

Making the railway system
work better for society.

Final accounts of the European Union Agency for Railways Financial Year 2022

Financial Statements *Reports on the Implementation of the Budget*

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<i>Date</i>	03/05/2023	10/05/2023	10/05/2023
<i>Signature</i>			

Contents

1.	Certificate.....	4
2.	Presentation of the organisation	5
	Introduction.....	5
	Legal status and principal office	5
	Governing structure	5
	Further information sources	5
3.	Part I – Financial Statements	6
3.1	Balance sheet	6
3.2	Statement of Financial Performance	8
3.3	Statement of changes in net assets	9
3.4	Cash flow statement	10
3.5	Notes to the financial statements.....	11
3.5.1	Accounting policies	11
3.5.1.1	General.....	11
3.5.1.2	Balance sheet	13
3.5.1.3	Statement of financial performance.....	15
3.5.1.4	Contingent assets and liabilities.....	15
3.5.2	Notes to the balance sheet	16
3.5.2.1	Intangible assets.....	16
3.5.2.2	Property plant and equipment.....	18
3.5.2.3	Non-current receivables	19
3.5.2.4	Exchange receivables & recoverables.....	19
3.5.2.5	Non - exchange receivables & recoverables	19
3.5.2.6	Cash and cash equivalents	20
3.5.2.7	Net assets.....	20
3.5.2.8	Provisions	20
3.5.2.9	Accounts Payable	20
3.5.2.10	Accrued charges and deferred income	20
3.5.3	Notes to the statement of financial performance	22
3.5.3.1	Operating revenue	22
3.5.3.2	Administrative expenses	23
3.5.3.3	Operational expenses	24
3.5.4	Other information	24
3.5.4.1	SUMMA (new financial system).....	24
3.5.4.2	Contingent Assets and Contingent Liabilities.....	25
3.5.4.3	Operating leases.....	25
3.5.4.4	Commitments for future funding.....	25
3.5.4.5	Related Party disclosure.....	26
3.5.4.6	Brexit	26
3.5.4.7	Financial instruments.....	26

3.5.4.8	Liquidity risk	26
3.5.4.9	Credit risk	27
3.5.4.10	Interest rate risk.....	27
3.5.4.11	Foreign currency risk.....	27
3.5.4.12	Fair value	28
3.5.4.13	Events after the balance sheet date	28
4.	Part II – Report on the implementation of the budget of the European Union Agency for Railways.....	29
4.1	<i>Budgetary structure and principles</i>	29
4.2	<i>Budget implementation 2022</i>	31
4.3	<i>Budget implementation – Appropriations carried over 2021/2022</i>	36
4.4	<i>2021 Budget transfers/Amendments</i>	37
4.5	<i>Appropriations carried over 2022/2023 VOB</i> U	39
4.6	<i>Budget outturn 2022</i>	40
4.7	<i>Reconciliation economic outturn – budget outturn 2022</i>	42
4.8	<i>Annex to the Budget Accounts</i>	43
4.8.1	Establishment plan 2022.....	43

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')¹ and I hereby certify that the annual accounts of ERA for the year 2022 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

¹ 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 Board 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 and in its annual report.

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

	<i>Note</i>	<i>31/12/2022</i>	<i>31/12/2021</i>
A. NON CURRENT ASSETS			
Intangible assets	3.5.2.1	1 569 404	2 467 647
Property plant and equipment	3.5.2.2	383 491	380 551
Land and buildings		44 243	49 733
Plant and equipment		377	515
Computer hardware		294 739	257 040
Furniture and vehicles		31 268	42 008
Other fixtures and fittings		12 864	31 255
Non-current receivables	3.5.2.3	31 898	31 898
TOTAL NON-CURRENT ASSETS		1 984 793	2 880 096
B. CURRENT ASSETS			
Pre-financing		0	0
Pre-financing with consolidated entities		0	0
Exchange receivables and recoverables	3.5.2.4	5 926 631	3 576 583
Current receivables		947 601	854 396
Sundry receivables		62 707	37 227
Current receivables with consolidated entities		205 482	0
Accrued income with consolidated entities		0	0
Accrued fee income		4 376 469	2 095 315
Accrued income (other)		13 666	0
Deferred charges		320 706	589 645
Non - exchange receivables and recoverables	3.5.2.5	116 292	124 940
Current receivables Member States		116 292	124 940
Other receivables			0
Cash and cash equivalents	3.5.2.6	3 516 447	3 169 907
TOTAL CURRENT ASSETS		9 559 370	6 871 430
TOTAL ASSETS		11 544 164	9 751 527

	<i>Note</i>	<i>31/12/2022</i>	<i>31/12/2021</i>
A. NET ASSETS	3.5.2.7	8 705 622	7 580 118
Accumulated surplus/deficit		7 580 118	7 461 409
Economic result of the year-profit+/loss-		1 125 504	118 709
B. NON CURRENT LIABILITIES		0	0
Pension and other employee benefits		0	0
Provisions for risks and liabilities		0	0
TOTAL NON-CURRENT LIABILITIES (A+B)		8 705 622	7 580 118
C. CURRENT LIABILITIES		2 838 542	2 171 408
Provisions for risks and liabilities	3.5.2.8	0	0
Accounts payable	3.5.2.9	488 718	807 508
Current payables		0	0
Sundry payables		92 067	0
Accounts payable with consolidated EC entities		396 651	807 508
..... <i>Prefinancing received from consolidated EC entities</i>		396 651	807 508
..... <i>Other accounts payable against consolidated EC entities</i>		0	0
Accrued charges and deferred income	3.5.2.10	2 349 824	1 363 901
Accrued charges		2 340 668	1 363 901
Deferred income		0	0
Other passive accruals & deferrals		0	0
Deferrals and accruals with consolidated EC entities		9 156	0
TOTAL CURRENT LIABILITIES		2 838 542	2 171 408
TOTAL LIABILITIES		11 544 164	9 751 527

3.2 Statement of Financial Performance

<i>STATEMENT OF FINANCIAL PERFORMANCE</i>	<i>Note</i>	<i>31/12/2022</i>	<i>31/12/2021</i>
Subsidy received	3.5.3.1	27 523 814	27 948 359
Title 1&2		23 348 444	22 919 909
Title 3		3 586 701	4 835 250
Part of Phare Funds subsidy used in current year		186 293	68 976
Part of EUMEDRAIL pre-financing used in current year		306 118	193 862
Part of System Pilar agreement used in current year		178 080	0
To be reimbursed (Budget outturn)		-81 821	-69 638
Revenue from adjustment/provisions		0	0
NON-EXCHANGE REVENUES	3.5.3.1	27 523 814	27 948 359
Fee income		9 850 423	5 936 230
Fixed Assets related income		0	1 693
Exchange rate differences gains		1 667	73
Bank interest		14 266	529
Income from other exchange operations (3rd parties)		34 111	90 305
Income from consolidated EU entities		422	24 023
EXCHANGE REVENUES	3.5.3.1	9 900 889	6 052 853
TOTAL REVENUES		37 424 702	34 001 212
Operational expenses	3.5.3.3	5 639 179	6 130 557
Staff and Pension costs	3.5.3.2	25 095 408	23 247 444
Finance costs		4 517	4 372
Other expenses		5 560 095	4 500 129
Property plant and equipment related expenses	3.5.3.2	2 397 047	2 236 384
Other Administrative Expenses	3.5.3.2	3 160 528	2 263 359
Exchange rate differences losses		2 520	387
TOTAL EXPENSES		36 299 198	33 882 503
SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES		1 125 504	118 709
ECONOMIC RESULT OF THE YEAR		1 125 504	118 709

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>			
Balance as of 31 December 2021	0	0	7 461 409	118 709	7 580 118
Changes in accounting policies	0	0	0	0	0
Balance as of 1 January 2022 (if restated)	0	0	7 461 409	118 709	7 580 118
Allocation of the Economic Result of Previous Year	0	0	118 709	-118 709	0
Economic result of the year	0	0	0	1 125 504	1 125 504
Balance as of 31 December 2022	0	0	7 580 118	1 125 504	8 705 622

3.4 Cash flow statement

	2022	2021
Cash Flows from ordinary activities		
Economic result of the year	1 125 504	118 709
Operating activities		
Amortization (intangible fixed assets) +	925 134	918 211
Depreciation (tangible fixed assets) +	159 865	257 570
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	0
(Increase)/decrease in Long term Receivables	0	0
(Increase)/decrease in Short term Receivables	-2 350 047	-1 678 981
(Increase)/decrease in Receivables related to consolidated EC entities	8 648	128 074
Increase/(decrease) in Other Long term liabilities	0	0
Increase/(decrease) in Accounts payable	1 077 990	-355 207
Increase/(decrease) in Liabilities related to consolidated EC entities	-410 856	216 742
(Gains)/losses on sale of Property plant and equipment	0	0
Extraordinary items	0	0
Net cash Flow from operating activities	536 236	-394 882
Cash Flows from investing activities		
Purchase of tangible and intangible fixed assets (-)	-189 696	-245 435
Proceeds from tangible and intangible fixed assets (+)	0	1 693
Net cash flow from investing activities	-189 696	-243 742
Net increase/(decrease) in cash and cash equivalents	346 541	-638 624
Cash and cash equivalents at the beginning of the period	3 169 907	3 808 531
Cash and cash equivalents at the end of the period	3 516 447	3 169 907

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 registration of the assets is done directly in ERA's accounting system at the moment of the reception of the goods.

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>
Intangible assets	
Software	20-25%
Property plant and equipment	
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>
Gross carrying amounts at 01.01.2022	+	6 569 199	295 714	0	0	6 864 913
Additions	+	0	26 891	0	0	26 891
Disposals	-	0	0	0	0	0
Transfer between headings	+/-	0	0	0	0	0
Other changes	+/-	0	0	0	0	0
Gross carrying amounts 31.12.2022		6 569 199	322 605	0	0	6 891 804
Accumulated amortization and impairment 01.01.2022	-	-4 105 065	-292 201	0	0	-4 397 266
Amortization	-	-918 821	-6 313	0	0	-925 134
Write-back of amortization	+	0	0	0	0	0
Disposals	-	0	0	0	0	0
Transfer between headings	+/-	0	0	0	0	0
Other changes	+/-	0	0	0	0	0
Accumulated amortization and impairment 31.12.2022		-5 023 886	-298 514	0	0	-5 322 400
Net carrying amounts 31.12.2022		1 545 314	24 091	0	0	1 569 404

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 ²	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 ³	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 MS's 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
		TOTAL	6 569 199	

² This system is used only by ERA staff in a controlled environment.

³ With the view to make ERA's data interoperable (from different IT systems), the RINF system is being enhanced to use a Knowledge graph and within it, more datasets will be progressively added from 2023. An SLA has been signed with DIGIT, who is also hosting the system.

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>
Gross carrying amounts at 01.01.2022	+	58 161	30 937	3 899 909	259 565	460 253	4 708 825
Additions	+	0	0	162 805	0	0	162 805
Disposals	-	0	0	0	0	0	0
Transfer between headings	-	0	0	0	0	0	0
Other changes	+/-	0	0	0	0	0	0
Gross carrying amounts at 31.12.2022		58 161	30 937	4 062 714	259 565	460 253	4 871 630
Accumulated amortization and impairment at 01.01.2022	-	-8 428	-30 422	-3 642 869	-217 557	-428 998	-4 328 274
Depreciation	-	-5 490	-138	-125 106	-10 740	-18 391	-159 865
Disposals	+	0	0	0	0	0	0
Impairment	-	0	0	0	0	0	0
Transfer between headings	-	0	0	0	0	0	0
Other changes	+/-	0	0	0	0	0	0
Accumulated amortization and impairment at 31.12.2022		-13 918	-30 560	-3 767 976	-228 297	-447 388	-4 488 139
Provision for unused fixed assets	-	0	0	0	0	0	0
Net carrying amounts at 31.12.2022		44 243	377	294 739	31 268	12 864	383 491

In the course of 2022 the Agency acquired new IT equipment (new laptops for an amount of € 23 457 and other IT equipment for € 1 976) and replaced some server material equipment for an amount of € 137 372.

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

	31/12/2022	31/12/2021
Exchange receivables and recoverables	5 926 631	3 576 583
Current receivables	947 601	854 396
Sundry receivables	62 707	37 227
Current receivables with consolidated entities	205 482	0
Deferred charges	320 706	589 645
Accrued fee income	4 376 469	2 095 315
Accrued income (other)	13 666	0
Accrued income exchange with consolidated entities	0	0

- › The current receivables amount of € 947 601 are primarily the outstanding receivables from fee-related activities. The only non-fee outstanding amount is the recovery of liquidated damages from an IT-supplier for € 14 650.
- › The sundry receivables amount includes primarily undue salary payments to be recovered from staff members for € 62 707.
- › The current receivables of € 205 482 relate to an advance payment made to the Commission for the delivery of IT-services.
- › The deferred charges amounting to € 320 706 relate to the deferral of mainly IT-license costs covering 2023.
- › The accrued fee income of € 4 376 469 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 2022 as compared to 2021, the fact that a significant number of decisions were taken in December 2022 and therefore could only be invoiced in January 2023 (around 1,3 MEUR invoiced by the end of January relating to 2022 applications) and the increase of the hourly rate in 2022 (239 EUR in 2022 as compared to 130 EUR in 2021).
- › The accrued other income of € 13 666 relates to an accrual for the bank interest of € 4 343 for December 2022 received in January 2023 and an accrual for € 9 323 for liquidated damages for IT-services not yet received at the end of 2022.

3.5.2.5 Non - exchange receivables & recoverables

	31/12/2022	31/12/2021
Non - exchange receivables and recoverables	116 292	124 940
Current receivables Member States	116 292	124 940

The current receivable gross amount relates to VAT to be recovered from the French (€ 116 292) authorities. ERA pays the invoices from local suppliers and EU suppliers (for the e-deliveries since 01.01.2015) with French VAT and claims the VAT refund from the Host State on a quarterly basis.

3.5.2.6 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>31/12/2022</i>	<i>31/12/2021</i>	<i>% change</i>
ING Bank (main account)	3 157 251	2 529 183	25%
ING Bank (fees and charges)	308 519	239 194	29%
Credit Agricole (main account)	49 675	400 530	-88%
Credit Agricole (deposit account)	1 002	1 000	0%
TOTAL	3 516 447	3 169 907	11%

3.5.2.7 Net assets

The equity of the Agency amounts to € 8 705 622 of which:

- › € 7 580 118 are the accumulated surplus from previous years;
- › € 1 125 504 is the economic outturn of 2022;

3.5.2.8 Provisions

No short term provision for outstanding salary payments has been made in 2022 since the yearly salary adjustment was paid out in December 2022.

3.5.2.9 Accounts Payable

The main part of the total accounts payable as per 31.12.2022 relates to:

- › Accounts payable with consolidated entities for a total amount of € 396 651 representing the budget outturn of 2022 to be reimbursed to the Commission (€ 81 821), the unconsumed part (€ 74 482) of the EUMEDRAIL pre-financing amount, the unconsumed part (€ 168 428) 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 € 71 920.
- › An incoming payment received from an applicant for € 90 794 that could not be allocated to any invoice issued to that applicant.

3.5.2.10 Accrued charges and deferred income

Accrued charges for a total amount of € 2 340 668 can be decomposed in an accrual for untaken holidays amounting to € 807 961, € 950 708 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 € 581 999.

The table below shows the level of accrued expenses for 2022 and 2021 and its evolution in general and per type of appropriation.

<i>Accrued expenses</i>	<i>31/12/2022</i>	<i>31/12/2021</i>	<i>% change</i>
Accrued expenses	2 340 668	1 363 900	72%
Accrued expenses based on carry-over analysis	581 999	229 753	153%
Accrued costs F&C	950 708	335 492	183%
Accrual for untaken holidays	807 961	798 655	1%

<i>Accrued expenses based on carry-over analysis</i>	<i>31/12/2022</i>	<i>31/12/2021</i>	<i>% change</i>
Title 1 – Staff	26 862	69 254	-61%
Title 2 – Buildings equipment and miscellaneous expenditure	69 762	48 757	43%
Title 3 – Operational expenditure	276 763	111 742	148%
Title 4 – Operational expenditure	166 276	0	n/a
Title 5 – Operational expenditure	42 337	0	n/a
Total	581 999	229 753	153%

Globally there is a significant increase in the total amount of accrued expenses as compared to 2021 which can mainly be explained by an increase in the accrued expenses based upon carry-over analysis and an increase of the accrued costs for services provided by relevant national authorities in relation to fee-related activities. The latter is in line with the increase in the amount of accrued revenue for fee-related activities. The increase of the accrued expenses based on carry-over analysis relates to the fact that while services were performed in the last quarter of 2022, the invoice was only registered and received in 2023.

<i>Accrual for untaken holidays</i>	<i>31/12/2022</i>	<i>31/12/2021</i>	<i>% change</i>
Number of days not taken	2 158	2 212	-2%
Accrued amount	807 961	798 655	1%

The table above shows that, despite the number of increase in the number of staff, the total number of holiday days not taken has remained stable as compared to 2021.

3.5.3 Notes to the statement of financial performance

3.5.3.1 Operating revenue

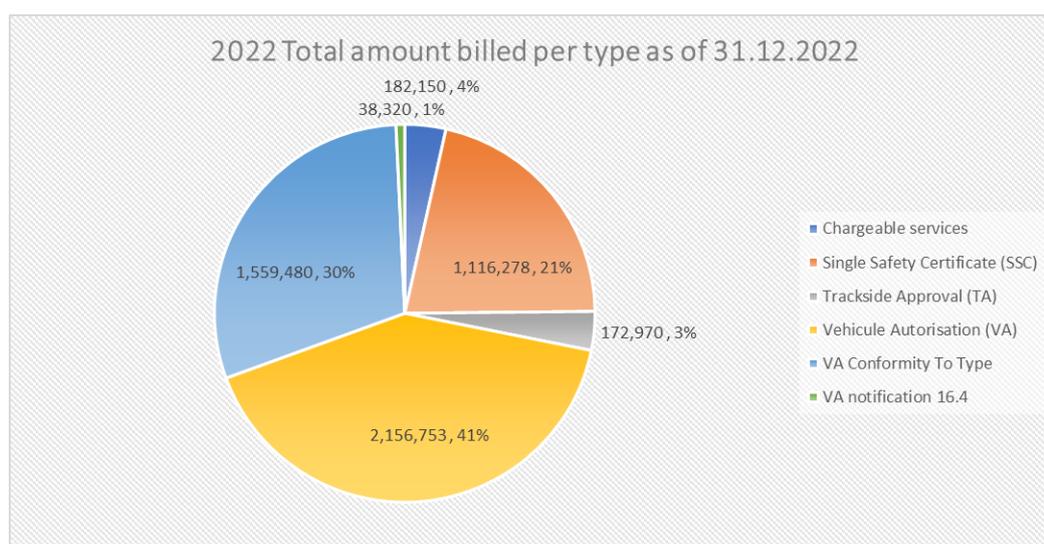
The operating revenue of the Agency in 2022 is mainly made up of the EC subsidy received for a total amount of € 26 935 144 including the budget outturn of € 81 821 to be reimbursed in 2023. In addition the Agency has had a full year of fee-related activities in 2022 resulting in a total invoiced amount of € 7 569 269⁴ and an accrued amount of € 2 187 232.

In addition to the EU subsidy the Agency receives funds to manage specific projects mostly in the areas of international cooperation (€ 247 451 received in 2022) and research. In 2022 ERA managed 3 projects through delegation agreements concluded with DG NEAR (2) and DG MOVE (1).

	<i>with non-consolidated entities</i>	<i>with consolidated entities</i>	<i>Total</i>
Revenue from non-exchange transactions	0	27 523 813	27 523 813
Revenue from exchange transactions	9 900 467	422	9 900 889
TOTAL	9 900 467	27 524 235	37 424 702

Below you can find an overview of the total invoiced amount per application type and source of revenue.

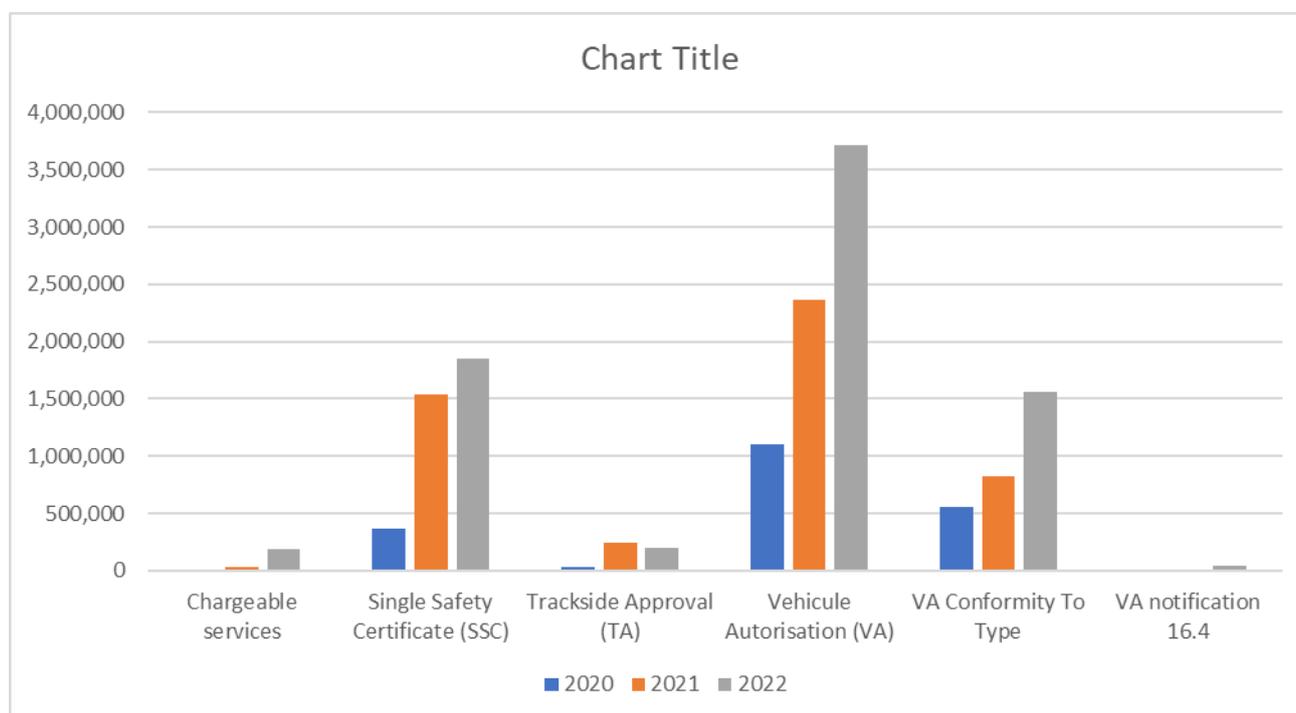
Application type	ERA costs	PoE costs	NSA costs	OSS Fee	TOTAL
Chargeable services	182,150			10,000	192,150
Single Safety Certificate (SSC)	1,116,278	269,364	452,696	17,403	1,855,741
Trackside Approval (TA)	172,970	27,408		800	201,178
Vehicule Autorisation (VA)	2,156,753	225,830	1,305,197	25,200	3,712,980
VA Conformity To Type	1,559,480				1,559,480
VA notification 16.4	38,320		9,420		47,740
Grand total	5,225,952	522,601	1,767,313	53,403	7,569,269



⁴ This amount includes € 1 767 313 of re-invoicing of costs charged to ERA by the NSA's for the assessment of the national part.

Below you can find an overview of the total invoiced fees per application type over the period 2020-2022.

Application type	2020	2021	2022
Chargeable services	2,080	33,638	192,150
Single Safety Certificate (SSC)	364,768	1,539,480	1,855,741
Trackside Approval (TA)	28,438	244,010	201,178
Vehicule Autorisation (VA)	1,105,069	2,366,600	3,712,980
VA Conformity To Type	561,886	826,139	1,559,480
VA notification 16.4	2,600	2,860	47,740
TOTAL	2,064,841	5,012,727	7,569,269



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.

	31/12/2022	31/12/2021	% change
Administrative expenses	30 652 983	27 747 186	10%
Staff expenses	25 095 408	23 247 444	8%
Property plant and equipment related expenses	2 397 047	2 236 384	7%
- Fixed assets related expenses (depreciation)	1 084 998	1 175 782	-8%
- Land and buildings	1 312 048	1 060 602	24%
Other administrative expenses	3 160 528	2 263 359	40%
- Other administrative expenses	1 430 310	342 872	317%
- Expenses with consolidated entities	1 730 218	1 920 487	-10%

As compared to 2021 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 4.6% for 2022 and a significant increase in other administrative expenses. The latter increase is mainly due to an increase of the IT-expenses relating to the maintenance and/or evolutive maintenance of existing IT-systems and IT-expenses incurred for improving the IT-security system of the Agency.

3.5.3.3 Operational expenses

These include expenses related to the operational activities of the Agency. They show a decrease of 8% as compared to last year.

	31/12/2022	31/12/2021	% change
Operational expenses	5 639 179	6 130 557	-8%
Missions/reimbursements of experts	350 848	190 707	84%
IT-systems to support operations	1 836 987	2 576 823	-29%
Information & communication	424 416	401 972	6%
Other	86 957	2 383	3549%
Losses on realisation of trade debtors	0	1 560	-100%
Quality Management	0	3 450	-100%
Translations/interpretations	93 388	0	n/a
Fees and charges	2 846 583	2 953 662	-4%

The decrease of 8% is mainly due to a decrease of 29% in the IT-expenses to support the operations since most of the IT-expenses incurred in 2022 were mainly done on administrative IT-systems.

3.5.4 Other information

3.5.4.1 SUMMA (new financial system)

In 2022, ERA has migrated to the new budgetary, accounting and financial system, SUMMA, as one of the first three pilot agencies. The SUMMA programme is the European Commission initiative to replace ABAC (the current central accounting, budgetary and treasury system) with a modernised finance system based on commercial off-the-shelf ERP software, notably SAP S/4HANA. The system is owned by the European Commission and managed by the Directorate General for Budget (DG BUDG). Its governance is organized in different levels and includes the following Boards:

- Supervisory Board
- Steering Committee
- Management Board
- Solution Progress Board

In October 2022, DG BUDG started an assurance exercise on the approval process for the go-live of SUMMA in the three pilot agencies. This exercise will be finalized in the second quarter of 2023. While the SUMMA system was not validated by the Commission, the assurance exercise provides a quality assessment of the system and assurance by the Accounting Officer of the European Commission as the project owner.

The accounting officer of ERA has finalized its own validation of the system at the end of February 2023, hereby relying upon the work done by the European Commission.

SUMMA has been put into production as from 01.01.2022 although at that moment not all legacy data had been migrated and some functionalities had not yet been fully developed. The impact of this on the agency's operations has been twofold:

(1) Revenue

The agency has only been in a position to issue his first invoices by the end of January, which has caused a delay of 1 month in the cashing of its revenues.

(2) Expenditure

The agency has only been in a position to pay his first invoices by the end of January, which has caused a payment delay of 1 month. Fortunately this has not led to any late payment interestst to be paid and has had no impact on the overall payment execution at year-end.

3.5.4.2 *Contingent Assets and Contingent Liabilities*

At the beginning of 2022 ESMA, together with EBA, EIOPA and ERA, published a contract notice for the open call for tenders (PROC/2021/12), for the signature of multiple framework contracts for the provision of various IT systems related services.

On 23 January 2023, ESMA was formally notified of the application in Case T-750/22, "UniSystems Luxembourg et Unisystems systimata pliroforikis v ESMA" lodged in front of the EU General Court (GC) in relation to the outcome of joint procurement procedure ref. PROC/2021/12, for which ESMA was the leading entity.

On 25th of January 2023 the Executive Director of ESMA informed ERA Executive's Director about this case.

Although that the case has been opened against ESMA it is worthwhile to mention that ERA has already started using the FWC and has already signed specific contracts with the 1st and 3rd awarded contractor. This being said, to date ERA is not aware that it has: (i) been made a party to the proceedings; or (ii) received any application for interim measures filed by the applicant. Indeed, ERA is not even aware of any request for it to be an intervenor in the proceedings. It is not possible, at this stage, to make a reliable estimate of any potential costs ERA might incur..

3.5.4.3 *Operating leases*

Assets subject to an operating lease are regarded as rentals.

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

3.5.4.4 *Commitments for future funding*

At 31 December 2022 the budgetary RAL totalled € 1 878 771⁵. 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 2022 statement of financial performance giving a total of € 1 296 772.

⁵ RAL related to chapter 40 has been excluded.

3.5.4.5 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

3.5.4.6 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 2022 consolidated EU annual accounts.

3.5.4.7 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:

	<i>31/12/2022</i>	<i>31/12/2021</i>
Exchange receivables and recoverables	5 432 341	2 998 044
Non - exchange receivables and recoverables	116 292	124 940
Cash and cash equivalents	3 516 447	3 169 907
Total monetary assets	9 065 081	6 292 892
Accounts payable	488 718	807 508
Total monetary liabilities	488 718	807 508
Total net financial instruments	8 576 363	5 485 385

3.5.4.8 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.

3.5.4.9 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.

3.5.4.10 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.

3.5.4.11 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.

3.5.4.12 Fair value

The estimated fair values of all financial instruments of ERA are equal/approximate to their book values as at 31 Dec 2022 and 31 Dec 2021. All financial assets and liabilities are receivable or repayable on demand or within one year.

3.5.4.13 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 both non-differentiated and differentiated appropriations. Non-differentiated appropriations are used to finance operations of an annual nature (which comply with the principle of annuality), whilst differentiated appropriations are used to finance operations of a multi-annual nature.

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.

Title 4 covers all the expenses corresponding to fees and charges payable to the Agency. The latter are established by Regulation (EU) 2018/764 as amended by Regulation (EU) 2021/1903. For applications submitted before 23 November 2021, calculation of fees and charges based on Article 3 of Regulation (EU) 2018/764 as published in OJ L 129, 25.5.2018, has applied.

The amount of the available commitment appropriations is based upon a forecast of revenue which is made for each single application, with the exception for the VA CTT applications, for which a global forecast or revenue is made. The amounts in the table above include both the (de)commitments and payments made on current year's commitment appropriations as on last year's commitment appropriations.

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 2022

<i>Fund Source : VOBU 2022 (2022 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	21 547 140	21 547 140	100%	0	21 530 782	99%
12	Expenditure relating to staff recruitment and Employer's pension contributions	75 559	75 559	100%	0	39 541	52%
13	Mission expenses	10 000	10 000	100%	0	7 281	73%
14	Socio-medical infrastructure	30 456	30 456	100%	0	0	0%
15	Training	140 887	140 886	100%	1	79 509	56%
16	External services	146 096	146 096	100%	0	122 458	83%
18	Social welfare	16 577	16 577	100%	0	16 577	100%
	Title I	21 966 715	21 966 714	100%	1	21 796 148	99%
20	Rental of buildings and associated costs	1 123 938	1 123 938	100%	0	973 940	87%
21	Information, communication technology and data processing	656 606	656 606	100%	0	517 810	79%
22	Movable property and associated costs	29 116	29 116	100%	0	6 623	23%
23	Current administrative expenditure	3 428	3 428	100%	0	3 428	100%
24	Postage / telecommunications	43 691	43 691	100%	0	43 368	99%
27	Information and publishing	5 658	5 658	100%	0	5 658	100%
	Title II	1 862 438	1 862 437	100%	1	1 549 826	83%
30	Operational expenditure - Strategic Statements	1 941 491	1 928 921	99%	12 570	1 368 922	70%

31	Operational expenditures	1 164 501	1 164 501	100%	0	865 344	74%
	Title III	3 105 992	3 093 422	99%	12 570	2 939 558	70%
	Total Budget	26 935 144	26 922 572	100%	12 572	25 580 241	95%

<i>Fund Source : IAR2/2 2022 (2022 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>
13	Mission expenses	422	0	0%	422	0	0%
	Title I	422	0	0%	422	0	0%
20	Rental of buildings and associated costs	9 737	4 659	48%	5 078	0	0%
	Title II	9 737	4 659	48%	5 078	0	0%
31	Other operational expenditure	224	0	0%	224	0	0%
	Title III	224	0	0%	224	0	0%
	Total Budget	10 383	4 659	45%	5 724	0	0%

<i>Fund Source : IAR2/2 2021 (2022 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>
21	Information, communication technology and data processing	58 545	58 545	100%	0	34 631	59%
24	Postage / telecommunications	58	58	100%	0	58	100%
	Title II	58 603	58 603	100%	0	34 689	59%
	Total Budget	58 603	58 603	100%	0	34 689	59%

<i>Fund Source : EARN/N 2022 (2022-R0) – Fees and charges</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>
40	Operational expenditure ⁶	2 168 856	1 947 848	90%	221 008	15 972 ⁷	1%
41	Staff expenditure	3 898 890	3 495 284	91%	403 606	3,495,284	90%
42	Administrative expenditure	165 599	108 549	99%	57 050	73,098	44%
43	Operational expenditure - Strategic Statements (cost of services NSA and Pool of experts)	2,878,484	2,290,510	80%	587 974	2 625 489 ⁸	91%
43	Operational expenditure - Strategic Statements (other)	1 355 830	886 923	65%	468 906	622 038	46%
46	Other operational expenditure	240 000	240 000	100%	0	171,708	72%
	Title IV	10 707 659	8 969 114	84%	1 738 545	7 003 588	65%
	Total Budget	10 707 659	8 969 114	84%	1 738 545	7 003 588	65%

⁶ The commitment appropriations in this chapter are recorded following the validation of a forecast of revenue and should therefore represent an estimate of the amount to be received for applications not yet invoiced.

⁷ The paid amount should in principle be equal to zero since payment credits are transferred after cashing to the other chapters within title 4. The amount of 16 KEUR represents mission costs of ERA staff which actually should have been registered within chapter 41.

⁸ The fact that the total paid amount is higher than the total committed amount can be explained by a transfer from payment credits received to cover ERA costs to payment credits to be used to pay NSA costs.

<i>Fund Source : EARN/N 2022 (2022-R0) – Grant, contribution and service-level agreements</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>
50	IPA and Western Balkans	366 769	210 099	57%	156 670	173 354	47%
50	EUMEDRAIL	380 600	380 600	100%	0	276 719	73%
50	Railway System Pillar	250 000	250 000	100%	0	178 080	71%
	Title V	997 369	840 699	84%	156 670	628 153	63%
	Total Budget	997 369	840 699	84%	156 670	628 153	63%

For the 2022 budget, a detailed budget structure for the expenditure related to Title 4 Fees and charges (F&C) was implemented, to ensure a clear traceability of the types of expenditure linked to Fees and charges (F&C) and their respective amounts, mirroring the methodology for the Implementing Regulation on fees and charges currently in force.

The structure of T4 therefore covers:

- Chapter 41: The human resources related costs (salaries corresponding to the FTEs working on F&C and other supporting costs calculated on a pro rata basis)
- Chapter 42: Pro rata costs for IT and FM
- Chapter 43 & 46: Operational costs directly linked to the F&C.

Based on this structure and methodology of calculation, some of the Agency's projects were partially funded under T1 / T2 / T3 and partially funded under T4. The breakdown of amounts per type of expenditure under T4 was included in the budget 2022 adopted by the Management Board in November 2021 ([MB Decision 273/2021](#)). This was further updated through an amending budget, adopted by the Agency's Management Board on 24/11/2022 ([DECISION n° 305 of the Management Board of the European Union Agency for Railways amending Decision n° 273 of the Management Board of the European Union Agency for Railways adopting the budget and establishment plan 2022 | European Union Agency for Railways \(europa.eu\)](#)). This envisaged structure provides for an equivalency of commitment items under EU contribution and Fees and Charges (F&C). This means that T1 commitment items will have a F&C counterpart under T4.1 (and by analogy, the same applies to T2 > T4.2 and T3 > T4.3). An exception from this are the commitment items related to NSA & PoE costs under Chapter 40, which have no counterpart under the other titles.

The inscription of the gradually cashed amounts of F&C during the year as commitment and payment appropriations was done by means of six "regularisation" notes, taking into account the structure of the budget, as described above. Moreover, a frontload amount was placed on the Temporary Agents (TA) and Contractual Agents (CA) budget lines, respecting the proportionality factor between the two lines as per the 2023 budget.

Title V covers operational expenditures linked to three delegation agreements that the Agency has signed, IPA and EUMedRail with DG NEAR and System Pillar with DG MOVE.

4.3 Budget implementation – Appropriations carried over 2021/2022

<i>Fund Source : VOBU 2021 (2022 C8)</i>					
	<i>Chapter</i>	<i>Amount carried over 2021/2022</i>	<i>Payments made</i>	<i>Balance not paid at the end of the year 2022</i>	<i>% of Balance</i>
13	Mission expenses	244	0	244	100%
14	Socio-medical infrastructure	32 000	31 127	873	3%
15	Training and team building	27 724	21 029	6 695	24%
16	External services	84 667	80 728	3 939	5%
	Title I	144 635	132 884	1 752	5%
20	Rental of buildings and associated costs	135 405	134 506	899	1%
21	Information, communication technology and data processing	126 521	126 121	400	0%
22	Movable property and associated costs	18 621	17 801	820	0%
23	Current administrative expenditure	11 439	10 634	805	7%
24	Postage / telecommunications	87 635	87 635	0	0%
27	Information and publishing	1 908	1 908	0	0%
	Title II	381 530	378 605	2 925	0%
30	Operational Activities directly linked to the Regulation n°796/2016	160 988	150 668	10 320	6%
31	Operational expenditures	925 829	916 369	9 460	18%
	Title III	1 086 817	1 067 037	19 580	1%
43	Operational expenditure – strategic statements (other)	131 301	125 438	5 863	4%
	Title IV	131 301	125 438	5 863	4%
	Grandtotal	1 744 282	1 703 965	40 317	2%

4.4 2021 Budget transfers/Amendments

<i>Fund Source : VOBU 2022 (2022 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	20 535 500	1 011 640	0	21 547 140	21 547 140	100%
12	Expenditure relating to staff recruitment and Employer's pension contributions	147 000	- 71 442	0	75 558	75 558	100%
13	Mission expenses	10 000	0	0	10 000	10 000	100%
14	Socio-medical infrastructure	75 000	- 44 544	0	30 456	30 456	100%
15	Training	150 000	- 9 113	0	140 887	140 886	100%
16	External services	220 000	- 73 904	0	146 096	146 096	100%
17	Receptions, events and representation	3 000	- 3 000	0	0		100%
18	Social welfare	20 000	- 3 423	0	16 577	16 577	100%
	Title I	21 160 500	806 214	0	21 966 714	21 966 714	100%
20	Rental of buildings and associated costs	1 021 291	102 647	0	1 123 938	1 123 938	100%
21	Information, communication technology and data processing	976 653	- 320 047	0	656 606	656 606	100%
22	Movable property and associated costs	36 000	- 6 884	0	29 116	29 116	100%
23	Current administrative expenditure	34 000	- 30 573	0	3 428	3 428	100%
24	Postage / telecommunications	115 000	- 71 309	0	43 691	43 691	100%
27	Information and publishing	5 000	658	0	5 658	5 658	100%
	Title II	2 187 944	- 325 506	0	1 862 438	1 862 437	100%

30	Operational expenditure - Strategic Statements	2 455 538	- 514 047	0	1 941 491	1 928 921	99%
31	Operational expenditures	1 131 162	33 339	0	1 164 501	1 164 501	100%
	Title III	3 586 700	- 480 708	0	3 105 992	3 093 422	99%
	Total Budget	26 935 144	0	0	26 935 144	26 922 572	100%

4.5 Appropriations carried over 2022/2023 VOB

	<i>Chapter</i>	<i>Amount carried over 2022/2023</i>	<i>% Amount carried over 2022/2023</i>
11	Staff in active employment	16 358	0%
12	Expenditure relating to staff recruitment and Employer's pension contributions	36 018	48%
13	Mission expenses	2 719	27%
14	Socio-medical infrastructure	30 456	100%
15	Training	61 377	44%
16	External services	23 637	16%
	Title I	170 565	1%
20	Rental of buildings and associated costs	149 998	13%
21	Information, communication technology and data processing	138 796	21%
22	Movable property and associated costs	22 493	77%
23	Current administrative expenditure	1 000	29%
24	Postage / telecommunications	323	1%
	Title II	312 611	17%
30	Operational expenditure - Strategic Statements	559 998	29%
31	Operational expenditures	299 157	26%
	Title III	859 155	28%
	Total Budget	1 342 331	5%

4.6 Budget outturn 2022

	2022	2021
Revenue		
Commission subsidy DG MOVE	26 935 145	27 755 159
IPA EUMEDRAIL and System Pilar agreement funds from Commission	247 451	560 400
Fee income	7 510 584	4 381 331
Other income	10 560	138 075
Total revenue (a)	34 703 739	32 834 966
Expenditure		
Personnel expenses – Budget Title I		
Payments	21 796 148	21 356 899
Appropriations carried over to the following year	170 986	144 635
Administrative expenses – Budget Title II		
Payments	1 584 514	1 709 739
Appropriations carried over to the following year	346 263	442 170
Operational expenses – Budget Title III		
Payments	2 234 267	3 233 810
Appropriations carried over to the following year	859 380	2 030 095
Operational expenses – Budget Title IV		
Payments	7 003 588	3 608 194
Appropriations carried over to the following year	1 819 393	1 278 058
Operational expenses – Budget Title V		
Payments	628 153	0
Appropriations carried over to the following year	369 216	0
Total expenditure (b)	36 811 909	33 803 601
Outturn for the financial year (a-b)	-2 108 170	-968 635
Cancellation of unused carry-overs	40 317	30 110
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	2 150 676	1 008 478
Exchange differences for the year	-1 002	-315
Balance carried over from year N-1	69 638	114 225
Positive balance from year N-1 reimbursed in year N to the Commission	-69 638	-114 225
Balance of the outturn account for the financial year	81 821	69 638

	<i>Subsidy</i>	<i>F&C</i>	<i>IPA & EUMEDRAI L & System Pilar agreement</i>
Revenue			
Commission subsidy DG MOVE	26 935 145	0	0
IPA EUMEDRAIL and System Pilar agreement funds from Commission	0	0	247 451
Fee income	0	7 510 584	0
Other income	10 560	0	0
Total revenue (a)	26 945 704	7 510 584	247 451
Expenditure			
Personnel expenses – Budget Title I			
Payments	21 796 148	0	
Appropriations carried over to the following year	170 986	0	
Administrative expenses – Budget Title II			
Payments	1 584 514	0	
Appropriations carried over to the following year	346 263	0	
Operational expenses – Budget Title III			
Payments	2 234 267	0	628 153
Appropriations carried over to the following year	859 380	0	369 216
Operational expenses – Budget Title IV			
Payments	0	7 003 588	
Appropriations carried over to the following year	0	1 819 393	
Total expenditure (b)	26 991 558	8 822 981	997 369
Outturn for the financial year (a-b)	-45 854	-1 312 398	-749 918
Cancellation of unused carry-overs	40 317	0	
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	88 360	1 312 398	749 918
Exchange differences for the year	-1 002	0	
Balance carried over from year N-1	69 638	0	
Positive balance from year N-1 reimbursed in year N to the Commission	-69 638	0	
Balance of the outturn account for the financial year	81 821	0	0

4.7 Reconciliation economic outturn – budget outturn 2022

	2022	2021
Economic result (+ for surplus and - for deficit) of the consolidation reporting package	1 125 504	118 709
Ajustment for accrual items (items not in the budgetary result but included in the economic result)		
Adjustments for Accrual Cut-off (reversal 31.12.N-1)	-1 179 439	-846 141
Adjustments for Accrual Cut-off (cut- off 31.12.N)	1 541 863	1 024 956
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	0
Depreciation of intangible and tangible assets (1)	1 084 998	1 175 782
Provisions (1)	9 305	0
Value reductions (1)	0	7 800
Recovery Orders issued in 2021 in class 7 and not yet cashed	- 947 601	-873 746
Prefinancing given in previous year and cleared in the year	0	0
Prefinancing received in previous year and cleared in the year	-670 490	-262 837
Payments made from carry over of payment appropriations	1 703 965	3 059 103
Other *)	- 2 226 146	-1 110 797
Ajustment for budgetary items (item included in the budgetary result but not in the economic result)		
Asset acquisitions (less unpaid amounts)	-189 431	-243 742
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	329 272	620 038
Budgetary recovery orders issued before 2020 and cashed in the year	874 266	256 885
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	-3 565 238	-3 894 958
Cancellation of unused carried over payment appropriations from previous year	40 317	30 110
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	2 150 676	1 008 478
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
Budget outturn for the year	81 821	69 638

4.8 Annex to the Budget Accounts**4.8.1 Establishment plan 2022**

<i>Function group and grade</i>	2022			
	<i>Authorised under the EU Budget</i>		<i>Filled as at 31/12/2022</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		2		1
AD11		11		11
AD10		22		20
AD9		23		15
AD8		22		26
AD7		18		16
AD6		19		26
AD5		2		2
Total AD		120		118
AST11		0		0
AST10		0		0
AST9		2		1
AST8		3		3
AST7		4		4
AST6		4		4
AST5		7		6
AST4		9		11
AST3		5		3
AST2		0		0
AST1		0		0
Total AST		34		32
GRAND TOTAL		154		150