



**European Conservatives and Reformist  
Group**

**Financial statements**

**Budget item 400 of the budget  
of the European Parliament**

**Financial year 2021**

**25 April 2022**

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**REPORT OF THE EXTERNAL AUDITORS ON THE ANNUAL ACCOUNTS RELATIVE  
TO THE USE OF THE CREDITS OF ITEM 400 OF THE BUDGET OF THE EUROPEAN  
PARLIAMENT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2021**

**AUDITOR'S REPORT**

In accordance with the audit mandate, we have audited the Group's Financial Statement prepared by the Group Accountant for the financial year 2021 starting as of January 1, 2021 and ending on December 31, 2021.

**Respective responsibilities of the Group and the auditor**

Pursuant to the rules on the use of appropriation from budget item 400 (hereafter "the Rules"), the Group is responsible to the European Parliament for the conformity of appropriation usage and of the preparation of the group's financial year 2021 financial report for the period starting as of January 1, 2021 and ending on December 31, 2021.

We are responsible for planning and carrying out the required work to verify the financial report prepared by the Group and to report with reasonable assurance our audit opinion to the Group.

**Basis for our opinion**

We have conducted the audit in accordance with International Standards on Auditing as issued by the IAASB. This standard requires the auditor or auditing company to plan and carry out the work in such a way as to obtain sufficient and appropriate evidence and explanations to support audit opinions. An audit includes an examination, on a sample basis, of evidence relevant to the opinions.

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

- a) the statement of revenue and expenditure gives a true and fair view of the group's financial position for the budget period concerned;
- b) the balance sheet gives a true and fair view of the Group's assets at the end of the budget period,
- c) the overall considerations on financial statements in the rules adopted by the Accounting Officer of the Commission set out in Article 80 of the Financial Regulation, have been observed in the preparation and presentation of the accounts or, where appropriate, a divergence from these overall considerations is adequately explained by a note to the financial statements.
- d) 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, is in place

- e) the accounts have been presented in accordance with the harmonised Accounting Plan in Part 2 of the Rules;
- f) the expenditure complies with the provisions of the Rules;
- g) the expenditure has been charged to the correct item in the budget of the Group;
- h) the appropriations were available;
- i) the principles of sound financial management have been applied;
- j) payment orders are substantiated by original supporting documents (or certified true copies);
- k) the Group's internal rules have been observed.

The audit work included verification of the risk management activities of the Group and on the quality of management and control systems. If necessary, recommendations for improving the conditions of implementation of operations and promoting sound financial management were issued.

The audit work also included assessment of the suitability and effectiveness of internal management systems and the performance of departments in implementing policies, programmes and actions by reference to the risks associated with them; and assessment of the efficiency and effectiveness of the internal control and audit systems applicable to every budget implementation operation.

### Opinion

- As a result of our work, we did not identify any material non-conformity with the dispositions laid out in the Rules or with the Group's internal rules including the internal control system.
- The overall presentation of the income and expense statement and of the balance sheet complies with the chart of account provided with the Rules.
- No departures from generally accepted accounting principles have been established.
- The principle of sound financial management has been applied.
- In our opinion, the balance sheet gives a true and fair view of the financial position of the Group at 31/12/2021 and of the revenue and expenses for financial year ending at 31/12/2021.

Melle, April 25, 2022

Baker Tilly Belgium Bedrijfsrevisoren CVBA



Jan Smits  
Audit Partner

## **Balance Sheet & Profit and loss**

**EUROPEAN CONSERVATIVES AND REFORMISTS GROUP  
ANNUAL STATEMENTS RELATING TO THE USE OF THE CREDIT OF ITEM 400  
OF THE BUDGET OF THE EUROPEAN PARLIAMENT**

**BALANCE SHEET AS AT 31 DECEMBER 2021**

NOTE	31/12/2021 Amounts in Euro	31/12/2020 Amounts in Euro
<b>ASSETS</b>		
<b>FIXED ASSETS</b>		
<b>Chapter 1 Intangible and tangible assets</b>		
1 Intangible assets		
2 tangible assets	90.913,20	119.944,56
<b>Subtotal chapter 1</b>	<b>90.913,20</b>	<b>119.944,56</b>
<b>CURRENT ASSETS</b>		
<b>Chapter 2 Debtors, stocks and other working assets</b>		
1 Suppliers	0,00	810,00
2 Staff		
3 VAT	-9.459,20	6.846,07
4 Stocks		
5 Various	-	-
<b>Subtotal chapter 2</b>	<b>-9.459,20</b>	<b>7.656,07</b>
<b>Chapter 3 Financial assets</b>		
1 Financial securities		
2 Cash and cash equivalent	5.318.740,63	4.861.321,62
<b>Subtotal chapter 3</b>	<b>5.318.740,63</b>	<b>4.861.321,62</b>
<b>Chapter 4 Deferred charges and accrued income</b>		
1 Deferred charges	91.842,61	24.381,99
2 Accrued income	0,00	0,00
<b>Subtotal chapter 4</b>	<b>91.842,61</b>	<b>24.381,99</b>
<b>TOTAL ASSETS</b>	<b>5.492.037,24</b>	<b>5.013.304,24</b>
<b>LIABILITIES</b>		
<b>Chapter 1 Reserves</b>		
1 Carry forward to next financial year	3.718.458,13	3.977.537,80
<b>Subtotal chapter 2</b>	<b>3.718.458,13</b>	<b>3.977.537,80</b>
<b>Chapter 2 Financial debts</b>		
1 Financial debts of a residual duration > 1year	0,00	0,00
2 Financial debts of a residual duration ≤ 1year	0,00	0,00
<b>Subtotal chapter 2</b>	<b>0,00</b>	<b>0,00</b>
<b>Chapter 3 Other debts</b>		
1 Other debts		
2 Charges settled in 2020 but paid in 2021	1.773.579,11	1.035.766,44
<b>Subtotal chapter 3</b>	<b>1.773.579,11</b>	<b>1.035.766,44</b>
<b>TOTAL LIABILITIES</b>	<b>5.492.037,24</b>	<b>5.013.304,24</b>

**EUROPEAN CONSERVATIVES AND REFORMISTS GROUP  
ANNUAL STATEMENTS RELATING TO THE USE OF THE CREDIT OF ITEM 400  
OF THE BUDGET OF THE EUROPEAN PARLIAMENT**

**STATEMENT OF REVENUES AND EXPENDITURE  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<u>31/12/2021</u>	<u>31/12/2020</u>
	<u>Amounts in Euro</u>	<u>Amounts in Euro</u>
<b>RECEIPTS</b>		
<b>Chapter 1 Grants and other receipts from the European Parliament</b>		
1. EP allocation		
2. Other EP resources	0,00	0,00
<b>Subtotal for Chapter 1</b>	<u>6.004.923,12</u>	<u>5.850.619,83</u>
<b>Chapter 2 Own resources</b>		
1. Interest and assimilated products	4.730,12	2.450,73
2. Profit on currency exchange	0,00	0,00
3. Miscellaneous	0,00	0,00
4. VAT refund	0,00	0,00
5. Amount carried forward from previous financial year	3.977.537,80	2.269.677,47
<b>Subtotal for Chapter 2</b>	<u>3.982.267,92</u>	<u>2.272.128,20</u>
<b>Total receipts</b>	<u>9.987.191,04</u>	<u>8.122.748,03</u>
<b>Grand total</b>	<u>9.987.191,04</u>	<u>8.122.748,03</u>
<b>EXPENDITURE</b>		
<b>Chapter 1 Staff</b>		
1. Secretariat Missions	292.332,57	149.641,74
2. Recruitment	0,00	2.374,52
3. Traineeships	202.350,60	267.754,11
4. Salaries and related costs, fees	269.023,98	251.375,13
5. Staff training	13.184,36	8.441,58
6. Staff representation costs	399,80	31,18
<b>Subtotal for Chapter 1</b>	<u>777.291,31</u>	<u>679.618,26</u>

**EUROPEAN CONSERVATIVES AND REFORMISTS GROUP  
ANNUAL STATEMENTS RELATING TO THE USE OF THE CREDIT OF ITEM 400  
OF THE BUDGET OF THE EUROPEAN PARLIAMENT**

**STATEMENT OF REVENUES AND EXPENDITURE  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<u>31/12/2021</u>	<u>31/12/2020</u>
	Amounts in Euro	Amounts in Euro
<b>Chapter 2 Equipment, routine administrative costs and operating costs</b>		
1. Equipment, operating expenditure, computer-related, engineering and maintenance and depreciation assets	63.919,60	39.845,55
2. Equipment, telecommunications related installation and maintenance expenditure, office machinery, furniture and technical installations	208,20	2.425,70
3. Stationery and office supplies	11.854,59	7.570,96
4. Postage and telecommunications	27.811,18	21.929,79
5. Printing and photocopying costs	12.564,92	5.403,46
6. Office rental costs	23.883,40	30.584,87
<b>Subtotal for Chapter 2</b>	<u>140.241,89</u>	<u>107.760,33</u>
<b>Chapter 3 Documentation, studies &amp; research</b>		
1. Newspapers, magazines, press agencies and books	74.027,05	94.043,00
2. Studies and research	38.280,00	18.029,10
3. Databases	0,00	0,00
<b>Subtotal for Chapter 3</b>	<u>112.307,05</u>	<u>112.072,10</u>
<b>Chapter 4 Legal and accountancy fees, financial and others charges</b>		
1. Legal costs	0,00	0,00
2. Accounting costs/audits	7.560,00	7.560,00
3. Financial charges and losses currency exchange	15.729,87	151.357,55
4. Translation and interpretation costs	21.887,76	26.899,54
5. Other operating expenditure	16.041,99	21.263,47
<b>Subtotal for Chapter 4</b>	<u>61.219,62</u>	<u>207.080,56</u>
<b>Chapter 5 Cost of meetings and representation</b>		
1. Official Group meetings	12.089,08	13.024,67
2. Other meetings and conferences	597.121,61	206.243,71
3. Expenditure on entertainment	0,00	0,00
4. Guests	0,00	9.204,54
5. Individual fact finding missions of members	61.842,38	23.934,21
<b>Subtotal for Chapter 5</b>	<u>671.053,07</u>	<u>252.407,13</u>



**EUROPEAN CONSERVATIVES AND REFORMISTS GROUP  
ANNUAL STATEMENTS RELATING TO THE USE OF THE CREDIT OF ITEM 400  
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**STATEMENT OF REVENUES AND EXPENDITURE  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<u>31/12/2021</u>	<u>31/12/2020</u>
	Amounts in Euro	Amounts in Euro
<b>Chapter 6 Publication and publicity</b>		
1. Posters, leaflets and booklets	50.221,70	25.481,59
2. Advertising inserts and audiovisual advertising	83.205,00	23.857,03
3. Advertising material, gadgets, publicity by telecommunication equipments	117.608,02	181.355,54
4. Internet sites + e-publicity	65.698,78	34.020,44
5. Visits to institutions, information stands	30,69	6.502,81
<b>Subtotal for Chapter 6</b>	<u>316.764,19</u>	<u>271.217,41</u>
<b>Chapter 7 Members</b>		
1. Members' political and information activities, administrative expenses and political and information activities of national delegations	4.189.855,68	2.515.054,44
<b>Subtotal for Chapter 7</b>	<u>4.189.855,68</u>	<u>2.515.054,44</u>
<b>Total expenditure</b>	<u>6.268.732,81</u>	<u>4.145.210,23</u>
<b>Amount carried forward to the next financial year</b>	3.718.458,23	3.977.537,80
<b>Total</b>	9.987.191,04	8.122.748,03

## **Notes to the financial statements**

## EUROPEAN CONSERVATIVES AND REFORMISTS GROUP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

#### NOTE 1: BASIS OF THE ACCOUNTS AND ACCOUNTING PRINCIPLES

##### Basis of preparation

The accounts, hereafter, have been prepared in conformity with:

- The 400 financial rules approved by the Bureau of the European Parliament on 30 June 2003, revised by the Bureau on 22 March 2006 (PE 335.475/BUR), on 11 July 2007, on 20 September 2010, on 23 March 2011, on 26 September 2011, on 02 July 2012, on 11 March 2013, on 24 February 2014 and 14 April 2014 and 27 April 2015, 10 December 2018, 11 February 2019 and 1 July 2019, 13 January 2020, 6 July 2020 and 7 June 2021.
- The internal financial rules of the Group;
- The accounting principles and the harmonized accounting plan adopted by the Secretaries-General of the political groups on 15/09/2005.

##### Accounting principles

- 1) All accounting entries, including adjustments to the accounts, shall be based on dated and numbered supporting documents, to which they shall refer.
- 2) The accounting system must be such as to leave a trail for all accounting entries.

The financial statements shall be drawn up in accordance with the generally accepted accounting principles, namely:

- Going-concern basis;
- Prudence;
- Consistent accounting methods;
- Comparability of information;
- Materiality;
- No netting;
- Reality over appearance.

Pursuant to Rule 2.5.3 of the Rules on the use of appropriations from budget item 400 the accounts are held on a modified accrual system.

All expenditure relative to activities of the current or previous financial years is registered in the accounts of the current financial year, upon authorization by the authorizing officer responsible and payment by the accountant, if the actual payment is made no later than during the month following the end of the financial year.

All expenditure of a financial year paid during the month following the end of the financial year is booked on the expenditure accounts of the current financial year with counterpart a balance account (chapter III.2).

All expenditure for which actual payment is made later than the end of the month following the closure of the financial year or for risks and future charges is registered in the accounts of the next financial year.

No provisions will be made for expenditure of the current financial year not paid by the end of the month following the end of this financial year or for risks and future charges.

## EUROPEAN CONSERVATIVES AND REFORMISTS GROUP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

All revenue is registered in the income accounts upon establishment by the authorising officer.

All revenue established and not received in the course of the financial year is registered on a balance sheet account in chapter IV (deferred charges and accrued income).

#### Classification

The classification of the expenditure on the charge accounts follows the principle of classification by destination by the accounting plan annexed to the Rules on the use of appropriations from Article 400.

#### Exchange policy

The revenue and expenditure in other currencies are converted in euro following the exchange rate of the day of the payment. The balance sheet accounts in other currencies are translated into euro at the exchange of the end of the financial year.

#### Depreciation of tangible fixed assets

Assets with a unit value of 420 Euros or more and being intended to serve the activities of the group on a lasting basis are entered in the inventory and the Group's balance sheet. Fixed assets are to be valued at their acquisition price and depreciated on a monthly basis following the straight line method by the following annual percentages:

Software	25,0%
Hardware	25,0%
Telecommunications and audio-visual equipment	25,0%
Technical equipment and supplies	12,5%
Other installations and machines	12,5%
Office furniture	10,0%

A recapitulative table of the assets in the balance sheet is annexed.

#### Valuation methods for financial securities

Non applicable

#### Valuation of receivables, debts and other assets

Receivables, debts and other assets are stated at their nominal value. Value reductions on receivables and other assets are accounted for if there is any uncertainty regarding their collectability.

#### Technical support to European Political parties and foundations Regulation (CE 2004/2003)

The group has not granted any technical support to political parties and foundations as defined in article 13 of the EP Bureau decision dated 12 June 2017.

**EUROPEAN CONSERVATIVES AND REFORMISTS GROUP**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 31 DECEMBER 2021**

**NOTE 2: CARRY FORWARD TO THE NEXT BUDGETING PERIOD**

In accordance with article 2.1.6 of the Rules on the use of appropriations from budget item 400, appropriations that are not used during the financial year may be carried over to the following financial year up to a maximum of 75% of the annual appropriations received from the European Parliament's budget. This has increased from 50% to 75% due to limit activities caused by the COVID pandemic.

	€
Credits received by our group for 2021 financial period	6 004 923,12
Maximum amount of carry forward to 2022 financial period (75%)	4 503 692,34
Difference between total revenue and total expenditure at the end of the 2021 financial period	3 718 458,13
Credits to be returned to the EP	0,00
Carry forward to 2022 financial period	3 718 458,13

**NOTE 3: CHARGES SETTLED IN 2021 BUT PAID IN 2022**

In application of article 2.5.3 of the Rule PE 422.537/BUR, an amount of € 1 773 579,11 corresponds to expenditure related to the 2021 accounting period and paid before 31 January 2022.

**NOTE 4: VAT**

This relates to VAT paid for which the European Conservatives and Reformists Group anticipates to obtain refund from the relevant tax authorities in application of the privileges and immunities of the European Institutions. As at 31 December 2021 there is an outstanding VAT amount of – 9 459,20€ due to the VAT UK (Brexit).

**EUROPEAN CONSERVATIVES AND REFORMISTS GROUP**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 31 DECEMBER 2021**

**NOTE 5: DETAIL OF THE EXECUTION OF THE DECENTRALISED CREDITS OF CHAPTER 7  
ARTICLE 1**

The detail of the decentralised credits executed for Chapter 7.1 of the accounting plan annexed to the 4000 financial rules is the following:

<b>Article</b>	<b>Category</b>	<b>Year 31 December 2021</b>	<b>%</b>	<b>Year 31 December 2020</b>	<b>%</b>
1.	Staff	0	0.00%	0	0.00%
2.	Secretariat - equipment and expenses	0	0.00 %	0	0.00 %
3.	Documentation, studies and research	429 388.15	10.25 %	308 414.83	12.26 %
4.	Legal, accounting, financial and other operating costs	0	0.00%	0	0.00%
52.	Other meetings and conferences	726 616.94	17.34 %	401 039.23	15.95 %
53.	Expenditure on entertainment	0	0.00%	0	0.00%
54.	Guests	71 866.71	1.72 %	63 841.34	2.54 %
61.	Posters, booklets and publications	403 723.21	9.64 %	332 173.45	13.21 %
62.	Advertising inserts and audiovisual advertising	1 771 431.38	42.28 %	682 351.43	27.13 %
63.	Advertising material, novelty items, telecommunications advertising	712 569.91	17.01 %	698 588.14	27.78 %
64.	Internet sites and cyber advertising	59 871.02	1.43 %	19 725.21	0.78 %
65.	Visits to institutions: information stands	14 388.36	0.34%	8 920.81	0.35%
	<b>Total Chapter 7.1</b>	<b>4 189 855.68</b>	<b>100%</b>	<b>2 515 054.44</b>	<b>100%</b>

## **Financial inventory financial period 2021**

**EUROPEAN CONSERVATIVES AND REFORMISTS GROUP**

**FINANCIAL INVENTORY PERIOD 2021**

<b>Category and</b>	<b>IT software</b>	<b>IT hardware</b>	<b>Telecom- munications equipment</b>	<b>Technical equipment and supplies</b>	<b>Miscellaneo us machinery and installatio ns</b>	<b>Movable property (seats, desks, cabinets)</b>	<b>Total</b>
<b>write-down rate</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>12.5%</b>	<b>12.5%</b>	<b>10%</b>	
	(€)	(€)	(€)	(€)	(€)	(€)	(€)
Opening balances (historical cost)	0,00	234.032,88	0,00	0,00	30.288,71	36.667,23	300.988,82
Less Items sold and entered in profit-and-loss			0,00				0,00
Plus Acquisitions during the financial year	0,00	7.208,76	0,00		0,00	0,00	7.208,76
Plus Transfers		0,00	0,00		0,00	0,00	0,00
<b>Result Closing balance at historical cost</b>	<b>0,00</b>	<b>241.241,64</b>	<b>0,00</b>	<b>0,00</b>	<b>30.288,71</b>	<b>36.667,23</b>	<b>308.197,58</b>
Opening balances (accumulated depreciation)	0,00	115.215,32	0,00	0,00	30.288,71	35.540,23	181.044,26
Less Accumulated depreciation of items sold and entered in p/l account							0,00
Plus Depreciation charge for the financial year	0,00	36.031,92				208,20	36.240,12
Plus Depreciation charge from transfers			0,00		0,00	0,00	0,00
<b>Result Closing balance at historical cost</b>	<b>0,00</b>	<b>151.247,24</b>	<b>0,00</b>	<b>0,00</b>	<b>30.288,71</b>	<b>35.748,43</b>	<b>217.284,38</b>
<b>Net book value of fixed assets on 31/12/2020</b>	<b>0,00</b>	<b>118.817,56</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>1.127,00</b>	<b>119.944,56</b>
<b>Net book value of fixed assets on 31/12/2021</b>	<b>0,00</b>	<b>89.994,40</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>918,80</b>	<b>90.913,20</b>



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