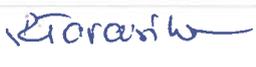


Making the railway system  
work better for society.

# Final accounts of the European Union Agency for Railways Financial Year 2016

## *Financial Statements Reports on the Implementation of the Budget*

	<i>Elaborated by</i>	<i>Validated by</i>	<i>Approved by</i>
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## 1. Certificate

The annual accounts of the European Union Agency for Railways (ERA) for the year 2016 have been prepared in accordance with the Financial Regulation applicable to the general budget of the European Union and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions, agencies and joint undertakings, and in accordance with Title IX of the Financial Regulation of ERA.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of ERA in accordance with Article 68 of the Financial Regulation and with Article 50 of the Financial Regulation of ERA.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the assets and liabilities of ERA and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of ERA.

Stefan MEERT

Accounting Officer



## 2. Presentation of the organisation

### Introduction

The European Railway Agency was established by Regulation (EC) N° 881/2004 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 2008. Following the adoption of the Regulation (EU) 2016/796 of the European Parliament and of the Council on 11 May 2016 the founding regulation (EC) n° 881/2004 was repealed and an European Union Agency for Railways (hereafter referred to as “the Agency” or ERA) was established.

The accounts of ERA are kept in accordance with Financial Regulation of ERA adopted by its Administrative Board on 31 December 2013 and its Implementing Rules.

In accordance with Article 98 of COMMISSION DELEGATED REGULATION (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council and Article 98 of the Financial Regulation of ERA , the following final accounts together with the reports on the implementation of the budget of ERA have been drawn up.

### Legal status and principal office

The Agency is a body of the Community as referred to in article 208 of of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council . It has legal personality. The Agency is represented and managed by the Executive Director, Mr. Josef Doppelbauer, appointed by the Management 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.

### Governing structure

ERA’s administrative and management structure consists of an Management Board, an Executive Board, the Executive Director and one or more Boards of Appeal.

The Management Board is composed of the Member State representatives, one from each Member State, 2 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.

### Further information sources

More information on the Agency’s administrative and operational activities, organisational chart, applicable legislation and its Management Board is available on the Agency’s website [www.era.europa.eu](http://www.era.europa.eu) and in its annual report.

**3. Part I – Financial Statements****3.1. Balance sheet**

	<i>Note</i>	<i>31/12/2016</i>	<i>31/12/2015</i>
<b>A. NON CURRENT ASSETS</b>			
Intangible assets	3.5.2.1	1,400,949.56	1,196,009.98
Property, plant and equipment	3.5.2.2	2,117,890.00	1,737,207.50
Land and buildings		3,031.00	3,590.00
Plant and equipment		15,045.00	19,579.00
Computer hardware		1,836,004.00	1,351,472.00
Furniture and vehicles		91,505.00	116,347.00
Other fixtures and fittings		172,305.00	246,219.50
Non-current receivables	3.5.2.3	35,831.37	31,898.00
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,554,670.93</b>	<b>2,965,115.48</b>
<b>B. CURRENT ASSETS</b>			
Pre-financing	3.5.2.4	78,810.72	0.00
Pre-financing with consolidated entities		78,810.72	0.00
Exchange receivables and recoverables	3.5.2.5	127,727.24	33,457.57
Current receivables		0.00	378.63
Sundry receivables		27,483.94	19,344.44
Current receivables with consolidated entities		0.00	15.50
Other receivables		0.00	0.00
Accrued income with consolidated entities		12,996.50	13,719.00
Deferred charges		87,246.80	0.00
Non - exchange receivables and recoverables	3.5.2.6	90,481.40	127,448.19
Current receivables Member States		90,481.40	127,448.19
Other receivables		0.00	0.00
Cash and cash equivalents	3.5.2.7	2,440,027.30	2,813,321.89
<b>TOTAL CURRENT ASSETS</b>		<b>2,737,046.66</b>	<b>2,974,227.65</b>
<b>TOTAL ASSETS</b>		<b>6,291,717.59</b>	<b>5,939,343.13</b>

	<i>Note</i>	<i>31/12/2016</i>	<i>31/12/2015</i>
<b>A. NET ASSETS</b>	<b>3.5.2.8</b>	<b>4,522,588.21</b>	<b>4,327,156.81</b>
Accumulated surplus/deficit		4,327,156.81	4,025,889.05
Economic result of the year-profit+/loss-		195,431.40	301,267.76
<b>B. NON CURRENT LIABILITIES</b>		<b>0.00</b>	<b>0.00</b>
Pension and other employee benefits		0.00	0.00
Provisions for risks and liabilities		0.00	0.00
<b>TOTAL NON-CURRENT LIABILITIES (A+B)</b>		<b>4,522,588.21</b>	<b>4,327,156.81</b>
<b>C. CURRENT LIABILITIES</b>		<b>1,769,129.38</b>	<b>1,612,186.32</b>
Provisions for risks and liabilities	3.5.2.9	0.00	0.00
Accounts payable	3.5.2.10	535,523.54	540,243.06
Current payables		16,979.87	39,391.20
Sundry payables		328.90	143,504.41
Accounts payable with consolidated EC entities		518,214.77	357,347.45
› Prefinancing received from consolidated EC entities		518,214.77	357,347.45
› Other accounts payable against consolidated EC entities		0.00	0.00
Accrued charges and deferred income	3.5.2.11	1,233,605.84	1,071,943.26
Accrued charges		1,128,812.88	962,295.52
Deferred income		0.00	0.00
Other passive accruals & deferrals		0.00	-0.01
Deferrals and accruals with consolidated EC entities		104,792.96	109,647.75
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,769,129.38</b>	<b>1,612,186.32</b>
<b>TOTAL LIABILITIES</b>		<b>6,291,717.59</b>	<b>5,939,343.13</b>

**3.2. Statement of Financial Performance**

<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>Note</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
Subsidy received	3.5.3.1	27,177,664.23	25,987,652.55
Title 1&2		20,259,479.00	19,645,000.00
Title 3		7,136,400.00	6,700,000.00
Part of Phare Funds subsidy used in current year		160,000.00	0.00
To be reimbursed (Budget outturn)		-378,214.77	-357,347.45
Revenue from adjustment/provisions		0.00	0.00
<b>NON-EXCHANGE REVENUES</b>	3.5.3.1	<b>27,177,664.23</b>	<b>25,987,652.55</b>
Fixed Assets related income		-374.89	-3.46
Exchange rate differences gains		1,263.02	694.14
Bank interest		143.33	5,051.48
Income from other exchange operations (3rd parties)		21,004.99	35,449.64
Income from consolidated EU entities		66,409.62	93,202.00
<b>EXCHANGE REVENUES</b>	3.5.3.1	<b>88,446.07</b>	<b>134,393.80</b>
<b>TOTAL REVENUES</b>		<b>27,266,110.30</b>	<b>26,122,046.35</b>
Operational expenses	3.5.3.3	5,688,897.03	5,307,521.92
Staff and Pension costs	3.5.3.2	17,249,577.38	16,428,302.10
Finance costs		0.00	2,085.00
Finance costs		0.00	0.00
Other financial expenses		0.00	2,085.00
Other expenses		4,132,204.49	4,082,869.57
Property, plant and equipment related expenses	3.5.3.2	2,425,899.18	2,139,835.00
Other Expenses	3.5.3.2	1,703,453.82	1,939,911.65
Exchange rate differences losses		2,851.49	3,122.92
<b>TOTAL EXPENSES</b>		<b>27,070,678.90</b>	<b>25,820,778.59</b>
<b>SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES</b>		<b>195,431.40</b>	<b>301,267.76</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>195,431.40</b>	<b>301,267.76</b>

**3.3. Statement of changes in net assets**

<i>Capital</i>	<i>Reserves</i>		<i>Accumulated Surplus / Deficit</i>	<i>Economic result of the year</i>	<i>Capital (total)</i>
	<i>Fair value reserve</i>	<i>Other reserves</i>			
<b>Balance as of 31 December 2015</b>	<b>0.00</b>	<b>0.00</b>	<b>4,025,889.05</b>	<b>301,267.76</b>	<b>4,327,156.81</b>
Changes in accounting policies	0.00	0.00	0.00	0.00	0.00
<b>Balance as of 1 January 2016 (if restated)</b>	<b>0.00</b>	<b>0.00</b>	<b>4,025,889.05</b>	<b>301,267.76</b>	<b>4,327,156.81</b>
Allocation of the Economic Result of Previous Year	0.00	0.00	301,267.76	-301,267.76	0.00
Economic result of the year	0.00	0.00	0.00	195,431.40	195,431.40
<b>Balance as of 31 December 2016</b>	<b>0.00</b>	<b>0.00</b>	<b>4,327,156.81</b>	<b>195,431.40</b>	<b>4,522,588.21</b>

**3.4. Cash flow statement**

	<b>2016</b>	<b>2015</b>
<b>Cash Flows from ordinary activities</b>		
<b>Economic result of the year</b>	<b>195 431,40</b>	<b>301 267,76</b>
<b>Operating activities</b>		
Amortization (intangible fixed assets) +	466 224,43	442 370,19
Depreciation (tangible fixed assets) +	666 513,11	554 617,97
Increase/(decrease) in Provisions for risks and liabilities	0,00	0,00
Increase/(decrease) in Value reduction for doubtful debts	0,00	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	-78 810,72	0,00
(Increase)/decrease in Long term Receivables	-3 933,37	0,00
(Increase)/decrease in Short term Receivables	-94 269,67	62 773,24
(Increase)/decrease in Receivables related to consolidated EC entities	36 966,79	329 231,40
Increase/(decrease) in Other Long term liabilities	0,00	0,00
Increase/(decrease) in Accounts payable	-3 924,26	-329 824,59
Increase/(decrease) in Liabilities related to consolidated EC entities	160 867,32	-471 571,24
(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>1 345 065,03</b>	<b>888 864,73</b>
<b>Cash Flows from investing activities</b>		
Purchase of tangible and intangible fixed assets (-)	-1 718 690,62	-1 464 755,18
Proceeds from tangible and intangible fixed assets (+)	331,00	12 418,71
<b>Net cash flow from investing activities</b>	<b>-1 718 359,62</b>	<b>-1 452 336,47</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-373 294,59</b>	<b>-563 471,74</b>
Cash and cash equivalents at the beginning of the period	2 813 321,89	3 376 793,63
Cash and cash equivalents at the end of the period	2 440 027,30	2 813 321,89

### 3.5. Notes to the financial statements

#### 3.5.1. Accounting policies

##### 3.5.1.1. General

In accordance with Article 98 of COMMISSION DELEGATED REGULATION (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council and Article 98 of the Financial Regulation of ERA, the following final accounts together with the reports on the implementation of the budget of ERA have been drawn up.

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. These financial statements are prepared on the basis of the EU Accounting Rules as adopted by the Commission's Accounting Officer which adapt the International Public Sector Accounting Standards (and in some cases the International Financial Reporting Standards) to the specific environment of the EU, while the reports on implementation of the budget continue to be primarily based on movements of cash.

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 Union Agency for Railways 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 and are designed to establish the financial position in the form of a balance sheet as at 31 December.

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 statement of financial performance.

The chart of accounts used by ERA follows the structure of the chart of accounts of the European Commission (PCUE).

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts presented and disclosed in the Financial Statements of ERA. Significant estimates and assumptions in these financial statements require judgment and are used for, but not limited to, accrued income and charges, provisions, contingent assets and liabilities. Actual results reported in future periods may be different from these estimates. Changes in estimates are reflected in the period in which they become known.

### 3.5.1.2. Balance sheet

#### › 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 ERA.

#### › Property, plant and equipment

In compliance with the accounting rules, fixed assets are considered as such when their nominal value is equal or above 420 € and their useful life is greater than 1 year. The assets are reflected in the balance sheet at year end for their net value.

The assets registration system, integrated in the ERA's accounting systems, is identical to the one used by the European Commission (ABAC Assets).

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 and prorata temporis from the month of first use or delivery of the asset in ERA's premises to allocate their cost to their residual values over their estimated useful lives, as follows:

#### Depreciation rates

<i>Type of asset</i>	<i>%</i>
<b>Intangible assets</b>	
Software	25,00%
<b>Property, plant and equipment</b>	
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%

Gains or losses on disposals are determined by comparing proceeds less selling expenses with the carrying amount of the disposed asset and are included in the statement of financial performance.

› **Receivables**

Receivables are carried at original amount less write-down for impairment. A write-down for impairment of receivables is established when there is objective evidence that ERA will not be able to collect all amounts due according to the original terms of receivables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the writedown is recognised in the statement of financial performance.

› **Cash and cash equivalents**

Cash and cash equivalents are financial instruments and classified as available for sale financial assets. They include cash at hand and deposits held at call with banks.

› **Provisions**

Provisions are recognized when the European Union Agency for Railways 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.

### 3.5.1.3. *Statement of financial performance*

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

› **Revenue**

Non-exchange revenue makes up the vast majority of the ERA's revenue and includes mainly EU subsidy.

Exchange revenue is the revenue from the sale of goods and services. It is recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser. Revenue associated with a transaction involving the provision of services is recognised by reference to the stage of completion of the transaction at the reporting date.

Interest income consist of received bank interest.

› **Expenses**

According to the principle of accrual-based accounting, the financial statements take account of expenses relating to the reporting period, without taking into consideration the payment date; meaning when the goods or services are used or consumed.

Exchange expenses arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by ERA. They are valued at original invoice cost.

#### 3.5.1.4. *Contingent assets and liabilities*

##### › **Contingent asset**

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.

##### › **Contingent liability**

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.

**3.5.2. Notes to the balance sheet****3.5.2.1. Intangible assets**

		<i>Internally generated Computer Software</i>	<i>Computer Software</i>	<i>Others</i>	<i>Intangible assets under construction</i>	<i>Total</i>
<b>Gross carrying amounts at 01.01.2016</b>	+	<b>2,018,313.72</b>	<b>1,011,821.39</b>	<b>0.00</b>	<b>59,965.15</b>	<b>3,090,100.26</b>
Additions	+	0.00	21,701.46	0.00	631,379.67	653,081.13
Disposals	-	0.00	0.00	0.00	0.00	0.00
Transfer between headings	+/-	0.00	0.00	0.00	0.00	0.00
Other changes	+/-	0.00	18,082.88	0.00	0.00	18,082.88
<b>Gross carrying amounts 31.12.2016</b>		<b>2,018,313.72</b>	<b>1,051,605.73</b>	<b>0.00</b>	<b>691,344.82</b>	<b>3,761,264.27</b>
<b>Accumulated amortization and impairment 01.01.2016</b>	-	<b>-1,275,703.89</b>	<b>-618,386.39</b>	<b>0.00</b>	<b>0.00</b>	<b>-1,894,090.28</b>
Amortization	-	-310,294.09	-155,555.46	0.00	0.00	-465,849.55
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	+/-	0.00	0.00	0.00	0.00	0.00
Other changes	+/-	0.00	-374.88	0.00	0.00	-374.88
<b>Accumulated amortization and impairment 31.12.2016</b>		<b>-1,585,997.98</b>	<b>-774,316.73</b>	<b>0.00</b>	<b>0.00</b>	<b>-2,360,314.71</b>
<b>Net carrying amounts 31.12.2016</b>		<b>432,315.74</b>	<b>277,289.00</b>	<b>0.00</b>	<b>691,344.82</b>	<b>1,400,949.56</b>

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

### Internally generated computer software

<i>Name of the project</i>	<i>Year of capitalisation</i>	<i>Description</i>	<i>Development cost capitalized (in €)</i>	<i>Useful life</i>
<i>RDD</i>	<i>2012</i>	Reference Document Database: application to manage the information related to the national technical rules for authorising railway vehicles	475 517,03	5 years
<i>MOSS 2010</i>	<i>2012</i>	Microsoft Office SharePoint: migration of the content management system (from Microsoft Office SharePoint 2007 to Microsoft Office SharePoint 2010)	432 000,00	3 years
<i>ERAIL</i>	<i>2012</i>	Application to manage information on safety performance (i.e. Common Safety Indicators and Accident Investigations)	209 059,60	6 years
<i>ERATV</i>	<i>2013</i>	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
<i>NSA XA</i>	<i>2013</i>	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
<i>RINF</i>	<i>2015</i>	Register of the railway infrastructure created to make the railway infrastructure from the EU member states publicly available in a centralized register	422 334,17	5 years
		<b>TOTAL</b>	<b>2 018 313,72</b>	

**Intangible assets under construction**

<i>Name of the project</i>	<i>Description</i>	<i>Development cost Capitalized (in €)</i>
<i>OSS</i>	One-Stop-Shop system: an information and communication system with a virtual One-Stop-Shop functionality that will support the applicants, ERA and the NSA's to accomplish their new tasks related to Single Safety Certificates, Vehicle Authorisations and ERTMS projects.	495 891,27
<i>SRM</i>	Stakeholder Relationship Management: tool to support the contact management and the event management process	195 453,55
	<b>TOTAL</b>	<b>691 344,82</b>

**3.5.2.2. Property, plant and equipment**

		<i>Buildings</i>	<i>Plant and Equipment</i>	<i>Computer hardware</i>	<i>Furniture and vehicles</i>	<i>Other fixtures and fittings</i>	<i>Total</i>
<b>Gross carrying amounts at 01.01.2016</b>	+	<b>5,596.06</b>	<b>31,883.55</b>	<b>3,917,741.60</b>	<b>265,899.01</b>	<b>573,273.87</b>	<b>4,794,394.09</b>
Additions	+	0.00	0.00	1,027,404.81	1,420.90	18,700.90	1,047,526.61
Disposals	-	0.00	0.00	0.00	-2,681.90	0.00	-2,681.90
Transfer between headings	-	0.00	0.00	0.00	0.00	0.00	0.00
Other changes	+/-	0.00	0.00	0.00	0.00	0.00	0.00
<b>Gross carrying amounts at 31.12.2016</b>		<b>5,596.06</b>	<b>31,883.55</b>	<b>4,945,146.41</b>	<b>264,638.01</b>	<b>591,974.77</b>	<b>5,839,238.80</b>
<b>Accumulated amortization and impairment at 01.01.2016</b>	-	<b>-2,006.06</b>	<b>-12,304.55</b>	<b>-2,566,269.60</b>	<b>-149,552.01</b>	<b>-327,054.37</b>	<b>-3,057,186.59</b>
Depreciation	-	-559.00	-4,534.00	-542,872.81	-25,931.90	-92,615.40	-666,513.11
Disposals	+	0.00	0.00	0.00	2,350.90	0.00	2,350.90
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	+/-	0.00	0.00	0.00	0.00	0.00	0.00
<b>Accumulated amortization and impairment at 31.12.2016</b>		<b>-2,565.06</b>	<b>-16,838.55</b>	<b>-3,109,142.41</b>	<b>-173,133.01</b>	<b>-419,669.77</b>	<b>-3,721,348.80</b>
<b>Provision for unused fixed assets</b>	-	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net carrying amounts at 31.12.2016</b>		<b>3,031.00</b>	<b>15,045.00</b>	<b>1,836,004.00</b>	<b>91,505.00</b>	<b>172,305.00</b>	<b>2,117,890.00</b>

The major part of the acquisitions in 2016 related to the purchase of new computer and IT server equipment.

**3.5.2.3. Non-current receivables**

The amount of € 35 881,37 relates to the rental deposit guarantee paid in 2014 for the rent of the conference facilities in Lille and the deposit guarantee paid in 2016 for the rent of additional office space at the “Ateliers numériques” in Valenciennes.

**3.5.2.4. Pre-financing**

In the course of December 2016 the Agency paid a pre-financing amount of € 78 810,72 to the Translation Centre for European Bodies.

**3.5.2.5. Exchange receivables & recoverables**

	<b>31/12/2016</b>	<b>31/12/2015</b>
<b>Exchange receivables and recoverables</b>	<b>127,727.24</b>	<b>33,457.57</b>
Current receivables	0.00	378.63
Sundry receivables	27,483.94	19,344.44
Current receivables with consolidated entities	0.00	15.50
Other receivables	0.00	0.00
Deferred charges	87,246.80	0.00
Accrued income exchange with consolidated entities	12,996.50	13,719.00

The sundry receivables amount includes primarily undue salary payments to be recovered from staff members.

The deferred charges of € 87 246,80 mainly relate to deferral of hardware maintenance costs covering the period 01.01.2016 until 31.12.2017.

The accrued income exchange with consolidated entities amount of € 12 996,50 relates to the services rendered to ESMA by ERA’s Accounting Officer for the 4th quarter of 2016 to be cashed beginning 2017.

**3.5.2.6. Non - exchange receivables & recoverables**

	<b>31/12/2016</b>	<b>31/12/2015</b>
<b>Non - exchange receivables and recoverables</b>	<b>90,481.40</b>	<b>127,448.19</b>
Current receivables Member States	90,481.40	127,448.19
Other receivables	0.00	0.00

The current receivable gross amount primarily relates to VAT to be recovered from the French (€ 90 481,40) authorities. ERA pays the invoices from local suppliers and EU suppliers (for the e-deliveries since 01.01.2015) with French VAT and claims the VAT refund from the Host State on a quarterly basis.

**3.5.2.7. Cash and cash equivalents**

The amount of the cash and cash equivalents includes mainly the balance on the current bank account with ING Belgium.

**3.5.2.8. Net assets**

The equity of the Agency amounts to € 4 522 588,21 of which:

- › € 4 327 156,81 are the accumulated surplus from previous years;
- › € 195 431,40 is the economic outturn of 2016

**3.5.2.9. Provisions**

No short term provision for outstanding salary payments has been made in 2016 since the yearly salary adjustment was paid out in December 2016.

**3.5.2.10. Accounts Payable**

The main part of the total accounts payable as per 31.12.2016 relates to:

- › Current payables for a total amount of € 16 979,87
- › Sundry payables for a total amount of € 328,90
- › Accounts payable with consolidated entities for a total amount of € 518 244,77 representing the budget outturn of 2016 to be reimbursed to the Commission and the remaining part of the pre-financing amount for the implementation of the IPA-agreement to be consumed in 2017.

**3.5.2.11. Accrued charges and deferred income**

Accrued charges for a total amount of € 1 232 967,30 can be decomposed in an accrual for untaken holidays amounting to € 410 946,21, an accrual of € 45 980,00 for the costs related to the 2016 reclassification of staff, accrued charges with consolidated EC entities of € 104 792,96 and accrued charges for goods delivered/services rendered but not yet invoiced for a total amount of € 671 248,13.

The table below shows the level of accrued expenses for 2016 and 2015 and its evolution in general and per type of appropriation.

<i>Accrued expenses</i>	<i>31/12/2016</i>	<i>31/12/2015</i>	<i>% change</i>
<b>Accrued expenses</b>	<b>1,232,967.30</b>	<b>1,071,943.27</b>	<b>15.02%</b>
Accrued expenses based on carry-over analysis	776,041.09	702,055.00	10.54%
Accrued expenses - reclassification	45,980.00	0.00	100.00%
Accrual for untaken holidays	410,946.21	369,888.27	11.10%

<i>Accrued expenses based on carry-over analysis</i>	<i>31/12/2016</i>	<i>31/12/2015</i>	<i>% change</i>
Title 1 – Staff	103,499.14	90,083.17	14.89%
Title 2 – Buildings, equipment and miscellaneous expenditure	142,168.03	180,443.13	-21.21%
Title 3 – Operational expenditure	530,373.92	431,528.70	22.91%
<b>Total</b>	<b>776,041.09</b>	<b>702,055.00</b>	<b>10.54%</b>

Globally there is a slight increase in the total amount of accrued expenses as compared to 2015. The increase in the accrued expenses for title I relates to a higher accrual for medical services costs due to a lower provisional charge received from DG HR in this respect. The decrease in title II can be explained by the fact that in 2016 some fees for commission's IT-services were recorded and paid for in the same year. Finally the

increase in title III can mainly be explained by the fact that for some services delivered in 2016 the invoice was only received in January 2017 due to late acceptance of the deliverables.

<i>Accrual for untaken holidays</i>	<i>31/12/2016</i>	<i>31/12/2015</i>	<i>% change</i>
Number of days not taken	1,384	1,308	5.81%
Accrued amount	410,946.21	369,888.27	11.10%

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

### 3.5.3. Notes to the statement of financial performance

#### 3.5.3.1. Operating revenue

The operating revenue of the Agency in 2016 is mainly made up of subsidies received for a total amount of € 27 177 664,23 including the budget outturn of € 378 214,77 to be reimbursed in 2017.

	<i>with non-consolidated entities</i>	<i>with consolidated entities</i>	<i>Total</i>
Revenue from non-exchange transactions	0.00	27,177,664.23	27,177,664.23
Revenue from exchange transactions	22,036.45	66,409.62	88,446.07
<b>TOTAL</b>	<b>22,036.45</b>	<b>27,244,073.85</b>	<b>27,266,110.30</b>

#### 3.5.3.2. Administrative expenses

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

	<i>31/12/2016</i>	<i>31/12/2015</i>	<i>% change</i>
<b>Administrative expenses</b>	<b>21,378,930.38</b>	<b>20,508,048.75</b>	<b>4.25%</b>
Staff expenses	17,249,577.38	16,428,302.10	5.00%
Property, plant and equipment related expenses	2,425,899.18	2,139,835.00	13.37%
Fixed assets related expenses (depreciation)	1,132,693.66	997,158.97	13.59%
Land and buildings	1,293,205.52	1,142,676.03	13.17%
Other administrative expenses	1,703,453.82	1,939,911.65	-12.19%
Other administrative expenses	650,169.90	665,402.49	-2.29%
Expenses with consolidated entities	1,053,283.92	1,274,509.16	-17.36%

As compared to 2015 the total amount of administrative expenses has slightly increased. This increase is mainly due to an increase in staff expenses whilst the other administrative expenses have remained stable.

### 3.5.3.3. Operational expenses

These include expenses related to the operational activities of the Agency. They show a increase of 7% as compared to last year.

	<b>31/12/2016</b>	<b>31/12/2015</b>	<b>% change</b>
<b>Operational expenses</b>	<b>5,688,897.03</b>	<b>5,307,521.92</b>	<b>7%</b>
Missions/reimbursements of experts	1,721,652.76	1,719,765.58	0%
Studies	721,435.90	728,536.91	-1%
IT-systems to support operations	2,691,994.43	2,438,805.72	10%
Information & communication	332,529.02	240,200.89	38%
Translation/Interpretation	105,365.26	68,492.12	54%
Quality Management	90,577.21	85,245.77	6%
Other	25,342.45	26,474.93	-4%

The increase of 7% is a combination of:

- › An increase of 10% of the IT-expenses to support the operations. This increase can mainly be explained by the shift from administrative IT-expenses to operational IT-expenses and by increased maintenance costs for the existing IT-systems.
- › An increase of 38% in the information and communication costs due to the costs linked to the Innotrans conference which took place in last quarter of 2016.
- › A significant increase in the translation and interpretation costs.

### 3.5.4. Other information

#### 3.5.4.1. Contingent Assets and Contingent Liabilities

In the course of 2015 an appeal was launched by one of ERA's contractors requesting the annulment of ERA's award decision following an IT services tender. A reliable estimate of the potential financial impact of this appeal can not be made since the outcome of this appeal case is pending the Court's judgment.

On the 21<sup>st</sup> of December 2016 the Agency signed a grant agreement with DG NEAR for the implementation of the EuroMed Safety and Interoperability Project. The total financial contribution for the implementation of this action are estimated at € 2.000.000. Out of this total amount € 910.000 has been paid into the Agency's bank account on 3<sup>rd</sup> of January. No posting was done in the individual accounts relating to this transaction as agreed with the auditors. However an adjustment was made in the consolidation reporting package as requested by the Commission's accounting services.

#### 3.5.4.2. Commitments for future funding

At 31 December 2016 the budgetary RAL totaled € 2 046 779,78. The amount to be disclosed as a future commitment to be funded is this budgetary RAL less related amounts that have been included as accrued expenses in the 2016 statement of financial performance giving a total of € 1 270 738,69.

**3.5.4.3. 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.

<i>Highest grade description</i>	<i>Grade</i>	<i>Number of persons of this grade</i>
Executive Director	AD14	1

**3.5.4.4. Events after the balance sheet date**

At the date of issue of the accounts, no material issue came to the attention of the Accounting officer of the Agency or were reported to him/her that would require separate disclosure under that section.

**3.5.4.5. Financial instruments**

Financial instruments comprise cash, current receivables and recoverables, current payables, amounts due to and from consolidated entities. Financial instruments give rise to liquidity, credit, interest rate and foreign currency risks, information about which and how they are managed is set out below. (prepayments, accrued income, accruals and deferred income are not included).

The carrying amounts of financial instruments are as follows:

	<b>31/12/2016</b>	<b>31/12/2015</b>
Current pre-financing implemented by Cons Entities with other Cons Entities	78,810.72	-
Exchange receivables and recoverables	114,730.74	33,457.57
Non - exchange receivables and recoverables	90,481.40	127,448.19
Cash and cash equivalents	2,440,027.30	2,813,321.89
<b>Total monetary assets</b>	<b>2,724,050.16</b>	<b>2,974,227.65</b>
Accounts payable	535,523.54	540,243.06
<b>Total monetary liabilities</b>	<b>535,523.54</b>	<b>540,243.06</b>
<b>Total net financial instruments</b>	<b>2,188,526.62</b>	<b>2,433,984.59</b>

**3.5.4.6. Liquidity risk**

Liquidity risk is the risk that arises from the difficulty of selling an asset; for example, the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss or meet an obligation.

Liquidity risk arises from the ongoing financial obligations, including settlement of payables.

ERA manages liquidity risk by continually monitoring forecast and actual cash flows.

Bank accounts opened in the name of ERA may not be overdrawn.

Treasury and payment operations are highly automated and rely on modern information systems. Specific procedures are applied to guarantee system security and to ensure segregation of duties in line with the Financial Regulation, the internal control standards, and audit principles.

EU budget principles ensure that overall cash resources for a given year are always sufficient for the execution of all payments.

#### 3.5.4.7. Credit risk

Credit risk is the risk of loss due to a debtor's/borrower's non-payment of a loan or other line of credit (either the principal or interest or both) or other failure to meet a contractual obligation. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy. Mitigation measures on receivables – monitoring, reminders, etc.

Treasury resources are kept with commercial banks. The EU contribution is requested 3 times a year based on cash forecasts. In addition, specific guidelines are applied for the selection of commercial banks in order to further minimise counterparty risk to which ERA is exposed:

- › All commercial banks are selected by call for tenders. The minimum short term credit rating required for admission to the tendering procedures is Moody's P-1 or equivalent (S&P A-1 or Fitch F1). A lower level may be accepted in specific and duly justified circumstances.
- › The credit ratings of the commercial banks where ERA has accounts are reviewed at least on a monthly basis, or higher frequency if and when needed.

#### 3.5.4.8. Interest rate risk

Interest rate risk is the possibility of a reduction in the value of a security, especially a bond, resulting from an increase in interest rates. In general, higher interest rates will lead to lower prices of fixed rate bonds, and vice versa.

Interest rate risk at ERA arises from cash. It is recognised that interest rates fluctuate and ERA accepts the risk and does not consider it to be material.

ERA's treasury does not borrow any money; as a consequence it is not exposed to interest rate risk. It does, however, earn interest on balances it holds on its banks accounts. ERA has therefore put in place measures to ensure that interest earned on its bank accounts regularly reflects market interest rates, as well as their possible fluctuation.

Overnight balances held on commercial bank accounts earn interest on a daily basis. This is based on variable market rates to which a contractual margin (positive or negative) is applied. For most of the accounts, the interest calculation is linked to the EONIA (Euro over night index average) or EURIBOR (Euro InterBank Offer Rate) and is adjusted to reflect any fluctuations of this rate. In case the resulting interest rate to be applied is less than 0, then a fixed rate is applied for a certain period of time. As a result no risk exists that ERA earns interest at rates lower than market rates.

#### 3.5.4.9. Foreign currency risk

Currency risk is the risk that the EU's operations or its investments' value will be affected by changes in exchange rates. This risk arises from the change in price of one currency against another.

Most financial assets and liabilities are in EUR, so in these cases ERA has no foreign currency risk.

ERA has little exposure to exchange rate fluctuations since it undertakes almost all its certain transactions in EUR.

The EU agency's revenue and expenditure is primarily in EUR.

It is recognised that exchange rates fluctuate and ERA accepts this risk and does not consider it to be material.

#### 3.5.4.10. Fair value

The estimated fair values of all financial instruments of ERA are equal/approximate to their book values as at 31 Dec 2016 and 31 Dec 2015. All financial assets and liabilities are receivable or repayable on demand or within one year.

## 4. Part II – Report on the implementation of the budget of the European Union Agency for Railways

### 4.1. Budgetary structure and principles

The budgetary accounts are kept in accordance with the Financial Regulation and its rules of application. The budget is the instrument which, for each financial year, forecasts and authorises the revenue and expenditure considered necessary for the implementation of ERA's Decision.

Every year, ERA estimates its revenue and expenditure for the year and draws up a draft budget which it sends to the Commission. The Commission then sends it to the budgetary authority. On the basis of this draft budget, the Council draws its position which is then the subject of negotiations between the two arms of the budgetary authority. The President of the Parliament declares that the joint draft has been finally adopted, thus making the budget enforceable. The task of executing the budget is the responsibility of ERA.

The budget structure for ERA consists of administrative and operational appropriations and has only non-differentiated appropriations, meaning that the commitment and the payment appropriations are of the same amount. Non-differentiated appropriations are used to finance operations of an annual nature (which comply with the principle of annuality).

#### Origin of Appropriations

The main source of appropriations is ERA's budget for the current year. However, there are other types of appropriations resulting from the provisions of the Financial Regulation. They come from previous financial years or outside sources:

- › **Initial budget appropriations** adopted for the current year can be supplemented with transfers between lines and by amending budgets.
- › **Appropriations carried over** from previous year or made available again also supplement the current budget. These are:
  - › non-differentiated payment appropriations which may be carried over automatically for one financial year only;
  - › appropriations carried over by decision of ERA in one of two cases: if the preparatory stages have been completed or if the legal base is adopted late.
- › **Assigned revenue** which is made up of:
  - › internal assigned revenue such as refunds where the amounts are assigned revenue on the budget line which incurred the initial expenditure and may be carried over for one year only;
  - › external assigned revenue.

#### Composition of Appropriations Available

- › Initial budget = appropriations voted in year N-1;
- › Final budget appropriations = initial budget appropriations adopted + amending budget appropriations + transfers + additional appropriations;
- › Additional appropriations = assigned revenue (see above) + appropriations carried over from the previous financial year.

#### Calculation of the Budget Result

The revenue entered in the accounts is the amount actually received during the course of the year. For the purposes of calculating the budget result for the year, expenditure comprises payments made against the year's appropriations plus any of the appropriations for that year that are carried over to the following year. Payments made against the year's appropriations means payments that are made by the accounting officer by 31 December of the financial year.

The following are added to or deducted from the resulting figure:

- › the net balance of cancellations of payment appropriations carried over from previous years and any payments which, because of fluctuations in the euro rate, exceed non-differentiated appropriations carried over from the previous year; and
- › the balance of exchange-rate gains and losses recorded during the year.

Payment appropriations carried over include: automatic carryovers and carryovers by decision. The cancellation of unused payment appropriations carried over from the previous year shows the cancellations on appropriations carried over automatically and by decision. It also includes the decrease in assigned revenue appropriations carried over to the next year in comparison with 2015.

### **Budgetary principles**

The budget of ERA has been established in compliance with the principles of unity, budget accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency as set out in the Financial Regulation of ERA.

**4.2. Budget implementation 2016**

<i>Fund Source : C1</i>							
	<i>Chapter</i>	<i>Final appropriations (1)</i>	<i>Committed (2)</i>	<i>% Committed = (2) / (1)</i>	<i>Balance not committed = (1) - (2)</i>	<i>Total Paid (3)</i>	<i>% Paid = (3) / (1)</i>
11	Staff in active employment	17,154,916.02	17,127,706.68	99.84%	27,209.34	17,080,275.84	99.56%
13	Missions and travel	130,000.00	125,500.00	96.54%	4,500.00	115,661.98	88.97%
14	Socio-medical infrastructure	272,000.00	262,266.07	96.42%	9,733.93	182,151.31	66.97%
15	Staff exchange between the ERA and the public sector	178,962.98	178,868.66	99.95%	94.32	178,868.66	99.95%
17	Entertainment and representation exp.	5,000.00	2,070.36	41.41%	2,929.64	2,070.36	41.41%
	<b>Title I</b>	<b>17,740,879.00</b>	<b>17,696,411.77</b>	<b>99.75%</b>	<b>44,467.23</b>	<b>17,559,028.15</b>	<b>98.97%</b>
20	Investments in immovable property, rental of buildings and associated cost	1,229,137.96	1,223,941.69	99.58%	5,196.27	1,048,626.57	85.31%
21	Data processing	802,500.00	798,420.96	99.49%	4,079.04	689,543.20	85.92%
22	Movable property and associated costs	106,122.04	105,323.40	99.25%	798.64	79,783.10	75.18%
23	Current administrative expenditure	239,840.00	228,895.88	95.44%	10,944.12	205,638.13	85.74%
24	Post and telecommunications	141,000.00	132,204.98	93.76%	8,795.02	117,232.66	83.14%
	<b>Title II</b>	<b>2,518,600.00</b>	<b>2,488,786.91</b>	<b>98.82%</b>	<b>29,813.09</b>	<b>2,140,823.66</b>	<b>85.00%</b>
30	Operational Activities directly linked to the Reg. n°881/2004	2,745,362.51	2,556,299.76	93.11%	189,062.75	2,035,248.95	74.13%
31	Operational expenditures	4,391,037.49	4,386,598.28	99.90%	4,439.21	3,351,515.42	76.33%
	<b>Title III</b>	<b>7,136,400.00</b>	<b>6,942,898.04</b>	<b>97.29%</b>	<b>193,501.96</b>	<b>5,386,764.37</b>	<b>75.48%</b>
	<b>Total Budget</b>	<b>27,395,879.00</b>	<b>27,128,096.72</b>	<b>99.02%</b>	<b>267,782.28</b>	<b>25,086,616.18</b>	<b>91.57%</b>

<i>Fund Source : C4</i>							
	<i>Chapter</i>	<i>Final appropriations (1)</i>	<i>Committed (2)</i>	<i>% Committed = (2) / (1)</i>	<i>Balance not committed = (1) - (2)</i>	<i>Total Paid (3)</i>	<i>% Paid = (3) / (1)</i>
11	Staff in active employment	66 132,12	45 592,12	68,94%	20 540,00	45 592,12	68,94%
13	Missions and travel	1 031,50	0,00	0,00%	1 031,50	0,00	0,00%
	<b>Title I</b>	<b>67 163,62</b>	<b>45 592,12</b>	<b>67,88%</b>	<b>21 571,50</b>	<b>45 592,12</b>	<b>67,88%</b>
21	Data processing	5 544,89	4 660,70	84,05%	884,19	0,00	0,00%
	<b>Title II</b>	<b>5 544,89</b>	<b>4 660,70</b>	<b>84,05%</b>	<b>884,19</b>	<b>0,00</b>	<b>0,00%</b>
30	Operational Activities directly linked to the Reg. n°881/2004	561,54	561,54	100,00%	0,00	561,54	100,00%
31	Operational expenditures	14 441,60	2 364,52	16,37%	12 077,08	2 364,52	16,37%
	<b>Title III</b>	<b>15 003,14</b>	<b>2 926,06</b>	<b>19,50%</b>	<b>12 077,08</b>	<b>2 926,06</b>	<b>19,50%</b>
	<b>Total Budget</b>	<b>87 711,65</b>	<b>53 178,88</b>	<b>60,63%</b>	<b>34 532,77</b>	<b>48 518,18</b>	<b>55,32%</b>

<i>Fund Source : C5</i>							
	<i>Chapter</i>	<i>Final appropriations (1)</i>	<i>Committed (2)</i>	<i>% Committed = (2) / (1)</i>	<i>Balance not committed = (1) - (2)</i>	<i>Total Paid (3)</i>	<i>% Paid = (3) / (1)</i>
20	Investments in immovable property, rental of buildings and associated cost	84 937,24	84 937,24	100,00%	0,00	84 937,24	100,00%
21	Data processing	35 198,15	35 198,15	100,00%	0,00	35 198,15	100,00%
	<b>Title II</b>	<b>120 135,39</b>	<b>120 135,39</b>	<b>100,00%</b>	<b>0,00</b>	<b>120 135,39</b>	<b>100,00%</b>
30	Operational Activities directly linked to the Reg. n°881/2004	67 198,00	67 198,00	100,00%	0,00	67 198,00	100,00%
	<b>Title III</b>	<b>67 198,00</b>	<b>67 198,00</b>	<b>100,00%</b>	<b>0,00</b>	<b>67 198,00</b>	<b>100,00%</b>
	<b>Total Budget</b>	<b>187 333,39</b>	<b>187 333,39</b>	<b>100,00%</b>	<b>0,00</b>	<b>187 333,39</b>	<b>100,00%</b>

<i>Fund Source : RO</i>							
	<i>Chapter</i>	<i>Final appropriations (1)</i>	<i>Committed (2)</i>	<i>% Committed =(2) / (1)</i>	<i>Balance not committed =(1) - (2)</i>	<i>Total Paid (3)</i>	<i>% Paid =(3)/(1)</i>
30	IPA ACTIVITIES	300 000,00	160 000,00	53,33%	140 000,00	159 361,46	53,12%
	<b>Title III</b>	<b>300 000,00</b>	<b>160 000,00</b>	<b>53,33%</b>	<b>140 000,00</b>	<b>159 361,46</b>	<b>53,12%</b>
	<b>Total Budget</b>	<b>300 000,00</b>	<b>160 000,00</b>	<b>53,33%</b>	<b>140 000,00</b>	<b>159 361,46</b>	<b>53,12%</b>

**4.3. Budget implementation – Appropriations carried over 2015/2016**

<i>Fund Source : C8</i>					
	<i>Chapter</i>	<i>Amount carried over 2015/2016</i>	<i>Payments made</i>	<i>Balance not paid at the end of the year 2016</i>	<i>% of Balance</i>
11	Staff in active employment	43 170,78	26 526,85	16 643,93	38,55%
13	Missions and travel	9 027,65	9 027,65	0,00	0,00%
14	Socio-medical infrastructure	80 900,28	66 961,35	13 938,93	17,23%
	<b>Title I</b>	<b>133 098,71</b>	<b>102 515,85</b>	<b>30 582,86</b>	<b>22,98%</b>
20	Investments in immovable property, rental of buildings and associated cost	133 262,03	131 877,12	1 384,91	1,04%
21	Data processing	183 394,96	183 355,55	39,41	0,02%
22	Movable property and associated costs	60 996,83	59 136,83	1 860,00	3,05%
23	Current administrative expenditure	63 934,19	47 031,48	16 902,71	26,44%
24	Post and telecommunications	16 305,62	13 769,71	2 535,91	15,55%
	<b>Title II</b>	<b>457 893,63</b>	<b>435 170,69</b>	<b>22 722,94</b>	<b>4,96%</b>
30	Operational Activities directly linked to the Regulation n°881/2004	862 088,38	833 985,79	28 102,59	3,26%
31	Operational expenditures	1 001 923,16	972 310,59	29 612,57	2,96%
	<b>Title III</b>	<b>1 864 011,54</b>	<b>1 806 296,38</b>	<b>57 715,16</b>	<b>3,10%</b>
	<b>Grandtotal</b>	<b>2 455 003,88</b>	<b>2 343 982,92</b>	<b>111 020,96</b>	<b>4,52%</b>

**4.4. 2016 Budget transfers/Amendments**

<i>Fund Source : C1</i>							
	<i>Chapter</i>	<i>Budget adopted</i>	<i>Amending budget</i>	<i>Transfers</i>	<i>Budget after transfers and amendments (1)</i>	<i>Committed (2)</i>	<i>% Committed = (2) / (1)</i>
11	Staff in active employment	16,793,879.00		361,037.02	17,154,916.02	17,127,706.68	99.84%
13	Missions and travel	140,000.00		-10,000.00	130,000.00	125,500.00	96.54%
14	Socio-medical infrastructure	335,000.00		-63,000.00	272,000.00	262,266.07	96.42%
15	Staff exchange between the ERA and the public sector	210,000.00		-31,037.02	178,962.98	178,868.66	99.95%
17	Entertainment and representation expenses	5,000.00		0.00	5,000.00	2,070.36	41.41%
	<b>Title I</b>	<b>17,483,879.00</b>		<b>257,000.00</b>	<b>17,740,879.00</b>	<b>17,696,411.77</b>	<b>99.75%</b>
20	Investments in immovable property, rental of buildings and associated cost	1,315,000.00		-85,862.04	1,229,137.96	1,223,941.69	99.58%
21	Data processing	669,000.00		133,500.00	802,500.00	798,420.96	99.49%
22	Movable property and associated costs	212,000.00		-105,877.96	106,122.04	105,323.40	99.25%
23	Current administrative expenditure	191,000.00		48,840.00	239,840.00	228,895.88	95.44%
24	Post and telecommunications	205,000.00		-64,000.00	141,000.00	132,204.98	93.76%
	<b>Title II</b>	<b>2,592,000.00</b>		<b>-73,400.00</b>	<b>2,518,600.00</b>	<b>2,488,786.91</b>	<b>98.82%</b>
30	Operational Activities directly linked to the Regulation n°881/2004	3,520,000.00		-774,637.49	2,745,362.51	2,556,299.76	93.11%
31	Operational expenditures	3,100,000.00	700,000.00	591,037.49	4,391,037.49	4,386,598.28	99.90%
	<b>Title III</b>	<b>6,620,000.00</b>		<b>-183,600.00</b>	<b>7,136,400.00</b>	<b>6,942,898.04</b>	<b>97.29%</b>
	<b>Total Budget</b>	<b>26,695,879.00</b>	<b>700,000.00</b>	<b>0.00</b>	<b>27,395,879.00</b>	<b>27,128,096.72</b>	<b>99.02%</b>

**4.5. Appropriations carried over 2016/2017 C1-credits**

	<i>Chapter</i>	<i>Amount carried over 2016/2017</i>	<i>% Amount carried over 2016/2017</i>
11	Staff in active employment	47,430.84	0.28%
13	Missions and travel	9,838.02	7.57%
14	Socio-medical infrastructure	80,114.76	29.45%
	<b>Title I</b>	<b>137,383.62</b>	<b>0.77%</b>
20	Investments in immovable property, rental of buildings and associated cost	175,315.12	14.26%
21	Data processing	108,877.76	13.57%
22	Movable property and associated costs	25,540.30	24.07%
23	Current administrative expenditure	23,257.75	9.70%
24	Post and telecommunications	14,972.32	10.62%
	<b>Title II</b>	<b>347,963.25</b>	<b>13.82%</b>
30	Operational Activities directly linked to the Regulation n°881/2004	521,050.81	18.98%
31	Operational expenditures	1,035,082.86	23.57%
	<b>Title III</b>	<b>1,556,133.67</b>	<b>24.52%</b>
	<b>Total Budget</b>	<b>2,041,480.54</b>	<b>7.45%</b>

To the total amount of € 2 041 480,54 of carried-over C1 credits, € 4 660,70 of committed but unused C4-credits and € 638,54 of committed but unused R0-credits have to be added bringing the total appropriations to be carried to € 2 046 779,79.

**4.6. Budget outturn**

	<b>2016</b>	<b>2015</b>
<b>Revenue</b>		
Commission subsidy DG MOVE	27,395,879.00	26,345,000.00
Phare funds from Commission	300,000.00	0.00
Fee income	0.00	0.00
Other revenue	88,711.65	247,262.64
<b>Total revenue (a)</b>	<b>27,784,590.65</b>	<b>26,592,262.64</b>
<b>Expenditure</b>		
Personnel expenses – Budget Title I		
Payments	17,604,620.27	16,859,235.27
Automatic carry-overs	158,955.12	133,098.71
Administrative expenses – Budget Title II		
Payments	2,260,959.05	2,142,948.36
Automatic carry-overs	353,508.14	578,029.02
Operational expenses – Budget Title III		
Payments	5,616,249.89	4,731,742.68
Automatic carry-overs	1,708,849.29	1,931,209.54
<b>Total expenditure (b)</b>	<b>27,703,141.76</b>	<b>26,376,263.58</b>
<b>Outturn for the financial year (a-b)</b>	<b>81,448.89</b>	<b>215,999.06</b>
Cancellation of unused carry-overs	<b>111,020.96</b>	<b>93,602.53</b>
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	187,333.39	50,174.64
Exchange differences for the year	-1,588.47	-2,428.78
Balance carried over from year N-1	357,347.45	787,016.64
Positive balance from year N-1 reimbursed in year N to the Commission	-357,347.45	-787,016.64
<b>Balance of the outturn account for the financial year</b>	<b>378,214.77</b>	<b>357,347.45</b>

**4.7. Reconciliation economic outturn – budget outturn 2016**

	<b>2016</b>	<b>2015</b>
<b>Economic result (+ for surplus and - for deficit) of the consolidation reporting package</b>	<b>195,431.40</b>	<b>301,267.76</b>
<b>Ajustment for accrual items (items not in the budgetary result but included in the economic result)</b>		
Adjustments for Accrual Cut-off (reversal 31.12.N-1)	-1,071,943.27	-1,528,837.05
Adjustments for Accrual Cut-off (cut- off 31.12.N )	1,233,605.84	702,055.00
Amount from liaison account with Commission booked in the economic revenue	0.00	0.00
Unpaid invoices at year end but booked in charges (class 6)	15,584.54	1,593.22
Depreciation of intangible and tangible assets (1)	1,132,693.66	997,158.97
Provisions (1)	0.00	369,888.27
Value reductions (1)	0.00	0.00
Recovery Orders issued in 2015 in class 7 and not yet cashed	-12,996.50	-13,719.00
Prefinancing given in previous year and cleared in the year	0.00	0.00
Prefinancing received in previous year and cleared in the year	0.00	0.00
Payments made from carry over of payment appropriations	2,343,982.92	2,847,315.93
Other *)	-205,267.16	8,296.60
<b>Ajustment for budgetary items (item included in the budgetary result but not in the economic result)</b>		
Asset acquisitions (less unpaid amounts)	-1,861,852.23	-1,319,041.09
New pre-financing paid in the year 2015 and remaining open as at 31.12.2015	0.00	0.00
New pre-financing received in the year 2015 and remaining open as at 31.12.2015	518,214.77	357,347.45
Budgetary recovery orders issued before 2015 and cashed in the year	13,719.00	132,581.49
Budgetary recovery orders issued in 2015 on balance sheet accounts (not 7 or 6 accounts) and cashed	0.00	0.00
Capital payments on financial leasing (they are budgetary payments but not in the economic result)	0.00	0.00
Payment appropriations carried over to 2016	-2,221,312.55	-2,642,337.27
Cancellation of unused carried over payment appropriations from previous year	111,020.96	93,602.53
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	187,333.39	50,174.64
Payments for pensions ( they are budgetary payments but booked against provisions)	0.00	0.00
Paiements for stocks of leave and supplementary hours ( they are budgetary payments but booked against provisions)	0.00	0.00
Other **)	0.00	0.00
<b>Budget outturn for the year</b>	<b>378,214.77</b>	<b>357,347.45</b>

**4.8. Annex to the Budget Accounts****4.8.1. Establishment plan 2016**

<i>Function group and grade</i>	<b>2016</b>			
	<i>Authorised under the EU Budget</i>		<i>Filled as at 31/12/2016</i>	
	<i>Permanent posts</i>	<i>Temporary Posts</i>	<i>Permanent posts</i>	<i>Temporary Posts</i>
AD16				
AD15				
AD14		1		1
AD13				
AD12				
AD11		6		3
AD10		14		12
AD9		31		25
AD8		20		16
AD7		13		20
AD6		14		20
AD5				
<b>Total AD</b>		<b>99</b>		<b>97</b>
AST11				
AST10				
AST9		3		2
AST8		4		1
AST7		4		1
AST6		3		3
AST5		7		7
AST4		6		6
AST3		6		10
AST2		3		6
AST1				
<b>Total AST</b>		<b>36</b>		<b>36</b>
<b>GRAND TOTAL</b>		<b>135</b>		<b>133</b>