

Report concerning :

Parliamentary group of the European Socialists

Auditor's report to the bureau of the Group concerning art. 3701
of the E.P. budget : the balance sheet at December 31st, 2003 and the
summary of revenues and expenditures of the financial year 2003.

AUDITOR'S REPORT TO THE BUREAU OF THE "PARLIAMENTARY GROUP OF THE PARTY OF EUROPEAN SOCIALISTS", CONCERNING ART. 3701 OF THE E.P. BUDGET:

THE BALANCE SHEET AT DECEMBER 31st 2003 AND THE SUMMARY OF REVENUES AND EXPENDITURES OF THE FINANCIAL YEAR 2003.

Ladies and gentlemen,

As you have requested, we have audited your report on the use of the credits of the budget 3701.

The balance sheet at December 31st 2003 and the summary of revenues and expenditures statement for the financial year 2003 are enclosed with our report.

We have audited the enclosed accounts of the "Parliamentary Group of the Party of European Socialists" for the financial year from January 1st to December 31st 2003.

We have performed our audits in accordance with generally accepted auditing standards issued by the "Belgian Institute of Auditors" (Instituut der Bedrijfsrevisoren - Institut des Réviseurs d'Entreprises) and in accordance with IAS-standards, so far these IAS-standards are applicable and not in contradiction with specific dispositions of the "Rules on the use of appropriations from budget item 3701". We have carried out all the verifications and auditing procedures which we deemed necessary in the circumstances.

During our audit, we have checked both in Brussels and on-the-spot, the conformity of the expenditures with the regulation of the Bureau of February 1st 2001, revised by the Bureau of July 1st 2003, concerning rules detailing the procedures for utilizing the appropriations set aside for information activities in item 3701 of the budget of the European Parliament.

We have verified whether:

- a) the expenditure has been charged to the correct item in the budget of the group;
- b) the appropriations are available;
- c) the expenditure is in line and conforms with the relevant provisions, in particular the budget of the group and the rules on the use of appropriations from budget item 3701;
- d) the principles of sound financial management have been applied;
- e) the payment order is supported by original documents (or certified true copies).

We have obtained all the information and explanations which, in our view, are essential to the proper performance of our assignment.

The undersigned, Swaelen & C^o - Auditors, with office at 52, Joe Englishstraat in Antwerp, declares that, with regard to the financial statements of 2003 audited, of which the balance-sheet total of the group amounts to 4.877.554,16 EURO, and of which the statement of revenues and expenditures closes with a cumulated profit of 3.154.599,23 EURO, (revenue: 15.694.685,90 EURO, expenditure: 12.540.086,67 EURO), and by virtue of Article 2.7.2. of the above mentioned regulations :

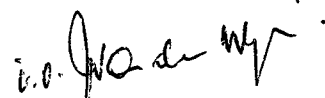
- a) in terms of the criteria we have examined we are not aware of any transactions concluded or procedures followed in violation of the regulations of the Bureau of February 1st 2001, revised by the Bureau of July 1st 2003;
- b) the financial statements have been audited in accordance with the generally accepted auditing standards issued by the Belgian Institute of Auditors (Instituut der Bedrijfsrevisoren - Institut des Réviseurs d'Entreprises);
- c) the accounts of the financial year from January 1st 2003 to December 31st 2003 have been kept by the "Parliamentary Group of the Party of European Socialists" in accordance with the harmonized accounting plan provided for the political groups of the European Parliament of the credits under heading 3701 of the Parliament budget;
- d) the Group has complied the internal financial rules of the Group of December 6th 2000, revised on December 10th 2003.
- e) the balance sheet at December 31st 2003 and the revenues and expenditures statement of 2003 give a true and fair view of the financial position and of the income and expenditures.

We completed our audit on April 16th 2004.

Annexes :

- Balance sheet;
- The summary of revenues and expenditures;
- Execution of article 72 per account;
- Detail of the property and equipment of the Parliamentary Group of the PES financial year 2003;
- Financial support granted to the PES during the 2003 financial year from 3701 appropriations received from the EP;
- Staff members allocated to support the PES at 31/12/2003;

Swaelen & C^o, burg. bvba,



Marcel J.F. Swaelen,
Auditor.

ANNEXES

FINANCIAL YEAR

2003

BALANCE SHEET

IV PREPAYMENTS AND ACCRUED INCOME

1.Charges yet paid	30.318,46
2.Advances to suppliers for future activities	58.157,38
3.Accrued income	<u>22.271,39</u>
TOTAL IV	<u>110.747,23</u>

TOTAL DEBIT 4.877.554,16

Deficit of the financial year _____

GRAND TOTAL 4.877.554,16

IV ACCRUALS AND DEFERRED INCOME

1.Charges paid, not yet debited at 31/12	
	<u>1.650.121,18</u>
TOTAL IV	<u>1.650.121,18</u>

TOTAL CREDIT 1.722.954,93

Remainder of the financial year 3.154.599,23

GRAND TOTAL 4.877.554,16

FINANCIAL YEAR 2003

STATEMENT OF REVENUE AND EXPENDITURE

CHAPTER		TITLE	FORECAST	EXECUTION	%
	ART				
		<u>A) REVENUE</u>			
1		Allocation and other revenue from the EP	10.563.307,00	10.563.307,00	100,00%
2		Own ressources	5.141.977,48	5.131.378,90	99,79%
		TOTAL REVENUE	15.705.284,48	15.694.685,90	99,93%
		GRAND TOTAL	15.705.284,48	15.694.685,90	99,93%
		<u>B) EXPENDITURE</u>			
1		Staff	3.331.000,00	3.120.525,19	93,68%
2		Material, current administrative and operational costs	327.300,00	269.655,17	82,39%
3		Documentation, studies and research	139.000,00	106.074,77	76,31%
4		Legal, accounting, financial an various operational costs	94.000,00	79.555,60	84,63%
5		Meeting and representation costs	1.112.500,00	747.517,15	67,19%
6		Publications and publicity	1.080.070,00	996.941,01	92,30%
7		Members	7.905.673,81	6.876.683,89	86,98%
8		Subventions and membership fees	361.000,00	343.133,89	95,05%
9		Operational reserve and general reserve for unforeseen expenditure	550.076,00	0,00	0,00%
		TOTAL EXPENDITURE	14.900.619,81	12.540.086,67	84,16%
		Carry forward to next financial year	804.664,67	3.154.599,23	392,04%
		GRAND TOTAL	15.705.284,48	15.694.685,90	99,93%

CHAPTER	TITLE	FORECAST	EXECUTION	%
ART				
1	<u>ALLOCATION AND OTHER REVENUE FROM THE E.P.</u>			
11	Allocation from the E.P.	10.563.307,00	10.563.307,00	100,00%
12	Other revenue from the EP	0,00	0,00	
	TOTAL	10.563.307,00	10.563.307,00	100,00%

CHAPTER	TITLE	FORECAST	EXECUTION	%
ART				
2	<u>OWN RESSOURCES</u>			
21	Interests	275.000,00	192.938,44	70,16%
22	Exchange gains	0,00	833,65	
23	Various	0,00	5.826,61	
24	Recovery of VAT	190.000,00	254.802,72	134,11%
25	Carry forward from the previous financial year:	4.676.977,48	4.676.977,48	100,00%
	TOTAL	5.141.977,48	5.131.378,90	99,79%
	TOTAL REVENUE	15.705.284,48	15.694.685,90	99,93%

CHAPTER		TITLE	FORECAST	EXECUTION	%
	ART				
1		<u>STAFF</u>			
	11	Missions of the secretariat	1.851.000,00	1.802.425,21	97,38%
	12	Recruitment	540.000,00	446.203,82	82,63%
	13	Stages	190.000,00	188.268,93	99,09%
	14	Salaries and related charges, fees	590.000,00	525.489,98	89,07%
	15	Professional training	153.000,00	151.137,25	98,78%
	16	Staff representation	7.000,00	7.000,00	100,00%
		TOTAL	3.331.000,00	3.120.525,19	93,68%

CHAPTER	TITLE	FORECAST	EXECUTION	%
ART				
2	<u>MATERIAL AND CURRENT SECRETARIAT COSTS</u>			
21	Equipment, exploitation, engineering and maintenance costs concerning informatics	22.100,00	10.143,96	45,90%
22	Equipment, exploitation, engineering and maintenance costs concerning other office equipment.	152.000,00	148.643,20	97,79%
23	Stationery and office supplies	8.200,00	7.834,02	95,54%
24	Postage and telecommunications	107.000,00	99.096,89	92,61%
25	Printing and duplicating	38.000,00	3.937,10	10,36%
	TOTAL	327.300,00	269.655,17	82,39%

CHAPTER	TITLE	FORECAST	EXECUTION	%
ART				
3	<u>DOCUMENTATION, STUDIES AND RESEARCH</u>			
31	Newspaper, reviews, press agencies library	113.000,00	100.490,88	88,93%
32	Studies and research	22.000,00	4.866,67	22,12%
33	Data banks	4.000,00	717,22	17,93%
	TOTAL	139.000,00	106.074,77	76,31%

CHAPTER	TITLE	FORECAST	EXECUTION	%
ART				
4	<u>LEGAL , ACCOUNTING FINANCIAL AND VARIOUS OPERATIONAL COSTS</u>			
41	Legal costs	17.000,00	9.107,50	53,57%
42	Accounting costs	66.000,00	61.955,56	93,87%
43	Financial costs	10.000,00	7.569,62	75,70%
44	Various operational costs	1.000,00	922,92	92,29%
	TOTAL	94.000,00	79.555,60	84,63%

CHAPTER	TITLE	FORECAST	EXECUTION	%
ART				
5	<u>MEETING AND REPRESENTATION COSTS</u>			
51	Group meetings	42.000,00	30.843,12	73,44%
52	Other meetings and conferences	919.000,00	610.886,40	66,47%
53	Representation costs	113.500,00	81.619,90	71,91%
54	Invitation of personalities	38.000,00	24.167,73	63,60%
	TOTAL	1.112.500,00	747.517,15	67,19%

CHAPTER	TITLE	FORECAST	EXECUTION	%
ART				
6	<u>PUBLICATIONS AND PUBLICITY</u>			
61	Posters, leaflets and brochures	442.000,00	395.336,68	89,44%
62	Publicity inserts and audio-visual publicity	36.570,00	33.846,23	92,55%
63	Publicity material, gadgets	305.000,00	302.825,00	99,29%
64	Internet sites	244.500,00	223.962,93	91,60%
65	Visits to the institutions, information stands	52.000,00	40.970,17	78,79%
	TOTAL	1.080.070,00	996.941,01	92,30%

CHAPTER		TITLE	FORECAST	EXECUTION	%
ART					
7		<u>MEMBERS</u>			
	71	Members' mission costs	283.000,00	223.852,68	79,10%
	72	Political and information activities of the members; administration costs, political and information activities of the national delegations.	7.622.673,81	6.652.831,21	87,28%
		TOTAL	7.905.673,81	6.876.683,89	86,98%

CHAPTER	TITLE	FORECAST	EXECUTION	%
ART				
8	<u>SUBVENTIONS AND MEMBERSHIP FEES</u>			
81	Subventions	85.000,00	74.272,75	87,38%
82	Membership fees	276.000,00	268.861,14	97,41%
	TOTAL	361.000,00	343.133,89	95,05%

CHAPTER	TITLE	FORECAST	EXECUTION	%
ART				
9	<u>OPERATIONAL RESERVE AND GENERAL RESERVE FOR UNFORSEEN EXPED.</u>			
	91 Operational reserve	550.000,00	0,00	0,00%
	92 General reserve for unforeseen expenditure	76,00	0,00	0,00%
	TOTAL	550.076,00	0,00	0,00%
	TOTAL EXPENDITURE	14.900.619,81	12.540.086,67	84,16%
	Carry forward to next financial year	804.664,67	3.154.599,23	
	GRAND TOTAL	15.705.284,48	15.694.685,90	99,93%

Analysis of national delegations' expenditure in the 2003 financial year.

Detail execution art. 72

Budget art.	Heading	expenditure	%
10	staff	3.322.760,86	49,95 %
20	secretariat	180.735,25	2,72 %
30	documentation, studies and research	125.770,76	1,89 %
40	juridical,accounting and financial costs	39.020,24	0,59 %
52	meetings and conferences	747.348,27	11,23 %
54	guests	73.090,69	1,10 %
61	posters and brochures	994.375,47	14,95 %
62	insertions and audio-visual publicity	383.498,99	5,76 %
63	gadgets	217.292,51	3,27 %
64	internet Sites	229.607,49	3,45 %
65	Visits to institutions, info stands	339.330,68	5,10 %
	TOTAL	6.652.831,21	100,00 %

analysis of the property and equipment on the balance sheet and depreciations

Financial Year 2003

Art.	Category	depreciation %	total acquisition value	acquisitions 2003	de-classifications in 2003	accumulated depreciations	Net value 31/12/2003
5	Informatics Software	0,25	3.205,48	2.320,83	0,00	2.182,95	3.343,36
10	Informatics Hardware	0,25	36.839,65	13.080,49	435,23	23.025,67	26.459,24
30	Telecom/Audiovisual Equipment	0,25	23.524,05	13.910,09		16.325,69	21.108,45
45	Various technical/office Equipment	0,25	0,00	0,00	0,00	0,00	0,00
50	Office furniture	0,10	560,50	3.508,34	0,00	462,93	3.605,91
60	Automobiles	0,25					0,00
	TOTAL		64.129,68	32.819,75	435,23	41.997,24	54.516,96

**Financial support granted to the PES during the 2003 financial year
from 3701 appropriations received from the EP**

<u>Budget article</u>	<u>Amount</u>
6-11 Staff missions	109.134,89
6-13 Stagiaires	0,00
6-15 Staff training	0,00
6-22 Purchase of material	0,00
6-24 Postage and telecommunication	10.775,25
6-31 Newspapers, reviews	3.308,30
6-33 Data banks	275,79
6-81 Subventions	58.022,75
6-82 Membership fee	211.000,00
TOTAL	392.516,98

The total amount of support granted to the PES represent **3,72%** of the allocation the Group has received from the EP for the budget year 2003.

Staff members allocated to support the PES at 31/12/2003

Antony Beumer
Armin Machmer
Nicolas Crook
Javier Moreno Sanchez
Tony Robinson

Ludivine Weech
Frida Lopez
Marina Pöhlmann

Maria Pia Di Mascio
Christiane Jacobs Saadouni
Julie Somerville
Pamela Stewart
Juanita Terron

This is a total of 13 staff members or 7,65 % of the organigramme of the Group.
(Total number of posts on the PES Group organigramme: 170