






EUROPEAN RAILWAY AGENCY

**Final accounts 2013 of
THE EUROPEAN RAILWAY AGENCY**



	Name	Function	Date	Signature
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PRESENTATION OF THE ORGANISATION

1.1- Introduction

The European Railway Agency was established by Regulation (EC) N° 881/20041 of the European Parliament and the Council of 29 April 2004 establishing a European Railway Agency amended by Regulation (EC) No 1335/2008 of the European Parliament and of the Council of 16 December 20082.

1.2- Legal status and principal office

The Agency is a body of the Community as referred to in article 185 of The Financial Regulation (EC, Euratom) n°1605/2002 of the Council of 25 June 2002, amended by Council Regulation (EC, Euratom) n° 1995/2006 of 13 December 2006. It has legal personality. The Agency is represented and managed by the Executive Director, Mr. Marcel VERSLYPE, appointed by the Administrative Board.

The Agency's headquarters are located in Valenciennes, France, 120 Rue Marc Lefrancq and Lille.

The Protocol on the Privileges and Immunities of the European Union applies to the Agency.

1.3- Governing structure

ERA's governing structure consists of an Administrative Board.

The Administrative Board is composed of the Member State representatives, one from each Member State, 4 Commission representatives and 6 professionals from the sectors most concerned having the role to ensure that the Agency carries out its mission and performs the tasks assigned to it under the conditions laid down in the Regulation.

It is chaired by the Chair while the Executive Director is entrusted with the management of the Agency and attends the Board meetings.

1.4- Further information sources

More information on the Agency's administrative and operational activities, organisational chart, applicable legislation and its Administrative Board is available on the Agency's website www.era.europa.eu and in its annual report.



PART I - FINANCIAL STATEMENTS

Balance sheet

BALANCE SHEET - ASSETS	Note	31/12/2013	31/12/2012
A. NON CURRENT ASSETS			
Intangible assets	2.1	1 506 756,87	1 446 937,83
Property, plant and equipment	2.2	1 187 373,50	1 009 235,00
Land and buildings		4 710,00	5 270,00
Plant and equipment		24 695,00	2 828,00
Computer hardware		965 685,00	831 772,00
Furniture and vehicles		130 201,00	97 983,00
Other fixtures and fittings		62 082,50	71 382,00
Leasing		0,00	0,00
Tangible fixed assets under construction		0,00	0,00
Long-term receivables	2.3	3 371,30	0,00
Long-term receivables		3 371,30	0,00
TOTAL NON-CURRENT ASSETS		2 697 501,67	2 456 172,83
B. CURRENT ASSETS			
Short-term pre-financing		0,00	0,00
Short-term pre-financing		0,00	0,00
Short-term receivables	2.4	862 115,65	429 952,02
Current receivables		564 540,45	385 781,01
Long-term receivables falling due within a year		0,00	0,00
Sundry receivables		57 281,91	44 171,01
Other		240 293,29	0,00
<i>Accrued income</i>		0,00	0,00
<i>Deferred charges</i>		105 957,33	0,00
<i>Other active accruals & deferrals</i>		17 005,91	0,00
<i>Deferrals and accruals with consolidated EC entities</i>		0,00	0,00
<i>Short term receivables with consolidated EC entities</i>		117 330,05	0,00
Cash and cash equivalents	2.5	2 438 071,75	3 214 156,49
TOTAL CURRENT ASSETS		3 300 187,40	3 644 108,51
TOTAL		5 997 689,07	6 100 281,34



BALANCE SHEET - LIABILITIES	Note	31/12/2013	31/12/2012
A. CAPITAL		3 481 690,04	2 824 870,51
Accumulated surplus/deficit	2.6	2 824 870,51	4 376 974,72
Economic result of the year-profit+/loss-	2.6	656 819,53	-1 552 104,21
B. NON CURRENT LIABILITIES		0,00	0,00
Employee benefits		0,00	0,00
Long-term provisions		0,00	0,00
TOTAL NON-CURRENT LIABILITIES (A+B)		3 481 690,04	2 824 870,51
C. CURRENT LIABILITIES		2 515 999,03	3 275 410,83
Provisions for risks and charges	2.7	527 002,39	601 268,78
Accounts payable	2.8	1 988 996,64	2 674 142,05
Current payables		1 605,71	24 265,03
Long term liabilities falling due within the year		0,00	0,00
Sundry payables		3 790,28	7 270,07
Other		1 009 140,70	1 076 379,13
<i>Accrued charges</i>		914 677,28	798 362,88
<i>Deferred income</i>		0,00	0,00
<i>Other passive accruals & deferrals</i>		0,00	0,00
<i>Deferrals and accruals with consolidated EC entities</i>		94 463,42	278 016,25
Accounts payable with consolidated EC entities		974 459,95	1 566 227,82
..... <i>Prefinancing received from consolidated EC entities</i>		955 871,94	1 448 475,19
..... <i>Other accounts payable against consolidated EC entities</i>		18 588,01	117 752,63
TOTAL CURRENT LIABILITIES		2 515 999,03	3 275 410,83
TOTAL		5 997 689,07	6 100 281,34



Economic outturn account

ECONOMIC OUTTURN ACCOUNT	Note	31/12/2013	31/12/2012
Revenues from administrative operations		-108,40	1 954,05
Other operating revenues		25 241 871,42	24 389 188,98
Subsidy received	3.1	24 912 065,85	24 345 524,81
<i>Title 1&2</i>		18 490 000,00	18 716 000,00
<i>Title 3</i>		7 213 799,00	6 928 000,00
<i>Part of Phare Funds subsidy used in 2012</i>		162 553,77	135 861,21
<i>To be reimbursed (Budget outturn)</i>		-954 286,92	-1 434 336,40
Miscellaneous revenue		329 805,57	43 664,17
TOTAL OPERATING REVENUE		25 241 763,02	24 391 143,03
Administrative expenses	3.2	-20 171 195,44	-20 250 248,49
<i>Staff expenses</i>		-15 287 292,72	-15 504 476,56
<i>Fixed assets related expenses</i>		-960 773,66	-785 750,91
<i>Other administrative expenses</i>		-3 923 129,06	-3 960 021,02
Operational expenses	3.3	-4 413 748,05	-5 692 968,75
<i>Other operational expenses</i>		-4 413 748,05	-5 692 968,75
TOTAL OPERATING EXPENSES		-24 584 943,49	-25 943 217,24
SURPLUS (DEFICIT) FROM OPERATING ACTIVITIES		656 819,53	-1 552 074,21
Financial revenues		0,00	0,00
Financial expenses		0,00	-30,00
Movement in pensions (-expense; + revenue)		0,00	0,00
SURPLUS (DEFICIT) FROM NON-OPERATING ACTIVITIES		0,00	-30,00
SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES		656 819,53	-1 552 104,21
Extraordinary gains (+)		0,00	0,00
Extraordinary losses (-)		0,00	0,00
SURPLUS (DEFICIT) FROM EXTRAORDINARY ITEMS		0,00	0,00
ECONOMIC RESULT OF THE YEAR		656 819,53	-1 552 104,21



Statement of changes in net assets

Capital	Reserves		Accumulated Surplus / Deficit	Economic result of the year	Capital (total)
	Fair value reserve	Other reserves			
Balance as of 31 December 2012	0,00	0,00	4 376 974,72	-1 552 104,21	2 824 870,51
Changes in accounting policies (1)					
Balance as of 1 January 2013 (if restated)	0,00	0,00	4 376 974,72	-1 552 104,21	2 824 870,51
Other	0,00	0,00	0,00	0,00	0,00
Fair value movements					
Movement in Guarantee Fund reserve					
Allocation of the Economic Result of Previous Year	0,00	0,00	-1 552 104,21	1 552 104,21	0,00
Amounts credited to Member States					
Economic result of the year	0,00	0,00	0,00	656 819,53	656 819,53
Balance as of 31 December 2013	0,00	0,00	2 824 870,51	656 819,53	3 481 690,04



Cash flow table (indirect method)

	2013	2012
Cash Flows from ordinary activities		
Surplus/(deficit) from ordinary activities	656 819,53	-1 552 104,21
Operating activities		
Adjustments		
Amortization (intangible fixed assets) +	440 877,34	287 883,26
Depreciation (tangible fixed assets) +	519 716,32	493 058,65
Increase/(decrease) in Provisions for risks and liabilities	-74 266,39	455 202,36
Increase/(decrease) in Value reduction for doubtful debts	-233 122,40	233 122,40
(Increase)/decrease in Stock	0,00	0,00
(Increase)/decrease in Long term Pre-financing	0,00	0,00
(Increase)/decrease in Short term Pre-financing	0,00	117 480,00
(Increase)/decrease in Long term Receivables	-3 371,30	2 954,00
(Increase)/decrease in Short term Receivables	-81 711,18	-64 836,05
(Increase)/decrease in Receivables related to consolidated EC entities	-117 330,05	0,00
Increase/(decrease) in Other Long term liabilities	0,00	0,00
Increase/(decrease) in Accounts payable	-93 377,54	-263 762,31
Increase/(decrease) in Liabilities related to consolidated EC entities	-591 767,87	1 388 536,77
(Gains)/losses on sale of Property, plant and equipment	0,00	0,00
Extraordinary items	0,00	0,00
Net cash Flow from operating activities	422 466,46	1 097 534,87
Cash Flows from investing activities		
Purchase of tangible and intangible fixed assets (-)	-1 198 839,60	-1 147 960,91
Proceeds from tangible and intangible fixed assets (+)	288,40	-8 786,00
Net cash flow from investing activities	-1 198 551,20	-1 156 746,91
Net increase/(decrease) in cash and cash equivalents	-776 084,74	-59 212,04
Cash and cash equivalents at the beginning of the period	3 214 156,49	3 273 368,53
Cash and cash equivalents at the end of the period	2 438 071,75	3 214 156,49



Notes to the financial statements

1. Accounting policies

1.1. General

The accounts are drawn up in accordance with the accounting rules and methods adopted by the Accounting Officer of the Commission as stated in article 143 and 208 of the general Financial Regulation.

The objective of the financial statements is to provide information about the financial position, performance and cash-flows of an entity that is useful to a wide range of users.

The accounting system of the European Railway Agency comprises general accounts and budget accounts. These accounts are kept in euro on the basis of the calendar year. The budget accounts give a detailed picture of the implementation of the budget. They are based on the modified cash accounting principle. The general accounts allow for the preparation of the financial statements as they show all charges and income for the financial year based on accrual accounting rules. The accounting principles to be applied in drawing up the financial statements are:

- ✓ Going concern basis
- ✓ Prudence
- ✓ Consistent accounting methods
- ✓ Comparability of information
- ✓ Materiality
- ✓ No netting
- ✓ Reality over appearance
- ✓ Accrual-based accounting

The financial statements are presented in euros, the euro being the functional and reporting currency. Foreign currency transactions are translated into euros using the exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translations at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the economic outturn account.

1.2. Specific

➤ Intangible assets

Acquired computer software licences are stated at cost less accumulated amortisation and impairment losses. The assets are amortised on a straight-line basis over their estimated useful life, being 4 years.

With the entry into force of the accounting rule n° 6 on internally developed intangible assets costs directly linked to an internally developed intangible asset, providing they meet the necessary criteria must be capitalised as assets under construction. Once the project goes live, the resulting asset will be amortised over its useful life. In addition the amount of research expenses incurred on IT projects and development costs not capitalised (e.g. for small projects



below threshold) must be disclosed in the financial statements. It must be noted that the threshold for capitalizing these costs has been set at 150 KEUR for the Agency.

➤ **Property, plant and equipment**

All property, plant and equipment are stated at historical costs less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the Agency and its cost can be measured reliably. Repairs and maintenance are charged to the economic outturn account during the financial period in which they are incurred.

Assets under construction are not depreciated as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Depreciation rates

Type of asset	%
Intangible assets	
Software	25,00%
Property, plant and equipment	
Furniture and vehicles	
Furniture	10,00%
Electrical office equipment, printing and mailing equipment	25,00%
Computer hardware	
Computers, servers, accessories, data transfer equipment, printers, screens...	25,00%
Copying equipment, digitizing and scanning equipment	25,00%
Other fixtures and fittings	
Telecommunications equipment	25,00%
Audiovisual equipment	25,00%
Equipment for surveillance and security service	12,50%

Depreciation rules are applied only to assets which purchased value is higher than 420€.

➤ **Receivables**

Receivables are carried at original amount less write-down for impairment.

➤ **Cash and cash equivalents**

Cash and cash equivalents are financial instruments and defined as short-term assets.



➤ **Provisions**

Provisions are recognized when the European Railway Agency has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses. The amount of the provision is the best estimate of the expenditures expected to be required to settle the present obligation at the reporting date.

➤ **Payables**

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount and corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the European Railway Agency.

➤ **Accrued and deferred income and charges**

Following the accrual accounting principle, transactions and events are recognised in the financial statements in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. Revenue is also accounted for in the period to which it relates.

➤ **Revenues and expenses**

Revenues and expenses are accounted for in accordance with the accrual accounting basis principle.

➤ **Contingent liabilities and contingent assets**

A contingent asset is a possible right that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Agency. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

A contingent liability is:

- A possible obligation, that arises from past events, and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Agency or
- A present obligation that arises from past events but is not recognized either because it is unlikely that the Agency will use its own resources to settle the obligation or because the value of the obligation cannot be measured with sufficient reliability

A commitment for future funding represents a legal or constructive commitment, usually contractual, that the Agency has entered into and which may require a future outflow of resources.

Guarantees are possible assets or obligations that arise from past events and whose existence will be confirmed by the occurrence or non-occurrence of the object of the guarantee. It can thus be qualified as a contingent asset or liability. A guarantee is settled when the object of the guarantee no longer exists.



2. Notes to the balance sheet

2.1. Intangible assets

		Internally generated Computer Software	Computer Software	Others	Intangible assets under construction	Total
Gross carrying amounts at 01.01.2013	+	1 116 576,63	420 935,21	0,00	465 677,01	2 003 188,85
Additions	+	13 725,91	175 571,61	0,00	311 398,86	500 696,38
Disposals	-	0,00	0,00	0,00	0,00	0,00
Transfer between headings (2)	+/-	465 677,01	0,00	0,00	-465 677,01	0,00
Other changes (1)	+/-	0,00	0,00	0,00	0,00	0,00
Gross carrying amounts 31.12.2013		1 595 979,55	596 506,82	0,00	311 398,86	2 503 885,23
Accumulated amortization and impairment 01.01.2013	-	-228 998,81	-327 252,21	0,00	0,00	-556 251,02
Amortization	-	-366 583,73	-74 293,61	0,00	0,00	-440 877,34
Write-back of amortization	+	0,00	0,00	0,00	0,00	0,00
Disposals	-	0,00	0,00	0,00	0,00	0,00
Transfer between headings (2)	+/-	0,00	0,00	0,00	0,00	0,00
Other changes (1)	+/-	0,00	0,00	0,00	0,00	0,00
Accumulated amortization and impairment 31.12.2013		-595 582,54	-401 545,82	0,00	0,00	-997 128,36
Net carrying amounts 31.12.2013		1 000 397,01	194 961,00	0,00	311 398,86	1 506 756,87



Below a detailed breakdown of the internally generated computer software and the intangible assets under construction can be found:

Internally generated computer software

Name of the project	Description	Development cost capitalized (in €)	Useful life
RDD	Reference Document Database: application to manage the information related to the national technical rules for authorising railway vehicles	475 517,03	5 years
MOSS 2010	Microsoft Office SharePoint: migration of the content management system (from Microsoft Office SharePoint 2007 to Microsoft Office SharePoint 2010)	432 000,00	3 years
ERAIL	Application to manage information on safety performance (i.e. Common Safety Indicators and Accident Investigations)	209 059,60	6 years
ERATV	European Register of Authorised Types of Vehicles, i.e. EU-wide type-based register including the types of vehicle authorised in the different Member States	359 507,57	5 years
NSA XA	National Safety Authority Cross-Audit: web application supporting the audit team members in realizing the NSA cross-audits activities (planning, preparing, interviewing, concluding and remedying)	119 895,35	5 years
	TOTAL	1 595 979,55	

Intangible assets under construction

Name of the project	Description	Development cost Capitalized (in €)
RINF	Register of the railway infrastructure created to make the railway infrastructure from the EU member states publicly available in a centralized register	311 398,86
	TOTAL	311 398,86



2.2. Property, plant and equipment

		Buildings	Plant and Equipment	Computer hardware	Furniture and vehicles	Other fixtures and fittings	Total
Gross carrying amounts at 01.01.2013	+	5 596,06	6 299,40	2 343 050,01	176 286,60	253 503,43	2 784 735,50
Additions	+	0,00	25 186,87	597 577,58	56 861,73	13 258,64	692 884,82
Disposals	-	0,00	-2 919,00	-69 044,25	-430,86	0,00	-72 394,11
Transfer between headings	-	0,00	0,00	0,00	0,00	0,00	0,00
Other changes (1)	+/-	0,00	0,00	0,00	0,00	5 258,40	5 258,40
Gross carrying amounts at 31.12.2013		5 596,06	28 567,27	2 871 583,34	232 717,47	272 020,47	3 410 484,61
Accumulated amortization and impairment at 01.01.2013	-	-326,06	-3 471,40	-1 511 278,01	-78 303,60	-182 121,43	-1 775 500,50
Depreciation	-	-560,00	-3 319,87	-463 664,58	-24 463,73	-27 708,14	-519 716,32
Disposals	+	0,00	2 919,00	69 044,25	250,86	0,00	72 214,11
Impairment	-	0,00	0,00	0,00	0,00	0,00	0,00
Transfer between headings	-	0,00	0,00	0,00	0,00	0,00	0,00
Other changes (1)	+/-	0,00	0,00	0,00	0,00	-108,40	-108,40
Accumulated amortization and impairment at 31.12.2013		-886,06	-3 872,27	-1 905 898,34	-102 516,47	-209 937,97	-2 223 111,11
Provision for unused fixed assets	-	0,00	0,00	0,00	0,00	0,00	0,00
Net carrying amounts at 31.12.2013		4 710,00	24 695,00	965 685,00	130 201,00	62 082,50	1 187 373,50

(1) These amounts reflect primarily post-capitalizations of assets (physical reception in 2012 but administrative reception only done in 2013) and the depreciation thereon.

The major part of the acquisitions in 2013 related to the purchase of IT-equipment in the framework of the set-up of the disaster and recovery back-up facilities that are hosted at the *Centre de Traduction* datacenter in Kayle (Luxembourg).

2.3. Long-term receivables

The amount of € 3 371,30 relates to the rental deposit guarantee paid in 2013 for the rent of additional office space ("Ateliers Numériques") in Valenciennes.

2.4. Short-term receivables

The current receivable gross amount primarily relates to VAT to be recovered from the French (€ 295 607,01) and Belgian (€ 266 972,14) authorities. For the latter the Agency is waiting to obtain the 15.10 exemption form from the French authorities in order to obtain the reimbursement of this amount.



The sundry receivables amount includes primarily advances on salaries made to staff and or undue salary payments to be recovered from staff members.

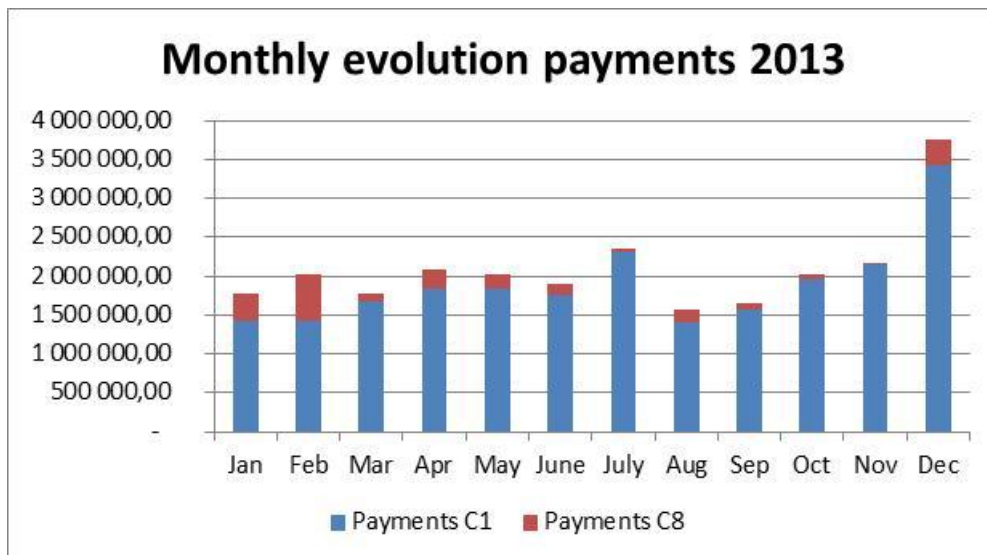
The other receivable amount of € 240 293,29 consists of:

- ✓ Deferred charges (payment of rent first quarter of 2014 for seat in Valenciennes) of € 105 957,33
- ✓ Advance payments for conference event that took place in February 2014 for an amount of € 17 005,91
- ✓ Social security contributions to be reimbursed by the Commission for a total amount of € 117 330,05

2.5. Cash and cash equivalents

The amount of the cash and cash equivalents include mainly the balance on the current bank account with Crédit Mutuel.

Below you can find a graphical presentation of the monthly evolution of C1 and C8 payments during the course of 2013.



2.6. Net assets

The equity of the Agency amounts to € 3 481 690,04 of which:

- ✓ € 2 824 870,51 are the accumulated surplus from previous years;
- ✓ € 656 819,53 is the economic outturn of 2013

2.7. Provisions

Following the instructions received from the Commission a short term provision of € 446 169,81 for outstanding salary payments relating to the 2012 salary adjustment was booked as it is expected that the payment probably will be done in May 2014. In addition a provision of € 80 832,58 was made to cover the estimated cost that possibly will need to be paid out to staff members that have filed a complaint against the Agency.



2.8. Accounts Payable

The main part of the total accounts payable as per 31.12.2013 relates to:

- ✓ Current payables for a total amount of € 1 605,71
- ✓ Sundry payables for a total amount of € 3 790,28 representing mainly OIB salary deductions for childcare of staff's children
- ✓ Accrued charges for a total amount of € 1 009 140,70 that can be decomposed in an accrual for untaken holidays amounting to € 242 254,29, accrued charges for goods delivered/services rendered but not yet invoiced for a total amount of € 672 422,99 and accrued inter-entity charges for a total amount of € 94 463,42

The table below shows the level of accrued expenses for 2013 and 2012 and its evolution in general and per type of appropriation

- ✓ Accounts payable with consolidated entities for a total amount of € 974 459,95 of which the budget outturn of 2013 to be reimbursed to the Commission constitutes the major part

Accrued expenses	31/12/2013	31/12/2012	% change
Accrued expenses	1 009 140,70	1 076 379,13	-6,25%
Accrued expenses based on carry-over analysis	766 886,41	800 863,70	-4,24%
Accrual for untaken holidays	242 254,29	275 515,43	-12,07%

Accrued expenses based on carry-over analysis	31/12/2013	31/12/2012	% change
Title 1 – Staff	57 546,47	167 465,37	-65,64%
Title 2 – Buildings, equipment and miscellaneous expenditure	154 981,36	112 574,59	37,67%
Title 3 – Operational expenditure	554 358,58	520 823,74	6,44%
Total	766 886,41	800 863,70	-4,24%

Globally there is a minor decrease in the total amount of accrued expenses as compared to 2012. The increase in the accrued expenses for title II relates to invoices not yet received for cleaning and security services provided in November/December 2013.

Accrued for untaken holidays	31/12/2013	31/12/2012	% change
Number of days not taken	927	1 064	-12,88%
Accrued amount	242 254,29	275 515,43	-12,07%

The table above shows that the decrease of the accrued amount for untaken holidays is due to the decrease in the number of days.



3. Notes to the economic outturn account

3.1. Operating revenue

The operating revenue of the Agency in 2013 is mainly made up of subsidies received for a total amount of € 24 912 065,85 including the budget outturn of € 954 286,92 to be reimbursed in 2014 and the part of the Phare Funds subsidy amounting to € 148 414,98. The amount of € 329.805,57 mainly relates to the reversal of the initial provision made for the 2011/2012 salary adjustment.

3.2. Administrative expenses

These include staff expenses, costs relating to intangible assets and property, plant and equipment (mainly depreciation) and other expenses.

	31/12/2013	31/12/2012	% change
Administrative expenses	-20 171 195,44	-20 250 248,49	-0,39%
Staff expenses	-15 287 292,72	-15 504 476,56	-1,40%
Fixed assets related expenses	-960 773,66	-785 750,91	22,27%
Other administrative expenses	-3 923 129,06	-3 960 021,02	-0,93%
- Land and buildings	-1 288 063,35	-1 382 904,42	-6,86%
- Other administrative expenses	-1 410 988,02	-1 430 419,08	-1,36%
- Expenses with consolidated entities	-1 224 077,69	-1 146 697,52	6,75%

As compared to 2013 the total amount of administrative expenses has remained stable. The increase in the depreciation expense for fixed assets is mainly due an increase in the deprecation cost for internally generated intangible assets. This increase is compensated by a decrease in the costs for land and buildings.

3.3. Operating expenses

These include expenses related to the operational activities of the Agency. They show a decrease of 22% as compared to last year.

	31/12/2013	31/12/2012	% change
Operational expenses	-4 413 748,05	-5 692 968,75	-22%
Other operational expenses	-4 563 850,21	-5 457 026,26	-16%
- Missions/reimbursements of experts	-1 714 249,85	-1 979 830,52	-13%
- Studies	-1 172 068,47	-1 210 731,45	-3%
- IT-systems to support operations	-1 342 191,95	-1 952 863,71	-31%
- Information & communication	-135 484,72	-226 593,02	-40%
- Translation/Interpretation	-104 694,99	-249,37	100%
- IPA activities	-68 432,57	-46 187,00	48%
- Other	-26 727,66	-40 571,19	-34%



The decrease of 22% is a combination of:

- (1) A decrease of 13% of the amount paid for the reimbursement of staff mission expenses and reimbursements done to experts participating in working groups organised by the Agency. The latter is primarily due to a significant decrease in the number of meetings organised in the course of 2013.
- (2) A decrease of 31% in the IT-expenses to support the operations. This decrease can mainly be explained by the fact that in 2012 an amount of approximately € 370 000 was spent as research costs on different projects whilst in 2013 there were no research costs. In addition the total development costs for on-going projects have been significantly lower than in 2012.
- (3) The reversal of the value reduction for a total amount of € 233 122,40 for the outstanding Greek VAT receivable that was made at end of 2012. This has partly been offset by a new provision made to cover the estimated cost that possibly will need to be paid out to staff members that have filed a complaint against the Agency.



4. Other information

4.1. Contingent Assets and Contingent Liabilities

Contingent assets

The Agency has received performance guarantees for proper implementation of contracts. Below you will find a breakdown per year:

Year	Amount (EUR)
2010	450 750,00
TOTAL	450 750,00

4.2. Commitments for future funding

At 31 December 2013 the budgetary RAL totaled € 2 221 816,54. The amount to be disclosed as a future commitment to be funded is this budgetary RAL less related amounts that have been included as expenses in the 2013 Economic Outturn Account giving a total of € 1 451 145,13.

4.3. Related Party disclosure

Key management personnel hold position of responsibility within the Agency. He is responsible for the strategic direction and operational management of the entity and is entrusted with significant authority to execute his mandate.

Highest grade description	Grade	Number of persons of this grade
Executive Director	AD14	1

4.4. Events after the balance sheet date

All events subsequent to the date of the accounts and for which the accounting rules and methods require adjustment or disclosure have been adjusted or disclosed.



PART II – Report on the implementation of the budget of the European Railway Agency

1. Budget implementation 2013

Fund Source : C1							
	Chapter	Final appropriations (1)	Committed (2)	% Committed = (2) / (1)	Balance not committed = (1) - (2)	Total Paid (3)	% Paid = (3) / (1)
11	Staff in active employment	15 899 476,00	15 493 205,56	97,44%	406 270,44	15 127 238,14	95,14%
13	Missions and travel	129 000,00	129 000,00	100%	-	124 924,93	96,84%
14	Socio-medical infrastructure	344 000,00	299 058,04	86,94%	44 941,96	239 131,80	69,52%
15	Staff exchange between the ERA and the public sector	210 000,00	208 883,88	99,47%	1 116,12	208 883,88	99,47%
17	Entertainment and representation exp.	7 524,00	1 675,35	22,27%	5 848,65	1 640,99	21,81%
	Title I	16 590 000,00	16 131 822,83	97,24%	458 177,17	15 701 819,74	94,65%
20	Investments in immovable property, rental of buildings and associated cost	1 563 930,29	1 563 793,02	99,99%	137,27	1 380 950,55	88,30%
21	Data processing	672 042,84	672 042,84	100,00%	-	489 860,46	72,89%
22	Movable property and associated costs	79 441,31	65 364,43	82,28%	14 076,88	31 803,70	40,03%
23	Current administrative expenditure	153 085,84	151 576,93	99,01%	1 508,91	123 638,49	80,76%
24	Post and telecommunications	158 141,15	158 141,15	100,00%	-	113 620,13	71,85%
25	Meetings and associated costs	233 358,57	220 996,50	94,70%	12 362,07	176 279,60	75,54%
	Title II	2 860 000,00	2 831 914,87	99,02%	28 085,13	2 316 152,93	80,98%
30	Operational Activities directly linked to the Reg. n°881/2004	3 446 745,86	3 408 367,61	98,89%	38 378,25	2 668 292,18	77,41%
31	Operational expenditures	2 962 053,14	2 934 827,51	99,08%	27 225,63	2 099 927,04	70,89%
	Title III	6 408 799,00	6 343 195,12	98,98%	65 603,88	4 768 219,22	74,40%
	Total Budget	25 858 799,00	25 306 932,82	97,87%	551 866,18	22 786 191,89	88,12%



2. Budget implementation – Appropriations carried over 2012/2013

Fund Source : C8					
	Chapter	Amount carried over 2012/2013	Payments made	Balance not paid at the end of the year 2013	% of Balance
11	Staff in active employment	84 354,27	82 309,97	2 044,30	2,42%
13	Missions and travel	10 776,49	10 768,49	8,00	0,07%
14	Socio-medical infrastructure	90 699,04	80 338,02	10 361,02	11,42%
	Title I	185 829,80	173 416,48	12 413,32	6,68%
20	Investments in immovable property, rental of buildings and associated cost	103 538,06	100 392,50	3 145,56	3,04%
21	Data processing	85 853,69	85 853,69	-	0,00%
22	Movable property and associated costs	17 611,50	17 592,97	18,53	0,11%
23	Current administrative expenditure	18 665,54	17 421,02	1 244,52	6,67%
24	Post and telecommunications	24 645,12	23 022,15	1 622,97	6,59%
25	Meetings and associated costs	2 916,39	2 698,93	217,46	7,46%
	Title II	253 230,30	246 981,26	6 249,04	2,47%
30	Operational Activities directly linked to the Regulation n°881/2004	1 504 113,39	1 438 115,50	65 997,89	4,39%
31	Operational expenditures	455 568,94	452 935,80	2 633,14	0,58%
	Title III	1 959 682,33	1 891 051,30	68 631,03	3,50%
	Grandtotal	2 398 742,43	2 311 449,04	87 293,39	3,64%



3. Use of appropriations 2013

Fund Source : C1						
	Chapter	Budget adopted	Transfers	Budget after transfers (1)	Committed (2)	% Committed = (2) / (1)
11	Staff in active employment	14 890 000,00	1 009 476,00	15 899 476,00	15 493 205,56	97,44%
13	Missions and travel	120 000,00	9 000,00	129 000,00	129 000,00	100,00%
14	Socio-medical infrastructure	300 000,00	44 000,00	344 000,00	299 058,04	86,94%
15	Staff exchange between the ERA and the public sector	420 000,00	- 210 000,00	210 000,00	208 883,88	99,47%
17	Entertainment and representation expenses	10 000,00	- 2 476,00	7 524,00	1 675,35	22,27%
	Title I	15 740 000,00	850 000,00	16 590 000,00	16 131 822,83	97,24%
20	Investments in immovable property, rental of buildings and associated cost	1 440 000,00	123 930,29	1 563 930,29	1 563 793,02	99,99%
21	Data processing	520 000,00	152 042,84	672 042,84	672 042,84	100,00%
22	Movable property and associated costs	170 000,00	- 90 558,69	79 441,31	65 364,43	82,28%
23	Current administrative expenditure	185 000,00	- 31 914,16	153 085,84	151 576,93	99,01%
24	Post and telecommunications	200 000,00	- 41 858,85	158 141,15	158 141,15	100,00%
25	Meetings and associated costs	235 000,00	- 1 641,43	233 358,57	220 996,50	94,70%
	Title II	2 750 000,00	110 000,00	2 860 000,00	2 831 914,87	99,02%
30	Operational Activities directly linked to the Regulation n°881/2004	3 655 000,00	- 208 254,14	3 446 745,86	3 408 367,61	98,89%
31	Operational expenditures	3 713 799,00	- 751 745,86	2 962 053,14	2 934 827,51	99,08%
	Title III	7 368 799,00	- 960 000,00	6 408 799,00	6 343 195,12	98,98%
	Total Budget	25 858 799,00	-	25 858 799,00	25 306 932,82	97,87%



4. Appropriations carried over 2013/2014

	Chapter	Amount carried over 2013/2014	% Amount carried over 2013/2014
11	Staff in active employment	60 654,05	0,38%
13	Missions and travel	4 075,07	3,16%
14	Socio-medical infrastructure	64 426,24	18,73%
15	Staff exchange between the ERA and the public sector	0,00	0,00%
17	Entertainment and representation exp.	34,36	0,46%
	Title I	129 189,72	0,78%
20	Investments in immovable property, rental of buildings and associated cost	182 842,47	11,69%
21	Data processing	184 071,36	27,39%
22	Movable property and associated costs	33 560,73	42,25%
23	Current administrative expenditure	27 938,44	18,25%
24	Post and telecommunications	44 521,02	28,15%
25	Meetings and associated costs	44 716,90	19,16%
	Title II	517 650,92	18,10%
30	Operational Activities directly linked to the Regulation n°881/2004	740 075,43	21,47%
31	Operational expenditures	834 900,47	28,19%
	Title III	1 574 975,90	24,58%
	Total Budget	2 221 816,54	8,59%

Below a more detailed overview is presented for the most significant amount carried over from 2013 to 2014. This detail includes for each item the total amount to be carried over, it's part related to cost accrued for in 2013 and cost that will be incurred in 2014 and some explanation. It should be noted that of course the full amount carried over will be paid out in 2014.



Chapter 20 – Investments in immovable property, rental of buildings and associated cost

Description	Total carry-over	2013	2014	Comment
Purchase audio en visual equipment	75 459,03	0	75 459,03	Equipment to be delivered in 2014
Rent and rental charges Lille and Valenciennes	34 241,21	32 937,43	1 303,78	Rent and rental charges accrued for in 2013 and paid beginning of 2014
Maintenance and cleaning costs	35 545,44	31 606,21	3 939,23	Maintenance and cleaning costs November-December 2013
Security costs	17 150,46	15 760,61	1 389,84	Security costs December 2013
Other	20 446,34	750,00	19 696,34	Other works related to the building which will be done in 2014
Subtotal Chapter 20	182 842,47	81 054,25	101 788,22	

Chapter 21 – Data processing

Description	Total carry-over	2013	2014	Comment
Purchase of hard- en software	104 474,65	1 468,31	103 006,34	Goods ordered in December 2013 and to be received in 2014
Purchase of IT-services for disaster recovery solution	69 670,00	36 278,48	33 391,52	Initial contract signed in August 2013 but extended until May 2014
Maintenance contracts	9 926,71	655,97	9 270,74	Maintenance 2014
Subtotal Chapter 21	184 071,36	38 402,76	145 668,60	

Chapter 30 – Operational activities

Description	Total carry-over	2013	2014	Comment
Safety activities (reimbursements of experts and missions)	31 204,04	24 190,75	7 013,29	Amount to cover unpaid missions 2013 and reimbursement experts meetings December 2013
Safety activities (studies)	101 991,50	0,00	101 991,50	Contract signed on 01 08 2013 and ending on 31 05 2014. First payment done in December 2013 (payment after kick-off meeting)
Safety activities (studies)	13 167,50	0,00	13 167,50	Contract to be executed in 2014
Safety activities (interpretation)	3 350,00	3 350,00	0,00	Interpretation costs related to December meeting Invoice received, booked and paid in 2014



Description	Total carry-over	2013	2014	Comment
Interoperability activities (reimbursements of experts and missions)	47 629,97	34 121,24	13 508,73	Amount to cover unpaid missions 2013 and reimbursement experts meetings for December 2013
Translation activities	202 480,83	74 176,60	128 304,23	Accrual equals December 2013 CDT-invoice
ERTMS activities (reimbursements of experts and missions)	21 297,93	9 132,20	12 165,73	Amount to cover unpaid missions 2013 and reimbursement experts meetings for December 2013
ERTMS activities (studies)	38 250,00	38 250,00	0,00	End date of contract foreseen end of November 2013. Final report received but not yet approved. Approval final report expected January 2014 and payment invoice in 2014
ERTMS activities (studies)	211 595,00	0,00	211 595,00	Contract signed on 13 12 2013 with end date 28 11 2014
ECOEV activities (reimbursements of experts and missions)	5 854,44	349,68	5 504,76	Amount to cover unpaid missions 2013
X-ACC activities (reimbursements of experts and missions)	22 097,20	15 847,07	6 250,13	Amount to cover unpaid missions 2013 and reimbursement experts meetings for December 2013
X-ACC activities (studies)	16 772,00	0,00	16 772,00	Contract started 01 07 2013 and ends 31 01 2014. Due to lack of follow-up by both parties no work has been done in 2013. Therefore an amendment was made in order to extend the duration of the contract
X-ACC activities (studies)	22 800,00	6 840,00	15 960,00	Contract started 05 07 2013 and ends Feb 2014 Kick-off meeting took place in 2013
IPA activities	1 585,02	0,00	1 585,02	No IPA activities foreseen anymore. Therefore amount should be de-committed
Subtotal Chapter 30	740 075,43	206 257,54	533 817,89	



Chapter 31 – Operational expenditures

Description	Total carry-over	2013	2014	Comment
SENIOR ANALYST PROGRAMMER FOR EXTRANET	9 942,45	7 575,20	2 367,25	5 days services relates to 2014 Invoice for services provided in 2013 received, booked and paid
User assistance services	67 251,12	27 502,63	39 748,49	Invoice for 2013 received Other days relate to 2014
ERATV ASSISTANCE	67 448,90	67 448,90	0,00	Contract ended 31 10 2013 Invoice expected Jan2014 Currently testing done before acceptance of final product
Cross-project maintenance	151 133,77	151 133,77	0,00	Contract ended 02 12 2013 Final invoice expected Jan 2014 Currently testing done before acceptance of final product
Services for RINF	16 406,02	16 406,02	0,00	Invoice for 2013 to be received End date contract is 31 01 2014 Currently testing done before acceptance of final product
Services for ECVVR	15 640,02	15 640,02	0,00	Contract ended 31 10 2013 Invoice received and booked in 2014 (ERA 14133)
3RD LEVEL BACK OFFICE ACTIVITIES ERADIS, ERATV,ECVVR,RDD-NLF	20 625,54	20 625,54	0,00	Invoice for 2013 to be received End date contract is 31 12 2013
SENIOR ANALYST PROGRAMMER FOR DASHBOARD PROJECT	47 345,00	0,00	47 345,00	Initial contract ends 31 03 2014 but amendment has been made extending duration until 31 07 2014 No work has been done in 2013
SENIOR ANALYST PROGRAMMER FOR THE EXTRANET	14 203,50	0,00	14 203,50	Contract ends 31 03 2014 Services will only be provided in 2014
RINF REL 0 2	18 326,45	18 326,45	0,00	Invoice for 2013 to be received End date contract is 31 12 2013 Currently testing done before acceptance of final product
AUDIOVISUAL EQUIPMENT CIVATEL	144 939,50	0,00	144 939,50	Order form signed on 23 12 2013 and goods to be delivered in 2014
DOCUMENTATION AND IMPEL TOTAL QUALITY MANAGEMENT	119 000,00	0,00	119 000,00	Contract signed on 23 12 2013 with end date 31 12 2014
BUSINESS CONTINUITY AND DATA SERVICES	71 685,75	8 360,00	63 325,75	Services to be provided in 2014



Description	Total carry-over	2013	2014	Comment
WEBMASTER-USER ASSISTANCE	29 715,52	7 149,60	22 565,92	End date of contract is 31 03 2014 Invoice for december received and booked in 2014 (ERA 14146)
Innotrans	38 931,13	0,00	38 931,13	Order forms signed end 2013 but goods to be delivered in 2014
Other	2 305,80	0,00	2 305,80	
Subtotal Chapter 31	834 900,47	340 459,83	494 440,64	
Title 1	129 189,72	57 715,00	71 474,72	
Title 2 (chapters 22-25)	150 737,09	35 466,39	115 270,70	
Subtotal	279 926,81	93 181,39	180 186,93	
Grandtotal	2 221 816,54	759 355,77	1 462 460,77	
	100%	34%	66%	

The difference of 11 315,64 between the amount allocated to 2013, i e € 759 355,77 and the accrued amount of € 770 671,41 (see page 16) can mainly be explained by an underestimation/overestimation of the 2013 budgetary expenses.



5. Budget outturn

	2013	2012
Revenue		
Commission subsidy DG TREN	25 703 799,00	25 644 000,00
Phare funds from Commission	150 000,00	150 000,00
Fee income	0,00	5 000,00
Other revenue	40 415,20	115 423,71
Total revenue (a)	25 894 214,20	25 914 423,71
Expenditure		
Personnel expenses – Budget Title I		
<i>Payments</i>	15 701 819,74	15 706 124,98
<i>Automatic carry-overs</i>	129 189,72	185 829,80
Administrative expenses – Budget Title II		
<i>Payments</i>	2 372 475,58	1 884 860,15
<i>Automatic carry-overs</i>	517 657,34	290 927,15
Operational expenses – Budget Title III		
<i>Payments</i>	4 768 219,22	4 577 176,64
<i>Automatic carry-overs</i>	1 574 975,90	1 959 682,33
Total expenditure (b)	25 064 337,50	24 604 601,05
Outturn for the financial year (a-b)	829 876,70	1 309 822,66
Cancellation of unused carry-overs	87 293,39	126 316,52
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	37 696,85	0,00
Exchange differences for the year	-580,02	-1 802,78
Balance carried over from year N-1	1 434 346,40	136 683,33
Positive balance from year N-1 reimbursed in year N to the Commission	-1 434 346,40	-136 683,33
Balance of the outturn account for the financial year	954 286,92	1 434 336,40

Not included in the budget outturn:

Interest received by 31/12/N on the Commission subsidy and to be reimbursed to the Commission	14 803,01	24 705,88
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6. Reconciliation economic outturn – budget outturn 2013

	2013	2012
<i>Economic outturn for the year</i>	656 819,53	-1 552 104,21
Revenues		
Entitlements established in current year but not yet collected	0,00	0,00
Entitlements established in previous years and cashed in the current year	0,00	77 726,86
Amount of unused pre-financing cashed in current year on balance sheet account	0,00	14 138,79
Pre-financing received in previous year and cleared in the year	0,00	117 480,00
Amount of pre-financing to be returned to the Commission	955 871,94	1 434 336,40
Recovery Orders issued in 2013 in class 7 and not yet cashed	-7 157,37	0,00
Expenditure		
Accrued expenses (net changes)	-198 822,85	-109 120,51
Asset acquisitions	-1 205 388,76	-1 159 601,93
New pre-financing paid in the year 2013 and remaining open as at 31.12.2013	-113 378,45	0,00
Depreciation of intangible and tangible assets	960 882,06	783 796,86
Provisions (net changes)	-307 388,79	688 324,76
Payments made from carry-over of payment appropriations	2 311 449,04	3 491 570,57
Payment appropriations carried over to 2014	-2 221 822,96	-2 436 439,28
Cancellation of unused carried over payment appropriations from previous year	87 293,39	126 316,52
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	37 696,85	0,00
Other	-1 766,71	-42 088,43
<i>Budget outturn for the year</i>	954 286,92	1 434 336,40