

28 AVR. 2009



Sozialdemokratische Fraktion  
im Europäischen Parlament

Europäisches Parlament  
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**307007 28.04.2009**

Der Vorsitzende

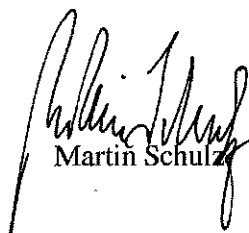
Herrn Hans-Gert PÖTTERING  
Präsident des Europäischen Parlaments  
Rue Wiertz 60  
11B011  
1047 Brüssel

Brüssel, 22.04.2009  
MS/JS/FN/ms/03602009

Sehr geehrter Herr Präsident,

in Übereinstimmung mit Artikel 2.7.1 der Geschäftsordnung über die vorgesehene Verwendung der Mittel der Haushaltszeile 4000, freue ich mich, Ihnen den von den externen Auditoren erstellten Bericht über die Verwendung dieser Mittel im Haushaltsjahr 2008 übersenden zu können.

Mit freundlichen Grüßen

  
Martin Schulz

**ANNUAL REPORT BY THE SOCIALIST GROUP  
IN THE EUROPEAN PARLIAMENT**

**BUDGET ITEM 4000**

**FINANCIAL YEAR 2008**

registered auditors

**PSE**  
**Parliamentary Group of the party of European Socialists**

**Auditor's Report**

**Unqualified Auditor's Report**

According to the audit mandate, we have audited the PSE Financial Statement prepared by the Group Accountant for the year ending 31/12/2008 as laid out in pages 1 to 13 of this document.

*Respective responsibilities of the Group and the Auditors*

Pursuant to the rules on the use of appropriation from Budget Item 4000 (hereafter "the Rule"), the Group is responsible before the Institution of the conformity of appropriation usage and of the preparation of the group annual financial statements.

We have the responsibility to plan and carry out the required work to verify the financial statement prepared by the political group and to report to the Group with a reasonable assurance our audit opinions.

*Basis of Opinions*

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

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

- Expenditures have been charged to the correct item in the budget of the Group;
- Appropriations are available;
- Expenditures are conformed to the Rules governing appropriation item 4000;
- Principles of sound financial management have been applied;

- Payment orders are supported by original documentations (or certified true copies);
- Accounts have been laid out in accordance with the harmonised chart of account;
- Accounts have been prepared in accordance with generally accepted accounting principles as laid out in articles 186 to 196 of the Implementing Rules or, that departures are adequately explained by means of note to the prepared accounts.

Opinions

- As a result of our work, we did not identify any material non-conformity with the dispositions laid out in the Rule governing appropriation item 4000 or with the Group's internal rules;
- The overall presentation of the income and expense statement and of the balance sheet complies with the chart of account provided with the rules governing the appropriation line 4000;
- 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 state of affairs of the Group at 31/12/2008 and of the revenue and expenses for the 12 months ending 31/12/2008;
- We have received all necessary explanations for the purpose of our work.

Brussels, April 21, 2009

T C L M – Toelen, Cats, Morlie & Co  
Legally represented by

  
~~Katrie Morris~~  
Registered Auditor  
Partner

  
Bernard de Grand Ry  
Registered Auditor  
Partner

FINANCIAL YEAR      2008

BALANCE SHEET

**BALANCE SHEET Socialist Group in the European Parliament**  
End of financial year 2008

|   |              | <u>fin. year 2008</u> | <u>fin. year 2007</u> |
|---|--------------|-----------------------|-----------------------|
|   | <i>notes</i> |                       |                       |
| <b><u>ASSETS</u></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  |              | 68.984,02             | 98.283,10             |
| <b>Sub total chapter 1</b>                                |              | <u>68.984,02</u>      | <u>98.283,10</u>      |
| <b>CURRENT ASSETS</b>                                     |              |                       |                       |
| <b>Chapter 2 Debtors, stocks and other working assets</b> | <b>5</b>     |                       |                       |
| .1 Suppliers  |              | 64.944,05             | 120.724,24            |
| .2 Staff  |              | 30.103,66             | 45.551,99             |
| .3 VAT  |              | 217.499,77            | 453.774,05            |
| .4 Stocks   |              | 0,00                  | 0,00                  |
| .5 Various  |              | 57.834,18             | 57.429,95             |
| <b>Sub total chapter 2</b>                                |              | <u>370.381,66</u>     | <u>677.480,23</u>     |
| <b>Chapter 3 Financial assets</b>                         |              |                       |                       |
| .1 Financial securities                                   | <b>4</b>     | 0,00                  | 0,00                  |
| .2 Cash and cash equivalent                               |              | 9.059.202,58          | 8.334.123,38          |
| <b>Sub total chapter 3</b>                                |              | <u>9.059.202,58</u>   | <u>8.334.123,38</u>   |
| <b>Chapter 4 Deferred charges and accrued income</b>      |              |                       |                       |
| .1 Deferred charges                                       |              | 58.511,35             | 68.672,18             |
| .2 Accrued income   |              | 90.562,41             | 2.662,18              |
| <b>Sub total chapter 4</b>                                |              | <u>149.073,76</u>     | <u>71.334,36</u>      |
| <b>TOTAL ASSETS</b>                                       |              | <u>9.647.642,02</u>   | <u>9.181.221,07</u>   |

**LIABILITIES**

|   | <i>notes</i> | <u>fin. year 2008</u> | <u>fin. year 2007</u> |
|---|--------------|-----------------------|-----------------------|
| <b>Chapter 1 Reserves</b>                           |              |                       |                       |
| .1 Carry forward to next financial year             | 1            | 6.847.894,06          | 6.604.146,44          |
| <b>Sub total chapter 1</b>                          |              | <u>6.847.894,06</u>   | <u>6.604.146,44</u>   |
| <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 |              | 156,96                | 1.380,52              |
| <b>Sub total chapter 2</b>                          |              | <u>156,96</u>         | <u>1.380,52</u>       |
| <b>Chapter 3 Other debts</b>                        |              |                       |                       |
| .1 Other debts                                      | 5            | 25.833,08             | 938,66                |
| .2 Charges settled in N but paid in N+1             |              | 2.773.757,92          | 2.468.898,45          |
| <b>Sub total chapter 3</b>                          |              | <u>2.799.591,00</u>   | <u>2.469.837,11</u>   |
| <b>Chapter 4 Deferred income/accrued charges</b>    |              |                       |                       |
| .1 Deferred income                                  |              | 0,00                  | 105.857,00            |
| .2 Accrued charges                                  |              | 0,00                  | 0,00                  |
| <b>Sous Total Chapitre 4</b>                        |              | <u>0,00</u>           | <u>105.857,00</u>     |
| <b>TOTAL LIABILITIES</b>                            |              | <u>9.647.642,02</u>   | <u>9.181.221,07</u>   |

FINANCIAL YEAR

2008

STATEMENT OF REVENUE AND EXPENDITURE





## Expenditure

|   | Notes   | <u>Year 2008</u>           | <u>Year 2007</u>           |
|---|---|----------------------------|----------------------------|
| <b><u>Chapter 1 Staff</u></b>   |   |                            |                            |
| .1  | Secretariat missions  | 1.770.955,58               | 1.872.421,82               |
| .2  | Recruitment   | 12.439,11                  | 47.191,01                  |
| .3  | Traineeships  | 296.266,93                 | 246.379,95                 |
| .4  | Salaries and related costs, fees  | 813.419,98                 | 629.532,17                 |
| .5  | Staff training  | 190.160,09                 | 170.679,98                 |
| .6  | Staff representation costs  | 2.674,53                   | 5.101,20                   |
| <b>Subtotal for Chapter 1</b>   |   | <b><u>3.085.916,22</u></b> | <b><u>2.971.306,13</u></b> |
| <b><u>Chapter 2 Equipment, routine administrative costs and operating costs</u></b> |   |                            |                            |
| .1  | Equipment, operating expenditure, computer-related engineering and maintenance  | 3 24.659,83                | 29.656,36                  |
| .2  | Equipment, telecommunications-related installation and maintenance expenditure, office machinery, furniture and technical installations | 3 159.239,99               | 153.361,68                 |
| .3  | Stationery and office supplies  | 9.327,81                   | 16.455,12                  |
| .4  | Postage and telecommunications  | 168.898,00                 | 182.174,37                 |
| .5  | Printing and duplicating  | 28.158,86                  | 27.670,08                  |
| <b>Subtotal for Chapter 2</b>   |   | <b><u>390.284,49</u></b>   | <b><u>409.317,61</u></b>   |
| <b><u>Chapter 3 Documentation, studies and research</u></b>                         |   |                            |                            |
| .1  | Newspapers, magazines, press agencies and books   | 92.136,11                  | 63.815,04                  |
| .2  | Studies and research  | 271.800,21                 | 5.051,00                   |
| .3  | Databases   | 0,00                       | 1.271,56                   |
| <b>Subtotal for Chapter 3</b>   |   | <b><u>363.936,32</u></b>   | <b><u>70.137,60</u></b>    |
| <b><u>Chapter 4 Legal and accountancy fees, financial and other charges</u></b>     |   |                            |                            |
| .1  | Legal costs   | 970,00                     | 16.119,33                  |
| .2  | Accounting costs/audits   | 61.013,83                  | 59.405,00                  |
| .3  | Financial charges and losses from currency exchange   | 2 11.549,47                | 25.563,59                  |
| .4  | Translation and interpretation costs  | 16.051,00                  | 47.834,50                  |
| .5  | Other operating expenditure   | 392,52                     | 510,11                     |
| <b>Subtotal for Chapter 4</b>   |   | <b><u>89.976,82</u></b>    | <b><u>149.432,53</u></b>   |
| <b><u>Chapter 5 Cost of meetings and representation</u></b>                         |   |                            |                            |
| .1  | Group meetings  | 452.691,31                 | 179.166,62                 |
| .2  | Other meetings and conferences  | 1.145.325,55               | 879.951,64                 |
| .3  | Expenditure on entertainment  | 268.457,18                 | 158.447,88                 |
| .4  | Guests  | 7.515,80                   | 21.072,94                  |
| .5  | Individual fact finding missions of members   | 291.794,54                 | 240.459,09                 |
| <b>Subtotal for Chapter 5</b>   |   | <b><u>2.165.784,38</u></b> | <b><u>1.479.098,17</u></b> |

|   | <u>Year 2008</u>            | <u>Year 2007</u>            |
|---|-----------------------------|-----------------------------|
| <b><u>Chapter 6 Publications and publicity</u></b>  |                             |                             |
| .1 Posters, leaflets and booklets   | 121.071,72                  | 134.212,00                  |
| .2 Advertising inserts and audiovisual advertising<br>Advertising material, gadgets, publicity by telecommunication   | 91.000,00                   | 22.350,00                   |
| .3 equipments   | 474.927,98                  | 423.771,54                  |
| .4 Internet sites + e-publicity   | 303.096,42                  | 176.102,58                  |
| .5 Visits to institutions, information stands   | 78.915,64                   | 69.128,95                   |
| <b>Subtotal for Chapter 6</b>   | <b><u>1.069.011,76</u></b>  | <b><u>825.565,07</u></b>    |
| <b><u>Chapter 7 Members of Parliament</u></b>   |                             |                             |
| .1 Members' political and information activities, administrative expenses<br>and political and information activities of national delegations<br>(details attached) | 9.335.689,07                | 8.812.028,54                |
| <b>Subtotal for Chapter 7</b>   | <b><u>9.335.689,07</u></b>  | <b><u>8.812.028,54</u></b>  |
| <b><u>Chapter 8 Grants, subscriptions and contributions</u></b>   |                             |                             |
| .1 Subsidies  | 55.000,00                   | 45.474,40                   |
| .2 Membership fees  | 0,00                        | 65.164,07                   |
| <b>Subtotal for Chapter 8</b>   | <b><u>55.000,00</u></b>     | <b><u>110.638,47</u></b>    |
| <b>Total expenditure</b>  | <b><u>16.555.599,06</u></b> | <b><u>14.827.524,12</u></b> |
| Credits repayable to European Parliament  | 0,00                        | 0,00                        |
| Amount carried forward to next financial year   | 6.847.894,06                | 6.604.146,44                |
| <b>Grand total</b>  | <b><u>23.403.493,12</u></b> | <b><u>21.431.670,56</u></b> |

## NOTES TO THE ANNUAL ACCOUNTS FINANCIAL YEAR 2008

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

- the 4000 financial rules approved by the Bureau of the European Parliament on 30 June 2003, revised by the Bureau on 22 March 2006 and on 11 July 2007.
- 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 4000 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 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 period 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 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 expenditure accounts follows the principle of classification by destination by the accounting plan annexed to the Rules on the use of appropriations from article 4000.

#### Note 1: Carry forward to next financial year (art 2.9.2 of the 4000 fin. rules):

|  |                |
|--|----------------|
| 1: Credits received by our group for the financial year 2008:        |                |
| a. Yearly credits for 2008:  | 14.463.260,00€ |
| b. Additional credits for 2008:                                      | 1.685.892,00€  |
| 2: Max. amount of carry forward to 2009<br>(50% of 1a +100% of 1b)): | 8.917.522,00€  |
| 3: Remainder at the end of the 2008 financial year:                  | 6.847.894,06€  |
| 4: Credits to be returned to the EP:                                 | 0,00€          |
| 5: Carry forward to financial year 2009:                             | 6.847.894,06€  |

The attention of the reader is drawn to the fact that the Socialist Group spent during the 2008 financial year the entire amount of additional credits received from the EP.

The amount of the authorised carry forward to 2009, without taking into account the additional credits, would have been: 7.231.630,00€. The carry forward of the Socialist Group to the financial year 2009 is inferior to that amount.

#### 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

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 collectibility.

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

Renting of 5 photocopy machines OCé France contract up until January 2014  
cost: 33.192,96,00 €/year

## 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 4000

| Chapter/<br>Article | Heading  | Execution Fin.<br>Year 2008 | %       | Execution Fin.<br>Year 2007 | %       |
|---------------------|--|-----------------------------|---------|-----------------------------|---------|
| 10                  | Staff  | 4.717.671,17                | 50,53%  | 4.534.960,36                | 51,46%  |
| 20                  | Equipment / routine administrative expenditure and operating expenditure | 177.199,86                  | 1,90%   | 196.074,61                  | 2,23%   |
| 30                  | Documentation, studies and research                                      | 216.961,68                  | 2,32%   | 115.703,84                  | 1,31%   |
| 40                  | charges and other operating expenditure                                  | 126.255,58                  | 1,35%   | 77.419,20                   | 0,88%   |
| 52                  | Meetings and conferences   | 1.212.522,74                | 12,99%  | 1.236.736,52                | 14,03%  |
| 54                  | Guests   | 35.174,61                   | 0,38%   | 71.992,36                   | 0,82%   |
| 61                  | Posters, leaflets and booklets   | 1.030.240,80                | 11,04%  | 939.418,77                  | 10,66%  |
| 62                  | Advertising inserts and audiovisual advertising                          | 412.552,47                  | 4,42%   | 356.084,43                  | 4,04%   |
| 63                  | Advertising material, gadgets, etc.                                      | 598.157,46                  | 6,41%   | 463.358,86                  | 5,26%   |
| 64                  | Internet Sites   | 216.996,57                  | 2,32%   | 205.602,30                  | 2,33%   |
| 65                  | Visits to institutions, info stands                                      | 591.956,13                  | 6,34%   | 614.677,29                  | 6,98%   |
|                     | Total execution chapter 7 article 1                                      | 9.335.689,07                | 100,00% | 8.812.028,54                | 100,00% |

**Detail of the property and equipment of the Parliamentary Group of the PES**

**FINANCIAL YEAR      2008**



**Analysis of the property and equipment on the balance sheet and depreciation**

Financial Year :

2008

| Category and depreciation rate   | IT software<br>25%<br>05 | IT hardware<br>25%<br>10 | Telecom-<br>munications<br>equipment 25%<br>30 | Technical<br>equipment and<br>supplies 12.5%<br>00 | Miscellaneous<br>machinery and<br>installations<br>12.5%<br>45 | Movable<br>property (seats,<br>desks, cabinets)<br>10%<br>50 | TOTAL             |
|--|--------------------------|--------------------------|--|--|--|--|-------------------|
| <b>HISTORICAL</b>  |                          |                          |  |  |  |  |                   |
| Opening balances 2008 (historical cost)                                | 55,525,39                | 136,809,26               | 61,281,04                                      | 0,00   | 21,049,07  | 560,50   | 275,225,26        |
| Less Items sold and entered in profit and loss account in 2008         | 9,000,75                 | 15,888,95                | 3,282,96                                       | 0,00   | 0,00   | 0,00   | 28,172,66         |
| Plus Acquisitions during the financial year 2008                       | 0,00                     | 10,698,00                | 1,541,12                                       |  | 0,00   | 0,00   | 12,239,12         |
| Plus Transfers   | 0,00                     | 0,00                     | 0,00   | 0,00   | 0,00   | 0,00   | 0,00              |
| <b>Result Closing balance at historical cost</b>                       | <b>46,524,64</b>         | <b>131,618,31</b>        | <b>59,539,20</b>                               | <b>0,00</b>  | <b>21,049,07</b>   | <b>560,50</b>  | <b>259,291,72</b> |
| <b>ANALYSIS</b>  |                          |                          |  |  |  |  |                   |
| Opening balances (accumulated depreciation)                            | 28,482,21                | 101,091,48               | 44,033,42                                      | 0,00   | 2,998,75   | 336,31   | 176,942,16        |
| Less Accumulated depreciation of items sold and entered in p/l account | 9,000,75                 | 15,888,95                | 3,282,96                                       | 0,00   | 0,00   | 0,00   | 28,172,65         |
| Plus Depreciation charge for the financial year 2008                   | 11,282,03                | 20,872,95                | 6,696,03                                       | 0,00   | 2,631,13   | 56,05  | 41,538,18         |
| <b>Result Closing balance at historical cost</b>                       | <b>30,763,49</b>         | <b>106,075,48</b>        | <b>47,446,49</b>                               | <b>0,00</b>  | <b>5,629,88</b>  | <b>392,36</b>  | <b>190,307,70</b> |
| <b>Net book value of fixed assets on</b>                               |                          |                          |  |  |  |  |                   |
| 31/12/2007   | 27,043,18                | 35,717,78                | 17,247,62                                      | 0,00   | 18,050,33  | 224,19   | 98,283,10         |
| Net book value of fixed assets on 31/12/2008                           | 15,761,15                | 25,542,83                | 12,092,71                                      | 0,00   | 15,419,20  | 168,14   | 68,984,02         |