

**FINAL ACCOUNTS
OF
THE EUROPEAN RAILWAY AGENCY
FOR THE YEAR 2008**

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1. ACCOUNTING RULES

The financial statements comply with the accountancy provisions adopted by the accountant of the Commission in accordance with the general financial regulation art. 133 and 185.

➤ Tangible and intangible fixed assets.

Tangible and intangible fixed assets are evaluated at their purchased costs in euro (or, if necessary, in foreign currency converted into euro with exchange rate in force at the time of the purchase). The booking value of an asset equals to its purchase price or production costs, including negative or positive revaluation amounts.

The ancillary costs are included in the asset value or recognized as a distinct asset if they will generate a future economic advantage. Any repair or maintenance is entered in charge in the book year when it occurs.

The depreciation is calculated according to the straight-line method on a monthly basis in order to distribute the cost during the lifetime of the asset.

The assets might be subject to adjustment at the annual accounts closure date.

➤ Conversion in foreign currency

The financial statements are presented in euro.

The transactions in foreign currency are presented in the financial statements of the European Communities in Euro at the exchange rate applicable at the date of the transaction.

The monetary items of the balance sheet are converted at the rate of the annual account closure date. The exchange differences are entered in a specific item of the profit and loss accounts, according to the nature of the transaction to which they related.

➤ Leasing

Operating leasing are considered “operational” if there is no transfer of risks or property. In this case, the related payments are booked in expenses accounts using a linear method through the leasing period.

➤ Receivables.

Receivables are evaluated at their liquidated value.

No provision for doubtful account is established for transactions between European institutions and bodies (consolidated entities).

➤ Provisions

The agency makes provisions when there is a legal and justified obligation which results from a past transaction and if there is a probability that its own resources have to be consumed to settle this transaction. However, the provision amount should be estimated in a reasonable and reliable way.

➤ **Revenues and expenses**

Revenues and expenses are entered in accordance with the definition of accrual basis accounting.

➤ **Contingent liabilities and contingent assets**

A contingent asset is a possible right that arises from past events and whose 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 liability is:

- A possible obligation, that arises from past events, and whose 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.

2. FINANCIAL STATEMENTS

2.1. Balance sheet

BALANCE SHEET - ASSETS	31/12/2008	31/12/2007
A. NON CURRENT ASSETS		
Intangible fixed assets	198.067,47	450 212,82
Tangible fixed assets	493.174,55	372 662,97
Land and buildings	0,00	0,00
Plant and equipment	163.391,38	59.387,48
Computer hardware	299.914,06	296.345,18
Furniture and vehicles	29.869,01	16 930,31
Other fixtures and fittings		
Leasing		
Tangible fixed assets under construction		
Long-term pre-financing	0,00	0,00
Long-term pre-financing		
LT pre-financing with EC entities		
Long-term receivables	0,00	0,00
Long-term receivables		
Long-term receivables with EC entities		
TOTAL NON-CURRENT ASSETS	691.241,92	822 875,79
B. CURRENT ASSETS		
Stocks	0,00	0,00
Short-term pre-financing	0,00	0,00
Short-term pre-financing	0,00	0,00
Short-term pre-financing with consolidated EC entities		
Short-term receivables	316.712,40	186 090,66
Current receivables	271.115,01	154 875,24
Long-term receivables falling due within a year		
Sundry receivables	41.106,29	31 215,42
Other	2.394,17	0,00
<i>Accrued income</i>	2.394,17	0,00
<i>Deferred charges</i>		
<i>Deferrals and accruals with consolidated EC entities</i>		
<i>Short term receivables with consolidated EC entities</i>	2.096,93	
Cash and cash equivalents	4.058.521,63	7 408 281,22
TOTAL CURRENT ASSETS	4.375.234,03	7 594 371,67
TOTAL	5.066.475,95	8 417 247,67

BALANCE SHEET - LIABILITIES	31/12/2008	31/12/2007
A. CAPITAL	3.487.857,62	2 350 843,50
Accumulated surplus/deficit	2.350.843,50	2 771 425,11
Economic result of the year-profit+/loss-	1.137.014,12	-420 581,61
C. NON CURRENT LIABILITIES	0,00	0,00
Employee benefits		
Provisions for risks and charges		
Other Long term liabilities		
Other Long term liabilities		
Other LT liabilities with consolidated EC entities		
.....Prefinancing received from consolidated EC entities		
.....Other LT liabilities from consolidated EC entities		
TOTAL NON-CURRENT LIABILITIES	0,00	0,00
D. CURRENT LIABILITIES	1.537.028,32	6.066.404,17
Provisions for risks and charges		0,00
Accounts payable	1.578.618,33	6.066.404,17
Current payables	14.569,79	167.381,14
Long term liabilities falling due within the year		
Sundry payables	8.067,70	-71.911,59
Other	1.169.978,54	947.065,22
Accrued charges	1.169.978,54	947.065,22
Deferred income		
Deferrals and accruals with consolidated EC entities		
Accounts payable with consolidated EC entities	386.002,30	5.023.869,50
.....Prefinancing received from consolidated EC entities	214.951,59	4 944 486,11
.....Other accounts payable against consolidated EC entities	171.050,71	79.383,39
TOTAL CURRENT LIABILITIES	1.578.618,33	6.066.404,17
TOTAL	5.066.475,95	8.417.247,67

2.1.1. Fixed assets.

Fixed assets are evaluated at their purchased costs and are depreciated according to the straight-line method and to the depreciation table below, starting in the month of receipt, on the basis of their useful life. Depreciation rules are applied only to assets which purchased value is higher than 420€.

➤ Depreciation rates:

Asset Type	%
<u>Intangible fixed assets</u>	
Softwares	25,0%
<u>Tangible fixed assets</u>	
<u>Furniture and vehicles</u>	
Furniture	10,0%
Electrical office equipment, printing and mailing equipment	25,0%
<u>Computer hardware</u>	
Computers, servers, accessories, data transfer equipment , printers, screens,....	25,0%
Copying equipment, digitising and scanning equipment	25,0%
<u>Other fixtures and fittings</u>	
Telecommunications equipment	25,0%
Audiovisual equipment	25,0%
Equipment for surveillance and security service	12,5%

➤ Intangible fixed assets

		Computer Software	Others	Intangible fixed assets under construction	Total
Gross carrying amounts 01.01.08	+	632.267,26			632.267,26
Additions	+	30.405,88			30.405,88
Disposals	-				0,00
Transfer between headings	+/-				0,00
Other changes (1)	+/-	-291.528,00			-291.528,00
Gross carrying amounts 31.12.2008		371.145,14	0,00	0,00	371.145,14
Accumulated amortization and impairment 01.01.08	-	--182.054,44			-182.054,44
Amortization	-	-156.119,49			-156.119,49
Write-back of amortization	+	165.096,26			165.096,26
Accumulated amortization and impairment 31.12.2008		-173.077,67	0,00	0,00	-173.077,67
Net carrying amounts 31.12.08		198.067,47	0,00	0,00	198.067,47

- (1) An adjustment for 126.431,74 EUR was done regarding two items, related to services rendered to the Agency in 2006 by supplier ESP5, but considered as assets: depreciation amounts are written back for an amount of 165.096,26EUR and historical values of 291.528EUR are posted in profit and loss accounts.

➤ **Tangible fixed assets**

		Plant and Equipment	Computer hardware	Furniture and vehicles	Total
Gross carrying amounts 01.01.2008	+	89 729,33	516 968,14	21 422,80	628 120,27
Additions	+	142.746,72	157.975,18	16.566,70	317.288,60
Disposals	-				0,00
Transfer between headings	+/-				0,00
Other changes (1)	+/-				0,00
Gross carrying amounts 01.01.2008		232.476,05	674.943,32	37.989,50	945.408,87
Accumulated amortization and impairment 01.01.2008	-	-30.341,85	-220.622,96	-4.492,49	-255 457,30
Depreciation	-	-38.742,82	-154.406,30	-3.628,00	-196.777,12
Accumulated amortization and impairment 31.12.2008		-69.084,67	-375.029,26	-8.120,49	-452.234,42
Net carrying amounts 31.12.2008		163.391,38	299.914,06	29.869,01	493.174,45

2.1.2. Current assets

➤ **Short-term receivables**

Other short-term receivables relate to amounts to be recovered from VAT administration of member states (261 546,92€), and advances on missions.

➤ **Cash and cash equivalents.**

The bank current accounts at Credit du Nord bank and Dexia bank have a total positive balance of 4.058.521,63€.

Equity.

Capital	Reserves		Accumulated Surplus / Deficit	Economic result of the year	Capital (total)
	Fair value reserve	Other reserves			
Balance as of 31 December 2007			2 771 425,11	-420.581,81	2.350.843,50
Changes in accounting policies					0,00
Balance as of 1 January 2008 (if restated)	0,00	0,00	2 771 425,11	-420.581,81	2.350.843,50
Other					0,00
Fair value movements					0,00
Movement in Guarantee Fund reserve					0,00
Allocation of the Economic Result of Previous Year			-420.581,61	-420.581,61	0,00
Amounts credited to Member States					0,00
Economic result of the year				1.137.014,12	1.137.014,12
Balance as of 31 December 2008	0,00	0,00	2.350.843,50	1.137.014,12	3.487.857,52

The equity of the Agency amounts to 3.487.857,62€ of which

- 2 350 843,50€ are the accumulated surplus from previous years;
- 1 137.014,12 € are the economic outturn of 2008.

2.1.3. Short-term liabilities.

➤ Provisions

As accounting policy has changed since year 2008, an amount of 189 458,87€ for holidays not taken by the staff is posted in accrual charges instead in provision accounts, together with 980.519,67€ as invoices to be received in 2009 relating to 2008 expenses.

As of 31/12/2008, the balance of payables regarding suppliers of goods and services amounts to 14.569,79€.

➤ Other accounts payables.

The debt of 4 944 486€ towards the Commission in 2007 was reimbursed in 2008 and the balance of 386.002,30€ represents several inter-entity payables.

2.2. Economic outturn account.

ECONOMIC OUTTURN ACCOUNT	31/12/2008	31/12/2007
Revenues from administrative operations	8.047,55	8.696,00
Subsidy received	16.760.542,41	12.733.254,89
Title 1&2	12.262.494,00	11.932.720,00
Title 3	4.713.000,00	5.091.786,00
To be reimbursed (Budget outturn)	-214.951,59	-4.459.102,38
TOTAL OPERATING REVENUE	16.768.589,96	12.574.099,62
Administrative expenses	-12.690.150,28	-10.417.824,07
<i>Staff expenses</i>	<i>-10.550.881,87</i>	<i>-8.896.470,05</i>
<i>Fixed assets related expenses</i>	<i>-187.800,35</i>	<i>-268.778,53</i>
<i>Other administrative expenses</i>	<i>-1.951.468,36</i>	<i>-1.252.575,49</i>
Operational expenses	-2.926.230,66	-2.734.426,33
<i>Other operational expenses</i>	<i>-2.926.230,66</i>	<i>-2.734.426,33</i>
TOTAL OPERATING EXPENSES	-15.616.380,94	-13.152.250,40
SURPLUS (DEFICIT) FROM OPERATING ACTIVITIES	1.152.209,02	-578.150,78
Financial revenues	2.221,64	475,26
Financial expenses	-17.416,24	-10.757,36
Movement in pensions (-expense; + revenue)		
SURPLUS (DEFICIT) FROM NON-OPERATING ACTIVITIES	-15.194,60	-10.282,10
SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES	1.137.014,42	-588.432,88
Extraordinary gains (+)		
Extraordinary losses (-)		167.851,27
SURPLUS (DEFICIT) FROM EXTRAORDINARY ITEMS		0,00
ECONOMIC RESULT OF THE YEAR	1.137.014,42	-420.581,61

2.2.1. Operating revenue.

The operating revenue of the Agency in 2008 is mainly made up of subsidies received for a total amount of 16 975 494,00€. A provision of 214.951,59EUR was made for a reimbursement to the Commission in 2009 due to a surplus in budgetary result of 2008.

2.2.2. Operating expenses.

➤ Administrative expenses

Administrative expenses, mainly staff expenses has increased globally by 2,2 Millions in comparison with previous year (116 staff members in 2008 against 98 in 2007).

➤ Depreciation and Other administrative expenses

Depreciation expenses of fixed assets purchased by the Agency in 2008 amount to 187.800,35€:

- Intangible assets : amortization for 156.119,49€, but write back of amortization for 165.096,26€;
- Tangible assets: amortization for 196.777,12€

Due to activities increase and the setting up of a new unit, expenses in administrative and operational domains have raised respectively to 1 645 447€ and 2 899 133€.

2.3. Cash-flow table (indirect method).

	2008	2007
Cash Flows from ordinary activities		
Surplus/(deficit) from ordinary activities	1.137.014,12	-420 581,61
Operating activities		
<u>Adjustments</u>		
Amortization (intangible fixed assets) +	-8.986,77	147.774,18
Depreciation (tangible fixed assets) +	196.777,12	121.921,60
Increase/(decrease) in Provisions for risks and liabilities		10 000,00
Increase/(decrease) in Value reduction for doubtful debts	0,00	
(Increase)/decrease in Stock	0,00	
(Increase)/decrease in Long term Pre-financing	0,00	
(Increase)/decrease in Short term Pre-financing	0,00	18 277,44
(Increase)/decrease in Long term Receivables	0,00	
(Increase)/decrease in Short term Receivables	-128.524,81	-2.618,24
(Increase)/decrease in Receivables related to consolidated EC entities	-2.096,93	4 649,76
Increase/(decrease) in Other Long term liabilities	0,00	-68.713,31
Increase/(decrease) in Accounts payable	150.081,36	4.507.576,68
Increase/(decrease) in Liabilities related to consolidated EC entities	-4.637.867,20	
(Gains)/losses on sale of Property, plant and equipment		
Extraordinary items		
Net cash Flow from operating activities	-3.293.593,11	4 318 286,49
Cash Flows from investing activities		
Purchase of tangible and intangible fixed assets (-)	-56.166,48	-208.693,34
Proceeds from tangible and intangible fixed assets (+)		
Net cash flow from investing activities	-56.166,48	-208 693,34
Net increase/(decrease) in cash and cash equivalents	-3.349.759,59	4 109 593,15
Cash and cash equivalents at the beginning of the period	7.408.281,22	
Cash and cash equivalents at the end of the period	4.058.571,75	7 408 281,21

2.4. Contingent Assets and Contingent Liabilities.

The Agency has received bank guarantees for proper implementation of contracts. The total remaining amount is 142.657,00€, including guarantees received and already settled. in 2008.

3. REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT FINANCIAL YEAR 2008, ACCOMPANYING THE EUROPEAN RAILWAY AGENCY'S ACCOUNTS (ART.76 OF ERA'S FR)

3.1. Introduction

3.1.1. 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 ERA Financial Regulation.

3.1.2. Management information systems

The Agency used the following software during 2008 :

- SINCOM 2 (SI2) – budgetary accounting system
- EXACT SOFTWARE – general ledger accounting system
- BUSINESS OBJECT – financial reporting
- ISILOG SOFTWARE – fixed assets, inventory management

These information systems allow for the efficient management of the appropriations allocated to the Agency while respecting the principles of the financial regulation.

The workflow system in SI2 allows the Authorising Officer to ensure that the “four eyes” principle has been observed for each transaction.

ERA is foreseen to move to the new system ABAC/SAP during the first quarter in 2009. Then, SI2, ISILOG and EXACT software will be phased out.

3.1.3. Budget

The budget of the Agency is divided in three titles.

Title I covers staff expenditure such as salaries, training and costs associated to recruitment procedures and staff wellbeing.

Title II covers the costs associated to the functioning of the Agency such as infrastructure, equipment and IT needs.

Title III covers the Agency's operational activities.

3.1.4. Procurement

The Agency will adopt in the first semester 2009 the “guidelines for procurement at the European Railway Agency”. An action plan is also being prepared in order to improve the quality of the procurement processes at the Agency.

3.2. Revenue

The Budgetary Authority (European Parliament and Council) approved a budget for the Agency of 18.000.000 € for 2008.

The Agency asked and received 16.975.494 € from the Commission.

The difference of 1.024.506 € is coming from :

- 379.506 € of cash received over the allocated budget in 2007 (17.024.506 € received in cash while the authorised budget was 16.645.000 €);
- 645.000 € was the amount estimated that the Agency was not able to commit before the 31/12/2008 (the final amount not committed is 745.813 €).

The Agency has taken the point of the Court of Auditors that a close follow-up of the cash needs has to be ensured in order to make proper use of the credits granted by the European Parliament and Council.

The cash requests aligned with the real needs is the result of the investment made by the Agency to develop an efficient cash management system using DG TREN's new template.

3.3. Expenditure

3.3.1. TITLE I

3.3.1.1. Chapter 11 – Staff in active employment

2008			2007		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
10 541 600	10 075 294	10 016 723	8 991 760	8 505 961	8 476 501
	96%	95%		95%	94%

At the end of the year 2007, the Agency employed 95 Temporary Agents and 4 Contractual Agents.

On the 31/12/2008, the Agency employed 106 Temporary Agents and 4 Contract Agents.

Recruitment procedures are still ongoing, and new staff will be recruited during the year 2009 in order to reach the 124 Temporary staff foreseen in the establishment plan 2009.

Following the adoption on the 21st May 2008 of the relevant implementing rules on recruitment of temporary agents, the Agency is in the process of adopting internal procedures for the selection and recruitment of Agency's staff.

3.3.1.2. Chapter 13 – Missions and travel

2008			2007		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
125 000	125 000	81 539	160 000	136 588	74 061
	100%	65%		85%	54%

This chapter is intended to cover the costs incurred by the staff during missions (daily allowances and travel costs).

Throughout 2008, 429 administrative missions took place, including trips for trainings and medical services.

3.3.1.3. Chapter 14 – Socio-medical infrastructure

2008			2007		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
293 400	286 918	204 462	234 751	183 998	121 990
	98%	70%		78%	66%

This chapter is intended to cover the costs of annual medical inspections and the costs of training needs of the staff. Thanks to training policy and better schedule, the Agency achieved better consumption.

3.3.1.4. Chapter 15 – Seconded National Experts

2008			2007		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
130 000	130 000	122 976	105 460	1 333	1 333
	100 %	95 %		1 %	1 %

The Agency recruited 3 Seconded National Experts in 2008 and further recruitment is planned for 2009.

3.3.1.5. Chapter 17 – Entertainment and representation expenses

2008			2007		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
10 000	2 285	2 285	6 628	3 039	3 039
	23%	23 %		46%	46 %

This chapter is intended to cover expenditure on the Agency's obligations in respect of entertainment and representation.

3.3.2. TITLE II

3.3.2.1. Chapter 20 – Rental of buildings and associated costs

2008			2007		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
944 909	944 588	591 007	555 200	519 846	483 271
	99 %	63 %		94 %	87 %

This chapter covers the cost of renting the Agency's current office premises and all associated expenditure (heating, cleaning, security and other expenditure on buildings). The Agency has got two sites : one in Valenciennes (administrative seat) and the other one in Lille (conference rooms).

The growth of the appropriations is mainly due to the increased rented spaces in Valenciennes and Lille, respectively for the Staff and for the meeting rooms. Therefore all related expenses increased accordingly.

The Agency has also signed a framework contract for security and surveillance services.

The administrative seat of the Agency will move to a new building in Valenciennes and corresponding rental fees will impact the 2009's budget.

3.3.2.2. Chapter 21 – Data processing

2008			2007		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
655 809	655 809	252 400	692 100	689 587	257 193
	100 %	38 %		99 %	37 %

This chapter covers the expenses related to the purchase and maintenance of data processing equipment and software.

The DMS (Document Management System) is at the end of 2008 achieving its latest stage of development and will be ongoing in March 2009. The SLA with DG BUDG has been signed in order to prepare the migration to ABAC.

Related contracts were signed during second half 2008 and postponed main payments to the end of 2008 and beginning of 2009.

3.3.2.3. Chapter 22 – Movable property and associated costs

2008			2007		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
161 325	161 110	39 912	254 700	249 021	40 151
	99 %	25 %		98 %	16 %

This chapter covers equipment for documentation storage, archiving and mail handling, hiring of fax machines, photocopiers, purchase of office furniture. The framework contract related to scientific library which was signed during 4th quarter 2008 gave the opportunity to deliver its first order and payments in 2009. Bookshelves were also purchased in 2008 and allocated in Furniture budget line.

3.3.2.4. Chapter 23 – Current administrative expenditures

2008			2007		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
167 640	167 251	66 614	114 500	102 114	90 878
	99%	40%		89%	79%

This chapter covers stationery and office supplies, bank expenses, legal expenses, damages, miscellaneous insurance, departmental removals and associated handlings and miscellaneous expenditures on internal meetings.

3.3.2.5. Chapter 24 – Postal expenses and Telecommunications

2008			2007		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
181 003	181 003	61 462	106 000	95 591	51 156
	100%	28%		90%	53%

This chapter is intended to cover expenditure on postal and delivery expenses, subscription expenses, cost of communication (telephone, internet, videoconferencing, data transmission,...) and all related equipment (purchase, maintenance, cabling of building,...).

The increased appropriations was needed to cover the rental of a new, more powerful, Ethernet link between Valenciennes and Lille and also the acquisition of new audio-video equipments for furnishing the new meeting rooms in Lille.

3.3.2.6. Chapter 25 – Meetings and associated costs

2008			2007		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
76 314	62 892	61 462	75 000	75 000	46 189
	82 %	81%		100 %	61%

This chapter is intended to cover the travel, subsistence and incidental expenses of Members of the Administrative Board.

3.3.3. TITLE III

3.3.3.1. Chapter 30 – Operational activities

2008			2007		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
2 916 291	2 701 599	1 294 451	2 660 860	2 051 385	857 815
	93%	44 %		77%	32 %

This chapter is intended to cover all the expenses linked to the Regulation n°881/2004. Namely, the expenses are mainly the costs of the working groups (reimbursement of experts' travel and daily subsistence) and the studies linked to the operational activities.

Following the new mandates given to the Agency and the creation of the cross acceptance unit, new budget lines and reallocation of appropriations have been approved by the Management Board in order to better reflect the Agency's activities.

3.3.3.2. Chapter 31 – Operational expenditures

2008			2007		
Appropriations	Commitments	Payments	Appropriations	Commitments	Payments
1 796 709	1 760 438	354 398	787 140	647 583	139 556
	98%	20 %		82%	18 %

This chapter is intended to cover operational expenditures such as scientific library, IT dedicated systems, information and communication and translation and interpretation. The use of credit increases every year according to the requests and needs of operational units.

3.4. TABLES

3.4.1. Budget outturn account

	2008	2007
Revenue		
Commission subsidy DG TREN	16 975 444,44	17 024 506,00
Other revenue	8 047,55	8 696,00
Total revenue (a)	16 983 491,99	17 033 202,00
Expenditure		
Personnel expenses – Budget Title I		
Payments	10 427 984,19	8 676 926,96
Automatic carry-overs	191 512,51	153 994,01
Administrative expenses – Budget Title II		
Payments	1 073 324,86	968 841,39
Automatic carry-overs	1 099 327,93	762 319,22
Operational expenses – Budget Title III		
Payments	1 648 848,97	920 219,73
Automatic carry-overs	2 813 188,21	1 778 750,00
Total expenditure (b)	17 254 186,67	13 261 051,31
Outturn for the financial year (a-b)	-270 694,58	3 772 150,69
Cancellation of unused carry-overs	484 644,09	+ 686 951,69
Exchange differences for the year	1002,08	0,00
Balance carried over from year N-1	+4 459 102,38	+ 485 383,73
Positive balance from year N-1 reimbursed in year N	-4 459 102,38	
Balance of the outturn account for the financial year	214 951,59	4 944 486,11

Not included in the budget outturn :

Interest received by 31/12/N on the Commission subsidy	41 825,80	2 669,42
And to be reimbursed to the Commission		

3.4.2. Budgetary transfers

	Initial budget	Transfers	Final budget
Title I	11 710 000	- 610 000	11 100 000
Title II	1 577 000	+ 610 000	2 187 000
Title III	4 713 000	- 0	4 713 000
TOTAL	18 000 000		18 000 000

During 2008, there has been 31 budget transfers for reallocating the appropriations to the real needs of the Agency as they developed during the year.

The three main budget transfers, for which the approval of the Administrative Board was required, concerned

- A first reallocation of appropriations within Title 3 to reinforce the budget line for translations due mainly to underestimation (February 2008);
- The creation of the Cross Acceptance unit, where appropriations were redistributed amongst Title 3 (written procedure in April 2008);
- The final reallocation of appropriations between Title 1 and Title 2, seen the delays in the recruitment of new staff, in order to better use the credits of the year.

3.4.3. Budgetary execution

3.4.3.1. 2008-CI

	Appropriations	Commitments	Not used	Paid	To be carry-forwarded
Title I	11 100 000,00	10 619 496,70	480 503,30	10 427 984,19	191 512,51
Title II	2 187 000,00	2 172 652,79	14 347,21	1 073 324,86	1 099 327,93
Title III	4 713 000,00	4 462 037,08	250 962,92	1 648 848,87	2 813 188,21
TOTAL	18 000 000,00	17 254 186,57	745 813,43	13 150 157,92	4 104 028,65

3.4.3.2. 2008-C8

	Carry-forward	Paid	To be cancelled
Title I	153 844,01	81 309,42	72 534,59
Title II	762 319,18	714 542,41	47 776,77
Title III	1 778 750,00	1 414 567,27	364 182,73
TOTAL	2 694 913,19	2 210 419,10	484 494,09
		82%	18%

Title 1

The total committed amount in fund source C1 is 10.619.496 € from which 93.95% has been used for payment execution.

From the 153.844 € carried over in 2008-C8, 52,85% has been used for payment execution.

Title 2

From the 2008-C1 appropriations, almost everything has been committed, and 49.21% has been used for payment execution.

For the fund source C8, 93,37 % of the carried over amount (762.319,18 €) has been used for payment execution.

Title 3

From the C1 total amount, 98.68% has been committed from which 35.50% has been consumed with payments.

About the C8, 1.778.750 € has been carried over, from which 79,52% has been consumed for payment execution.

3.4.3.3. Multi-annual comparison

	2006	2007	2008
Budget	14 398 000,00	16 645 000,00	18 000 000,00
Commitments C1	10 421 586,00	13 261 051,31	17 254 186,57
% of the budget	72,38 %	79,66 %	95,85 %
Unused C1 budget	3 976 414,00	3 383 948,69	745 813,43
Payments C1	7 741 551,00	10 565 986,00	13 150 157,92
% of the commitments C1	74,28 %	79,67 %	76,21 %
Payment appropriations C1 to be carried over	2 719 449,00	2 694 913,19	4 104 028,65
% of the commitments C1	26,09 %	20,32 %	23,78 %
Commitments carried over C8	0,00	2 719 449,00	2 694 913,19
C8 to be cancelled	0,00	726 320,66	484 494,09
% of the carry over C8	0 %	26,70 %	17,97 %

This table clearly shows that :

- The level of execution of the C1 credits has significantly increased since 2006 and the amount of unused C1 commitment appropriations fell from 3,9 million to 0,75 million; this is mainly due to a better financial follow-up consisting in producing monthly budget execution reports to the Management and having dedicated Management meeting on Budget.
- The level of payment is still below 80%; the level of carry over remains around 25 % but the level of payment appropriations to be cancelled decreased by 34 %; this level of carryover is mainly justified by the fact that the Agency is procuring a lot of services, studies which, even if they are launched at the beginning of the year, do take time. Then the contracts are signed during the last quarter of the year but the first invoices arrive at the beginning of the following year.