



**Group of the Socialists & Democrats
In the European Parliament**

**Short form report on the accounts of budget
item 400 of the budget
of the European Parliament**

**Financial year 2021
From 1 January to 31 December 2021**

26 April 2022

Regenboog 2, 9090 Melle
België

T: +32 9 272 72 10

melle@bakertilly.be
www.bakertilly.be

Content

| | |
|---|-----------|
| Report of the external auditors on the annual accounts | 2 |
| Balance Sheet & Profit and loss | 5 |
| Notes to the financial Statements | 10 |

**REPORT OF THE EXTERNAL AUDITORS ON THE ANNUAL ACCOUNTS RELATIVE
TO THE USE OF APPROPRIATIONS FROM BUDGET ITEM 400**

AUDITOR'S REPORT

Following our appointment, we have audited the accompanying annual accounts of the Group of the Progressive Alliance of Socialists & Democrats (S&D Group) in the European Parliament ('the Group'), which comprise the balance sheet as at December 31, 2021 and the revenue and expenditure statement for the period from January 1, 2021 to December 31, 2021, and a summary of significant accounting policies and other explanatory notes.

We have been appointed as auditor for the audit of annuals accounts as of December 31, 2021, we have performed the audit of the annual accounts of the Group for the first year.

Report on the audit of the annual accounts

Unqualified opinion

We have audited the annual accounts of the Group, which comprise the balance sheet as at December 31, 2021, the revenue and expenditure statement for the period from January 1, 2021 to December 31, 2021 and the notes to the annual accounts, characterized by a balance sheet total of € 14.109.684,62 and a grand total of revenue and expenditure for the period of € 23.412.509,69.

In our opinion, the annual accounts give a true and fair view of the Group's assets and financial position as at December 31, 2021, as well as of its results for the period from January 31, 2021 to December 31, 2021, in accordance with the rules adopted by the European Parliament Bureau in the version of 30th June 2003, lastly revised by the Bureau on June 7, 2021, 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').

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the annual accounts' section in this report. We have complied with all the ethical requirements that are relevant to the audit of annual accounts in Belgium, including those concerning independence.



We have obtained from the Management and Group officials the explanations and information necessary for performing our audit.

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

Responsibilities of the Management for the annual accounts

The Management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the 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.

In preparing the annual accounts, the Management is responsible for assessing the Group'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 the Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts 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 ISAs 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 annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We communicate with the Management 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 identified during our audit.

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

- the statement of revenue and expenditure gives a true and fair view of the group's financial position for the financial period concerned;
- the balance sheet gives a true and fair view of the group's assets at the end of the financial period;
- the overall considerations on financial statements in the rules adopted by the Accounting Officer of the Commission set out in Articles 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;
- 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 presented in accordance with the harmonised Accounting Plan in Part 2 of the rules Item 400;
- the expenditure complies with the provisions of the rules Item 400 ;
- the expenditure has 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;
- payment orders are substantiated by original supporting documents (or certified true copies);
- the Group's internal rules have been observed.

Melle, April 26, 2022

Baker Tilly Belgium Bedrijfsrevisoren CVBA



Jan Smits
Audit Partner

Balance Sheet & Profit and loss

**Balance sheet of the Group of the Progressive Alliance of Socialists & Democrats
(S&D)
in the European Parliament
for budget item 400 as at 31 December 2021**

| | | <u>2021</u> | <u>2020</u> |
|---|--------------|-----------------------------|-----------------------------|
| | <i>notes</i> | | |
| <u>ASSETS</u> | | | |
| FIXED ASSETS | | | |
| Chapter 1 Intangible and tangible assets | 3 | | |
| .1 Intangible assets | | 0,00 | 0,00 |
| .2 Tangible assets | | <u>87.379,48</u> | <u>71.203,41</u> |
| Sub total chapter 1 | | <u>87.379,48</u> | <u>71.203,41</u> |
| CURRENT ASSETS | | | |
| Chapter 2 Debtors, stocks and other working assets | 5 | | |
| .1 Suppliers | | 103.446,82 | 38.500,00 |
| .2 Staff | | 8.614,18 | 4.092,40 |
| .3 VAT | | 177.379,99 | 131.418,90 |
| .4 Stocks | | 0,00 | 0,00 |
| .5 Various | | <u>24.070,67</u> | <u>14.780,01</u> |
| Sub total chapter 2 | | <u>313.511,66</u> | <u>188.791,31</u> |
| Chapter 3 Financial assets | | | |
| .1 Financial securities | 4 | 0,00 | 0,00 |
| .2 Cash and cash equivalent | | <u>13.531.651,89</u> | <u>11.516.291,30</u> |
| Sub total chapter 3 | | <u>13.531.651,89</u> | <u>11.516.291,30</u> |
| Chapter 4 Deferred charges and accrued income | | | |
| .1 Deferred charges | | 54.715,12 | 67.957,49 |
| .2 Accrued income | | <u>122.426,47</u> | <u>0,00</u> |
| Sub total chapter 4 | | <u>177.141,59</u> | <u>67.957,49</u> |
| TOTAL ASSETS | | <u>14.109.684,62</u> | <u>11.844.243,51</u> |
| <u>LIABILITIES</u> | | | |
| Chapter 1 Reserves | | | |
| .1 Amount carried forward to next financial year | 1 | <u>10.187.713,46</u> | <u>9.808.991,03</u> |
| Sub total chapter 1 | | <u>10.187.713,46</u> | <u>9.808.991,03</u> |
| Chapter 2 Financial debts | | | |
| .1 Financial debts of a residual duration > 1 year | | 0,00 | 0,00 |
| .2 Financial debts of a residual duration <= 1 year | | <u>0,00</u> | <u>0,00</u> |
| Sub total chapter 2 | | <u>0,00</u> | <u>0,00</u> |
| Chapter 3 Other debts | 5 | | |
| .1 Other debts | | 2.113,44 | 209,64 |
| .2 Charges settled in N but paid in N+1 | | 2.989.813,19 | 1.874.309,96 |
| .3 Debt to EP | | <u>929.951,40</u> | <u>0,00</u> |
| Sub total chapter 3 | | <u>3.921.878,03</u> | <u>1.874.519,60</u> |
| Chapter 4 Deferred income/accrued charges | | | |
| .1 Deferred income | | 0,00 | 160.576,86 |
| .2 Accrued charges | | <u>93,13</u> | <u>156,02</u> |
| Sous Total Chapitre 4 | | <u>93,13</u> | <u>160.732,88</u> |
| TOTAL LIABILITIES | | <u>14.109.684,62</u> | <u>11.844.243,51</u> |

**Resources and expenditure available of the Group of the Progressive Alliance of Socialists & Democrats (S&D)
in the European Parliament
for budget item 400 as at 31 December 2021**

| | <u>2021</u> | <u>2020</u> |
|--|-----------------------------|-----------------------------|
| <i>Notes</i> | | |
| <u>Receipts</u> | | |
| <u>Chapter 1 Grants and other receipts from the European Parliament</u> | | |
| .1 EP allocation | 5 13.583.617,94 | 13.608.816,59 |
| .2 Other EP resources | 0,00 | 0,00 |
| Subtotal for Chapter 1 | <u>13.583.617,94</u> | <u>13.608.816,59</u> |
| <u>Chapter 2 Own resources</u> | | |
| .1 Interest and assimilated products | 16.611,09 | 14.856,39 |
| .2 Profit on currency exchange | 2 3.288,41 | 7.355,63 |
| .3 Miscellaneous | 1,22 | 1.253,88 |
| .4 | | |
| Amount carried forward from previous financial year | 5 9.808.991,03 | 5.710.037,50 |
| Subtotal for Chapter 2 | <u>9.828.891,75</u> | <u>5.733.503,40</u> |
| Total receipts | <u>23.412.509,69</u> | <u>19.342.319,99</u> |
| Grand total | <u>23.412.509,69</u> | <u>19.342.319,99</u> |



**Resources and expenditure available of the Group of the Progressive Alliance of Socialists & Democrats (S&D)
in the European Parliament
for budget item 400 as at 31 December 2021**

| Expenditure | <i>Notes</i> | <u>2021</u> | <u>2020</u> |
|--|--------------|----------------------------|----------------------------|
| <u>Chapter 1 Staff</u> | | | |
| .1 Secretariat missions | | 445.963,88 | 314.430,53 |
| .2 Recruitment | | 14.624,37 | 49.235,77 |
| .3 Traineeships | | 253.275,88 | 254.892,14 |
| .4 Salaries and related costs, fees | | 2.193.488,28 | 1.412.441,82 |
| .5 Staff training | | 181.548,54 | 178.682,45 |
| .6 Staff representation costs | | 7.974,00 | 0,00 |
| Subtotal for Chapter 1 | | <u>3.096.874,75</u> | <u>2.209.682,71</u> |
| <u>Chapter 2 Equipment, routine administrative costs and operating costs</u> | | | |
| .1 Equipment, operating expenditure, computer-related engineering and maintenance | 3 | 32.880,84 | 41.671,17 |
| .2 Equipment, telecommunications-related installation and maintenance expenditure, office machinery, furniture and technical installations | 3 | 52.652,88 | 11.084,84 |
| .3 Stationery and office supplies | | 652,30 | 3.177,87 |
| .4 Postage and telecommunications | | 46.666,45 | 50.294,43 |
| .5 Printing and duplicating | | 3.859,98 | 4.191,11 |
| Subtotal for Chapter 2 | | <u>136.712,43</u> | <u>110.419,42</u> |
| <u>Chapter 3 Documentation, studies and research</u> | | | |
| .1 Newspapers, magazines, press agencies and books | | 22.527,70 | 21.210,50 |
| .2 Studies and research | | 129.588,00 | 0,00 |
| .3 Databases | | 0,00 | 0,00 |
| Subtotal for Chapter 3 | | <u>152.115,70</u> | <u>21.210,50</u> |
| <u>Chapter 4 Legal and accountancy fees, financial and other charges</u> | | | |
| .1 Legal costs | | 21.883,74 | 16.157,97 |
| .2 Accounting costs/audits | | 31.900,00 | 15.275,00 |
| .3 Financial charges and losses from currency exchange | 2 | 7.932,46 | 11.427,33 |
| .4 Translation and interpretation costs | | 18.576,00 | 24.300,00 |
| .5 Other operating expenditure | | 0,00 | 138,66 |
| Subtotal for Chapter 4 | | <u>80.292,20</u> | <u>67.298,96</u> |
| <u>Chapter 5 Cost of meetings and representation</u> | | | |
| .1 Group meetings | | 139.468,65 | 0,00 |
| .2 Other meetings and conferences | | 595.954,10 | 82.175,89 |
| .3 Expenditure on entertainment | | 28.910,19 | 22.209,67 |
| .4 Guests | | 1.608,72 | 0,00 |
| .5 Individual fact finding missions of members | | 46.178,85 | 43.232,08 |
| Subtotal for Chapter 5 | | <u>812.120,51</u> | <u>147.617,64</u> |

**Resources and expenditure available of the Group of the Progressive Alliance of Socialists & Democrats (S&D)
in the European Parliament
for budget item 400 as at 31 December 2021**

| | <i>Notes</i> | <u>2021</u> | <u>2020</u> |
|---|--------------|-----------------------------|-----------------------------|
| <u>Chapter 6 Publications and publicity</u> | | | |
| .1 Posters, leaflets and booklets | | 80.609,88 | 12.347,25 |
| .2 Advertising inserts and audiovisual advertising | | 593.746,25 | 121.855,34 |
| .3 Advertising material, gadgets, publicity | | 13.213,24 | 27.055,05 |
| .4 Internet sites / e-publicity | 3 | 453.071,22 | 342.516,19 |
| .5 Visits to institutions, information stands | | <u>0,00</u> | 339,62 |
| Subtotal for Chapter 6 | | <u>1.140.740,59</u> | <u>504.113,45</u> |
| <u>Chapter 7 Members of Parliament</u> | | | |
| .1 Members' political and information activities, administrative expenses and political and information activities of national delegations (details attached) | | <u>6.846.738,65</u> | <u>6.446.736,28</u> |
| Subtotal for Chapter 7 | | <u>6.846.738,65</u> | <u>6.446.736,28</u> |
| <u>Chapter 8 Grants, subscriptions and contributions</u> | | | |
| .1 Subsidies | | 3.000,00 | 0,00 |
| .2 Membership fees | | <u>28.250,00</u> | <u>26.250,00</u> |
| Subtotal for Chapter 8 | | <u>29.250,00</u> | <u>26.250,00</u> |
| Total expenditure | | <u>12.294.844,83</u> | <u>9.533.328,96</u> |
| Credits repayable to European Parliament | 1 | 929.951,40 | 0,00 |
| Amount carried forward to next financial year | 1 | 10.187.713,46 | 9.808.991,03 |
| Grand total | | <u>23.412.509,69</u> | <u>19.342.319,99</u> |



Notes to the financial statements

General

- The 400 financial rules approved by the Bureau of the European Parliament on 30 June 2003, revised by the Bureau 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, on 27 April 2015, on 10 December 2018, on 11 February 2019, on 1 July 2019, on 13 January 2020, on 6 July 2020 and 7 June 2021.
- The internal financial rules of the Group
- The accounting principles and the harmonised accounting plan adopted by the Secretaries-General of the political groups

Accounting principles and evaluation methods

1. Movements on the accounts and the balances shall be entered in the accounting ledgers.
2. All accounting entries, including adjustments to the accounts, shall be based on dated and numbered supporting documents, to which they shall refer.
3. 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 financial year or previous financial years is registered in the accounts of the current financial year, upon authorization by the authorising 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 and as debt on the balance (chapter I11.2).

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.



**Group of the Progressive Alliance of Socialists & Democrats
in the European Parliament
Notes to the accounts for the period ended 31 December 2021**

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.

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

Carry forward to the next financial year:

| | |
|--|-----------------|
| 1: Credits received by our Group for the 2021 financial year: | 13.583.617,94 € |
| 0: Max. amount of carry forward to the 2022 financial year: | 10.187.713,46 € |
| <i>Exceptional carry forward of 75% instead of 50% (Bureau decision of the 7th of June 2021) due to the limitation of the activities caused by the COVID pandemic.</i> | |
| 2: Remainder at the end of the 2021 financial year: | 11.117.664,86 € |
| 1: Credits to be returned to the EP: | 929.951,40 € |
| 3: Carry forward to the 2022 financial year: | 10.187.713,46 € |

Note 2: Exchange policy:

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

Note 3: Depreciations of 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 audiovisual equipment: | 25,0% |
| technical equipment: | 12,5% |
| other installations and machines: | 12,5% |
| office furniture: | 10,0% |

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

Group of the Progressive Alliance of Socialists & Democrats
in the European Parliament
Notes to the accounts for the period ended 31 December 2021

Note 4: Valuation method for financial securities:

Financial securities are registered on the balance sheet for their net value at the end of the financial year.

Note 5: 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.

Our group has concluded the following substantial long standing (>1 year) financial commitments:

- Renting and maintenance of 10 photocopy machines Canon and Uniflow software in Brussels. Framework contract with Canon up until June 2024 cost: 13.152,22 €/year
- Renting and maintenance of 5 photocopy machines Canon and Uniflow software in Strasbourg. Framework contract with Canon up until June 2024 cost: 5.754,88 €/year

Note 6: Comparison of the figures

According to article 2.1.1. of the financial rules governing budget item 400 this report covers the financial year 2021 which lasts from 01/01/2021 to 31/12/2021.

Note 7: Technical support to European political parties and foundation Regulation: (EU) 1141/2014

The S&D 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.



Group of the Progressive Alliance of Socialists & Democrats
in the European Parliament
Notes to the accounts for the period ended 31 December 2021

Breakdown of outturn of decentralised appropriations

Chapter 7 article 1

Breakdown in accordance with the Accounting Plan annexed to the Rules on the use of the appropriations from budget item 400

| Chapter/ Article | Heading | Execution financial year 2021 | % | Execution financial year 2020 | % |
|---------------------|--|-------------------------------------|----------------|-------------------------------------|----------------|
| 10 | Staff | 2.332.212,96 | 34,06% | 3.076.364,89 | 47,72% |
| 20 | Equipment / routine administrative expenditure and operating expenditure | 75.723,47 | 1,11% | 61.264,36 | 0,95% |
| 30 | Documentation, studies and research | 288.970,16 | 4,22% | 170.172,10 | 2,64% |
| 40 | Legal and accounting costs, financial charges and other operating expenditure | 58.339,46 | 0,85% | 5.854,62 | 0,09% |
| 52 | Meetings and conferences | 764.692,89 | 11,17% | 501.611,55 | 7,78% |
| 54 | Guests | 3.092,91 | 0,05% | 2.616,92 | 0,04% |
| 61 | Posters, leaflets and booklets | 278.542,17 | 4,07% | 198.775,77 | 3,08% |
| 62 | Advertising inserts and audiovisual advertising | 835.076,02 | 12,20% | 714.232,28 | 11,08% |
| 63 | Advertising material, gadgets, etc. | 1.310.261,49 | 19,14% | 861.925,44 | 13,37% |
| 64 | Internet Sites | 882.327,12 | 12,89% | 844.902,38 | 13,11% |
| 65 | Visits to institutions, info stands | 17.500,00 | 0,26% | 9.015,97 | 0,14% |
| | Total execution chapter 7 article 1 | 6.846.738,65 | 100,00% | 6.446.736,28 | 100,00% |

Tangible fixed assets

Financial year from 01/01/2021 till 31/12/2021

| Category and depreciation rate | IT Software 25% 05 | IT Hardware 25% 10 | Telecom Equip. 25% 30 | Technical Equip. & Supplies 12.5% 40 | Misc. Mach & Install 12.5% 45 | Movable property 10% 50 | TOTAL |
|--------------------------------|--------------------------|--------------------------|-----------------------------|--|-------------------------------------|-------------------------------|-------|
|--------------------------------|--------------------------|--------------------------|-----------------------------|--|-------------------------------------|-------------------------------|-------|

| HISTORICAL | Opening balances 2021 (historical cost) | 349.530,61 | 167.260,18 | 199.131,17 | 0,00 | 24.296,61 | 6.070,32 | 746.288,89 |
|------------|--|------------|------------|------------|----------|-----------|----------|------------|
| | Less Items sold and entered in profit and loss account in 2021 | 3.504,66 | 13.360,69 | 33.780,61 | 0,00 | 0,00 | 0,00 | 50.645,96 |
| | Plus Acquisitions during the financial year 2021 | 0,00 | 30.122,62 | 32.100,15 | 1.102,00 | 495,04 | 0,00 | 63.819,81 |
| | Plus Transfers | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| | Result Closing balance at historical cost | 346.025,95 | 184.022,11 | 197.450,71 | 1.102,00 | 24.791,65 | 6.070,32 | 759.462,74 |

| ACCUMULATED | Opening balances (accumulated depreciation) | 334.391,34 | 151.242,38 | 168.230,09 | 0,00 | 16.671,44 | 4.550,23 | 675.085,48 |
|-------------|--|------------|------------|------------|-------|-----------|----------|------------|
| | Less Accumulated depreciation of items sold and entered in p/l account | 3.504,66 | 13.360,69 | 33.780,61 | 0,00 | 0,00 | 0,00 | 50.645,96 |
| | Plus Depreciation charge for the financial year 2021 | 12.013,03 | 13.781,93 | 19.814,42 | 45,92 | 1.800,36 | 188,08 | 47.643,74 |
| | Result Closing balance at historical cost | 342.899,71 | 151.663,62 | 154.263,90 | 45,92 | 18.471,80 | 4.738,31 | 672.083,26 |

| | | | | | | | |
|--|-----------|-----------|-----------|----------|----------|----------|-----------|
| Net book value of fixed assets on 01/01/2021 | 15.139,27 | 16.017,80 | 30.901,08 | 0,00 | 7.625,17 | 1.520,09 | 71.203,41 |
| Net book value of fixed assets on 31/12/2021 | 3.126,24 | 32.358,49 | 43.186,81 | 1.056,08 | 6.319,85 | 1.332,01 | 87.379,48 |

ACCOUNTANCY • AUDIT • CONSULTANCY • CORPORATE FINANCE

Now, for tomorrow



