



Der Vorsitzende - The Chairman - Le Président

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Mr Martin SCHULZ
President
European Parliament
PHS 09B011

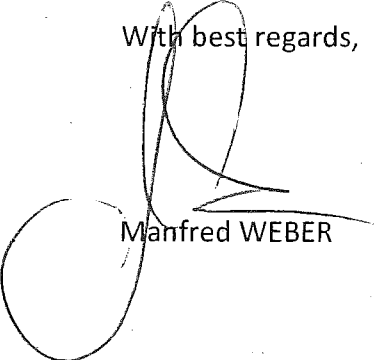
Brussels, 29 April 2016

Dear Mr President,

Please find attached the Audit report together with the annual accounts of our Group for the period ended 31 December 2015, in accordance with the Rules on the use of appropriations from budget item 400.

This document will be published on the intranet of the European Parliament.

With best regards,



Manfred WEBER

**Group of the European People's Party
(Christian Democrats)
in the European Parliament**

Short Form Report
on the Accounts of
Budget Item 400 for
the period from
1 January 2015 to
31 December 2015

Group of the European People's Party
(Christian Democrats)
in the European Parliament
ASP Building
Rue Wiertz 60
B-1047 Brussels

Report of the auditor

Following our appointment, we have audited the accompanying annual accounts of the Group of the European People's Party (Christian Democrats) in the European Parliament ('the Group'), which comprise the balance sheet as at 31 December 2015 and the revenue and expenditure statement for the period from 1st January 2015 to 31 December 2015, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the annual accounts

The Management is responsible for the preparation that give a true and fair view in accordance with the rules adopted by the European Parliament Bureau in the version of 30 June 2003, lastly revised by the Bureau on 27 April 2015, in respect of the procedures for the use of resources of budget item 400 of the European Parliament and with the Group's internal rules (hereafter: 'Applicable Rules'), and for such internal control as the Management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the auditor

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA's). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgement of the auditor, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the annual accounts.

By carrying out our work, we have verified that expenditure has been made in accordance with the Applicable Rules as well as the Group's financial regulations.

Our audit work included specific procedures aimed at gathering sufficient and appropriate audit evidence that:

- The overall considerations on financial statements in the rules adopted by the Accounting Officer of the Commission referred to in articles 143 and 144 of the Financial Regulation have been observed in the preparation of the annual accounts or, where appropriate, a divergence from these overall considerations is adequately explained by a note to the annual accounts;
- An effective and efficient internal control system for the management of operations, which includes effective segregation of the duties of authorising officer and accounting officer or of the equivalent functions;
- The accounts have been prepared in accordance with the harmonised Accounting Plan 400 in Part 2 of the Rules;
- The expenditures have been charged to the correct item in the budget of the Group;
- The appropriations were available;
- The principles of sound financial management have been applied;
- Expenditure conformed to Applicable Rules;
- Payment orders are supported by original documentation (or certified copies);
- The Group's internal rules have been observed.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the annual accounts of the Group as at 31 December 2015 and for the period from 1st January 2015 to 31 December 2015 are prepared, in all material respects, in accordance with the Applicable Rules.

Zaventem, 28 april 2016


BDO Réviseurs d'Entreprises Soc. Civ. SCRL
Auditor
Represented by Gert Claes

**Balance sheet of the Group of the European People's Party
(Christian Democrats)
in the European Parliament
for budget item 400 as at 31 December 2015**

ASSETS	Notes	<u>31/12/2015</u>		<u>31/12/2014</u>	
		EUR		EUR	
I	Tangible and intangible fixed assets				
I.1	Intangible fixed assets	-		-	
I.2	Tangible fixed assets	3, 7	<u>135.635</u>	135.635	<u>150.376</u>
					150.376
II	Debtors, stocks and other current assets	4.1			
II.1	Suppliers		108.627	-	
II.2	Staff		29.150	37.094	
II.3	Value added tax		9.367	31.607	
II.4	Stocks		-	-	
II.5	Others		<u>226</u>	<u>147.370</u>	<u>2.397</u>
					71.098
III	Cash and bank	4.2			
III.1	Securities		153.852	128.121	
III.2	Cash		<u>13.202.074</u>	13.355.926	<u>11.184.955</u>
					11.313.076
IV	Deferred charges/Accrued income	4.3			
IV.1	Deferred charges		312.733	60.827	
IV.2	Accrued income		<u>12.392</u>	325.125	<u>124.096</u>
					184.923
TOTAL ASSETS			<u><u>13.964.056</u></u>		<u><u>11.719.473</u></u>

**Balance sheet of the Group of the European People's Party
(Christian Democrats)
in the European Parliament
for budget item 400 as at 31 December 2015**

LIABILITIES		Notes	<u>31/12/2015</u> EUR		<u>31/12/2014</u> EUR	
I	Reserves	3				
I.1	Balance carried forward		<u>10.536.408</u>	10.536.408	<u>10.031.253</u>	10.031.253
II	Financial debts					
II.1	Financial debts of more than one year		-		-	
II.2	Financial debts of less than one year		<u>-</u>	-	<u>-</u>	-
III	Other debts	4.4				
III.1	Other debts		1.100		-	
III.2	Charges settled in the period and paid in the following period		<u>3.381.684</u>	3.382.784	<u>1.579.614</u>	1.579.614
IV	Accrued charges/Deferred income					
IV.1	Accrued charges				73.191	
IV.2	Deferred income		<u>44.864</u>	44.864	<u>35.415</u>	108.606
TOTAL LIABILITIES				<u><u>13.964.056</u></u>		<u><u>11.719.473</u></u>

**Resources available of the Group of the European People's Party
(Christian Democrats)
in the European Parliament
for budget item 400 for the period ended 31 December 2015**

	Notes	01/01/2015 - 31/12/2015 EUR	01/07/2014 - 31/12/2014 EUR
I REVENUE			
I.1 EP SUBSIDIES AND OTHER EP REVENUE			
I.1.1 Allocation from EP	3, 5.1	17.439.765	8.771.809
I.1.2 Other revenue from EP		-	-
		<u>17.439.765</u>	<u>8.771.809</u>
I.2 OWN RESOURCES			
I.2.1 Interest and similar receipts		223.683	68.177
I.2.2 Exchange gains		2.493	575
I.2.3 Miscellaneous resources	5.2	12.035	26.174
I.2.4 Amount carried forward from the preceding financial year		9.959.546	7.649.246
		<u>10.197.757</u>	<u>7.744.172</u>
TOTAL REVENUE		<u><u>27.637.522</u></u>	<u><u>16.515.981</u></u>

**Expenditure of the Group of the European People's Party
(Christian Democrats)
in the European Parliament
for budget item 400 for the period ended 31 December 2015**

	Notes	01/01/2015 - 31/12/2015 EUR	01/07/2014 - 31/12/2014 EUR
II EXPENDITURE			
II.1 STAFF			
II.1.1 Secretariat missions		3.179.254	1.567.711
II.1.2 Recruitment		12.176	320
II.1.3 Traineeships		214.576	85.732
II.1.4 Salaries and related costs, fees		1.051.792	405.528
II.1.5 Staff training		139.314	60.861
II.1.6 Staff representation		83.500	59.331
		4.680.612	2.179.483
II.2 EQUIPMENT, ROUTINE ADMINISTRATIVE EXPENDITURE AND OPERATING EXPENDITURE			
II.2.1 Equipment, operating expenditure, computer engineering and maintenance		251.021	156.793
II.2.2 Equipment, telecommunications-related installation and maintenance expenditure, office machinery, furniture and technical installations		86.350	42.677
II.2.3 Stationery and office supplies		34.671	15.951
II.2.4 Postage and telecommunications		120.394	76.244
II.2.5 Printing and photocopying costs		218.966	106.536
II.2.6 Office rental costs		-	-
		711.402	398.201
II.3 DOCUMENTATION, STUDIES AND RESEARCH			
II.3.1 Newspapers, magazines, press agencies and books		221.754	90.601
II.3.2 Studies and research		-	-
II.3.3 Databases		-	-
		221.754	90.601
II.4 LEGAL AND ACCOUNTING COSTS, FINANCIAL CHARGES AND OTHER OPERATING EXPENDITURE			
II.4.1 Legal costs		11.073	3.600
II.4.2 Accounting and audit costs		50.327	49.019
II.4.3 Financial charges and exchange losses		21.445	69.210
II.4.4 Translation and interpreting costs		5.525	242
II.4.5 Other operating expenditure		11.845	14.434
		100.215	136.505

The notes form an integral part of the accounts.

**Expenditure of the Group of the European People's Party
(Christian Democrats)
in the European Parliament
for budget item 400 for the period ended 31 December 2015
(continued)**

	01/01/2015 - 31/12/2015	01/07/2014 - 31/12/2014
Notes	EUR	EUR
II.5 EXPENDITURE ON MEETINGS AND ENTERTAINMENT		
II.5.1 Official Group meetings	722.755	176.418
II.5.2 Other meetings and conferences	674.834	309.164
II.5.3 Expenditure on representation	125.936	23.615
II.5.4 Guests	5.545	2.347
II.5.5 Fact-finding missions by individual Members	113.478	63.527
	<u>1.642.548</u>	<u>575.071</u>
II.6 PUBLICATIONS AND ADVERTISING		
II.6.1 Posters, booklets, publications	426.560	163.734
II.6.2 Advertising inserts and audiovisual advertising	599.129	19.812
II.6.3 Advertising material, novelty items, telecommunications advertising	1.258.626	353.793
II.6.4 Internet sites and cyber advertising	648.948	137.003
II.6.5 Visits to institutions, information stands	450.006	267.807
	<u>3.383.269</u>	<u>942.149</u>
II.7 MEMBERS		
II.7.1 Decentralised political and information activities	5.3 6.356.314	2.162.718
	<u>6.356.314</u>	<u>2.162.718</u>
II.8 SUBSIDIES AND SUBSCRIPTIONS		
II.8.1 Subsidies	5.000	-
II.8.2 Subscriptions	-	-
	<u>5.000</u>	<u>-</u>
TOTAL EXPENDITURE	<u>17.101.114</u>	<u>6.484.728</u>
BALANCE CARRIED FORWARD	<u>10.536.408</u>	<u>10.031.253</u>
GRAND TOTAL OF REVENUE AND EXPENDITURE	<u>27.637.522</u>	<u>16.515.981</u>

The notes form an integral part of the accounts.

**Group of the European People's Party (Christian Democrats)
in the European Parliament
Notes to the accounts for the period ended 31 December 2015**

1 General

Officially recognised as the Christian Democrat Group on 23 June 1953, pursuant to the Resolution of the Common Assembly of the European Coal and Steel Community, the Group changed its name, following the European elections in 2009 from 'Group of the European People's Party (Christian Democrats) and European Democrats' to 'Group of the European People's Party (Christian Democrats)' hereafter referred to as 'EPP Group'.

With 216 Members as at 31 December 2015, the EPP Group is the largest political Group in the European Parliament (hereafter referred to as 'EP').

2 Basis of preparation

The accounts have been prepared in accordance with the rules concerning the use of resources of the budget item, '400 Expenditure for political and information activities and secretarial costs of the groups and members with no affiliation to any political party', as adopted by the Bureau of the EP in the version of 30 June 2003, revised by the Bureau of the EP on 22 March 2006, on 11 July 2007, on 20 September 2010, on 23 March 2011, on 26 September 2011, on 2 July 2012, on 11 March 2013, on 24 February 2014, on 14 April 2014 and 27 April 2015.

According to article 2.1.1 of the financial rules governing budget item 400 this report covers the financial year 2015 which lasts from 1 January 2015 to 31 December 2015. The year 2014 was a European election year; consequently comparative figures cover the 6 month budget period from 01/07/2014 to 31/12/2014.

3 Significant accounting and valuation principles

The accounts have been prepared on the historic cost basis and in accordance with the generally accepted accounting principles, namely:

- going concern;
- prudence;
- consistent accounting methods;
- comparability of information;
- no netting;
- substance over form.

According to article 2.5.3 of the budget item '400 Expenditure for political and information activities and secretarial costs of the groups and members with no affiliation to any political party', the accounts are drawn up on a modified accrual basis. All expenses occurred up to 31 December of the current financial year and paid before 31 January the following year are accounted for as expense in the reporting period. Expenses of the accounting period that are settled after the balance sheet date are shown in the balance sheet, under liabilities, under position III.2 'Charges settled in the period and paid in the following period'.

**Group of the European People's Party (Christian Democrats)
in the European Parliament
Notes to the accounts for the period ended 31 December 2015
(continued)**

3 Significant accounting and valuation principles (continued)

Valuation principles

Fixed-term securities are shown under the position III. 'Cash and banks' are valued at lower of cost or market. The fixed term deposits are valued at their nominal value.

Debtors are recorded at their nominal value while liabilities are stated at their repayment value.

Foreign currencies

The accounts are expressed in Euros (EUR).

All balances in foreign currencies are converted with the exchange rate as per balance sheet date, except for fixed assets which are valued at their acquisition cost.

Income and expenditure in foreign currencies are converted to EUR at the exchange rate of the second last day of the previous month as published by the European Central Bank (ECB).

Gains and losses on foreign exchange are recognised as income or expense in accordance with the imparity principle.

Tangible fixed assets

Fixed assets are depreciated starting the month of purchase of the asset.

Assets with an acquisition cost higher than EUR 420 and a normal useful economic life of more than one year are capitalised and depreciated on a straight line basis as follows:

	<u>Depreciation p.a.</u>
Software	25,0%
Hardware	25,0%
Telecommunications equipment	25,0%
Technical equipment	12,5%
Miscellaneous installations and machines	12,5%
Furniture (chairs, desks, cupboards)	10,0%

A recapitulative table of tangible fixed assets in the balance sheet is available under point 7.

**Group of the European People's Party (Christian Democrats)
in the European Parliament
Notes to the accounts for the period ended 31 December 2015
(continued)**

3 Significant accounting and valuation principles (continued and end)

Reserves

At year end 2015 a maximum of 50% of the annual subsidies may be brought forward to the following year. Surpluses in excess of this amount have to be transferred to the EP.

The balance carried forward to the financial period from 1 January 2015 to 31 December 2015 is calculated as follows:

	EUR
1. Subsidies received from the EP for the financial year 2015	17.439.765
2. Maximum amount transferable to the next financial year (50% of the subsidies received from the EP for 2015)	8.719.883
3. Remainder at the end of 31 December 2015	10.536.408
4. Subsidies to be transferred to the EP	-1.816.525
5. Amount carried forward to the following financial year	8.719.883

The reported surplus brought forward of EUR 10.536.408 (31 December 2014: EUR 10.031.253) as stated in the report exceeds the 50% ceiling which can be brought forward. The surplus of EUR 1.816.526 is to return to the Parliament.

The amount of 1.816.525 EUR (subsidies to be transferred to the EP) is included in the reserves (balance carried forward) as the amount to be recovered will be established by the Bureau of the European Parliament after 31st January 2016 following the acknowledgement of the audited annual accounts.

**Group of the European People's Party (Christian Democrats)
in the European Parliament**
Notes to the accounts for the period ended 31 December 2015
(continued)

4 Significant balance sheet positions

- 4.1 Debtors, stocks and other current assets of EUR 147.370 (31 December 2014: EUR 71.098) are due within one year.

Caption II.2 'Staff' of EUR 29.150 (31 December 2014: EUR 37.094) represents mainly advances to staff for which recipients of the funds have not yet provided supplying documentation (non-justified advances).

Caption II.5 'Others' represents an amount of EUR 226 concerning advances (31 December 2014: EUR 2.397) for which the recipients of the funds have not yet provided supporting documentation (non-justified advances). These expenses will be accounted for in the revenue and expenditure statement once the receipts have been processed.

- 4.2 Cash and banks as at 31 December 2015 are presented as follows:

	31/12/2015	31/12/2014
	EUR	EUR
Share certificates	150	150
Fixed-rate securities	153.702	127.971
Total securities	153.852	128.121
Term deposits	12.625.570	10.812.863
Current accounts	569.845	367.190
Petty cash	6.659	4.902
Total cash	13.202.074	11.184.955
TOTAL	13.355.926	11.313.076

The securities are valued at lower of cost or market. The market value of the securities at the period ended 31 December 2015 amounts to EUR 153.852 (31 December 2014: EUR 128.121). Value adjustments, from the application of the lower cost or market value principle of EUR 19.712 are included under Caption I.2.1 'Interest and similar receipts'. (31 December 2014: EUR 44.299 addition to provision has been recognised.)

- 4.3 Caption IV.1 'Deferred charges' EUR 312.733 (31 December 2014: EUR 60.827) represents prepaid newspaper/news agency subscriptions and lease contracts. These expenses are related to the following financial year.
Caption IV.2 'Accrued income' EUR 12.392 (31 December 2014: EUR 124.096) are receivable amounts for services paid by the Group in 2015, which were reimbursed by a co-organiser at the beginning of 2016.
- 4.4 Caption III 'Other debts' includes EUR 3.381.684 (31 December 2014: EUR 1.579.614) representing expenditures accounted for the period from 1 January to 31 December and payable until 31 January

**Group of the European People's Party (Christian Democrats)
in the European Parliament
Notes to the accounts for the period ended 31 December 2015
(continued)**

5 Significant revenue and expenditure positions

- 5.1 Subsidies from the EP represent resources made available to cover secretarial costs and expenses for other political and information activities.
- 5.2 Caption I.2.3 'Miscellaneous resources' represents income resulting from adjustments to the supplier accounts in respect of previous financial periods.
- 5.3 Expenses under position II.7.1 'Decentralised political and information activities' relate to political and information activities of members as well as political and information activities of national delegations, and consist of the following categories:

Heading	01/01/2015-31/12/2015		01/07/2014-31/12//2014	
	EUR	in %	EUR	in %
Staff costs	7.000	0,11%	7.109	0,33%
Material, maintenance and operating expenses	2.404	0,04%	645	0,03%
Documentation, surveys and research expenses	274.382	4,31%	65.201	3,01%
Consulting fees and other administration expenses	-	0,00%	-	0,00%
Meetings and conferences	1.688.759	26,57%	559.841	25,89%
Representation costs	-	0,00%	-	0,00%
Invitations	811.126	12,76%	281.664	13,02%
Brochures and other publications	926.180	14,57%	330.336	15,27%
Adverts and audio-visual advertising	449.163	7,07%	148.647	6,87%
Promotional material	1.266.198	19,92%	367.915	17,01%
Internet	467.291	7,35%	249.448	11,53%
Visit groups	463.811	7,30%	151.912	7,02%
	<u>6.356.314</u>	<u>100,00%</u>	<u>2.162.718</u>	<u>100,00%</u>

6 Commitments

As per 31 December 2015 'Other financial commitments' amount to EUR 231.222 (31 December 2014: EUR 314.535) and result from rental agreements for copy machines.

**Group of the European People's Party (Christian Democrats)
in the European Parliament
Notes to the accounts for the period ended 31 December 2015
(continued)**

7 Tangible fixed assets

Category and depreciation rate	Computer software 25% (Euro)	Computer hardware 25% (Euro)	Telecom equipment 25% (Euro)	Technical equipment and supplies 12,50% (Euro)	Miscellaneous installations and machines 12,5% (Euro)	Furniture (chairs, desks, cupboards) 10% (Euro)	Total (Euro)	
Historic cost	Opening balances (historic cost)	27.612	154.333	405.410	12.088	9.424	677.807	
	Less Sales entered in profit and loss account	2.510	9.537	14.269	0	0	26.316	
	Add Acquisitions during financial year	998	9.836	30.159	0	0	40.993	
	Add Transfers							
	Gives Closing balance at historic cost	26.100	154.632	421.300	12.088	9.424	68.940	692.484
Accumulated depreciation	Opening balances (accumulated depreciation)	25.668	129.045	307.691	9.707	9.084	527.431	
	Less accumulated depreciation of fixed assets sold and entered in profit and loss account	2.510	9.537	14.269	0	0	26.316	
	Add depreciation for financial year	1.851	10.686	37.637	696	340	4.524	55.734
	Gives Closing balance at historic cost	25.009	130.194	331.059	10.403	9.424	50.760	556.849
	Net value							
Net accounting value as at 31/12/2014	1.944	25.288	97.719	2.381	340	22.704	150.376	
Net accounting value as at 31/12/2015	1.091	24.438	90.241	1.685	0	18.180	135.635	

**Group of the European People's Party (Christian Democrats)
in the European Parliament
Notes to the accounts for the period ended 31 December 2015
(continued and end)**

8 Technical support to political parties and foundations (EC regulation 2004/2003)

The EPP Group has not granted any technical support to political parties and foundations (namely to the European People's Party or to the Wilfried Martens Centre for European Studies) as defined in the EC Regulation 2004/2003 and in article 11 of the EP Bureau decision dated 29 March 2004.

The foundation of the EPP Group, namely the Robert Schuman Foundation for the cooperation among Christian-Democrats in Europe, is incorporated under the laws of Grand Duchy of Luxembourg and publishes its accounts according to the applicable law in the official bulletin "Memorial" section C in Luxembourg.