



**Group of the European People's Party  
(Christian Democrats)  
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**

**22 May 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 European People's Party (Christian Democrats) 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, 2020, we have performed the audit of the annual accounts of the Group for 3 succeeding years.

**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 € 12 984 234 and a grand total of revenue and expenditure for the period of € 29 379 814.


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 1, 2022 to December 31, 2022, in accordance with the rules adopted by the Bureau of the European Parliament in the version of 30th 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 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.

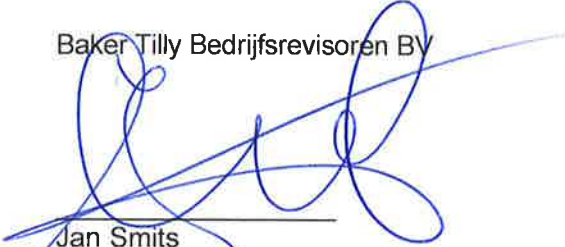
Our audit work included specific procedures aimed at gathering sufficient and appropriate audit evidence that:

- 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, May 23, 2023

Baker Tilly Bedrijfsrevisoren BV



Jan Smits  
Audit Partner

**Balance Sheet & Profit and loss  
including the explanatory note**

**Balance sheet of the Group of the European People's Party  
(Christian Democrats)  
in the European Parliament  
for budget item 400 as at 31 December 2022**

ASSETS	Notes	<u>31/12/2022</u> EUR		<u>31/12/2021</u> EUR	
<b>I</b>	<b>Tangible and intangible fixed assets</b>				
I.1	Intangible fixed assets	-		-	
I.2	Tangible fixed assets	3, 7	<u>154.310</u>	154.310	<u>115.741</u> 115.741
<b>II</b>	<b>Debtors, stocks and other current assets</b>	<b>4.1</b>			
II.1	Suppliers		18.589		15.978
II.2	Staff		-		-
II.3	Value added tax		7.024		1.052
II.4	Stocks		-		-
II.5	Others		-	25.613	-
					17.030
<b>III</b>	<b>Cash and bank</b>	<b>4.2</b>			
III.1	Securities		32.925		32.899
III.2	Cash		<u>12.681.943</u>	12.714.868	<u>15.870.788</u> 15.903.687
<b>IV</b>	<b>Deferred charges/Accrued income</b>	<b>4.3</b>			
IV.1	Deferred charges		87.750		165.196
IV.2	Accrued income		<u>1.693</u>	89.443	<u>-</u> 165.196
<b>TOTAL ASSETS</b>			<u><u>12.984.234</u></u>		<u><u>16.201.654</u></u>

**Balance sheet of the Group of the European People's Party  
(Christian Democrats)  
in the European Parliament  
for budget item 400 as at 31 December 2022**

LIABILITIES		Notes	<u>31/12/2022</u> EUR		<u>31/12/2021</u> EUR	
<b>I</b>	<b>Reserves</b>	<b>3</b>				
I.1	Balance carried forward		<u>10.728.509</u>	10.728.509	<u>13.332.556</u>	13.332.556
<b>II</b>	<b>Financial debts</b>					
II.1	Financial debts of more than one year		-		-	
II.2	Financial debts of less than one year		<u>-</u>	-	<u>-</u>	-
<b>III</b>	<b>Other debts</b>	<b>4.4</b>				
III.1	Other debts		71.662		38.473	
III.2	Charges settled in the period and paid in the following period		<u>2.155.442</u>	2.227.104	<u>2.609.293</u>	2.647.766
<b>IV</b>	<b>Accrued charges/Deferred income</b>					
IV.1	Accrued charges		20.021		212.704	
IV.2	Deferred income		<u>8.600</u>	28.621	<u>8.628</u>	221.332
<b>TOTAL LIABILITIES</b>			<u><b>12.984.234</b></u>		<u><b>16.201.654</b></u>	



**Balance sheet of the Group of the European People's Party  
(Christian Democrats)  
in the European Parliament  
for budget item 400 as at 31 December 2022**

	Notes	01/01/2022 - 31/12/2022 EUR	01/01/2021 - 31/12/2021 EUR
<b>I REVENUE</b>			
<b>I.1 EP SUBSIDIES AND OTHER EP REVENUE</b>			
I.1.1 Allocation from EP	3, 5.1	16.739.437	16.749.968
I.1.2 Other revenue from EP		-	-
		<u>16.739.437</u>	<u>16.749.968</u>
<b>I.2 OWN RESOURCES</b>			
I.2.1 Interest and similar receipts		73.613	27.338
I.2.2 Exchange gains		4.288	3.171
I.2.3 Miscellaneous resources		-	66
I.2.4 Amount carried forward from the preceding financial year		12.562.476	10.197.966
		<u>12.640.377</u>	<u>10.228.541</u>
<b>TOTAL REVENUE</b>		<u>29.379.814</u>	<u>26.978.509</u>

**Balance sheet of the Group of the European People's Party  
(Christian Democrats)  
in the European Parliament  
for budget item 400 as at 31 December 2022**

	Notes	01/01/2022 - 31/12/2022 EUR	01/01/2021 - 31/12/2021 EUR
<b>II EXPENDITURE</b>			
<b>II.1 STAFF</b>			
II.1.1 Secretariat missions		2.425.111	802.606
II.1.2 Recruitment		49.441	10.070
II.1.3 Traineeships		480.462	401.485
II.1.4 Salaries and related costs, fees		698.580	355.068
II.1.5 Staff training		138.606	101.601
II.1.6 Staff representation		93.879	57.080
		<b>3.886.079</b>	<b>1.727.910</b>
<b>II.2 EQUIPMENT, ROUTINE ADMINISTRATIVE EXPENDITURE AND OPERATING EXPENDITURE</b>			
II.2.1 Equipment, operating expenditure, computer engineering and maintenance		485.961	361.708
II.2.2 Equipment, telecommunications-related installation and maintenance expenditure, office machinery, furniture and technical installations		49.366	47.652
II.2.3 Stationery and office supplies		17.043	37.821
II.2.4 Postage and telecommunications		54.592	64.686
II.2.5 Printing and photocopying costs		199.258	228.249
II.2.6 Office rental costs		-	-
		<b>806.220</b>	<b>740.116</b>
<b>II.3 DOCUMENTATION, STUDIES AND RESEARCH</b>			
II.3.1 Newspapers, magazines, press agencies and books		482.398	344.166
II.3.2 Studies and research		10.000	72.298
II.3.3 Databases		-	-
		<b>492.398</b>	<b>416.464</b>
<b>II.4 LEGAL AND ACCOUNTING COSTS, FINANCIAL CHARGES AND OTHER OPERATING EXPENDITURE</b>			
II.4.1 Legal costs		-	-
II.4.2 Accounting and audit costs		7.560	7.681
II.4.3 Financial charges and exchange losses		41.109	319.657
II.4.4 Translation and interpreting costs		2.728	-
II.4.5 Other operating expenditure		-	35
		<b>51.397</b>	<b>327.373</b>

**Balance sheet of the Group of the European People's Party  
(Christian Democrats)  
in the European Parliament  
for budget item 400 as at 31 December 2022**

	Notes	01/01/2022 - 31/12/2022 EUR	01/01/2021 - 31/12/2021 EUR
<b>II.5 EXPENDITURE ON MEETINGS AND ENTERTAINMENT</b>			
II.5.1 Official Group meetings		927.031	646.650
II.5.2 Other meetings and conferences		481.048	220.783
II.5.3 Expenditure on representation		60.297	39.523
II.5.4 Guests		4.851	3.995
II.5.5 Fact-finding missions by individual Members		239.057	110.291
		<b>1.712.284</b>	<b>1.021.242</b>
<b>II.6 PUBLICATIONS AND ADVERTISING</b>			
II.6.1 Posters, booklets, publications		221.466	238.981
II.6.2 Advertising inserts and audiovisual advertising		416.666	550.044
II.6.3 Advertising material, novelty items, telecommunications advertising		607.049	629.491
II.6.4 Internet sites and cyber advertising		1.639.733	1.671.243
II.6.5 Visits to institutions, information stands		1.361.175	131.403
		<b>4.246.089</b>	<b>3.221.162</b>
<b>II.7 MEMBERS</b>			
II.7.1 Decentralised political and information activities	5.2	7.456.838	6.191.686
		<b>7.456.838</b>	<b>6.191.686</b>
<b>II.8 SUBSIDIES AND SUBSCRIPTIONS</b>			
II.8.1 Subsidies		-	-
II.8.2 Subscriptions		-	-
		<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURE</b>		<b>18.651.305</b>	<b>13.645.953</b>
<b>BALANCE CARRIED FORWARD</b>		<b>10.728.509</b>	<b>13.332.556</b>
<b>GRAND TOTAL OF REVENUE AND EXPENDITURE</b>		<b>29.379.814</b>	<b>26.978.509</b>

Explanatory note :

The accounts submitted by our Group for the financial year 2021 showed a non-deferrable surplus of EUR 770.080. This surplus should have been recorded in 2022 ( letter from DG Fins 15/09/22 ) at the level of the result carried forward (Chapter I.2.4) in order to reflect the reduction of the amount carried forward from 2021.

This surplus was booked in the Allocations from EP which was a mistake, because this account should in principle only show the movements of the current year, in this case 2022.

In order to restore the result carried forward from 2021 to its fair carrying value, we have corrected the initial charge on 31/12/2022. The sum of EUR 770.080,- has therefore been added to the EP Allocation account (Chapter I.1.1) and deducted from the account for the amount carried forward from the preceding financial year (Chapter I.2.4).

This correction causes a discrepancy between the balance carried forward included in the annual report for the financial year 2021 and the amount carried forward from the preceding financial year (Chapter I.2.4) included in the annual report for the financial year 2022.

## **Notes to the financial statements**

**Group of the European People's Party (Christian Democrats)  
in the European Parliament  
Notes to the accounts for the period ended 31 December 2022**

**1 General**

Officially recognised as the Christian Democrat Group on 23 June 1953, pursuant to the Resolution of the Common Assembly of the European Coal and Steel Community, the Group changed its name, following the European elections in 2009 from 'Group of the European People's Party (Christian Democrats) and European Democrats' to 'Group of the European People's Party (Christian Democrats)' hereafter referred to as 'EPP Group'.

With 176 Members as at 31 December 2022 the EPP Group is the largest political Group in the European Parliament (hereafter referred to as 'EP').

**2 Basis of preparation**

The accounts have been prepared in accordance with the rules concerning the use of resources of the budget item, '400 Expenditure for political and information activities and secretarial costs of the groups and members with no affiliation to any political party', as adopted by the Bureau of the EP in the version of 30 June 2003, revised by the Bureau of the EP 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, 01 July 2019, 13 January 2020, 06 July 2020 and 07 June 2021, 04 July 2022.

According to article 2.1.1 of the financial rules governing budget item 400 this report covers the period from 01 January 2022 to 31 December 2022.

**3 Significant accounting and valuation principles**

Movements on the accounts and the balances shall be entered in the accounting ledgers.

All accounting entries, including adjustments to the accounts, shall be based on dated and numbered supporting documents, to which they shall refer.

The accounting system must be such as to leave a trail for all accounting entries.

The accounts have been prepared on the historic cost basis and in accordance with the generally accepted accounting principles, namely:

- going concern;
- prudence;
- consistent accounting methods;
- comparability of information;
- materiality
- no netting;
- Substance over form.

**Group of the European People's Party (Christian Democrats)  
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Notes to the accounts for the period ended 31 December 2022**

**3 Significant accounting and valuation principles (continued)**

According to article 2.5.3 of the 'Rules on the use of appropriations from budget item 400', the accounts are drawn up on a modified accrual system. All expenses occurred up to 31 December of the current budgetary period and paid before 31 January the following year are accounted for as expense in the reporting period. Expenses of the accounting period that are settled after the balance sheet date are shown in the balance sheet, under liabilities, under position III.2 'Charges settled in the period and paid in the following 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).

Valuation principles

Fixed-term securities are shown under the position III. 'Cash and banks' are valued at lower of cost or market value. The fixed term deposits are valued at their nominal value.

Debtors are recorded at their nominal value while liabilities are stated at their repayment value.

Foreign currencies

The accounts are expressed in Euros (EUR).

All balances in foreign currencies are converted with the exchange rate as per balance sheet date, except for fixed assets which are valued at their acquisition cost.

Income and expenditure in foreign currencies are converted to EUR at the exchange rate of the second last day of the previous month as published by the European Central Bank (ECB).

Gains and losses on foreign exchange are recognised as income or expense in accordance with the imparity principle.

Tangible fixed assets

Fixed assets are depreciated starting the month of purchase of the asset.

Assets with an acquisition cost higher than EUR 420 and a normal useful economic life of more than one year are capitalised and depreciated on a straight line basis as follows:

	<u>Depreciation p.a.</u>
Software	25,0%
Hardware	25,0%
Telecommunications equipment	25,0%
Technical equipment	12,5%
Miscellaneous installations and machines	12,5%
Furniture (chairs, desks, cupboards)	10,0%

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Notes to the accounts for the period ended 31 December 2022**

A recapitulative table of tangible fixed assets in the balance sheet is available under point 7.

**3 Significant accounting and valuation principles (continued and end)**

*Reserves*

At year end a maximum of 50% of the annual subsidies may be brought forward to the following year. In 2022, the maximum carry forward has been increased to 75% due to the consequences linked to the evolution of the COVID-19 pandemic.

The balance carried forward to the financial year 2023 is calculated as follows:

	<b>EUR</b>
1. Subsidies received from the EP for 2022	16.739.437
2. Exceptional carry forward of 75% instead of 50% (Bureau decision 04/07/22) due to consequences linked to the evolution of the COVID-19 pandemic	12.554.578
3. Total revenue in 2022	29.379.814
4. Total expenditures in 2022	18.651.305
5. Difference between revenue and expenditures 2022	10.728.509
6. Subsidies to be transferred to the EP	0
7. Amount carried forward to the following accounting year 2023	10.728.509



**Group of the European People's Party (Christian Democrats)  
in the European Parliament  
Notes to the accounts for the period ended 31 December 2022**

The reported brought forward of EUR 10.728.509 (31 December 2021: EUR 12.562.476) as stated in the report is fully available for use for the budgetary period 2023.

The accounts submitted by our Group for the financial year 2021 showed a non-deferrable surplus of EUR 770.080. This surplus was booked in the wrong account in 2022. In order to restore the result carried forward from 2021 to its fair carrying value, we have corrected the initial charge on 31/12/2022. This correction causes a discrepancy between the balances carried forward included in the annual report for the financial year 2021 and the amount carried forward from the preceding financial year included in the annual report for the financial year 2022 ( EUR 12.562.476 instead of EUR 13.332.556 ).

**4 Significant balance sheet positions**

4.1 Debtors, stocks and other current assets of EUR 25.613 (31 December 2021: EUR 17.030) are due within one year.

4.2 Cash and banks as at 31 December 2022 are presented as follows:

	<b>31/12/2022</b>	<b>31/12/2021</b>
	<b>EUR</b>	<b>EUR</b>
Share certificates	150	150
Fixed-rate securities	32.775	32.749
<b>Total securities</b>	<b>32.925</b>	<b>32.899</b>
Current accounts	12.676.197	15.865.439
Petty cash	5.746	5.349
<b>Total cash</b>	<b>12.681.943</b>	<b>15.870.788</b>
<b>TOTAL</b>	<b>12.714.868</b>	<b>15.903.687</b>

The securities are valued at the cost or market value. The market value of the securities at the period ended 31 December 2022 amounts to EUR 32.925 (31 December 2021: EUR 32.899).

4.3 Caption IV.1 'Deferred charges' EUR 87.750 (31 December 2021: EUR 165.196) represents prepaid newspaper/news agency subscriptions and lease contracts. These expenses are related to the following financial period.

**Group of the European People's Party (Christian Democrats)  
in the European Parliament  
Notes to the accounts for the period ended 31 December 2022**

4.4 Caption III 'Other debts' includes EUR 2.227.104 (31 December 2021: EUR 2.647.766) representing expenditures accounted for the year 2022 and payable until 31 January as well as mission expenses incurred in the accounting period, reimbursed in 2023.

**5 Significant revenue and expenditure positions**

5.1 Subsidies from the EP represent resources made available to cover secretarial costs and expenses for political and information activities.

5.2 Expenses under position II.7.1 'Decentralised political and information activities' relate to political and information activities of members as well as political and information activities of national delegations and consist of the following categories:

Heading	01/01/2022-31/12/2022		01/01/2021-31/12/2021	
	EUR	in %	EUR	in %
Staff costs	563	0,01%	0	0,00%
Material, maintenance and operating expenses	1.820	0,02%	0	0,00%
Documentation, surveys and research expenses	335.863	4,50%	429.854	6,94%
Consulting fees and other administration expenses	0	0,00%	0	0,00%
Meetings and conferences	1.513.232	20,29%	712.800	11,51%
Representation costs	0	0,00%	0	0,00%
Invitations	807.479	10,83%	358.790	5,79%
Brochures and other publications	488.104	6,55%	556.555	8,99%
Adverts and audio-visual advertising	775.836	10,40%	800.807	12,93%
Promotional material	2.134.089	28,62%	2.130.752	34,41%
Internet	1.069.225	14,34%	1.187.953	19,19%
Visit groups	330.627	4,44%	14.175	0,24%
	<u>7.456.838</u>	<u>100,00%</u>	<u>6.191.686</u>	<u>100,00%</u>

**6 Commitments**

As per 31 December 2022 'Other financial commitments' amount to EUR 252.735 (31 December 2021: EUR 148.252) and result from rental agreements for copy machines.

**Group of the European People's Party (Christian Democrats)  
in the European Parliament  
Notes to the accounts for the period ended 31 December 2022**

**7 Tangible fixed assets**

Category and depreciation rate		Computer Software 25% (Euro)	Computer Hardware 25% (Euro)	Telecom equipment 25% (Euro)	Technical Equipment and supplies 12,50% (Euro)	Miscellaneous installations and machines 12,50% (Euro)	Furniture (chairs, desks, cupboards) 10% (Euro)	TOTAL (Euro)
<b>H I S T O R I C A L  C O S T</b>	Opening balances 2021 (historical cost)	6.148	171.279	381.816	11.764	2.846	53.137	626.990
	Less Items sold and entered in profit and loss account in 2022	0	9.578	9.233	0	0	0	18.811
	<b>Plus Acquisitions during the financial year 2022</b>	0	40.673	57.362	1.715	0	0	99.750
	<b>Plus Transfers</b>	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	<b>Result Closing balance at historical cost</b>	6.148	202.374	429.945	13.479	2.846	53.137	707.929
<b>A C C U M U L A T E D</b> d e p r e c i a t i o n	Opening balances (accumulated depreciation)	6.148	119.482	326.358	9.043	2.846	47.372	511.249
	Less Accumulated depreciation of items sold and entered in p/l account	0	9.578	9.233	0	0	0	18.811
	<b>Plus Depreciation charge for the financial year 2022</b>	0	31.023	28.841	519	0	797	61.181
	<b>Result Closing balance at historical cost</b>	6.148	140.927	345.966	9.562	2.846	48.169	553.619
<b>V N e t v a l u e</b>	Net book value of fixed assets on 01-01-22	0	51.797	55.458	2.721	0	5.765	115.741
	Net book value of fixed assets on 31-12-22	0	61.447	83.979	3.916	0	4.968	154.310

Group of the European People's Party (Christian Democrats)  
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Notes to the accounts for the period ended 31 December 2022

**8** *Technical support to political parties and foundations (Regulation (EU, EURATOM) No 1141/2014)*

The EPP Group has not granted any technical support to political parties (namely to the European People's Party) as defined in article 32 of the Regulation (EU, EURATOM) No 1141/2014 of the European Parliament and of the Council of 22 October 2014 on the statute and funding of European political parties and European political foundations.



**Now, for tomorrow**

