


Making the railway system  
work better for society.

# Final accounts of the European Union Agency for Railways Financial Year 2021

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

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## 1. Certificate

I acknowledge my responsibility for the preparation and presentation of the annual accounts of ERA in accordance with Article 102 of the Framework Financial Regulation ('FFR')<sup>1</sup> and I hereby certify that the annual accounts of ERA for the year 2021 have been prepared in accordance with Title IX of the FFR and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and union bodies.

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

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<sup>1</sup> COMMISSION DELEGATED REGULATION (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.

## 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, 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(EU) 2016/796 of the European Parliament and of the Council on 11 May 2016 the founding regulation (EC) n° 881/2004 was repealed and an European Union Agency for Railways (hereafter referred to as “the Agency” or ERA) was established.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 the Financial Regulation of ERA adopted by its Administrative Board on 23 September 2019 and its Implementing Rules.

In accordance with Article 245 of Council Decision No. 1046/2018 and Article 97 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 an EU body as referred to in article 70 of Regulation (EU, Euratom) No 1048/2018 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>31/12/2021</i>	<i>31/12/2020</i>
<b>A. NON CURRENT ASSETS</b>			
Intangible assets	3.5.2.1	2 467 647	3 385 858
Property, plant and equipment	3.5.2.2	380 551	394 379
Land and buildings		49 733	793
Plant and equipment		515	1 927
Computer hardware		257 040	291 571
Furniture and vehicles		42 008	54 731
Other fixtures and fittings		31 255	45 357
Non-current receivables	3.5.2.3	31 898	31 898
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2 880 096</b>	<b>3 812 135</b>
<b>B. CURRENT ASSETS</b>			
Pre-financing		0	0
Pre-financing with consolidated entities		0	0
Exchange receivables and recoverables	3.5.2.4	3 576 583	1 897 602
Current receivables		854 396	258 445
Sundry receivables		37 227	20 917
Current receivables with consolidated entities		0	398
Accrued income with consolidated entities		0	11 353
Accrued fee income		2 095 315	1 179 611
Deferred charges		589 645	426 879
Non - exchange receivables and recoverables	3.5.2.5	124 940	253 014
Current receivables Member States		124 940	253 014
Other receivables		0	0
Cash and cash equivalents	3.5.2.6	3 169 907	3 808 531
<b>TOTAL CURRENT ASSETS</b>		<b>6 871 430</b>	<b>5 959 147</b>
<b>TOTAL ASSETS</b>		<b>9 751 527</b>	<b>9 771 283</b>

	<i>Note</i>	<i>31/12/2021</i>	<i>31/12/2020</i>
<b>A. NET ASSETS</b>	<b>3.5.2.7</b>	<b>7 580 118</b>	<b>7 461 409</b>
Accumulated surplus/deficit		7 461 409	6 386 044
Economic result of the year-profit+/loss-		118 709	1 075 365
<b>B. NON CURRENT LIABILITIES</b>		0	0
Pension and other employee benefits		0	0
Provisions for risks and liabilities		0	0
<b>TOTAL NON-CURRENT LIABILITIES (A+B)</b>		<b>7 580 118</b>	<b>7 461 409</b>
<b>C. CURRENT LIABILITIES</b>		<b>2 171 408</b>	<b>2 309 873</b>
<b>Provisions for risks and liabilities</b>	<b>3.5.2.8</b>	<b>0</b>	<b>0</b>
<b>Accounts payable</b>	<b>3.5.2.9</b>	<b>807 508</b>	<b>623 401</b>
Current payables		0	32 635
Sundry payables		0	0
Accounts payable with consolidated EC entities		807 508	590 766
..... <i>Prefinancing received from consolidated EC entities</i>		807 508	573 868
..... <i>Other accounts payable against consolidated EC entities</i>		0	16 898
<b>Accrued charges and deferred income</b>	<b>3.5.2.10</b>	<b>1 363 901</b>	<b>1 686 473</b>
Accrued charges		1 363 901	1 686 473
Deferred income		0	0
Other passive accruals & deferrals		0	0
Deferrals and accruals with consolidated EC entities		0	0
<b>TOTAL CURRENT LIABILITIES</b>		<b>2 171 408</b>	<b>2 309 873</b>
<b>TOTAL LIABILITIES</b>		<b>9 751 527</b>	<b>9 771 283</b>

### 3.2 Statement of Financial Performance

<i>STATEMENT OF FINANCIAL PERFORMANCE</i>	<i>Note</i>	<i>31/12/2021</i>	<i>31/12/2020</i>
Subsidy received	3.5.3.1	27 948 359	28 389 255
Title 1&2		22 919 909	22 790 450
Title 3		4 835 250	5 441 833
Part of Phare Funds subsidy used in current year		68 976	22 576
Part of EUMEDRAIL pre-financing used in current year		193 862	248 621
Part of System Pilar agreement used in current year		0	0
To be reimbursed (Budget outturn)		-69 638	-114 225
Revenue from adjustment/provisions		0	0
<b>NON-EXCHANGE REVENUES</b>	<b>3.5.3.1</b>	<b>27 948 359</b>	<b>28 389 255</b>
Fee income		5 936 230	2 886 392
Fixed Assets related income		1 693	0
Exchange rate differences gains		73	156
Bank interest		529	1 708
Income from other exchange operations (3rd parties)		90 305	72 918
Income from consolidated EU entities		24 023	43 340
<b>EXCHANGE REVENUES</b>	<b>3.5.3.1</b>	<b>6 052 853</b>	<b>3 004 513</b>
<b>TOTAL REVENUES</b>		<b>34 001 212</b>	<b>31 393 768</b>
Operational expenses	3.5.3.3	6 130 557	4 323 217
Staff and Pension costs	3.5.3.2	23 247 444	21 769 476
Finance costs		4 372	29 145
Other expenses		4 500 129	4 196 564
Property, plant and equipment related expenses	3.5.3.2	2 236 384	2 442 857
Other Administrative Expenses	3.5.3.2	2 263 359	1 753 168
Exchange rate differences losses		387	539
<b>TOTAL EXPENSES</b>		<b>33 882 503</b>	<b>30 318 403</b>
<b>SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES</b>		<b>118 709</b>	<b>1 075 365</b>
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>118 709</b>	<b>1 075 365</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 2020</b>	<b>0</b>	<b>0</b>	<b>6 386 044</b>	<b>1 075 365</b>	<b>7 461 409</b>
Changes in accounting policies	0	0	0	0	0
<b>Balance as of 1 January 2021 (if restated)</b>	<b>0</b>	<b>0</b>	<b>6 386 044</b>	<b>1 075 365</b>	<b>7 461 409</b>
Allocation of the Economic Result of Previous Year	0	0	1 075 365	-1 075 365	0
Economic result of the year	0	0	0	118 709	118 709
<b>Balance as of 31 December 2021</b>	<b>0</b>	<b>0</b>	<b>7 461 409</b>	<b>118 709</b>	<b>7 580 118</b>

### 3.4 Cash flow statement

	<b>2021</b>	<b>2020</b>
<b>Cash Flows from ordinary activities</b>		
<b>Economic result of the year</b>	<b>118 709</b>	<b>1 075 365</b>
<b>Operating activities</b>		
Amortization (intangible fixed assets) +	918 211	748 453
Depreciation (tangible fixed assets) +	257 570	516 764
Increase/(decrease) in Provisions for risks and liabilities	0	0
Increase/(decrease) in Value reduction for doubtful debts	0	0
(Increase)/decrease in Stock	0	0
(Increase)/decrease in Long term Pre-financing	0	0
(Increase)/decrease in Short term Pre-financing	0	18 824
(Increase)/decrease in Long term Receivables	0	0
(Increase)/decrease in Short term Receivables	-1 678 981	-1 071 125
(Increase)/decrease in Receivables related to consolidated EC entities	128 074	-142 974
Increase/(decrease) in Other Long term liabilities	0	0
Increase/(decrease) in Accounts payable	-355 207	32 624
Increase/(decrease) in Liabilities related to consolidated EC entities	216 742	-199 560
(Gains)/losses on sale of Property, plant and equipment	0	0
Extraordinary items	0	0
<b>Net cash Flow from operating activities</b>	<b>-394 882</b>	<b>978 372</b>
<b>Cash Flows from investing activities</b>		
Purchase of tangible and intangible fixed assets (-)	-245 435	-416 485
Proceeds from tangible and intangible fixed assets (+)	1 693	0
<b>Net cash flow from investing activities</b>	<b>-243 742</b>	<b>-416 485</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-638 624</b>	<b>561 887</b>
Cash and cash equivalents at the beginning of the period	3 808 531	3 246 645
Cash and cash equivalents at the end of the period	3 169 907	3 808 531

## 3.5 Notes to the financial statements

### 3.5.1 Accounting policies

#### 3.5.1.1 General

In accordance with Article 245 of Council Decision No. 1046/2018 and Article 97 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 articles 80 and 241 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.

**Revised EAR which is effective for annual periods beginning on or after 1 January 2021**

In 2020, the Accounting Officer adopted the revised EAR 11 'Financial Instruments', which is mandatorily effective as of 1 January 2021. The revised EAR 11 is based on the new IPSAS 41 'Financial Instruments', the amended IPSAS 28 'Financial Instruments: Presentation' and the amended IPSAS 30 'Financial Instruments: Disclosures' which were issued in August 2018. It establishes the financial reporting principles for financial assets and financial liabilities. In accordance with the transition provisions of the revised EAR 11, the entity accounts for any changes from the initial application, on 1 January 2021. The revised EAR 11 does not require the restatement of prior periods.

**Changes from the application of the revised EAR 11**

The only financial instruments of the entity, are the receivables from exchange transactions and the cash and cash equivalents. In accordance with the revised EAR 11 requirements, the entity has classified these receivables and cash and cash equivalents as 'financial assets at amortised cost' ('loans and receivables' in prior periods).

### 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	20-25%
<b>Property, plant and equipment</b>	
Buildings	10%
Furniture and vehicles	
Furniture	10%
Electrical office equipment, printing and mailing equipment	25%
Computer hardware	
Computers, servers, accessories, data transfer equipment, printers, screens...	25%
Copying equipment, digitizing and scanning equipment	25%
Other fixtures and fittings	
Telecommunications equipment	25%
Audiovisual equipment	25%
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**

The EU Accounting Rules require a separate presentation of exchange and non-exchange transactions. To distinguish between the two categories, the term 'receivables' is reserved for exchange transactions, whereas for 'non-exchange transactions', i.e. when the EU receives value from another entity without directly giving approximately equal value in exchange, the term 'recoverables' is used (e.g. recoverables from Member States related to own resources).

Receivables from exchange transactions are financial assets measured at amortised cost.

Recoverables from non-exchange transactions are carried at fair value as at the date of acquisition less write-down for impairment. A write-down for impairment of recoverables from non-exchange transactions is established when there is objective evidence that the EU will not be able to collect all amounts due according to the original terms of recoverables from non-exchange transactions.

› **Cash and cash equivalents**

Cash and cash equivalents are financial instruments and classified as amortized costs. 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**

A significant amount of the payables represent EU funding (non-exchange transactions). At year-end they represent the open pre-financing amount to be reimbursed to the Commission for the EU subsidy or the unconsumed amount of the pre-financing received in the framework of delegation agreements concluded with the EC's services.

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 01.01.2021</b>	+	<b>6 569 199</b>	<b>703 740</b>	<b>0</b>	<b>0</b>	<b>7 272 940</b>
Additions	+	0	0	0	0	0
Disposals	-	0	-408 027	0	0	-408 027
Transfer between headings	+/-	0	0	0	0	0
Other changes	+/-	0	0	0	0	0
<b>Gross carrying amounts 31.12.2021</b>		<b>6 569 199</b>	<b>295 714</b>	<b>0</b>	<b>0</b>	<b>6 864 913</b>
<b>Accumulated amortization and impairment 01.01.2021</b>	-	<b>-3 194 888</b>	<b>-692 193</b>	<b>0</b>	<b>0</b>	<b>-3 887 082</b>
Amortization	-	-910 177	-8 034	0	0	-918 211
Write-back of amortization	+	0	0	0	0	0
Disposals	-	0	408 027	0	0	408 027
Transfer between headings	+/-	0	0	0	0	0
Other changes	+/-	0	0	0	0	0
<b>Accumulated amortization and impairment 31.12.2021</b>		<b>-4 105 065</b>	<b>-292 201</b>	<b>0</b>	<b>0</b>	<b>-4 397 266</b>
<b>Net carrying amounts 31.12.2021</b>		<b>2 464 134</b>	<b>3 513</b>	<b>0</b>	<b>0</b>	<b>2 467 647</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>
RDD	2012	Reference Document Database: application to manage the information related to the national technical rules for authorising railway vehicles	475 517	5 years
MOSS 2010	2012	Microsoft Office SharePoint: migration of the content management system (from Microsoft Office SharePoint 2007 to Microsoft Office SharePoint 2010)	432 000	3 years
ERAIL	2012	Application to manage information on safety performance (i.e. Common Safety Indicators and Accident Investigations)	209 060	6 years
ERATV	2013	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	5 years
NSA XA	2013	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	5 years
RINF	2015	Register of the railway infrastructure created to make the railway infrastructure from the EU member states publicly available in a centralized register	422 334	5 years
SRM	2019	Stakeholder Relationship Management: tool to support the contact management and the event management process	775 073	5 years
OSS	2019	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.	2 691 835	5 years
SRD	2020	Single Rules Database: IT system that will provide a means for MSs to publish and notify both draft and existing National Rules, whether safety or technical and to provide support and transparency for the notification process.	1 083 978	5 years
		<b>TOTAL</b>	<b>6 569 199</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 01.01.2021</b>	+	<b>5 596</b>	<b>30 937</b>	<b>4 967 197</b>	<b>281 131</b>	<b>596 235</b>	<b>5 881 095</b>
Additions	+	52 565	0	173 338	0	5 980	231 883
Disposals	-	0	0	-1 254 177	-21 566	-141 962	-1 417 705
Transfer between headings	-	0	0	0	0	0	0
Other changes	+/-	0	0	13 552	0	0	13 552
<b>Gross carrying amounts at 31.12.2021</b>		<b>58 161</b>	<b>30 937</b>	<b>3 899 909</b>	<b>259 565</b>	<b>460 253</b>	<b>4 708 825</b>
<b>Accumulated amortization and impairment at 01.01.2021</b>	-	<b>-4 803</b>	<b>-29 010</b>	<b>-4 675 626</b>	<b>-226 400</b>	<b>-550 878</b>	<b>-5 486 716</b>
Depreciation	-	-3 625	-1 412	-219 728	-12 723	-20 082	-257 570
Disposals	+	0	0	1 254 177	21 566	141 962	1 417 705
Impairment	-	0	0	0	0	0	0
Transfer between headings	-	0	0	0	0	0	0
Other changes	+/-	0	0	-1 693	0	0	-1 693
<b>Accumulated amortization and impairment at 31.12.2021</b>		<b>-8 428</b>	<b>-30 422</b>	<b>-3 642 869</b>	<b>-217 557</b>	<b>-428 998</b>	<b>-4 328 274</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 31.12.2021</b>		<b>49 733</b>	<b>515</b>	<b>257 040</b>	<b>42 008</b>	<b>31 255</b>	<b>380 551</b>

In the course of 2021 the Agency acquired new IT equipment (new laptops for an amount of € 117 148, IT server equipment for € 45 225, other IT equipment for € 10 965) and replaced some server material equipment for an amount of € 52 565.

**3.5.2.3 Non-current receivables**

The amount of € 31 898 relates to the rental deposit guarantee paid in 2014 for the rent of the conference facilities in Lille.

**3.5.2.4 Exchange receivables & recoverables**

	<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Exchange receivables and recoverables</b>	<b>3 576 583</b>	<b>1 897 602</b>
Current receivables	854 396	258 445
Sundry receivables	37 227	20 917
Current receivables with consolidated entities	0	398
Deffered charges	589 645	426 879
Accrued fee income	2 095 315	1 179 611
Accrued income exchange with consolidated entities	0	11 353

- › The current receivables amount of € 854 396 are the outstanding receivables from fee-related activities. This amount includes an amount of € 19 350 of unallocated incoming payments received during the last week of December.
- › The sundry receivables amount includes primarily undue salary payments to be recovered from staff members for € 16 435 and an advance payment for a conference that will take place in 2022 for an amount of € 20 792.
- › The deferred charges amounting to € 589 645 relate to the deferral of mainly IT-license costs covering 2022.
- › The accrued fee income of € 2 039 315 includes the revenue from work already performed on fee-related activities but not yet invoiced. The increase can be explained by an increased number of applications received in 2021, the first full year during which this activity was performed, and the fact that a significant number of decisions were taken in December 2021 and therefore could only be invoiced in January 2022.

**3.5.2.5 Non - exchange receivables & recoverables**

	<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Non - exchange receivables and recoverables</b>	<b>124 940</b>	<b>253 014</b>
Current receivables Member States	124 940	253 014

The current receivable gross amount relates to VAT to be recovered from the French (€ 124 940) 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. The decrease as compared to last year is due to the fact that in 2021 the Agency received the reimbursement of the Q3 VAT amount whereas no similar reimbursement was done at the end of 2020.

**3.5.2.6 Cash and cash equivalents**

The amount of the cash and cash equivalents includes the balance on the current bank accounts held at ING Belgium and Crédit Agricole France.

<i>Bank account</i>	<i>31/12/2021</i>	<i>31/12/2020</i>	<i>% change</i>
ING Bank ( main account)	2 529 183	353 338	616%
ING Bank ( fees and charges)	239 194	455 093	-47%
Credit Agricole (main account)	400 530	2 999 100	-87%
Credit Agricole (deposit account)	1 000	1 000	0%
<b>TOTAL</b>	<b>3 169 907</b>	<b>3 808 531</b>	<b>-17%</b>

### 3.5.2.7 Net assets

The equity of the Agency amounts to € 7 580 118 of which:

- › € 7 461 409 are the accumulated surplus from previous years;
- › € 118 709 is the economic outturn of 2021;

### 3.5.2.8 Provisions

No short term provision for outstanding salary payments has been made in 2021 since the yearly salary adjustment was paid out in December 2021.

### 3.5.2.9 Accounts Payable

The main part of the total accounts payable as per 31.12.2021 relates to:

- › Accounts payable with consolidated entities for a total amount of € 807 508 representing the budget outturn of 2021 to be reimbursed to the Commission (€ 69 638), the unconsumed part (€ 133 150) of the EUMEDRAIL pre-financing amount received in 2017, 2019 and 2021, the unconsumed part (€ 354 720) of the IPA-agreement covering the period 2020-2022 and the unconsumed part of pre-financing of the System Pilar agreement received in 2021 for an amount of € 250 000.

### 3.5.2.10 Accrued charges and deferred income

Accrued charges for a total amount of € 1 363 901 can be decomposed in an accrual for untaken holidays amounting to € 798 655, € 335 492 accrued costs for services provided by relevant national authorities in relation to fee-related activities and accrued charges for goods delivered/services rendered but not yet invoiced for a total amount of € 229 753.

The table below shows the level of accrued expenses for 2021 and 2020 and its evolution in general and per type of appropriation.

<i>Accrued expenses</i>	<i>31/12/2021</i>	<i>31/12/2020</i>	<i>% change</i>
<b>Accrued expenses</b>	<b>1 363 900</b>	<b>1 686 473</b>	<b>-19%</b>
Accrued expenses based on carry-over analysis	229 753	691 017	-67%
Accrued costs F&C	335 492	309 876	8%
Accrual for untaken holidays	798 655	685 580	16%

<i>Accrued expenses based on carry-over analysis</i>	<i>31/12/2021</i>	<i>31/12/2020</i>	<i>% change</i>
Title 1 – Staff	69 254	42 394	63%
Title 2 – Buildings, equipment and miscellaneous expenditure	48 757	60 960	-20%
Title 3 – Operational expenditure	111 742	587 663	-81%
<b>Total</b>	<b>229 753</b>	<b>691 017</b>	<b>-67%</b>

Globally there is a significant decrease in the total amount of accrued expenses as compared to 2020 which can mainly be explained by a decrease in the accrued expenses based upon carry-over analysis. The latter can be explained by the fact that at the end of December a significant number of commitments were made to anticipate expenses to be incurred in 2022.

<i>Accrual for untaken holidays</i>	<i>31/12/2021</i>	<i>31/12/2020</i>	<i>% change</i>
Number of days not taken	2 212	1 966	13%
Accrued amount	798 655	685 580	16%

The table above shows that the increase of the accrued amount for untaken holidays is due to the increase in the number of days and the slight increase in the number of staff (148 at the end of 2021 as compared to 144 at the end of 2020).

### 3.5.3 Notes to the statement of financial performance

#### 3.5.3.1 Operating revenue

The operating revenue of the Agency in 2021 is mainly made up of the EC subsidy received for a total amount of € 27 755 159 including the budget outturn of € 69 638 to be reimbursed in 2021. In addition the Agency has had a full year of fee-related activities in 2021 resulting in a total invoiced amount of € 5 020 526<sup>2</sup> and an accrued amount of € 915 704.

	<i>with non-consolidated entities</i>	<i>with consolidated entities</i>	<i>Total</i>
Revenue from non-exchange transactions	0	27 948 359	27 948 359
Revenue from exchange transactions	6 028 830	24 023	6 052 853
<b>TOTAL</b>	<b>6 028 830</b>	<b>27 972 382</b>	<b>34 001 212</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>31/12/2021</i>	<i>31/12/2020</i>	<i>% change</i>
<b>Administrative expenses</b>	<b>27 747 186</b>	<b>25 965 501</b>	<b>7%</b>
Staff expenses	23 247 444	21 769 476	7%
Property, plant and equipment related expenses	2 236 384	2 442 857	-8%
- Fixed assets related expenses (depreciation)	1 175 782	1 265 216	-7%
- Land and buildings	1 060 602	1 177 640	-10%
Other administrative expenses	2 263 359	1 753 168	29%
- Other administrative expenses	342 872	686 900	-50%
- Expenses with consolidated entities	1 920 487	1 066 268	80%

As compared to 2020 the total amount of administrative expenses has significantly increased. This increase is a combination of an increase in staff expenses which can mainly be explained by an increase in staff (+ 3%) and the salary indexation of 0,9% for 2021 and a significant increase in expenses with other consolidated entities. The latter increase is the result of the advance payment of € 290 000 on the 2021 pension cost contribution to the Commission for the fee-related activities which was included in 2020 as an accrued charge in the operational expenses and an increase in the SLA signed with DG DIGIT for the provision of IT-services.

<sup>2</sup> This amount includes € 1 303 385 of re-invoicing of costs charged to ERA by the NSA's for the assessment of the national part.  
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### 3.5.3.3 Operational expenses

These include expenses related to the operational activities of the Agency. They show an increase of 42% as compared to last year.

	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>% change</b>
<b>Operational expenses</b>	<b>6 130 557</b>	<b>4 323 217</b>	<b>42%</b>
Missions/reimbursements of experts	190 707	436 769	-56%
Studies	0	0	n/a
IT-systems to support operations	2 576 823	3 182 246	-19%
Information & communication	401 972	67 033	500%
Other	2 383	25 071	-90%
Losses on realisation of trade debtors	1 560	0	n/a
Quality Management	3 450	8 050	-57%
Fees and charges	2 953 662	604 049	389%

The increase of 42% is a combination of:

- › A decrease of 56% in cost for missions and reimbursements of experts. This reduction is a consequence of the fact that because of the COVID-19 crisis very few missions occurred and very few meetings were organised. In addition the decision of the Management Board not to reimburse the costs of the experts attending the ERA working parties was still applicable in 2021.
- › A decrease of 19% in the IT-expenses to support the operations. This decrease is mainly explained by the fact that in comparison to 2020 less IT-development costs for OSS were done.
- › An increase of 500% in costs for information and communication activities which can be explained by the fact that in 2021 a number of conferences, which were originally planned for 2020 but postponed to 2021 due to the COVID-19 crisis, were organised by ERA.
- › An increase of 389% in the costs for fees and charges which is in line with the significant increase in the revenue collected from fees and charges. These costs mainly represent services provided by national authorities for the assessment of the national part of submitted applications to the agency.

### 3.5.4 Other information

#### 3.5.4.1 Contingent Assets and Contingent Liabilities

At the moment of drawing up the financial statements there was no information available that could lead to any contingent asset or liability for the Agency.

#### 3.5.4.2 Operating leases

Assets subject to an operating lease are regarded as rentals.

<b>Description</b>	<b>Future amounts to be paid</b>			
	<b>&lt; 1 year</b>	<b>- 5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
Rent building Valenciennes	472 000	2 360 000	2 832 000	5 664 000

### 3.5.4.3 Commitments for future funding

At 31 December 2021 the budgetary RAL totalled € 1 768 124<sup>3</sup>. 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 2021 statement of financial performance giving a total of € 952 179.

### 3.5.4.4 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

### 3.5.4.5 COVID-19

During 2021 the coronavirus outbreak has had huge impacts on the EU economy. Below some more information can be found regarding the areas materially affected by this in the execution of the Agency's activities.

#### › Revenues

Although the transposition of the 4th Railway Package legislation into the national legislation by the member states not having done in 2019 only materialized at the end of October 2020, the Agency has not experienced a lower demand by applications for services to be provided in 2021. However, the Agency is aware that if the coronavirus outbreak persists in 2022 this may well impact the estimated revenue for 2022. Based on the information available at the date of signature of these annual accounts, the related financial effects for financial year 2022 cannot be reliably estimated.

#### › Expenses

In 2021 the expenses have increased following a similar increase in revenues as compared to 2020. However, the Agency is aware that if the coronavirus outbreak persists in 2022 this may well impact the foreseeable expenses in 2022. Based on the information available at the date of signature of these annual accounts, the related financial effects for financial year 2022 cannot be reliably estimated.

#### › Balance sheet

At this stage the Agency does not foresee any material impact on any of the balance sheet items.

#### › Budgetary aspects

The continuation of the pandemic context conditioning a broad range of Agency's expenditure (e.g. meetings, missions, events, interpretations etc.). The fact that 2021 alternated a period of no missions and meetings, but that at some point towards the end of the summer those appeared as possible, created a quite high level of uncertainty and triggered the need for a regular monitoring of the budget deployments, with a focus on the type of expenditure directly impacted by the pandemic.

Despite this challenge the Agency has made substantial progress towards increasing its payment rate for all titles in 2021. The RAL in absolute terms in 2021 was in the order of 1.74 MEUR and saw a substantial decrease compared to over 3 MEUR in 2020. In relative terms as well, the RAL decreased from approx. 11% in 2020 to less than 7% in 2021.

<sup>3</sup> Only C1-credits and C5-credits are considered here. RAL related to fee activities (title 4) has been excluded.



### 3.5.4.6 Brexit

On 1 February 2020 the United Kingdom ceased to be a Member State of the European Union. Following the conclusion of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (the 'Withdrawal Agreement') between the two parties, the United Kingdom committed to pay all its obligations under the current MFF and previous financial perspectives following from its membership of the Union. The United Kingdom has paid into the 2020 EU Budget during the year, and received payments, as if it were a Member State.

At the date of transmission of these accounts, and based on the Withdrawal Agreement concluded and already in operation, there is no financial impact to be reported in these accounts. For further information on the impact of the Withdrawal Agreement on the EU, please see the 2021 consolidated EU annual accounts.

### 3.5.4.7 Ukraine

In accordance with EU accounting rule 19, Events after Reporting Date, the war in Ukraine, that began in February 2022 is a non adjusting event, thus not requiring any adjustments to the figures reported in these financial statements at 31 December 2021. For subsequent reporting periods, the war may affect the recognition and measurement of some assets and liabilities on the balance sheet and also of some revenue and expenses recognised in the statement of financial performance. Based on the facts and circumstances at the time of preparation of these financial statements, in particular the evolving situation, the financial effect of the war in Ukraine on the cannot be reliably estimated. However it is worthwhile to be noted that the war in Ukraine could possibly, although very marginal, impact on the following areas:

- › Revenues

Given the limited number of applications received from Russia/Belarus the impact on the agency's revenue for 2022 should be very marginal

- › Expenses

The war in Ukraine could possibly lead to an increase of the agency's costs as a result of the inflation and an increase in the IT-costs in order to counter the increased number of cyber-attacks.

- › Balance sheet

At this stage the Agency does not foresee any material impact on any of the balance sheet items.

### 3.5.4.8 Financial instruments

Financial instruments comprise cash and cash equivalents, current receivables and recoverables (deferred charges not included), current account payables and pre-financing with consolidated entities. Financial instruments give rise to liquidity, credit, interest rate and foreign currency risks.

The carrying amounts of financial instruments are as follows:

	<b>31/12/2021</b>	<b>31/12/2020</b>
Current pre-financing implemented by Cons Entities with other Cons Entities	0	0
Exchange receivables and recoverables	2,998,044	1,470,723
Non - exchange receivables and recoverables	124,940	253,014
Cash and cash equivalents	3,169,907	3,808,531
<b>Total monetary assets</b>	<b>6,292,892</b>	<b>5,532,269</b>
Accounts payable	807,508	623,401
<b>Total monetary liabilities</b>	<b>807,508</b>	<b>623,401</b>
<b>Total net financial instruments</b>	<b>5,485,385</b>	<b>4,908,869</b>

#### 3.5.4.9 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.

#### 3.5.4.10 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.

#### 3.5.4.11 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.

#### **3.5.4.12 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.

#### **3.5.4.13 Fair value**

The estimated fair values of all financial instruments of ERA are equal/approximate to their book values as at 31 Dec 2021 and 31 Dec 2020. All financial assets and liabilities are receivable or repayable on demand or within one year.

#### **3.5.4.14 Events after the balance sheet date**

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

## 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.

### **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 2021**

<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	21 169 189	21 169 187	100%	3	21 084 519	100%
13	Missions and travel	1 200	1 200	100%	0	957	80%
14	Socio-medical infrastructure	156 844	156 407	100%	437	96 683	62%
15	Staff exchange between the ERA and the public sector	138 687	138 687	100%	0	138 687	100%
17	Entertainment and representation exp.	677	677	100%	0	677	100%
	<b>Title I</b>	<b>21 466 597</b>	<b>21 466 158</b>	<b>100%</b>	<b>440</b>	<b>21 321 523</b>	<b>99%</b>
20	Investments in immovable property, rental of buildings and associated cost	1 153 775	1 153 775	100%	0	1 018 369	88%
21	Data processing	690 663	690 331	100%	332	563 811	82%
22	Movable property and associated costs	47 318	47 318	100%	0	30 951	65%
23	Current administrative expenditure	30 645	30 570	100%	74	14 969	49%
24	Post and telecommunications	169 277	169 274	100%	2	81 640	48%
	<b>Title II</b>	<b>2 091 678</b>	<b>2 091 269</b>	<b>100%</b>	<b>409</b>	<b>1 709 739</b>	<b>82%</b>
30	Operational Activities directly linked to the Reg. n°796/2016	1 641 522	1 595 167	97%	46 355	1 302 879	79%
31	Operational expenditures	2 565 362	2 562 508	100%	2 853	1 636 679	64%
	<b>Title III</b>	<b>4 206 884</b>	<b>4 157 676</b>	<b>99%</b>	<b>49 208</b>	<b>2 939 558</b>	<b>70%</b>
	<b>Total Budget</b>	<b>27 765 159</b>	<b>27 715 102</b>	<b>100%</b>	<b>50 057</b>	<b>25 970 820</b>	<b>94%</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	35 376	35 376	100%	0	35 376	100%
	<b>Title I</b>	<b>35 376</b>	<b>35 376</b>	<b>100%</b>	<b>0</b>	<b>35 376</b>	<b>100%</b>
21	Data processing	58 545	23 841	41%	34 703	0	0%
23	Current administrative expenditure	2 038	0	0%	2 038	0	0%
24	Post and telecommunications	58	0	0%	58	0	0%
	<b>Title II</b>	<b>60 641</b>	<b>23 841</b>	<b>39%</b>	<b>36 799</b>	<b>0</b>	<b>0%</b>
30	Operational Activities directly linked to the Reg. n°796/2016	42 059	0	0%	42 059	0	0%
	<b>Title III</b>	<b>42 059</b>	<b>0</b>	<b>0%</b>	<b>42 059</b>	<b>0</b>	<b>0%</b>
	<b>Total Budget</b>	<b>138 075</b>	<b>59 217</b>	<b>43%</b>	<b>78 858</b>	<b>35 376</b>	<b>26%</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>
30	Operational Activities directly linked to the Reg. n°796/2016	28 415	28 415	100%	0	28 415	100%
	<b>Title III</b>	<b>28 415</b>	<b>28 415</b>	<b>100%</b>	<b>0</b>	<b>28 415</b>	<b>100%</b>
	<b>Total Budget</b>	<b>28 415</b>	<b>28 415</b>	<b>100%</b>	<b>0</b>	<b>28 415</b>	<b>100%</b>

<i>Fund Source : R0</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	Ensuring the coordination of the 4RP	20 000	0	0%	20 000	0	0%
30	IPA ACTIVITIES	435 745	68 976	16%	366 769	68 976	81%
30	EUMEDRAIL	330 011	196 862	60%	133 149	196 862	60%
30	Grant Agreement with DG MOVE	250 000	0	0%	250 000	0	0%
	<b>Title III</b>	<b>1 035 756</b>	<b>265 837</b>	<b>26%</b>	<b>769 918</b>	<b>265 837</b>	<b>26%</b>
	<b>Total Budget</b>	<b>1 035 756</b>	<b>265 837</b>	<b>26%</b>	<b>769 918</b>	<b>265 837</b>	<b>26%</b>

<i>Fund Source : R0 Fees and charges</i>							
<i>BL</i>	<i>Description</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>
400	B400 - Single Safety Certificate	3 317 654	3 271 622	99%	46 032	1 102 966	33%
401	B401 - Vehicle Authorisation	5 416 573	4 921 145	91%	495 428	2 341 043	43%
402	B402 - ERTMS trackside approval	2 694 267	2 661 964	99%	32 303	164 185	6%
410	Assistance provided to Member States and other stakeholders	20 720	20 720	100%	0	0	0%
	<b>Title IV</b>	<b>11 449 214</b>	<b>10 875 452</b>	<b>95%</b>	<b>573 762</b>	<b>3 608 194</b>	<b>32%</b>
	<b>Total Budget</b>	<b>11 449 214</b>	<b>10 875 452</b>	<b>95%</b>	<b>573 762</b>	<b>3 608 194</b>	<b>32%</b>



It should be noted that in 2021 the regularization between titles 4 and 1 and 2 for the salary costs of operational staff, salary cost of supporting services and a portion of the overhead cost was only done for 3 quarters instead of 4. The impact of this non-executed regularization payment in 2021 was € 602 179. The non-execution of this regularization payment did not impact the economic and the budgetary result. Indeed, the only impact would be on the detailed budget outturn (as shown in table on page 37) for the individual line items showing the payments and appropriations carried over to the following year.

The Title 4 activities, related to fees and charges for Vehicle Authorisation and Single Safety Certification, are bound to a time lag of approx. seven months between the moment of the submission of the application and the moment of cashing. There is therefore a genuine multi-annual component associated to the fees and charges appropriations, which needs to be taken into account when regularisations are performed. This multi-annual aspect is particularly important in a start-up situation, as the Agency was in between 2019 and 2021.

The new Implementing Regulation on Fees and Charges entered into force on 23 November 2021, which envisages an increase of the hourly rate from 130€ to 239€, as well as the OSS cost recovery and the fixed rate for VA CTT. The forecasted revenue corresponding to the ERA staff for Jan-June 2022 is estimated at 2.275 mill €. This is much more limited compared to the revenue forecasted to be cashed after June 2022, due to the fact that it is only starting with June that the effect of the updated hourly rate will be noticed significantly. According to the expenditure structure for the 2022 budget the proportion of costs for fees and charges related activities for the first half of 2022 is in the order of 3.313 mill€. The Agency therefore needs to tackle this cash flow gap of more than 1 mill € with the necessary prudence, and has therefore decided to adjust the regularization schedule accordingly.

Finally it should be noted that out of the total payments made in 2021 € 1 873 658 related to the salary costs of the operational staff that has worked on the applications, the salary costs of the operational/administrative staff providing supporting services and - a portion of the overhead costs (mainly building and other administrative expenditure. The balance of € 1 268 511 represented payments done to national authorities for their assessment of the national part and to external experts from the pool of experts for the work done on behalf of the Agency.

**4.3 Budget implementation – Appropriations carried over 2020/2021**

<i>Fund Source : C8</i>					
	<i>Chapter</i>	<i>Amount carried over 2019/2020</i>	<i>Payments made</i>	<i>Balance not paid at the end of the year 2020</i>	<i>% of Balance</i>
11	Staff in active employment	16 689	16 689	0	0%
13	Missions and travel	767	0	767	100%
14	Socio-medical infrastructure	14 474	13 488	985	7%
	<b>Title I</b>	<b>31 929</b>	<b>30 177</b>	<b>1 752</b>	<b>5%</b>
20	Investments in immovable property, rental of buildings and associated cost	169 251	168 788	463	0%
21	Data processing	212 863	212 828	34	0%
22	Movable property and associated costs	106	0	106	100%
23	Current administrative expenditure	2 414	2 383	31	1%
24	Post and telecommunications	1 829	1 561	268	15%
	<b>Title II</b>	<b>386 462</b>	<b>385 560</b>	<b>902</b>	<b>0%</b>
30	Operational Activities directly linked to the Regulation n°796/2016	1 917 591	1 898 193	19 398	1%
31	Operational expenditures	753 230	745 172	8 058	1%
	<b>Title III</b>	<b>2 670 821</b>	<b>2 643 366</b>	<b>27 456</b>	<b>1%</b>
	<b>Grandtotal</b>	<b>3 089 213</b>	<b>3 059 103</b>	<b>30 110</b>	<b>1%</b>

**4.4 2021 Budget transfers/Amendments**

<i>Fund Source : C1</i>							
	<i>Chapter</i>	<i>Budget adopted</i>	<i>Transfers</i>	<i>Amendments</i>	<i>Budget after transfers and amendments (1)</i>	<i>Committed (2)</i>	<i>% Committed = (2) / (1)</i>
11	Staff in active employment	20 311 909	857 280	0	21 169 189	21 169 187	100%
13	Missions and travel	46 000	-44 800	0	1 200	1 200	100%
14	Socio-medical infrastructure	197 000	-40 156	0	156 844	156 407	100%
15	Staff exchange between the ERA and the public sector	240 000	-101 313	0	138 687	138 687	100%
17	Entertainment and representation expenses	3 000	-2 323	0	677	677	100%
	<b>Title I</b>	<b>20 797 909</b>	<b>668 688</b>	<b>0</b>	<b>21 466 597</b>	<b>21 466 158</b>	<b>100%</b>
20	Investments in immovable property, rental of buildings and associated cost	1 045 000	108 775	0	1 153 775	1 153 775	100%
21	Data processing	755 000	-64 337	0	690 663	690 331	100%
22	Movable property and associated costs	90 000	-42 682	0	47 318	47 318	100%
23	Current administrative expenditure	47 000	-16 355	0	30 645	30 570	100%
24	Post and telecommunications	185 000	-15 723	0	169 277	169 274	100%
	<b>Title II</b>	<b>2 122 000</b>	<b>-30 322</b>	<b>0</b>	<b>2 091 678</b>	<b>2 091 269</b>	<b>100%</b>
30	Operational Activities directly linked to the Regulation n°796/2016	2 414 315	-772 793	0	1 641 522	1 595 167	97%
31	Operational expenditures	1 132 935	134 427	1 298 000	2 565 362	2 562 508	100%
	<b>Title III</b>	<b>3 547 250</b>	<b>-638 366</b>	<b>1 298 000</b>	<b>4 206 884</b>	<b>4 157 676</b>	<b>99%</b>
	<b>Total Budget</b>	<b>26 467 159</b>	<b>0</b>	<b>1 298 000</b>	<b>27 765 159</b>	<b>27 715 102</b>	<b>100%</b>

**4.5 Appropriations carried over 2021/2022 C1-credits**

	<i>Chapter</i>	<i>Amount carried over 2021/2022</i>	<i>% Amount carried over 2021/2022</i>
11	Staff in active employment	84 667	0%
13	Missions and travel	244	20%
14	Socio-medical infrastructure	59 724	38%
	<b>Title I</b>	<b>144 634</b>	<b>1%</b>
20	Investments in immovable property, rental of buildings and associated cost	135 406	12%
21	Data processing	126 521	18%
22	Movable property and associated costs	16 367	35%
23	Current administrative expenditure	15 601	51%
24	Post and telecommunications	87 635	52%
	<b>Title II</b>	<b>381 530</b>	<b>18%</b>
30	Operational Activities directly linked to the Regulation n°796/2016	292 289	18%
31	Operational expenditures	925 829	36%
	<b>Title III</b>	<b>1 218 118</b>	<b>29%</b>
	<b>Total Budget</b>	<b>1 744 282</b>	<b>6%</b>

**4.6 Budget outturn 2021**

	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
Commission subsidy DG MOVE	27 755 159	28 232 283
IPA, EUMEDRAIL and System Pilar agreement funds from Commission	560 400	460 000
Fee income	4 381 331	1 957 889
Other income	138 075	110 835
<b>Total revenue (a)</b>	<b>32 834 966</b>	<b>30 761 007</b>
<b>Expenditure</b>		
Personnel expenses – Budget Title I		
Payments	21 356 899	20 524 260
Appropriations carried over to the following year	144 635	31 929
Administrative expenses – Budget Title II		
Payments	1 709 739	1 910 154
Appropriations carried over to the following year	442 170	386 462
Operational expenses – Budget Title III		
Payments	3 233 810	3 212 242
Appropriations carried over to the following year	2 030 095	3 174 378
Operational expenses – Budget Title IV		
Payments	3 608 194	1 794 023
Appropriations carried over to the following year	1 278 058	504 921
<b>Total expenditure (b)</b>	<b>33 803 601</b>	<b>31 538 370</b>
<b>Outturn for the financial year (a-b)</b>	<b>-968 635</b>	<b>-777 362</b>
Cancellation of unused carry-overs	30 110	106 232
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	1 008 478	785 738
Exchange differences for the year	-315	-383
Balance carried over from year N-1	114 225	59 486
Positive balance from year N-1 reimbursed in year N to the Commission	-114 225	-59 486
<b>Balance of the outturn account for the financial year</b>	<b>69 638</b>	<b>114 225</b>

	<i>Subsidy</i>	<i>F&amp;C</i>	<i>IPA &amp; EUMEDRAIL &amp; System Pilar agreement</i>
<b>Revenue</b>			
Commission subsidy DG MOVE	27 755 159	0	0
IPA, EUMEDRAIL and System Pilar agreement funds from Commission	0	0	560 400
Fee income	0	4 381 331	0
Other income	138 075	0	0
<b>Total revenue (a)</b>	<b>27 893 235</b>	<b>4 381 331</b>	<b>560 400</b>
<b>Expenditure</b>			
Personnel expenses – Budget Title I			
Payments	21 356 899	0	
Appropriations carried over to the following year	144 635	0	
Administrative expenses – Budget Title II			
Payments	1 709 739	0	
Appropriations carried over to the following year	442 170	0	
Operational expenses – Budget Title III			
Payments	2 967 973	0	265 837
Appropriations carried over to the following year	1 260 177	0	769 918
Operational expenses – Budget Title IV			
Payments	0	3 608 194	
Appropriations carried over to the following year	0	1 278 058	
<b>Total expenditure (b)</b>	<b>27 881 593</b>	<b>4 886 252</b>	<b>1 035 756</b>
<b>Outturn for the financial year (a-b)</b>	<b>11 642</b>	<b>-504 921</b>	<b>-475 356</b>
Cancellation of unused carry-overs	30 110	0	
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	28 201	504 921	475 356
Exchange differences for the year	-315	0	
Balance carried over from year N-1	114 225	0	
Positive balance from year N-1 reimbursed in year N to the Commission	-114 225	0	
<b>Balance of the outturn account for the financial year</b>	<b>69 638</b>	<b>0</b>	<b>0</b>

**4.7 Reconciliation economic outturn – budget outturn 2021**

	<b>2021</b>	<b>2020</b>
<b>Economic result (+ for surplus and - for deficit) of the consolidation reporting package</b>	<b>118,709</b>	<b>1,075,365</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)	-846,141	-1,689,888
Adjustments for Accrual Cut-off (cut- off 31.12.N )	1,024,956	1,788,466
Amount from liaison account with Commission booked in the economic revenue	0	0
Unpaid invoices at year end but booked in charges (class 6)	0	29,939
Depreciation of intangible and tangible assets (1)	1,175,782	1,265,216
Provisions (1)	0	0
Value reductions (1)	7,800	0
Recovery Orders issued in 2021 in class 7 and not yet cashed	-873,746	-256,885
Prefinancing given in previous year and cleared in the year	0	0
Prefinancing received in previous year and cleared in the year	-262,837	-244,893
Payments made from carry over of payment appropriations	3,059,103	2,039,988
Other *)	-1,110,797	-962,268
<b>Ajustment for budgetary items (item included in the budgetary result but not in the economic result)</b>		
Asset acquisitions (less unpaid amounts)	-243,742	-416,485
New pre-financing paid in the year 2020 and remaining open as at 31.12.2020	0	0
New pre-financing received in the year 2020 and remaining open as at. 31.12.2020	620,038	537,920
Budgetary recovery orders issued before 2020 and cashed in the year	256,885	153,469
Budgetary recovery orders issued in 2019 on balance sheet accounts (not 7 or 6 accounts) and cashed	0	0
Capital payments on financial leasing (they are budgetary payments but not in the economic result)	0	0
Payment appropriations carried over to 2021	-3,894,958	-4,097,691
Cancellation of unused carried over payment appropriations from previous year	30,110	106,232
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	1,008,478	785,738
Payments for pensions ( they are budgetary payments but booked against provisions)	0	0
Paiements for stocks of leave and supplementary hours ( they are budgetary payments but booked against provisions)	0	0
Other **)	0	0
<b>Budget outturn for the year</b>	<b>69,638</b>	<b>114,225</b>

**4.8 Annex to the Budget Accounts****4.8.1 Establishment plan 2021**

<i>Function group and grade</i>	<b>2021</b>			
	<i>Authorised under the EU Budget</i>		<i>Filled as at 31/12/2021</i>	
	<i>Permanent posts</i>	<i>Temporary Posts</i>	<i>Permanent posts</i>	<i>Temporary Posts</i>
AD16		0		0
AD15		1		0
AD14		0		1
AD13		0		0
AD12		4		1
AD11		10		6
AD10		19		22
AD9		29		19
AD8		21		25
AD7		15		14
AD6		17		24
AD5		0		2
<b>Total AD</b>		<b>116</b>		<b>114</b>
AST11		0		0
AST10		0		0
AST9		2		2
AST8		5		2
AST7		5		3
AST6		6		6
AST5		8		5
AST4		9		10
AST3		0		6
AST2		0		0
AST1		0		0
<b>Total AST</b>		<b>35</b>		<b>34</b>
<b>GRAND TOTAL</b>		<b>151</b>		<b>148</b>