of some assets and liabilities on the balance sheet and also of some revenue and expenses recognised in the statement of financial performance. For example, some planned events and meetings had to be cancelled, and revenues from external sources decreased. The impact of these factors 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. The situation gives rise to uncertainty on the ability of the entity to continue as a going concern. The Board is evaluating the 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. Coppieters Foundation estimates that this event will have a material impact on the operations and financial situation of the entity. Grant receivable from the European Parliament is calculated on the basis of the number of Members of the European Parliament affiliated to the European Free Alliance. Those could potentially go from 13 to 9. Furthermore, in the context of the COVID-19 crisis, it is possible that the Brexit transition period may be extended, meaning that beyond December 2020 it is difficult to predict the future financial relationship between the UK and EU, and between Coppieters Foundation and its UK-based members.

The impact of Brexit is estimated at a reduction of 30% of the maximum grant allocation for 2021.

Xabier Macias

President of the Coppieters Foundation

Brussels, 10 July 2020