



EUROPEAN RAILWAY AGENCY

**Final accounts 2012 of  
THE EUROPEAN RAILWAY AGENCY**



	<b>Name</b>	<b>Function</b>	<b>Date</b>	<b>Signature</b>
Prepared by	Stefan Meert/Rodica Tarasila	Accounting Officer/Accounting Assistant	23.05.2013	
Signed by	Stefan Meert	Accounting Officer		
Signed by	Marcel Verslype	Director		



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## PART I - FINANCIAL STATEMENTS

### Balance sheet

BALANCE SHEET - ASSETS	Note	31/12/2012	31/12/2011
<b>A. NON CURRENT ASSETS</b>			
<b>Intangible assets</b>	<b>2.1</b>	<b>1 446 937,83</b>	<b>962 955,33</b>
<b>Property, plant and equipment</b>	<b>2.2</b>	<b>1 009 235,00</b>	<b>1 117 412,50</b>
Land and buildings		5 270,00	0,00
Plant and equipment		2 828,00	1 550,00
Computer hardware		831 772,00	924 156,00
Furniture and vehicles		97 983,00	98 129,00
Other fixtures and fittings		71 382,00	93 577,50
Leasing		0,00	0,00
Tangible fixed assets under construction		0,00	0,00
<b>Long-term receivables</b>		<b>0,00</b>	<b>2 954,00</b>
Long-term receivables		0,00	2 954,00
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2 456 172,83</b>	<b>2 083 321,83</b>
<b>B. CURRENT ASSETS</b>			
<b>Short-term pre-financing</b>		<b>0,00</b>	<b>117 480,00</b>
Short-term pre-financing		0,00	117 480,00
<b>Short-term receivables</b>	<b>2.3</b>	<b>429 952,02</b>	<b>598 238,37</b>
Current receivables		385 781,01	587 558,51
Long-term receivables falling due within a year		0,00	0,00
Sundry receivables		44 171,01	10 679,86
Other		0,00	0,00
<i>Accrued income</i>		0,00	0,00
<i>Deferred charges</i>		0,00	0,00
<i>Deferrals and accruals with consolidated EC entities</i>		0,00	0,00
<i>Short term receivables with consolidated EC entities</i>		0,00	0,00
<b>Cash and cash equivalents</b>	<b>2.4</b>	<b>3 214 156,49</b>	<b>3 273 368,53</b>
<b>TOTAL CURRENT ASSETS</b>		<b>3 644 108,51</b>	<b>3 989 086,90</b>
<b>TOTAL</b>		<b>6 100 281,34</b>	<b>6 072 408,73</b>



BALANCE SHEET - LIABILITIES	Note	31/12/2012	31/12/2011
<b>A. CAPITAL</b>		<b>2 824 870,51</b>	<b>4 376 974,72</b>
Accumulated surplus/deficit	2.5	4 376 974,72	4 866 982,07
Economic result of the year-profit+/loss-	2.5	-1 552 104,21	-490 007,35
<b>C. NON CURRENT LIABILITIES</b>		<b>0,00</b>	<b>0,00</b>
Employee benefits		0,00	0,00
Long-term provisions		0,00	0,00
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2 824 870,51</b>	<b>4 376 974,72</b>
<b>D. CURRENT LIABILITIES</b>		<b>3 275 410,83</b>	<b>1 695 434,01</b>
Provisions for risks and charges	2.6	601 268,78	146 066,42
<b>Accounts payable</b>	<b>2.7</b>	<b>2 674 142,05</b>	<b>1 549 367,59</b>
Current payables		24 265,03	35 287,48
Long term liabilities falling due within the year		0,00	0,00
Sundry payables		7 270,07	98 392,49
Other		1 076 379,13	1 237 996,57
<i>Accrued charges</i>		798 362,88	1 130 130,31
<i>Deferred income</i>		0,00	0,00
<i>Deferrals and accruals with consolidated EC entities</i>		278 016,25	107 866,26
Accounts payable with consolidated EC entities		1 566 227,82	177 691,05
..... <i>Prefinancing received from consolidated EC entities</i>		1 448 475,19	136 683,33
..... <i>Other accounts payable against consolidated EC entities</i>		117 752,63	41 007,72
<b>TOTAL CURRENT LIABILITIES</b>		<b>3 275 410,83</b>	<b>1 695 434,01</b>
<b>TOTAL</b>		<b>6 100 281,34</b>	<b>6 072 408,73</b>



## Economic outturn account

ECONOMIC OUTTURN ACCOUNT	Note	31/12/2012	31/12/2011
Revenues from administrative operations		1 954,05	7 202,00
Other operating revenues		24 389 188,98	24 722 091,23
Subsidy received	<b>3.1</b>	24 345 524,81	24 562 926,98
<i>Title 1&amp;2</i>		18 716 000,00	18 145 000,00
<i>Title 3</i>		6 928 000,00	6 398 665,00
<i>Part of Phare Funds subsidy used in 2012</i>		135 861,21	155 945,31
<i>To be reimbursed (Budget outturn)</i>		-1 434 336,40	-136 683,33
Miscellaneous revenue		43 664,17	159 164,25
<b>TOTAL OPERATING REVENUE</b>		<b>24 391 143,03</b>	<b>24 729 293,23</b>
<b>Administrative expenses</b>	<b>3.2</b>	-20 250 248,49	-19 157 034,10
<i>Staff expenses</i>		-15 504 476,56	-15 495 627,47
<i>Fixed assets related expenses</i>		-785 750,91	-494 913,16
<i>Other administrative expenses</i>		-3 960 021,02	-3 166 493,47
<b>Operational expenses</b>	<b>3.3</b>	-5 692 968,75	-6 062 146,83
<i>Other operational expenses</i>		-5 692 968,75	-6 062 146,83
<b>TOTAL OPERATING EXPENSES</b>		<b>-25 943 217,24</b>	<b>-25 219 180,93</b>
<b>SURPLUS (DEFICIT) FROM OPERATING ACTIVITIES</b>		<b>-1 552 074,21</b>	<b>-489 887,70</b>
Financial revenues		0,00	0,00
Financial expenses		-30,00	-119,65
Movement in pensions (-expense; + revenue)		0,00	0,00
<b>SURPLUS (DEFICIT) FROM NON-OPERATING ACTIVITIES</b>		<b>-30,00</b>	<b>-119,65</b>
<b>SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES</b>		<b>-1 552 104,21</b>	<b>-490 007,35</b>
Extraordinary gains (+)		0,00	0,00
Extraordinary losses (-)		0,00	0,00
<b>SURPLUS (DEFICIT) FROM EXTRAORDINARY ITEMS</b>		<b>0,00</b>	<b>0,00</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>-1 552 104,21</b>	<b>-490 007,35</b>



## Statement of changes in net assets

Capital	Reserves		Accumulated Surplus / Deficit	Economic result of the year	Capital (total)
	Fair value reserve	Other reserves			
<b>Balance as of 31 December 2011</b>	<b>0,00</b>	<b>0,00</b>	<b>4 866 982,07</b>	<b>-490 007,35</b>	<b>4 376 974,72</b>
Changes in accounting policies 1)					
<b>Balance as of 1 January 2012 (if restated)</b>	<b>0,00</b>	<b>0,00</b>	<b>4 866 982,07</b>	<b>-490 007,35</b>	<b>4 376 974,72</b>
Other					
Fair value movements					
Movement in Guarantee Fund reserve					
Allocation of the Economic Result of Previous Year	0,00	0,00	-490 007,35	490 007,35	0,00
Amounts credited to Member States					
Economic result of the year	0,00	0,00	0,00	-1 552 104,21	-1 552 104,21
<b>Balance as of 31 December 2012</b>	<b>0,00</b>	<b>0,00</b>	<b>4 376 974,72</b>	<b>-1 552 104,21</b>	<b>2 824 870,51</b>



## Cash flow table (indirect method).

	2012	2011
<b>Cash Flows from ordinary activities</b>		
<b>Surplus/(deficit) from ordinary activities</b>	<b>-1 552 104,21</b>	<b>-490 007,35</b>
<b>Operating activities</b>		
<b><u>Adjustments</u></b>		
Amortization (intangible fixed assets) +	287 883,26	56 318,83
Depreciation (tangible fixed assets) +	493 058,65	419 650,33
Increase/(decrease) in Provisions for risks and liabilities	455 202,36	29 011,22
Increase/(decrease) in Value reduction for doubtful debts	233 122,40	0,00
(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	117 480,00	-117 480,00
(Increase)/decrease in Long term Receivables	2 954,00	-2 954,00
(Increase)/decrease in Short term Receivables	-64 836,05	-229 400,64
(Increase)/decrease in Receivables related to consolidated EC entities	0,00	387,65
Increase/(decrease) in Other Long term liabilities	0,00	0,00
Increase/(decrease) in Accounts payable	-263 762,31	-154 912,15
Increase/(decrease) in Liabilities related to consolidated EC entities	1 388 536,77	-464 289,95
(Gains)/losses on sale of Property, plant and equipment	0,00	0,00
Extraordinary items	0,00	0,00
<b>Net cash Flow from operating activities</b>	<b>1 097 534,87</b>	<b>-953 676,06</b>
<b>Cash Flows from investing activities</b>		
Purchase of tangible and intangible fixed assets (-)	-1 147 960,91	-1 555 415,99
Proceeds from tangible and intangible fixed assets (+)	-8 786,00	11 742,00
<b>Net cash flow from investing activities</b>	<b>-1 156 746,91</b>	<b>-1 543 673,99</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-59 212,04</b>	<b>-2 497 350,05</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>3 273 368,53</b>	<b>5 770 718,58</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>3 214 156,49</b>	<b>3 273 368,53</b>



## 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	%
<b>Intangible assets</b>	
Software	25,00%
<b>Property, plant and equipment</b>	
<b>Furniture and vehicles</b>	
Furniture	10,00%
Electrical office equipment, printing and mailing equipment	25,00%
<b>Computer hardware</b>	
Computers, servers, accessories, data transfer equipment, printers, screens...	25,00%
Copying equipment, digitizing and scanning equipment	25,00%
<b>Other fixtures and fittings</b>	
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
<b>Gross carrying amounts at 31.12.2011</b>	+	0,00	<b>390 476,54</b>	<b>0,00</b>	<b>840 568,33</b>	<b>1 231 044,87</b>
Additions	+	276 008,30	17 070,45	0,00	465 677,01	758 755,76
Disposals	-	0,00	0,00	0,00	0,00	0,00
Transfer between headings (2)	+/-	840 568,33	0,00	0,00	-840 568,33	0,00
Other changes (1)	+/-	0,00	13 388,22	0,00	0,00	13 388,22
<b>Gross carrying amounts 31.12.2012</b>		<b>1 116 576,63</b>	<b>420 935,21</b>	<b>0,00</b>	<b>465 677,01</b>	<b>2 003 188,85</b>
<b>Accumulated amortization and impairment 31.12.2011</b>	-	<b>0,00</b>	<b>-268 089,54</b>	<b>0,00</b>	<b>0,00</b>	<b>-268 089,54</b>
Amortization	-	-228 998,81	-58 884,45	0,00	0,00	-287 883,26
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	-278,22	0,00	0,00	-278,22
<b>Accumulated amortization and impairment 31.12.2012</b>		<b>-228 998,81</b>	<b>-327 252,21</b>	<b>0,00</b>	<b>0,00</b>	<b>-556 251,02</b>
<b>Net carrying amounts 31.12.2012</b>		<b>887 577,82</b>	<b>93 683,00</b>	<b>0,00</b>	<b>465 677,01</b>	<b>1 446 937,83</b>



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
	<b>TOTAL</b>	<b>1.116.576,63</b>	

**Intangible assets under construction**

Name of the project	Description	Development cost Capitalized (in €)
ERATV	European Register of Authorised Types of Vehicles: application containing data on the types of vehicle authorised by the Member States	317.085,26
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).	148.591,75
	<b>TOTAL</b>	<b>465.677,01</b>



## 2.2. Property, plant and equipment

		Buildings	Plant and Equipment	Computer hardware	Furniture and vehicles	Other fixtures and fittings	Total
<b>Gross carrying amounts at 31.12.2011</b>	+	<b>0,00</b>	<b>4 572,00</b>	<b>1 996 750,67</b>	<b>154 931,96</b>	<b>249 775,09</b>	<b>2 406 029,72</b>
Additions	+	5 596,06	1 727,40	357 293,61	20 859,74	3 728,34	389 205,15
Disposals	-	0,00	0,00	-10 994,27	0,00	0,00	-10 994,27
Transfer between headings	-	0,00	0,00	0,00	0,00	0,00	0,00
Other changes (1)	+/-	0,00	0,00	0,00	494,90	0,00	494,90
<b>Gross carrying amounts at 31.12.2012</b>		<b>5 596,06</b>	<b>6 299,40</b>	<b>2 343 050,01</b>	<b>176 286,60</b>	<b>253 503,43</b>	<b>2 784 735,50</b>
<b>Accumulated amortization and impairment at 31.12.2011</b>	-	<b>0,00</b>	<b>-3 022,00</b>	<b>-1 072 594,67</b>	<b>-56 802,96</b>	<b>-156 197,59</b>	<b>-1 288 617,22</b>
Depreciation	-	-326,06	-449,40	-444 868,61	-21 490,74	-25 923,84	-493 058,65
Disposals	+	0,00	0,00	6 185,27	0,00	0,00	6 185,27
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	-9,90	0,00	-9,90
<b>Accumulated amortization and impairment at 31.12.2012</b>		<b>-326,06</b>	<b>-3 471,40</b>	<b>-1 511 278,01</b>	<b>-78 303,60</b>	<b>-182 121,43</b>	<b>-1 775 500,50</b>
<b>Provision for unused fixed assets</b>	-	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net carrying amounts at 31.12.2012</b>		<b>5 270,00</b>	<b>2 828,00</b>	<b>831 772,00</b>	<b>97 983,00</b>	<b>71 382,00</b>	<b>1 009 235,00</b>

(1) These amounts reflect primarily post-capitalizations of assets (physical reception in 2011 but administrative reception only done in 2012) and the depreciation thereon.

The major part of the acquisitions in 2012 related to the purchase of IT server equipment. The disposals mainly relate to the de-commissioning laptops as a result of loss/theft.

## 2.3. Short-term receivables

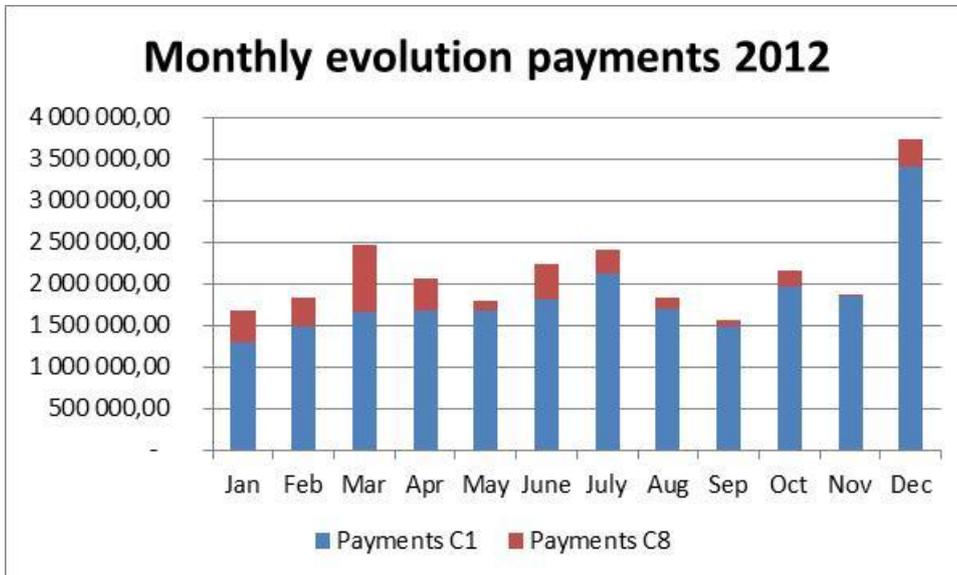
The current receivable gross amount primarily relates to VAT to be recovered from the French (€ 174.301,43), Greek (€ 233.122,40) and Belgian (€ 211.333,88) authorities. Given the fact that subsequent to the balance sheet date a letter has been received stating that the Greek Authorities won't reimburse the outstanding VAT-amount a provision for doubtful debtors has been recorded for the total outstanding amount of € 233.122,40. Consequently the total outstanding receivable net amount is € 385.781,01.

The sundry receivables amount includes primarily advances on salaries made to staff.

## 2.4. 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 2012.



## 2.5. Net assets

The equity of the Agency amounts to € 2.824.870,51 of which:

- € 4.376.974,72 are the accumulated surplus from previous years;
- € - 1.552.104,21 is the economic outturn of 2012.

## 2.6. Provisions

Following the instructions received from the Commission a short term provision of € 601.268,78 for outstanding salary payments relating to the 2011 and 2012 salary adjustment was booked as it is expected that the payment probably will be done in 2013.

## 2.7. Accounts Payable

The main part of the total accounts payable as per 31.12.2012 relates to:

- ✓ Current payables for a total amount of € 24.265,03.
- ✓ Sundry payables for a total amount of € 7.270,07 representing mainly OIB salary deductions for childcare of staff's children.
- ✓ Accrued charges for a total amount of € 1.076.379,13 that can be decomposed in an accrual for untaken holidays amounting to € 275.515,43, accrued charges for goods delivered/services rendered but not yet invoiced for a total amount of € 522.847,45 and accrued inter-entity charges for a total amount of € 278.016,25

The table below shows the level of accrued expenses for 2012 and 2011 and its evolution in general and per type of appropriation.

- ✓ Accounts payable with consolidated entities for a total amount of € 1.566.227,82 of which the budget outturn of 2012 to be reimbursed to the Commission constitutes the major part.



Accrued expenses	31/12/2012	31/12/2011	% change
<b>Accrued expenses</b>	<b>1 076 379,13</b>	<b>1 237 996,57</b>	<b>-13,05%</b>
Accrued expenses based on carry-over analysis	800 863,70	983 688,57	-18,59%
Accrual for untaken holidays	275 515,43	254 308,00	8,34%

Accrued expenses based on carry-over analysis	31/12/2012	31/12/2011	% change
Title 1 – Staff	167 465,37	145 136,95	15,38%
Title 2 – Buildings, equipment and miscellaneous expenditure	112 574,59	208 832,31	-46,09%
Title 3 – Operational expenditure	520 823,74	629 719,31	-17,29%
<b>Total</b>	<b>800 863,70</b>	<b>983 688,57</b>	<b>-18,59%</b>

Globally there is a decrease in the total amount of accrued expenses as compared to 2011. This clearly shows that there has been a significant improvement in the timely recording and payment of the invoices towards year-end especially as regards expenses for title II and III. The increase in the accrued expenses for title I relates to invoices not yet received for removal expenses of staff.

Accrued for untaken holidays	31/12/2012	31/12/2011	% change
Number of days not taken	1 064	1 012	5,14%
Accrued amount	275 515,43	254 308,00	8,34%

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



### 3. Notes to the economic outturn account

#### 3.1. Operating revenue

The operating revenue of the Agency in 2012 is mainly made up of subsidies received for a total amount of € 24.345.524,81 including the budget outturn of € 1.434.336,40 to be reimbursed in 2013 and the part of the Phare Funds subsidy amounting to € 135.861,21.

#### 3.2. Administrative expenses

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

	31/12/2012	31/12/2011	% change
<b>Administrative expenses</b>	<b>-20 250 248,49</b>	<b>-19 157 034,10</b>	<b>5,71%</b>
Staff expenses	-15 504 476,56	-15 495 627,47	0,06%
Fixed assets related expenses	-785 750,91	-494 913,16	58,77%
Other administrative expenses	-3 960 021,02	-3 166 493,47	25,06%
- Land and buildings	-1 382 904,42	-1 112 195,42	24,34%
- Other administrative expenses	-1 430 419,08	-910 920,14	57,03%
- Expenses with consolidated entities	-1 146 697,52	-1 143 377,91	0,29%

As compared to 2011 there has been an increase of 6% which can be explained by:

- A major increase of 58,77% in the depreciation mainly explained by depreciation of internally generated intangible assets that were put into production in 2012.
- A significant increase in other administrative expenses primarily due to an increase of:
  - (1) The expenses for land and buildings: In 2012 an additional € 195.800 was charged by the owner of the building to cover the costs for the works done in order to increase the capacity of the building.
  - (2) The other administrative expenses:
    - In 2012 an additional +/- € 100.000 were paid for IT-consulting services related to e-mail messaging;
    - An additional +/- € 200.000 was accrued for to cover the December 2012 CDT translation costs and € 58.900 was accrued for to cover OIB-expenses.
    - In 2011 an additional +/- € 100.000 of IT-expenses has been capitalized as compared to 2012



### 3.3. Operating expenses

These include expenses related to the operational activities of the Agency. They show a decrease of 10% as compared to last year.

	31/12/2012	31/12/2011	% change
<b>Operational expenses</b>	<b>-5 692 968,75</b>	<b>-6 062 146,83</b>	<b>-6%</b>
<b>Other operational expenses</b>	<b>-5 457 026,26</b>	<b>-6 059 474,13</b>	<b>-10%</b>
- Missions/reimbursements of experts	-1 979 830,52	-1 997 518,69	-1%
- Studies	-1 210 731,45	-2 171 673,13	-44%
- IT-systems to support operations	-1 952 863,71	-1 307 980,23	49%
- Information & communication	-226 593,02	-370 800,67	-39%
- Translation/Interpretation	-249,37	-89 267,01	-100%
- IPA activities	-46 187,00	-82 250,02	-44%
- Other	-40 571,19	-39 984,38	1%

The decrease of 6% is a combination of:

- (1) A decrease of 44% of the amount paid for studies, mainly for studies related to ERTMS for which in 2011 a significant amount was paid.
- (2) An increase of 49% in the IT-expenses to support the operations. Indeed in 2012 a total of € 304.608,23 was spent on research IT-expenses for RINF and I-NLR/CRR. In addition a total of € 67.117,16 was spent on DREAM and WEB-SMS projects. The remaining part of the increase can be explained by expenses related to the improvement of the website and maintenance costs for existing IT-software.
- (3) An increase of 100% in the value reduction for a total amount of € 233.122,40 for the outstanding Greek VAT receivable.



## 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)
2009	80.000,00
2010	522.750,00
<b>TOTAL</b>	<b>602. 750,00</b>

### 4.2. Commitments for future funding

At 31 December 2012 the budgetary RAL totaled € 2.398.742,43. 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 2012 Economic Outturn Account giving a total of € 1.597.878,73.

### 4.3. Events after the balance sheet date

At the date of the approval of these accounts, the Agency has been informed by the Greek VAT authorities that they will not proceed with the reimbursement of the outstanding VAT-amount. As a consequence a provision for doubtful debtors has been recorded for the total outstanding amount of € 233.122,40.



## Part II - Report on the implementation of the budget of the European Railway Agency

### Budget implementation 2012

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	16 093 000,00	15 245 202,58	94,73%	847 797,42	15 160 848,31	94,21%
13	Missions and travel	155 000,00	141 000,00	90,97%	14 000,00	130 223,51	84,02%
14	Socio-medical infrastructure	285 000,00	272 808,61	95,72%	12 191,39	182 109,57	63,90%
15	Staff exchange between the ERA and the public sector	278 000,00	232 943,59	83,79%	45 056,41	232 943,59	83,79%
17	Entertainment and representation exp.	5 000,00	-	0,00%	5 000,00	-	0,00%
	<b>Title I</b>	<b>16 816 000,00</b>	<b>15 891 954,78</b>	<b>94,50%</b>	<b>924 045,22</b>	<b>15 706 124,98</b>	<b>93,40%</b>
20	Investments in immovable property, rental of buildings and associated cost	1 191 564,75	1 191 245,00	99,97%	319,75	1 087 706,94	91,28%
21	Data processing	399 060,52	396 832,18	99,44%	2 228,34	310 978,49	77,93%
22	Movable property and associated costs	42 032,47	34 374,43	81,78%	7 658,04	16 762,93	39,88%
23	Current administrative expenditure	191 450,00	164 796,97	86,08%	26 653,03	146 131,43	76,33%
24	Post and telecommunications	188 392,26	185 615,01	98,53%	2 777,25	160 969,89	85,44%
25	Meetings and associated costs	87 500,00	87 500,00	100,00%	-	84 583,61	96,67%
	<b>Title II</b>	<b>2 100 000,00</b>	<b>2 060 363,59</b>	<b>98,11%</b>	<b>39 636,41</b>	<b>1 807 133,29</b>	<b>86,05%</b>
30	Operational Activities directly linked to the Reg. n°881/2004	4 247 258,20	3 971 789,94	93,51%	275 468,26	2 467 676,55	58,10%
31	Operational expenditures	2 635 741,80	2 565 069,03	97,32%	70 672,77	2 109 500,09	80,03%
	<b>Title III</b>	<b>6 883 000,00</b>	<b>6 536 858,97</b>	<b>94,97%</b>	<b>346 141,03</b>	<b>4 577 176,64</b>	<b>66,50%</b>
	<b>Total Budget</b>	<b>25 799 000,00</b>	<b>24 489 177,34</b>	<b>94,92%</b>	<b>1 309 822,66</b>	<b>22 090 434,91</b>	<b>85,63%</b>



## Budget implementation – Appropriations carried over 2011/2012

Fund Source : 2012 C8					
	Chapter	Amount carried over 2011/2012	Payments made	Balance not paid at the end of the year 2011	% of Balance
11	Staff in active employment	46 952,24	45 171,70	1 780,54	3,79%
13	Missions and travel	19 506,47	17 251,05	2 255,42	11,56%
14	Socio-medical infrastructure	122 354,88	119 917,20	2 437,68	1,99%
15	Staff exchanges between the ERA and the public sector	30 000,00	19 865,66	10 134,34	33,78%
15	Staff exchanges between the ERA and the public sector	902,33	-	902,33	-
	<b>Title I</b>	<b>219 715,92</b>	<b>202 205,61</b>	<b>17 510,31</b>	<b>7,97%</b>
20	Investments in immovable property, rental of buildings and associated cost	243 196,39	216 359,95	26 836,44	11,03%
21	Data processing	182 328,48	182 323,58	4,90	0,00%
22	Movable property and associated costs	65 361,01	64 306,58	1 054,43	1,61%
23	Current administrative expenditure	48 038,59	43 751,04	4 287,55	8,93%
24	Post and telecommunications	10 526,29	8 724,80	1 801,49	17,11%
25	Meetings and associated costs	13 461,84	12 743,30	718,54	5,34%
	<b>Title II</b>	<b>562 912,60</b>	<b>528 209,25</b>	<b>34 703,35</b>	<b>6,16%</b>
30	Operational Activities directly linked to the Regulation n°881/2004	1 657 577,38	1 600 646,38	56 931,00	3,43%
31	Operational expenditures	1 177 681,19	1 160 509,33	17 171,86	1,46%
	<b>Title III</b>	<b>2 835 258,57</b>	<b>2 761 155,71</b>	<b>74 102,86</b>	<b>2,61%</b>
	<b>Grandtotal</b>	<b>3 617 887,09</b>	<b>3 491 570,57</b>	<b>126 316,52</b>	<b>3,49%</b>



## Use of appropriations 2012

Fund Source : C1						
	Chapter	Budget adopted	Transfers	Budget after transfers (1)	Committed (2)	% Committed = (2) / (1)
11	Staff in active employment	15 365 000,00	728 000,00	16 093 000,00	15 245 202,58	94,73%
13	Missions and travel	120 000,00	35 000,00	155 000,00	141 000,00	90,97%
14	Socio-medical infrastructure	295 000,00	- 10 000,00	285 000,00	272 808,61	95,72%
15	Staff exchange between the ERA and the public sector	326 000,00	- 48 000,00	278 000,00	232 943,59	83,79%
17	Entertainment and representation expenses	10 000,00	- 5 000,00	5 000,00	-	0,00%
	<b>Title I</b>	<b>16 116 000,00</b>	<b>700 000,00</b>	<b>16 816 000,00</b>	<b>15 891 954,78</b>	<b>94,50%</b>
20	Investments in immovable property, rental of buildings and associated cost	1 441 000,00	- 249 435,25	1 191 564,75	1 191 245,00	99,97%
21	Data processing	520 000,00	- 120 939,48	399 060,52	396 832,18	99,44%
22	Movable property and associated costs	170 000,00	- 127 967,53	42 032,47	34 374,43	81,78%
23	Current administrative expenditure	189 000,00	2 450,00	191 450,00	164 796,97	86,08%
24	Post and telecommunications	195 000,00	- 6 607,74	188 392,26	185 615,01	98,53%
25	Meetings and associated costs	85 000,00	2 500,00	87 500,00	87 500,00	100,00%
	<b>Title II</b>	<b>2 600 000,00</b>	<b>- 500 000,00</b>	<b>2 100 000,00</b>	<b>2 060 363,59</b>	<b>98,11%</b>
30	Operational Activities directly linked to the Regulation n°881/2004	4 183 000,00	64 258,20	4 247 258,20	3 971 789,94	93,51%
31	Operational expenditures	2 900 000,00	- 264 258,20	2 635 741,80	2 565 069,03	97,32%
	<b>Title III</b>	<b>7 083 000,00</b>	<b>- 200 000,00</b>	<b>6 883 000,00</b>	<b>6 536 858,97</b>	<b>94,97%</b>
	<b>Total Budget</b>	<b>25 799 000,00</b>	<b>-</b>	<b>25 799 000,00</b>	<b>24 489 177,34</b>	<b>94,92%</b>



## Appropriations carried over 2012/2013

	Chapter	Amount carried over 2012/2013	% Amount carried over 2012/2013
11	Staff in active employment	84 354,27	0,55%
13	Missions and travel	10 776,49	7,64%
14	Socio-medical infrastructure	90 699,04	33,25%
15	Staff exchange between the ERA and the public sector	0,00	0,00%
17	Entertainment and representation exp.	-	-
	<b>Title I</b>	<b>185 829,80</b>	<b>1,17%</b>
20	Investments in immovable property, rental of buildings and associated cost	103 538,06	8,69%
21	Data processing	85 853,69	21,63%
22	Movable property and associated costs	17 611,50	51,23%
23	Current administrative expenditure	18 665,54	11,33%
24	Post and telecommunications	24 645,12	13,28%
25	Meetings and associated costs	2 916,39	3,33%
	<b>Title II</b>	<b>253 230,30</b>	<b>12,29%</b>
30	Operational Activities directly linked to the Regulation n°881/2004	1 504 113,39	37,87%
31	Operational expenditures	455 568,94	17,76%
	<b>Title III</b>	<b>1 959 682,33</b>	<b>29,98%</b>
	<b>Total Budget</b>	<b>2 398 742,43</b>	<b>9,80%</b>

Below a more detailed overview is presented for the most significant amount carried over from 2012 to 2013. This detail includes for each item the total amount to be carried over, its part related to cost accrued for in 2012 and cost that will be incurred in 2013 and some explanation. It should be noted that of course the full amount carried over will be paid out in 2013.



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

Description	Total carry-over	2012	2013	Comment
Rent and rental charges Lille and Valenciennes	37.672,47	37.528,37	144,10	Rent and rental charges accrued for in 2012 and paid beginning of 2013.
Security costs	24.735,56	24.735,56	0,00	Security costs December 2012.
Maintenance and cleaning costs	22.574,32	22.574,32	0,00	Maintenance and clearing costs December 2012.
Other	18.555,71	8.010,11	10.575,80	Other works related to the building of which part has been done in 2012 and part will be done in 2013.
<b>Subtotal Chapter 20</b>	<b>103.538,06</b>	<b>92.818,16</b>	<b>10.719,90</b>	

Chapter 21 – Data processing

Description	Total carry-over	2012	2013	Comment
Purchase of IT-equipment (laptops+ beamers)	31.147,90	0	31.147,90	Purchase order signed in December and delivery expected in 2013.
Purchase of software license-LANDESK SERVICE (COMPAREX)	26.107,95	0	26.107,95	Purchase order signed in December and delivery expected in 2013.
Upgrade of VMWARE licences	14.181,00	0	14.181,00	Purchase order signed in December and delivery expected in 2013.
Other	14.416,84	1.056,73	13.360,11	
<b>Subtotal Chapter 21</b>	<b>85.853,69</b>	<b>1.056,73</b>	<b>84.796,96</b>	

Chapter 30 – Operational activities

Description	Total carry-over	2012	2013	Comment
Safety activities (reimbursements of experts and missions)	49.069,79	26.654,90	22.414,89	Amount to cover unpaid missions 2012 and reimbursement experts meetings December 2012.
Safety activities (studies)	98.955,00	54.975,00	43.980,00	Contract signed beginning of August and kick-off meeting was held in Dec. First payment done in Dec. 2012. Expected end date is 31.03.2013.
Safety activities (studies)	39.920,00	0,00	39.920,00	Contract signed on 08.08.2012. Kick-off meeting held on 16.10.2012 and 10% of total contract value has been paid. End date of contract is 30.09.2013.



Safety activities (studies)	76.917,00	0,00	76.917,00	Contract signed on 26.10.2012. Kick-off meeting held on 10.12.2012 and 10% of total contract value has been paid. End date of contract is 15.05.2013.
Safety activities (studies)	57.600,00	0,00	57.600,00	Contract signed on 08.11.2012. Kick-off meeting held on 10.01.2013. End date of contract is 31.05.2013.
Safety activities (interpretation)	10.049,98	10.049,98	0,00	Interpretation costs related to November meeting. Invoice has not yet been received.
Interoperability activities (reimbursements of experts and missions)	70.601,54	38.105,21	32.496,33	Amount to cover unpaid missions 2012 and reimbursement experts meetings for December 2012.
Interoperability activities (studies)	41.930,00	0,00	41.930,00	Contract signed on 06.11.2012. Kick-off meeting held on 15.11.2012 and first payment of € 17.970 done in 2012. End date of contract is 06.09.2013.
Translation activities	578.015,38	219.116,25	358.899,13	Accrual equals December 2012 CDT-invoice.
ERTMS activities (reimbursements of experts and missions)	22.321,77	8.118,41	14.203,36	Amount to cover unpaid missions 2012 and reimbursement experts meetings for December 2012.
ERTMS activities (studies)	50.000,00	0,00	50.000,00	Although contract was sent in September 2012 it was only signed on 10.12.2012 due to delay in internal approval process from the contractor. Therefore no kick-off meeting held in 2012. End date of contract is 10.12.2013.
ERTMS activities (studies)	288.235,61	0,00	288.235,61	Contract signed on 26.10.2012 for a total value of € 576.471,22 of which 50% was paid in 2012. End date of contract is 31.12.2013.
ECOEV activities (reimbursements of experts and missions)	23.778,93	18.996,95	4.781,98	Amount to cover unpaid missions 2012.
X-ACC activities (reimbursements of experts and missions)	13.304,38	8.216,62	5.087,76	Amount to cover unpaid missions 2012 and reimbursement experts meetings for December 2012.
X-ACC activities (studies)	25.801,06	0,00	25.801,06	Contract signed on 14.11.2012. First payment



done of 20% of total amount.  
End date of contract is  
15.04.2013.

IPA activities	57.612,95	43.474,16	14.138,79
<b>Subtotal Chapter 30</b>	<b>1.504.113,39</b>	<b>427.707,48</b>	<b>1.076.405,91</b>

Chapter 31 – Operational expenditures

Description	Total carry-over	2012	2013	Comment
Analyst for I-NLR/CCR	4.766,40	4.766,40	0,00	Carry-over amount relates to services provided in December 2012.
Project Manager for ECVR/ERADIS/ERATV	20.474,78	7.543,34	12.931,44	Carry-over amount relates to services to be provided in for the period December 2012-January 2013.
User assistance services	111.771,09	27.199,35	84.571,74	Carry-over amount relates to services to be provided in for the period December 2012-March 2013.
Senior Analyst programmer for EXTRANET	13.832,70	6.916,35	6.916,35	Carry-over amount relates to services to be provided in for the period December 2012-January 2013.
Services for RDD-RELEASE 2.7 RELEASE 3	44.876,07	44.876,07	0,00	Carry-over amount relates to services provided in 2012.
Senior Analyst programmer for the DREAM project	14.754,88	6.916,35	7.838,53	Carry-over amount relates to services to be provided in for the period December 2012-January 2013.
Senior analyst programmer for XA AUDIT development	21.210,14	9.221,80	11.988,34	Carry-over amount relates to services to be provided in for the period December 2012-January 2013.
Recovery solution for IT-SYSTEMS	174.729,09	0,00	174.729,09	Goods only to be received in 2013.
Webmaster assistance	31.768,67	6.527,85	25.241,02	Carry-over amount relates to services to be provided in for the period December 2012-March 2013.
Other	17.385,12	1.683,75	15.701,17	
<b>Subtotal Chapter 31</b>	<b>455.568,94</b>	<b>115.651,26</b>	<b>339.917,68</b>	
<b>Title 1</b>	<b>185.829,80</b>	<b>160.169,70</b>	<b>25.660,10</b>	
<b>Title 2 (chapters 22-25)</b>	<b>63.838,55</b>	<b>37.808,15</b>	<b>26.030,40</b>	
<b>Subtotal</b>	<b>249.668,35</b>	<b>197.977,85</b>	<b>51.690,50</b>	
<b>Grandtotal</b>	<b>2.398.742,43</b>	<b>835.211,48</b>	<b>1.563.530,95</b>	
	<b>100%</b>	<b>35%</b>	<b>65%</b>	



The difference of 11.812,77 between the amount allocated to 2012, i.e. € 835.211,47 and the accrued amount of € 800.863,70 (see page 16) can mainly be explained by an underestimation/overestimation of the 2012 budgetary expenses.



## Budget outturn

	2012	2011
<b>Revenue</b>		
Commission subsidy DG TREN	25 644 000,00	24 543 665,00
Phare funds from Commission	150 000,00	100 000,00
Fee income	5 000,00	5 000,00
Other revenue	115 423,71	72 883,40
<b>Total revenue (a)</b>	<b>25 914 423,71</b>	<b>24 721 548,40</b>
<b>Expenditure</b>		
<b>Personnel expenses – Budget Title I</b>		
Payments	15 706 124,98	15 710 948,01
Automatic carry-overs	185 829,80	219 715,92
<b>Administrative expenses – Budget Title II</b>		
Payments	1 884 860,15	1 721 678,71
Automatic carry-overs	290 927,15	562 912,60
<b>Operational expenses – Budget Title III</b>		
Payments	4 577 176,64	3 659 761,37
Automatic carry-overs	1 959 682,33	2 835 258,57
<b>Total expenditure (b)</b>	<b>24 604 601,05</b>	<b>24 710 275,18</b>
<b>Outturn for the financial year (a-b)</b>	<b>1 309 822,66</b>	<b>11 273,22</b>
Cancellation of unused carry-overs	126 316,52	126 116,22
Exchange differences for the year	-1 802,78	-706,11
Balance carried over from year N-1	136 683,33	520 289,71
Positive balance from year N-1 reimbursed in year N to the Commission	-136 683,33	-520 289,71
<b>Balance of the outturn account for the financial year</b>	<b>1 434 336,40</b>	<b>136 683,33</b>

Not included in the budget outturn:

Interest received by 31/12/N on the Commission subsidy and to be reimbursed to the Commission	<b>24 705,88</b>	<b>41 007,72</b>
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**Reconciliation economic outturn – budget outturn 2012**

	2012	2011
<b><i>Economic outturn for the year</i></b>	<b>-1 552 104,21</b>	<b>-490 007,35</b>
<b>Revenues</b>		
Entitlements established in current year but not yet collected	0,00	-77 776,86
Entitlements established in previous years and cashed in the current year	77 726,86	0,00
Amount of unused pre-financing cashed in current year on balance sheet account	14 138,79	0,00
Pre-financing received in previous year and cleared in the year	117 480,00	-55 945,31
Amount of pre-financing to be returned to the Commission	1 434 336,40	136 683,33
<b>Expenditure</b>		
Accrued expenses (net changes)	-109 120,51	-145 617,94
Asset acquisitions	-1 159 601,93	-1 555 415,99
New pre-financing paid in the year 2012 and remaining open as at 31.12.2012	0,00	-117 480,00
Depreciation of intangible and tangible assets	783 796,86	494 913,16
Provisions (net changes)	688 324,76	146 066,42
Payments made from carry-over of payment appropriations	3 491 570,57	5 339 374,73
Payment appropriations carried over to 2013	-2 436 439,28	-3 617 887,09
Cancellation of unused carried over payment appropriations from previous year	126 316,52	126 116,22
Other	-42 088,43	-46 339,99
<b><i>Budget outturn for the year</i></b>	<b>1 434 336,40</b>	<b>136 683,33</b>

Please note that the total amount of the provision of € 688.324,76 also includes the provision for doubtful debtors of € 233.122,40 for the outstanding Greek VAT amount.