

AUDIT REPORT regarding the non profit association European Federation of Radio controlled Automobiles (EFRA) for the respective periods of the years 2008.10.01 – 2009.09.30

The undersigning persons have, by the federations of Sweden and Holland, been assigned to audit the operational year 2008/2009 accounting and performance of the association European Federation of Radio Controlled Automobiles (EFRA). The federations Sweden and Holland were elected by the EFRA Annual General Meeting (AGM) 2008. We have fulfilled our task and can give the AGM of EFRA the following report and judgment:

The audit has been done according to generally accepted auditing standards in Sweden, the country where we assume EFRA is registered with a general reservation on the knowledge of the Swedish law by the Dutch representative. This means that we have planned and performed the auditing with a high, but not absolute security, with the purpose to assure our self that the financial statements and year-end closing not include any major or important errors. An audit comprise the work with examine and review samples of supporting documents related to the amounts accounted for and other important information in the accounting material/records.

The auditing also include to test the accounting concept and accounting policy and the way the Executive committees have used them and to evaluate any important estimations the Excecutive Board may have made when it prepared the annual financial statement. Our work does also include an evaluation of the total information given in the annual financial statement.

We have also tried to review significant decisions, proceedings and circumstances in the association EFRA with the purpose to make it possible to judge if any member of the executive board has acted in conflict with the Swedish Accounting act or the constitution of EFRA.

We regard that our audit gives us a fair ground for our statements below;

We have analyzed and reviewed the existing book keeping and the cash and bank balances. The cash and bank balances do not give rise to any remarks, however, we have found that the accounting concept and accounting policy does not cope with the Swedish law , Bokföringslagen SFS 1999-1078.

Findings regarding the financial status and concept;
-there is an organized journal posting (Book of first entry) The method used can give a wrong impression of the cost level.
-the Balance sheet and P&L Statement does not meet the standards according to the above captioned act.
-the financial year October 1 to September 30 is not accepted by Swedish law.

Findings regarding the administration management by the Executive Board;
-decisions made at the previous AGM is not carried through and no comments given why.
-the tax declaration and income statements do not follow the Swedish tax law
We have during our audit requested a number of documents but have not got access to them. This impacts of course the exactness of the audit.

Requested but missing documents are;

- Minutes from meetings
- Authorization rules
- Documentation of the accounting system
- Charts of account
- Corporate identity number document
- Travelling reports
- Register of all members with information regarding paid or not paid membership fee.

Sufficient information has been provided by the Treasurer.

- All correspondence
- Permit to handle and keep the accounting documents outside Sweden
- List of assets, debts and liabilities

We have looked through the figures and what we have seen gives us no cause for reservations regarding the figures presented to us.

However if the EFRA organization is registered in Sweden, and based on our Audit work and outcome of it, described above, we can not recommend the Annual General Meeting (AGM) 2009 to give a discharge from liability to the Executive Board of the European Federation of Radio controlled Automobiles (EFRA).
We recommend this AGM, to approve the figures according to the information above, and to decide on an urgent professional advice regarding this matter.

Brussels October 30 2009

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Frederick Scholander
Auditor Sweden

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Frans Heinsbroek
Auditor Holland