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RENEW EUROPE'S GROUP

Independent auditor's report to the President of Renew Europe's Group for the period ended 31st December 2022

BDO Bedrijfsrevisoren CVBA / BTW BE 0431.088.289 / RPR Brussel
BDO Réviseurs d'Entreprises SCRL / TVA BE 0431.088.289 / RPM Bruxelles

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INDEPENDENT AUDITOR'S REPORT TO THE PRESIDENT OF RENEW EUROPE'S GROUP FOR THE PERIOD ENDED 31ST DECEMBER 2022

In the context of the audit of annual accounts of the Renew Europe's Group in the European Parliament ("the Group"), we hereby present our auditor's report regarding the balance sheet as at 31 December 2022 and the revenue and expenditure statement for the period from 1st January 2022 to 31st December 2022, and a summary of significant accounting policies and other explanatory notes. This report is an integrated whole and is indivisible.

We have been appointed as auditor for the audit of the accounts as of December 31st, 2019 for the first time, and the agreement could be tacitly renewed for six consecutive years. We have performed the audit of the accounts of the Group for the fourth year.

REPORT ON THE ANNUAL ACCOUNTS

Unqualified opinion

We have audited the annual accounts of the Group, which comprise the balance sheet as at 31st December 2022, the revenue and expenditure statement for the period from 1st January 2022 to 31st December 2022 and the notes to the annual accounts, characterized by a balance sheet total of 7.530.051,49 EUR and a grand total of revenue and expenditure for the period of 16.749.556,90 EUR.

In our opinion, the annual accounts give a true and fair view of the Group's assets and financial position as at 31st December 2022, as well as of its results for the period from 1st January 2022 to 31st December 2022, in accordance with the rules adopted by the European Parliament Bureau in the version of 30 June 2003, lastly revised by the Bureau on 4th July 2022, 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 as determined by the European Parliament, 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.

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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 also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the administrative body;

- Conclude on the appropriateness of the administrative body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.
  If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the annual accounts and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

Other procedures

In accordance with our contract with the Group, the 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.

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.

Zaventem, 24 April 2023

Gert Claes (Signature) Digitally signed by Gert Claes (Signature) DN: cn=Gert Claes (Signature), c=BE

BDO Réviseurs d'Entreprises SRL
Auditor
Represented by Gert Claes

BALANCE SHEET RENEW EUROPE

End of financial year 2022

	notes	2022	2021
ASSETS			
FIXED ASSETS			
Chapter 1 Intangible and tangible assets	3		
.1 Intangible assets		-	-
.2 Tangible assets		170.736,47	94.033,56
Sub total chapter 1		**170.736,47**	**94.033,56**
CURRENT ASSETS			
Chapter 2 Debtors, stocks and other working assets	5		
.1 Suppliers		52.152,09	14.714,70
.2 Staff			
.3 VAT		51.684,37	81.329,45
.4 Stocks			
.5 Various			
Sub total chapter 2		**103.836,46**	**96.044,15**
Chapter 3 Financial assets			
.1 Financial securities	4		
.2 Cash and cash equivalent		6.940.481,30	10.274.478,80
Sub total chapter 3		**6.940.481,30**	**10.274.478,80**
Chapter 4 Deferred charges and accrued income			
.1 Deferred charges		161.709,60	247.918,01
.2 Accrued income		153.287,66	16.052,10
Sub total chapter 4		**314.997,26**	**263.970,11**
TOTAL ASSETS		**7.530.051,49**	**10.728.526,62**

LIABILITIES	*notes*	2022	2021
Chapter 1 Reserves			
.1 Carry forward to next financial year	1	5.365.225,76	9.143.163,65
Sub total chapter 1		**5.365.225,76**	**9.143.163,65**
Chapter 2 Financial debts			
.1 Financial debts of a residual duration > 1 year			
.2 Financial debts of a residual duration </= 1 year			
Sub total chapter 2			
Chapter 3 Other debts	5		
.1 Other debts			
.2 Charges settled in N but paid in N+1		2.164.825,73	1.585.362,97
Sub total chapter 3		**2.164.825,73**	**1.585.362,97**
Chapter 4 Deferred income/accrued charges			
.1 Deferred income			
.2 Accrued charges			
Sous Total Chapitre 4		-	-
TOTAL LIABILITIES		**7.530.051,49**	**10.728.526,62**

PROFIT AND LOSS ACCOUNT of the Group RENEW EUROPE

for financial year 2022

		Notes	2022	2021
Receipts				
Chapter 1 Grants and other receipts from the European Parliament				
.1	EP allocation	1	9.799.150,74	9.192.175,66
.2	Other EP resources			
Subtotal for Chapter 1			**9.799.150,74**	**9.192.175,66**
Chapter 2 Own resources				
.1	Interest and assimilated products		41.875,19	16.029,57
.2	Profit on curency exchange	2	1.899,50	436,11
.3	Miscellaneous		12.330,00	-
.4	VAT reimbursements		169,72	9.071,67
.5	Amount carried forward from previous financial year		6.894.131,75	6.922.435,40
Subtotal for Chapter 2			**6.950.406,16**	**6.947.972,75**
Total receipts			**16.749.556,90**	**16.140.148,41**
Grand total			**16.749.556,90**	**16.140.148,41**

Expenditure	Notes	2022	2021
Chapter 1 Staff			
.1 Secretariat missions		1.869.421,59	567.381,03
.2 Recruitment		1.354,00	-
.3 Traineeships		289.446,07	134.525,71
.4 Salaries and related costs, fees		-	-
.5 Staff training		93.719,59	67.580,70
.6 Staff representation costs		34.946,51	23.610,79
Subtotal for Chapter 1		**2.288.887,76**	**793.098,23**
Chapter 2 Equipment, routine administrative costs and operating costs			
.1 Equipment,operating expenditure,computer-related engineering and maintenance	3	31.606,79	92.546,05
.2 Equipment, telecomunications-related installation and maintenance expenditure, office machinery,furniture and technical installations	3	80.353,73	62.161,43
.3 Stationery and office supplies		42.218,01	13.953,74
.4 Postage and telecommunications		59.498,76	22.814,11
.5 Printing and photocopying costs		21.229,89	23.307,05
.6 Office rental costs			
Subtotal for Chapter 2		**234.907,18**	**214.782,38**
Chapter 3 Documentation, studies and research			
.1 Newspapers,magazines, press agencies and books		2.345,25	2.827,00
.2 Studies and research		297.904,83	6.500,00
.3 Databases		-	-
Subtotal for Chapter 3		**300.250,08**	**9.327,00**
Chapter 4 Legal and accountancy fees, financial and other charges			
.1 Legal costs		-	-
.2 Accounting costs/audits		14.310,35	13.500,00
.3 Financial charges and losses from currency exchange	2	4.137,30	10.955,61
.4 Translation and interpretation costs		-	-
.5 Other operating expenditure		-	-
Subtotal for Chapter 4		**18.447,65**	**24.455,61**
Chapter 5 Cost of meetings and representation			
.1 Official Group meetings		226.415,31	295.790,15
.2 Other meetings and conferences		1.606.164,48	841.951,99
.3 Expenditure on entertainment		137.802,41	27.795,57
.4 Guests		-	-
.5 Individual fact finding missions of members		-	-
Subtotal for Chapter 5		**1.970.382,20**	**1.165.537,71**
Chapter 6 Publications and publicity			
.1 Posters, leaflets and booklets		180.349,63	160.284,10
.2 Advertising inserts and audiovisual advertising		286.298,35	195.275,46
.3 Advertising material,gadgets,publicity by telecommunication equipments		113.504,92	141.971,46
.4 Internet sites + e-publicity		1.318.375,57	950.999,00
.5 Visits to institutions, information stands		57.078,75	-
Subtotal for Chapter 6		**1.955.607,22**	**1.448.530,02**
Chapter 7 Members of Parliament			
.1 Members' political and information activities, administrative expenses and political and information activities of national delegations *(details attached)*		4.607.636,26	3.334.303,23
Subtotal for Chapter 7		**4.607.636,26**	**3.334.303,23**
Chapter 8 Grants, subscriptions and contributions			
.1 Subsidies		8.212,79	6.950,58
.2 Subscriptions			
Subtotal for Chapter 8		**8.212,79**	**6.950,58**
Total expenditure		**11.384.331,14**	**6.996.984,76**
Credits repayable to European Parliament		**-**	**2.249.031,91**
Amount carried forward to next financial year	1	**5.365.225,76**	**6.894.131,75**
Grand total		**16.749.556,90**	**16.140.148,41**

DETAIL OF THE EXECUTION OF THE DECENTRALISED CREDITS
CHAPTER 7 ARTICLE 1.

CHAPTER/ ARTICLE	CATEGORY	EXECUTION Year N	%	EXECUTION Year N-1	%
1	Staff	145.647,32	3%	161.933,11	5%
2	Secretariat – equipment and expenses	0	...	0	...
3	Documentation, studies and research	0		0	
4	Legal, accounting, financial and other operating costs	0		0	
52	Other meetings and conferences	1.554.895,94	34%	879.115,40	26%
53	Representation costs	40.895,19	1%	26.209,86	1%
54	Guests	0		0	
61	Posters, leaflets and booklets	0		0	
62	Advertising inserts and audiovisual advertising	1.663.438,63	36%	1.570.491,95	47%
63	Advertising material, gadgets, publicity by telecommunication equipments	862.658,99	19%	493.201,38	15%
64	Websites Internet sites + e-publicity	151.042,91	3%	192.057,38	6%
65	Visits to institutions; information stands	189.057,28	4%	11.294,15	0%
	TOTAL ARTICLE 7.1	**4.607.636,26**	100%	**3.334.303,23**	100%

										SITUATION AT 31/12/2022								
Category and write-down rate						**IT SOFTWARE**		**IT HARDWARE**		**TELECOMMUNICATIONS EQUIPMENT**		**TECHNICAL EQUIPMENT AND SUPPLIES**		**MISCELLANEOUS EQUIPMENT MACHINERY AND INSTALLATIONS**		**MOVABLE PROPERTY (seats,desks, cabinets)**		TOTAL
						25,00%		**25,00%**		**25,00%**		**12,50%**		**12,50%**		**10,00%**		
HISTORICAL																		
COST	Opening balances (historical cost)					48.652,75		113.251,29		41.884,18		13.181,18		11.688,28		29.186,00		257.843,68
	Less Items sold and entered in P&L account					0,00		-12.891,98		-10.427,74		0,00		-462,02		-6.880,00		-30.661,74
	Plus Acquisitions during the financial year					0,00		25.925,23		73.752,01		5.537,00		8.160,00		24.006,50		137.380,74
	Plus transfers					0,00		0,00		0,00		0,00		0,00		0,00		0,00
	Result Closing balance at historical cost					**48.652,75**		**126.284,54**		**105.208,45**		**18.718,18**		**19.386,26**		**46.312,50**		**364.562,68**
ACCUMULATED																		
DEPRECIATION	Opening balances (accumulated depreciation)					48.652,75		63.161,68		16.597,64		8.543,50		1.431,18		25.423,37		163.810,12
	Less accumulated depreciation of items sold					0,00		-12.891,98		-10.052,46				-462,02		0,00		-23.406,46
	Plus depreciation charge for the financial year					0,00		20.214,50		27.261,53		1.971,77		2.057,60		1.917,15		53.422,55
	Result closing balance at historical cost					**48.652,75**		**70.484,20**		**33.806,71**		**10.515,27**		**3.026,76**		**27.340,52**		**193.826,21**
WRITTEN-DOWN VALUES																		
	Net book value of fixed assets on 31/12/2021					0,00		50.089,61		25.286,54		4.637,68		10.257,10		3.762,63		94.033,56
	Net book value of fixed assets on 31/12/2022					**0,00**		**55.800,34**		**71.401,74**		**8.202,91**		**16.359,50**		**18.971,98**		**170.736,47**

RENEW EUROPE GROUP

NOTES TO THE ANNUAL ACCOUNTS FINANCIAL YEAR 2022

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

- the 400 financial rules approved by the Bureau of the European Parliament on 30June 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 and 10 December 2018, 11 February 2019, 1 July 2019, 13 January 2020, 6 July 2020, 7 June 2021 and 4 July 2022

- the internal financial rules of the Group

- the accounting principles and the harmonised accounting plan adopted by the Political Groups on 15 September 2005.

Accounting principles

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;
- substance over for form ;

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 year, upon authorisation 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 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 period or for risks and future charges is registered in the accounts of the next financial period.

No provisions will be made for expenditure of the current financial period not paid by the end of the month following the end of this financial period 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 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.

Note 1: Carry forward to next financial year:

Exceptional carry forward of 75% instead of 50% (bureau decision 04/07/22) due to limited activities caused by COVID pandemic.

1: Credits received by our group for the financial year 2022:	9.799.150,74 €
2: Maximum amount of carry forward to financial year 2023:	7.349.363,06 €
3: Difference between total revenue and total expenditure at the end of the financial year:	5.365.225,76 €
4: Credits to be returned to the EP :	0,00 €
5: Carry forward to financial year 2023:	5.365.225,76 €

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.

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

Note 4: 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.

Note 5: Financial commitments

Our group has concluded the following substantial long standing (>1 year) financial commitments:
1-Bruxelles offices
2 contracts signed for the period ending 2024, concern the rent of photocopy machines.
Contract 0431L for 2.635,52 euros / quarter.
Contract 0421 L for 1.008,8 euros / quarter.
2-Strasbourg offices
One contract signed for the period ending June 2024, concern the rent of photocopy machines. Contract 395L for 1924/10 euros / quarter.

Note 6: Comparison of figures

According to article 2.1.1 of the financial rules governing budget item '400 Expenditure for political and information activities and secretarial costs of the groups and members with no affiliation to any political party', this report covers the period from 1 January 2022 to 31 December 2022. Comparative figures for the previous budgeting period from 1 January 2021 to 31 December 2021 are also presented.

Note 7: Technical support to European political parties and foundations: (CE) 2004/2003

The Renew Europe Group has not granted any technical support to political parties and foundations as defined by the EP Bureau decision dated 12 June 2017 (art.13) laying down the procedures for implementing Regulation (EU, EURATOM) No 1141/2014 of the European Parliament and of the Council on the statute and funding of European political parties and European political foundations (OJ C 205 of 29.6.2017, p. 2).

European Parliament E-Signature. DISP Record: 1363081
24/04/2023 - Tomas NEJDL

Tomas Nejdl
Head of Unit Accounts