



Group of the Progressive Alliance of  
**Socialists & Democrats**  
in the European Parliament

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Roberta Metsola  
President of the European Parliament  
09B111  
Rue Wiertz 60  
1047 Brussels

Brussels, 25 April 2023  
IG/TB/AC/MG

Dear Mrs. President, Dear Roberta,

In accordance with article 2.7.1. of the financial rules, concerning the foreseen use of appropriations from budget item 400, I am pleased to send you the report, drawn up by our external auditors, about the use of these appropriations for budgetary period 2022.

Kind Regards,



GARCÍA-PÉREZ Iratxe,  
President.



**Group of the Progressive Alliance of  
Socialists & Democrats (S&D Group) in the  
European Parliament**

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

**Financial year 2022  
From 1 January to 31 December 2022**

**24 April 2023**

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**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, 2022 and the revenue and expenditure statement for the period from January 1, 2022 to December 31, 2022, 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, 2022, we have performed the audit of the annual accounts of the Group for the second 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, 2022, the revenue and expenditure statement for the period from January 1, 2022 to December 31, 2022 and the notes to the annual accounts, characterized by a balance sheet total of € 11.639.530,46 and a grand total of revenue and expenditure for the period of € 24.061.687,96.

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

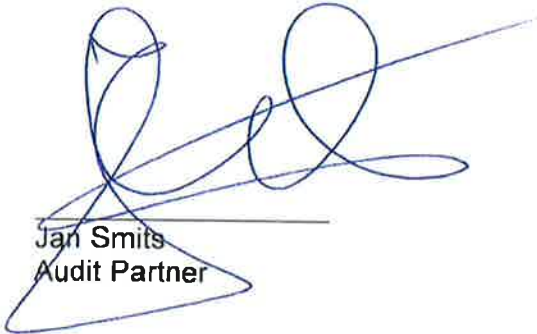
- the statement of revenue and expenditure gives a true and fair view of the group's financial position for the financial period concerned;
- the balance sheet gives a true and fair view of the group's assets at the end of the financial period;
- the overall considerations on financial statements in 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 24, 2023

**Baker Tilly Bedrijfsrevisoren BV**



Jan Smits  
Audit Partner

**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 2022**

**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 2022**

Financial year 2022

		2022	2021
	<i>notes</i>		
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
<b>Chapter 1 Intangible and tangible assets</b>	<b>3</b>		
.1 Intangible assets		0,00	0,00
.2 Tangible assets		91.369,44	87.379,48
<b>Sub total chapter 1</b>		<b>91.369,44</b>	<b>87.379,48</b>
<b>CURRENT ASSETS</b>			
<b>Chapter 2 Debtors, stocks and other working assets</b>	<b>5</b>		
.1 Suppliers		114.678,14	103.446,82
.2 Staff		10.072,10	8.614,18
.3 VAT		136.229,69	177.379,99
.4 Stocks		0,00	0,00
.5 Various		9.565,28	24.070,67
<b>Sub total chapter 2</b>		<b>270.545,21</b>	<b>313.511,66</b>
<b>Chapter 3 Financial assets</b>			
.1 Financial securities	<b>4</b>	0,00	0,00
.2 Cash and cash equivalent		11.134.151,96	13.531.651,89
<b>Sub total chapter 3</b>		<b>11.134.151,96</b>	<b>13.531.651,89</b>
<b>Chapter 4 Deferred charges and accrued income</b>			
.1 Deferred charges		86.297,26	54.715,12
.2 Accrued income		57.166,59	122.426,47
<b>Sub total chapter 4</b>		<b>143.463,85</b>	<b>177.141,59</b>
<b>TOTAL ASSETS</b>		<b>11.639.530,46</b>	<b>14.109.684,62</b>

**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 2022**

<b>LIABILITIES</b>	notes	<b>2022</b>	<b>2021</b>
<b>Chapter 1 Reserves</b>			
.1 Amount carried forward to next financial year	1	9.046.116,27	10.187.713,46
<b>Sub total chapter 1</b>		<b>9.046.116,27</b>	<b>10.187.713,46</b>
<b>Chapter 2 Financial debts</b>			
.1 Financial debts of a residual duration > 1 year		0,00	0,00
.2 Financial debts of a residual duration <= 1 year		0,00	0,00
<b>Sub total chapter 2</b>		<b>0,00</b>	<b>0,00</b>
<b>Chapter 3 Other debts</b>			
.1 Other debts	5	302,03	2.113,44
.2 Charges settled in N but paid in N+1		2.593.081,56	2.989.813,19
.3 Debt to EP		0,00	929.951,40
<b>Sub total chapter 3</b>		<b>2.593.383,59</b>	<b>3.921.878,03</b>
<b>Chapter 4 Deferred income/accrued charges</b>			
.1 Deferred income		0,00	0,00
.2 Accrued charges		30,60	93,13
<b>Sous Total Chapitre 4</b>		<b>30,60</b>	<b>93,13</b>
<b>TOTAL LIABILITIES</b>		<b>11.639.530,46</b>	<b>14.109.684,62</b>

**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 2022**

**Financial year 2022**

		2022	2021
<i>Notes</i>			
<b><u>Receipts</u></b>			
<b><u>Chapter 1 Grants and other receipts from the European Parliament</u></b>			
.1 EP allocation	5	13.804.113,09	13.583.617,94
.2 Other EP resources		0,00	0,00
<b>Subtotal for Chapter 1</b>		<b>13.804.113,09</b>	<b>13.583.617,94</b>
<b><u>Chapter 2 Own resources</u></b>			
.1 Interest and assimilated products		60.955,48	16.611,09
.2 Profit on currency exchange	2	7.036,43	3.288,41
.3 Miscellaneous		1.869,50	1,22
.4 Amount carried forward from previous financial year	5	10.187.713,46	9.808.991,03
<b>Subtotal for Chapter 2</b>		<b>10.257.574,87</b>	<b>9.828.891,75</b>
<b>Total receipts</b>		<b>24.061.687,96</b>	<b>23.412.509,69</b>
<b>Grand total</b>		<b>24.061.687,96</b>	<b>23.412.509,69</b>

**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 2022**

<b>Expenditure</b>	<small>Notes</small>	<b>2022</b>	<b>2021</b>
<b><u>Chapter 1 Staff</u></b>			
.1 Secretariat missions		1 581 758,31	445 963,68
.2 Recruitment		40 892,48	14 624,37
.3 Traineeships		343 753,07	253 275,88
.4 Salaries and related costs, fees		2 711 593,24	2 193 488,28
.5 Staff training		237 495,92	181 548,54
.6 Staff representation costs		10 118,00	7 974,00
<b>Subtotal for Chapter 1</b>		<b>4 925 611,02</b>	<b>3 096 874,75</b>
<b><u>Chapter 2 Equipment, routine administrative costs and operating costs</u></b>			
.1 Equipment, operating expenditure, computer-related engineering and maintenance	3	23 010,06	32 880,84
.2 Equipment, telecommunications-related installation and maintenance expenditure, office machinery, furniture and technical installations	3	34 360,53	52 652,86
.3 Stationery and office supplies		1 004,85	652,30
.4 Postage and telecommunications		73 047,86	46 666,45
.5 Printing and duplicating		6 683,05	3 859,98
<b>Subtotal for Chapter 2</b>		<b>138 067,25</b>	<b>136 712,43</b>
<b><u>Chapter 3 Documentation, studies and research</u></b>			
.1 Newspapers, magazines, press agencies and books		21 280,35	22 527,70
.2 Studies and research		30 290,61	179 588,00
.3 Databases		0,00	0,00
<b>Subtotal for Chapter 3</b>		<b>51 570,96</b>	<b>152 115,70</b>
<b><u>Chapter 4 Legal and accountancy fees, financial and other charges</u></b>			
.1 Legal costs		396,32	21 883,74
.2 Accounting costs/audits		11 475,00	31 900,00
.3 Financial charges and losses from currency exchange	2	16 370,85	7 932,46
.4 Translation and interpretation costs		5 300,00	18 576,00
.5 Other operating expenditure		0,00	0,00
<b>Subtotal for Chapter 4</b>		<b>32 550,37</b>	<b>80 292,20</b>
<b><u>Chapter 5 Cost of meetings and representation</u></b>			
.1 Group meetings		113 057,94	139 468,65
.2 Other meetings and conferences		828 950,19	595 954,10
.3 Expenditure on entertainment		87 463,73	28 910,19
.4 Guests		83,00	1 608,72
.5 Individual fact finding missions of members		228 100,78	46 178,85
<b>Subtotal for Chapter 5</b>		<b>1 257 655,64</b>	<b>812 120,51</b>

**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 2022**

	2022	2021
<b><u>Chapter 6 Publications and publicity</u></b>		
.1 Posters, leaflets and booklets	34 970,80	80.609,88
.2 Advertising inserts and audiovisual advertising	535 408,01	593.746,25
.3 Advertising material, gadgets, publicity	27 204,50	13.313,24
.4 Internet sites + e-publicity	566 197,36	453.071,22
.5 Visits to institutions, information stands	7 799,63	0,00
<b>Subtotal for Chapter 6</b>	<b>1.171.980,30</b>	<b>1.140.740,99</b>
<b><u>Chapter 7 Members of Parliament</u></b>		
.1 Members' political and information activities, administrative expenses and political and information activities of national delegations (details attached)	7 302 998,80	6.846.738,65
<b>Subtotal for Chapter 7</b>	<b>7.302.998,80</b>	<b>6.846.738,65</b>
<b><u>Chapter 8 Grants, subscriptions and contributions</u></b>		
.1 Subsidies	12 587,25	3.000,00
.2 Membership fees	32 000,00	26.250,00
<b>Subtotal for Chapter 8</b>	<b>44 587,25</b>	<b>29.250,00</b>
<b>Total expenditure</b>	<b>15.015.971,69</b>	<b>12.294.644,83</b>
Credits repayable to European Parliament	0,00	929.951,40
Amount carried forward to next financial year	9 046 116,27	10.187.713,46
<b>Grand total</b>	<b>24.061.887,96</b>	<b>23.412.509,69</b>

**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 2022**

**Notes to the financial statements**

**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 2022**

Notes to the accounts of the financial year 2022 (ending 31st of December 2022).

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, 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, on 7 June 2021 and on 4 July 2022.

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 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 and as debt on the balance (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.

**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 2022**

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 2022 financial year:	13.804.113,09 €
2: Max. amount of carry forward to the 2023 financial year:	10.353.084,82 €
3: Remainder at the end of the 2022 financial year:	9.046.116,27 €
4: Credits to be returned to the EP:	N A
5: Carry forward to the 2023 financial year:	9.046.116,27 €

**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:



**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 2022**

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 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 photocopier 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 photocopier 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 2022 which lasts from 01/01/2022 to 31/12/2022.

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.

**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 2022**

**Detail of the property and equipment**

**Balance sheet      Financial year 2022**

**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 2022**

**Analysis of the property and equipment on**

Financial year from 01/01/2022 till 31/12/2022

	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
<b>H I S T O R I C A L</b>	Opening balances 2022 (historical cost)	346.025,95	184.022,11	197.450,71	1.102,00	24.791,65	6.070,32	759.462,74
	Less items sold and entered in profit and loss account in 2022	3.197,52	1.226,67	0,00	0,00	480,00	0,00	4.904,19
	Plus Acquisitions during the financial year 2022	0,00	21.241,14	19.149,58	0,00	0,00	742,02	41.132,74
	Plus Transfers	0,00	-2737,93	3794,01	-1056,08	0,00	0,00	4.54747E-13
	Result Closing balance at historical cost	342.828,43	201.298,65	220.394,30	45,92	24.311,65	6.812,34	795.691,29
<b>A C C U M U L A T E D</b>	Opening balances (accumulated depreciation)	342.899,71	151.663,62	154.263,90	45,92	18.471,80	4.738,31	672.083,26
	Less Accumulated depreciation of items sold and entered in p/l account	3.197,52	1.226,67	0,00	0,00	480,00	0,00	4.904,19
	Plus Depreciation charge for the financial year 2022	2.374,57	13.569,57	19.100,92	0,00	1.835,44	262,28	37.142,78
	Result Closing balance at historical cost	342.076,76	164.006,52	173.364,82	45,92	19.827,24	5.000,59	704.321,85
	Net book value of fixed assets on 01/01/2022	3.126,24	32.358,49	43.186,81	1.056,08	6.319,85	1.332,01	87.379,48
	Net book value of fixed assets on 31/12/2022	751,67	37.292,13	47.029,48	0,00	4.484,41	1.811,75	91.369,44

**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 2022**

**EXECUTION OF THE BUDGET**

**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 2022**

Breakdown of outturn of decentralised appropriations

Chapter 7 article1

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 2022	%	Execution financial year 2021	%
10	Staff	2.671.344,83	36,13%	2.332.212,96	34,06%
20	Equipment / routine administrative expenditure and operating expenditure	76.248,13	1,03%	75.723,47	1,11%
30	Documentation, studies and research	263.359,18	3,56%	288.970,16	4,22%
40	Legal and accounting costs, financial charges and other operating expenditure	14.490,76	0,20%	58.339,46	0,85%
52	Meetings and conferences	1.251.412,14	16,93%	764.692,89	11,17%
54	Guests	83.286,55	1,13%	3.092,91	0,05%
61	Posters, leaflets and booklets	121.107,98	1,64%	278.542,17	4,07%
62	Advertising inserts and audiovisual advertising	758.802,46	10,26%	835.076,02	12,20%
63	Advertising material, gadgets, etc.	1.033.962,83	13,99%	1.310.261,49	19,14%
64	Internet Sites	995.231,75	13,46%	882.327,12	12,89%
65	Visits to institutions, info stands	123.751,29	1,67%	17.500,00	0,26%
	<b>Total execution chapter 7 article 1</b>	<b>7.392.999,90</b>	<b>100,00%</b>	<b>6.846.738,65</b>	<b>100,00%</b>

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**Now, for tomorrow**

 **bakertilly**