

Making the railway system
work better for society.

Final accounts of the European Union Agency for Railways Financial Year 2023

Financial Statements *Reports on the Implementation of the Budget*

| | <i>Elaborated by</i> | <i>Validated by</i> | <i>Approved by</i> |
|------------------|----------------------|---------------------|--------------------|
| <i>Name</i> | Stefan MEERT | Stefan MEERT | Josef DOPPELBAUER |
| <i>Position</i> | Accounting Officer | Accounting Officer | Executive Director |
| <i>Date</i> | 02/05/2024 | 13/05/2024 | 13/05/2024 |
| <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 | 21 |
| 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 | Migration to the next generation EU corporate financial system | 24 |
| 3.5.4.2 | Contingent Assets and Contingent Liabilities..... | 24 |
| 3.5.4.3 | Operating leases..... | 25 |
| 3.5.4.4 | Commitments for future funding..... | 25 |
| 3.5.4.5 | Related Party disclosure..... | 25 |
| 3.5.4.6 | Brexit | 25 |
| 3.5.4.7 | Financial instruments..... | 26 |

| | | |
|----------|---|----|
| 3.5.4.8 | Liquidity risk | 26 |
| 3.5.4.9 | Credit risk | 26 |
| 3.5.4.10 | Interest rate risk..... | 27 |
| 3.5.4.11 | Foreign currency risk..... | 27 |
| 3.5.4.12 | Fair value | 27 |
| 3.5.4.13 | Events after the balance sheet date | 27 |
| 4. | Part II – Report on the implementation of the budget of the European Union Agency for Railways | 28 |
| 4.1 | <i>Budgetary structure and principles</i> | 28 |
| 4.2 | <i>Budget implementation 2023</i> | 30 |
| 4.3 | <i>Budget implementation – Appropriations carried over 2022/2023</i> | 36 |
| 4.4 | <i>2023 Budget transfers/Amendments</i> | 36 |
| 4.5 | <i>Appropriations carried over 2023/2024 VOB</i> U | 37 |
| 4.6 | <i>Budget outturn 2023</i> | 38 |
| 4.7 | <i>Reconciliation economic outturn – budget outturn 2023</i> | 40 |
| 4.8 | <i>Annex to the Budget Accounts</i> | 41 |
| 4.8.1 | <i>Establishment plan 2023</i> | 41 |

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 2023 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.

120 Rue Marc Lefrancq | BP 20392 | FR-59307 Valenciennes Cedex

Tel. +33 (0)327 09 65 00 | era.europa.eu

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>31/12/2023</i> | <i>31/12/2022</i> |
|--|-------------|-------------------|-------------------|
| A. NON CURRENT ASSETS | | | |
| Intangible assets | 3.5.2.1 | 643 075 | 1 569 404 |
| Property plant and equipment | 3.5.2.2 | 257 923 | 383 491 |
| Land and buildings | | 38 987 | 44 243 |
| Plant and equipment | | 287 | 377 |
| Computer hardware | | 190 585 | 294 739 |
| Furniture and vehicles | | 24 032 | 31 268 |
| Other fixtures and fittings | | 4 032 | 12 864 |
| Non-current receivables | 3.5.2.3 | 31 898 | 31 898 |
| TOTAL NON-CURRENT ASSETS | | 932 896 | 1 984 793 |
| B. CURRENT ASSETS | | | |
| Pre-financing | | 0 | 0 |
| Pre-financing with consolidated entities | | 0 | 0 |
| Exchange receivables and recoverables | 3.5.2.4 | 6 817 067 | 5 926 631 |
| Current receivables | | 1 247 350 | 947 601 |
| Sundry receivables | | 84 381 | 62 707 |
| Current receivables with consolidated entities | | 697 864 | 205 482 |
| Accrued income with consolidated entities | | 0 | 0 |
| Accrued fee income | | 4 364 550 | 4 376 469 |
| Accrued income (other) | | 63 417 | 13 666 |
| Deferred charges | | 359 505 | 320 706 |
| Non - exchange receivables and recoverables | 3.5.2.5 | 108 862 | 116 292 |
| Current receivables Member States | | 108 862 | 116 292 |
| Other receivables | | | |
| Cash and cash equivalents | 3.5.2.6 | 5 525 669 | 3 516 447 |
| TOTAL CURRENT ASSETS | | 12 451 598 | 9 559 370 |
| TOTAL ASSETS | | 13 384 494 | 11 544 164 |

| | <i>Note</i> | <i>31/12/2023</i> | <i>31/12/2022</i> |
|--|-----------------|-------------------|-------------------|
| A. NET ASSETS | 3.5.2.7 | 10 311 780 | 8 705 622 |
| Accumulated surplus/deficit | | 8 705 622 | 7 580 118 |
| Economic result of the year-profit+/loss- | | 1 606 158 | 1 125 504 |
| 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) | | 10 311 780 | 8 705 622 |
| C. CURRENT LIABILITIES | | 3 072 714 | 2 838 542 |
| Provisions for risks and liabilities | 3.5.2.8 | 0 | 0 |
| Accounts payable | 3.5.2.9 | 1 162 195 | 488 718 |
| Current payables | | 100 000 | 0 |
| Sundry payables | | 33 947 | 92 067 |
| Accounts payable with consolidated EC entities | | 1 028 248 | 396 651 |
| <i>Prefinancing received from consolidated EC entities</i> | | 1 028 248 | 396 651 |
| <i>Other accounts payable against consolidated EC entities</i> | | 0 | 0 |
| Accrued charges and deferred income | 3.5.2.10 | 1 910 519 | 2 349 824 |
| Accrued charges | | 1 892 797 | 2 340 668 |
| Deferred income | | 0 | 0 |
| Other passive accruals & deferrals | | 0 | 0 |
| Deferrals and accruals with consolidated EC entities | | 17 722 | 9 156 |
| TOTAL CURRENT LIABILITIES | | 3 072 714 | 2 838 542 |
| TOTAL LIABILITIES | | 13 384 494 | 11 544 164 |

3.2 Statement of Financial Performance

| <i>STATEMENT OF FINANCIAL PERFORMANCE</i> | <i>Note</i> | <i>31/12/2023</i> | <i>31/12/2022</i> |
|--|----------------|-------------------|-------------------|
| Subsidy received | 3.5.3.1 | 28 877 678 | 27 523 814 |
| Title 1&2 | | 24 934 847 | 23 348 444 |
| Title 3 | | 3 284 742 | 3 586 701 |
| Part of IPA subsidy used in current year | | 168 428 | 186 293 |
| Part of EUMEDRAIL pre-financing used in current year | | 96 319 | 306 118 |
| Part of System Pilar agreement used in current year | | 277 935 | 178 080 |
| Part of ERTMS support to Greece used in current year | | 226 720 | 0 |
| To be reimbursed (Budget outturn) | | -111 313 | -81 821 |
| Revenue from adjustment/provisions | | 0 | 0 |
| NON-EXCHANGE REVENUES | 3.5.3.1 | 28 877 678 | 27 523 814 |
| Fee income | | 11 386 724 | 9 850 423 |
| Fixed Assets related income | | 0 | 0 |
| Exchange rate differences gains | | 304 | 1 667 |
| Bank interest | | 180 061 | 14 266 |
| Income from other exchange operations (3rd parties) | | 40 276 | 34 111 |
| Income from consolidated EU entities | | 0 | 422 |
| EXCHANGE REVENUES | 3.5.3.1 | 11 607 365 | 9 900 889 |
| TOTAL REVENUES | | 40 485 043 | 37 424 702 |
| Operational expenses | 3.5.3.3 | 6 426 030 | 5 639 179 |
| Staff and Pension costs | 3.5.3.2 | 27 094 938 | 25 095 408 |
| Finance costs | | 2 173 | 4 517 |
| Other expenses | | 5 355 744 | 5 560 095 |
| Property plant and equipment related expenses | 3.5.3.2 | 2 284 572 | 2 397 047 |
| Other Administrative Expenses | 3.5.3.2 | 3 066 320 | 3 160 528 |
| Exchange rate differences losses | | 4 852 | 2 520 |
| TOTAL EXPENSES | | 38 878 885 | 36 299 198 |
| SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES | | 1 606 158 | 1 125 504 |
| ECONOMIC RESULT OF THE YEAR | | 1 606 158 | 1 125 504 |

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 2022 | 0 | 0 | 7 580 118 | 1 125 504 | 8 705 622 |
| Changes in accounting policies | 0 | 0 | 0 | 0 | 0 |
| Balance as of 1 January 2023 (if restated) | 0 | 0 | 7 580 118 | 1 125 504 | 8 705 622 |
| Allocation of the Economic Result of Previous Year | 0 | 0 | 1 125 504 | - 1 125 504 | 0 |
| Economic result of the year | 0 | 0 | 0 | 1 606 158 | 1 606 158 |
| Balance as of 31 December 2023 | 0 | 0 | 8 705 622 | 1 606 158 | 10 311 780 |

3.4 Cash flow statement

| | 2023 | 2022 |
|--|------------------|------------------|
| Cash Flows from ordinary activities | | |
| Economic result of the year | 1 606 158 | 1 125 504 |
| Operating activities | | |
| Amortization (intangible fixed assets) + | 926 329 | 925 134 |
| Depreciation (tangible fixed assets) + | 145 622 | 159 865 |
| 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 | - 890 436 | -2 350 047 |
| (Increase)/decrease in Receivables related to consolidated EC entities | 7 431 | 8 648 |
| Increase/(decrease) in Other Long term liabilities | 0 | 0 |
| Increase/(decrease) in Accounts payable | - 397 425 | 1 077 990 |
| Increase/(decrease) in Liabilities related to consolidated EC entities | 631 596 | -410 856 |
| (Gains)/losses on sale of Property plant and equipment | 0 | 0 |
| Extraordinary items | 0 | 0 |
| Net cash Flow from operating activities | 2 029 275 | 536 236 |
| Cash Flows from investing activities | | |
| Purchase of tangible and intangible fixed assets (-) | - 20 053 | -189 696 |
| Proceeds from tangible and intangible fixed assets (+) | 0 | 0 |
| Net cash flow from investing activities | - 20 053 | -189 696 |
| Net increase/(decrease) in cash and cash equivalents | 2 009 222 | 346 541 |
| Cash and cash equivalents at the beginning of the period | 3 516 447 | 3 169 907 |
| Cash and cash equivalents at the end of the period | 5 525 669 | 3 516 447 |

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 01.01.2023 | + | 6 569 199 | 322 605 | 0 | 0 | 6 891 804 |
| Additions | + | 0 | 0 | 0 | 0 | 0 |
| Disposals | - | - 760 955 | 0 | 0 | 0 | - 760 955 |
| Transfer between headings | +/- | 0 | 0 | 0 | 0 | 0 |
| Other changes | +/- | 0 | 0 | 0 | 0 | 0 |
| Gross carrying amounts 31.12.2023 | | 5 808 244 | 322 605 | 0 | 0 | 6 130 849 |
| Accumulated amortization and impairment 01.01.2023 | - | -5 023 886 | -298 514 | 0 | 0 | -5 322 400 |
| Amortization | - | - 919 606 | - 6 723 | 0 | 0 | - 926 329 |
| Write-back of amortization | + | 0 | 0 | 0 | 0 | 0 |
| Disposals | - | 760 955 | 0 | 0 | 0 | 760 955 |
| Transfer between headings | +/- | 0 | 0 | 0 | 0 | 0 |
| Other changes | +/- | 0 | 0 | 0 | 0 | 0 |
| Accumulated amortization and impairment 31.12.2023 | | -5 182 537 | -305 237 | 0 | 0 | -5 487 774 |
| Net carrying amounts 31.12.2023 | | 625 707 | 17 368 | 0 | 0 | 643 075 |

The following internally developed IT systems have been disposed since not used anymore: MOSS2010 (migration to Sharepoint online), NSA XA and ERAIL.

When it comes to software as a service, cloud computing arrangements entered into by ERA do not contain leases nor an intangible assets. In these arrangements, the right to access the underlying software is a service contract and ERA expenses the fees paid for the cloud computing arrangement as the service is provided.

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 |
| 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 |
| RINF ² | 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 | 5 808 244 | |

In addition to the systems listed above the Agency maintains the following systems:

- EVR (successor of ECVVR): a web-based tool used by Keepers to submit applications for vehicle registration and by Registration Entities (REs) to manage the allocation of vehicle numbers and to record vehicle registrations and their updates.
- SAIT: a secure workspace which grants registered users the ability to share information quickly about safety risks relating to defects of technical equipment between the European railway actors.

Both systems have not been capitalized since they either did not reach the threshold for capitalization (SAIT) or were initially developed before the entry into force of accounting rule n° 6 on internally developed intangible assets (ECCVR which has EVR in an enhanced version).

² 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 01.01.2023 | + | 58 161 | 30 937 | 4 062 714 | 259 565 | 460 253 | 4 871 630 |
| Additions | + | 0 | 0 | 17 410 | 2 643 | 0 | 20 053 |
| 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 31.12.2023 | | 58 161 | 30 937 | 4 080 125 | 262 208 | 460 253 | 4 891 683 |
| Accumulated amortization and impairment at 01.01.2023 | - | -13 918 | -30 560 | -3 767 976 | -228 297 | -447 388 | -4 488 139 |
| Depreciation | - | - 5 257 | - 91 | - 121 564 | - 9 878 | - 8 832 | - 145 622 |
| 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 31.12.2023 | | -19 175 | -30 650 | -3 889 540 | -238 176 | -456 220 | -4 633 761 |
| Provision for unused fixed assets | - | 0 | 0 | 0 | 0 | 0 | 0 |
| Net carrying amounts at 31.12.2023 | | 38 987 | 287 | 190 585 | 24 032 | 4 032 | 257 923 |

In the course of 2023 the Agency acquired new IT equipment (new laptops for an amount of € 5 790, printers for an amount of € 10 758 and other IT equipment for € 862) and some furniture for an amount of € 2 643.

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

| | 31/12/2023 | 31/12/2022 |
|--|-------------------|-------------------|
| Exchange receivables and recoverables | 6 817 067 | 5 926 631 |
| Current receivables | 1 247 350 | 947 601 |
| Sundry receivables | 84 381 | 62 707 |
| Current receivables with consolidated entities | 697 864 | 205 482 |
| Deferred charges | 359 505 | 320 706 |
| Accrued fee income | 4 364 550 | 4 376 469 |
| Accrued income (other) | 63 417 | 13 666 |
| Accrued income exchange with consolidated entities | 0 | 0 |

- › The current receivables amount of € 1 247 350 relate to the outstanding receivables from fee-related activities. This amount includes a write down on receivables of € 84 673.
- › The sundry receivables amount includes primarily undue salary payments to be recovered from staff members for € 84 381.
- › The current receivables with consolidated entities of € 697 864 relate to an advance payment made to the Commission for the delivery of IT-services for € 220 383, an advance payment made to the CDT of € 457 481 and an advance payment of € 20 000 for Innotrans 2024.
- › The deferred charges amounting to € 359 505 relate to the deferral of mainly IT-license costs covering 2024.
- › The accrued fee income of € 4 364 550 includes the revenue from work already performed on fee-related activities but not yet invoiced.
- › The accrued other income of € 63 417 relates to an accrual for the bank interest of € 16 411 for December 2023 received in January 2024 and an accrual for € 47 006 for a reimbursement by the landlord of maintenance costs incurred for the building.

3.5.2.5 Non - exchange receivables & recoverables

| | 31/12/2023 | 31/12/2022 |
|--|-------------------|-------------------|
| Non - exchange receivables and recoverables | 108 862 | 116 292 |
| Current receivables Member States | 108 862 | 116 292 |

The current receivable gross amount relates to VAT to be recovered from the French (€ 108 862) 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>31/12/2023</i> | <i>31/12/2022</i> | <i>% change</i> |
|-----------------------------------|-------------------|-------------------|---------------------|
| ING Bank (main account) | 4 992 040 | 3 157 251 | 58% |
| ING Bank (fees and charges) | 482 546 | 308 519 | 56% |
| Credit Agricole (main account) | 50 076 | 49 675 | 1% |
| Credit Agricole (deposit account) | 1 007 | 1 002 | 0% |
| TOTAL | 5 525 669 | 3 516 447 | 57% |

3.5.2.7 Net assets

The equity of the Agency amounts to € 10 311 780 of which:

- › € 8 705 622 are the accumulated surplus from previous years;
- › € 1 606 158 is the economic outturn of 2023;

3.5.2.8 Provisions

No short term provision for outstanding salary payments has been made in 2023 since the yearly salary adjustment was paid out in December 2023.

3.5.2.9 Accounts Payable

The main part of the total accounts payable as per 31.12.2023 relates to:

- › Accounts payable with consolidated entities for a total amount of € 1 028 248 representing the budget outturn of 2023 to be reimbursed to the Commission (€ 111 313), the unconsumed part (€ 51 509) of the EUMEDRAIL pre-financing amount, the unconsumed part (€ 23 280) of the ERTMS agreement for Greece for which an amount of € 250 000 was received in 2023, the unconsumed part of pre-financing of the System Pilar agreement received in 2021 for an amount of € 19 396, an amount of € 427 500 received for the new IPA agreement and an amount of € 395 250 received for the SERA agreement.
- › Two incoming payments received from applicants for € 30 813 that paid twice and an amount of € 3 134 received from participants for a training that will take place in 2024
- › An amount of € 100 000 to be paid to an NSA for work performed in 2023.

3.5.2.10 Accrued charges and deferred income

Accrued charges for a total amount of € 1 892 797 can be decomposed in an accrual for untaken holidays amounting to € 864 632, € 410 953 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 € 617 212.

The table below shows the level of accrued expenses for 2023 and 2022 and its evolution in general and per type of appropriation.

| <i>Accrued expenses</i> | <i>31/12/2023</i> | <i>31/12/2022</i> | <i>% change</i> |
|---|-------------------|-------------------|-----------------|
| Accrued expenses | 1 892 797 | 2 340 668 | -19% |
| Accrued expenses based on carry-over analysis | 617 212 | 581 999 | 6% |
| Accrued costs F&C | 410 953 | 950 708 | -57% |
| Accrual for untaken holidays | 864 632 | 807 961 | 7% |

| <i>Accrued expenses based on carry-over analysis</i> | <i>31/12/2023</i> | <i>31/12/2022</i> | <i>% change</i> |
|---|-------------------|-------------------|-----------------|
| Title 1 – Staff | 44 545 | 26 862 | 66% |
| Title 2 – Buildings equipment and miscellaneous expenditure | 83 417 | 69 762 | 20% |
| Title 3 – Operational expenditure | 185 155 | 276 763 | -33% |
| Title 4 – Operational expenditure | 270 722 | 166 276 | 63% |
| Title 5 – Operational expenditure | 33 373 | 42 337 | -21% |
| Total | 617 212 | 581 999 | 6% |

Globally there is a significant decrease in the total amount of accrued expenses as compared to 2022 which can mainly be explained by a decrease in the accrued costs for services provided by relevant national authorities in relation to fee-related activities. This is mainly due to fact that as compared to last year the invoices from the latter were received and recorded before year-end.

| <i>Accrual for untaken holidays</i> | <i>31/12/2023</i> | <i>31/12/2022</i> | <i>% change</i> |
|-------------------------------------|-------------------|-------------------|-----------------|
| Number of days not taken | 2 194 | 2 158 | 2% |
| Accrued amount | 864 632 | 807 961 | 7% |

The table above shows that, despite the number of increase in the number of staff, the total number of holiday days not taken has slightly increased as compared to 2023.

3.5.3 Notes to the statement of financial performance

3.5.3.1 Operating revenue

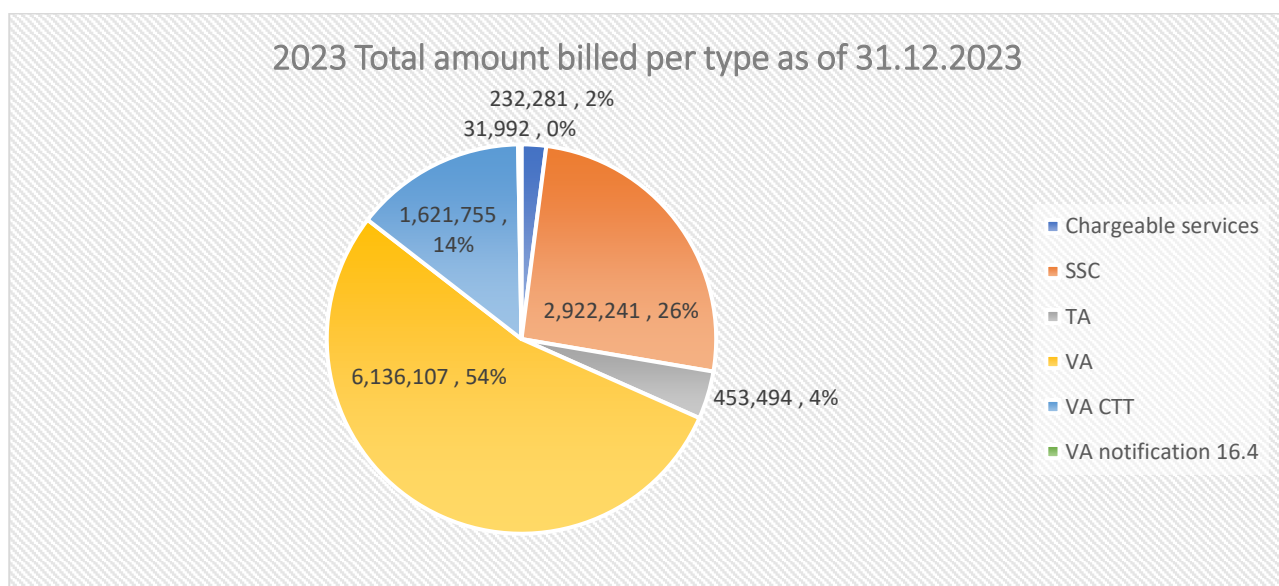
The operating revenue of the Agency in 2023 is mainly made up of the EC subsidy received for a total amount of € 28 219 589 including the budget outturn of € 111 313 to be reimbursed in 2024. In addition the Agency has had a full year of fee-related activities in 2023 resulting in a total invoiced amount of € 11 397 869³.

In addition to the EU subsidy the Agency receives funds to manage specific projects mostly in the areas of international cooperation (€ 944 006 received in 2023) and research. In 2023 ERA managed 5 projects through delegation agreements concluded with DG NEAR (2), DG MOVE (2) and DG REFORM (1).

| | <i>with non-consolidated entities</i> | <i>with consolidated entities</i> | <i>Total</i> |
|--|---------------------------------------|-----------------------------------|-------------------|
| Revenue from non-exchange transactions | 0 | 28 877 678 | 28 877 678 |
| Revenue from exchange transactions | 11 607 365 | 0 | 11 607 365 |
| TOTAL | 11 607 365 | 28 877 678 | 40 485 043 |

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

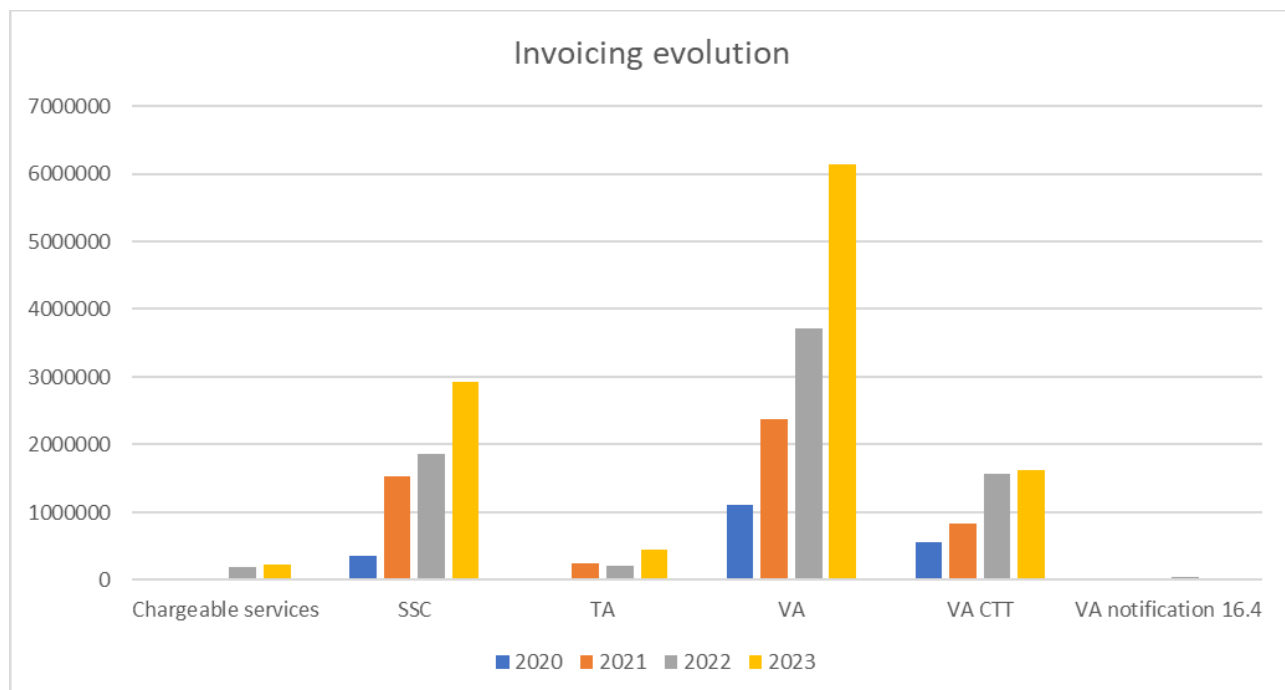
| <i>Application type</i> | <i>ERA costs</i> | <i>PoE costs</i> | <i>NSA costs</i> | <i>OSS Fee</i> | <i>TOTAL</i> |
|-------------------------|------------------|------------------|------------------|----------------|-------------------|
| Chargeable services | 222 281 | | | 10 000 | 232 281 |
| SSC | 1 906 005 | 377 025 | 610 675 | 28 535 | 2 922 241 |
| TA | 393 777 | 53 976 | | 5 741 | 453 494 |
| VA | 3 881 059 | 241 509 | 1 944 931 | 68 608 | 6 136 107 |
| VA CTT | 1 621 755 | | | | 1 621 755 |
| VA notification 16.4 | 22 560 | | 9 432 | | 31 992 |
| Grand total | 8 047 436 | 672 510 | 2 565 039 | 112 884 | 11 397 869 |



³ This amount includes € 2 565 039 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 2020-2023.

| <i>Application type</i> | <i>2020</i> | <i>2021</i> | <i>2022</i> | <i>2023</i> |
|-------------------------|------------------|------------------|------------------|-------------------|
| Chargeable services | 2 080 | 33 638 | 192 150 | 232 281 |
| SSC | 364 768 | 1 539 480 | 1 855 741 | 2 922 241 |
| TA | 28 438 | 244 010 | 201 178 | 453 494 |
| VA | 1 105 069 | 2 366 600 | 3 712 980 | 6 136 107 |
| VA CTT | 561 886 | 826 139 | 1 559 480 | 1 621 755 |
| VA notification 16.4 | 2 600 | 2 860 | 47 740 | 31 992 |
| TOTAL | 2 064 841 | 5 012 727 | 7 569 269 | 11 397 869 |



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>31/12/2023</i> | <i>31/12/2022</i> | <i>% change</i> |
|--|-------------------|-------------------|-----------------|
| Administrative expenses | 32 445 830 | 30 652 983 | 6% |
| Staff expenses | 27 094 938 | 25 095 408 | 8% |
| Property plant and equipment related expenses | 2 284 572 | 2 397 047 | -5% |
| - Fixed assets related expenses (depreciation) | 1 071 951 | 1 084 998 | -1% |
| - Land and buildings | 1 212 621 | 1 312 048 | -8% |
| Other administrative expenses | 3 066 320 | 3 160 528 | -3% |
| - Other administrative expenses | 1 305 875 | 1 430 310 | -9% |
| - Expenses with consolidated entities | 1 760 445 | 1 730 218 | 2% |

As compared to 2022 the total amount of administrative expenses has slightly increased. This increase is mainly due to an increase in staff expenses which can mainly be explained by an increase in staff (+ 10%) and the salary indexation for 2023 (0,5% net increase for first 6 months and 4,3% for the last 6 months).

3.5.3.3 Operational expenses

These include expenses related to the operational activities of the Agency. They show an increase of 12% as compared to last year.

| | 31/12/2023 | 31/12/2022 | % change |
|--|------------------|------------------|------------|
| Operational expenses | 6 426 030 | 5 639 179 | 14% |
| Missions/reimbursements of experts | 511 458 | 350 848 | 46% |
| IT-systems to support operations | 2 480 030 | 1 836 987 | 69% |
| Information & communication | 355 002 | 424 416 | -16% |
| Other | 39 501 | 86 957 | -54% |
| Losses on realisation of trade debtors | 85 448 | 0 | 100% |
| Translations/interpretations | 115 323 | 93 388 | 23% |
| Fees and charges | 2 839 268 | 2 846 583 | 2% |

The increase of 14% is mainly due to an increase of 69% in the IT-expenses to support the fee and charges operations (enhancement of OSS and move to the cloud) and an increase of 46% in the mission costs and costs for reimbursements of experts.

3.5.4 Other information

3.5.4.1 Migration to the next generation EU corporate financial system

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). SUMMA was put into production as from 01.01.2022 and it is still in its pilot phase.

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>< 1 year</i> | <i>- 5 years</i> | <i>> 5 years</i> | <i>Total</i> |
| Rent building Valenciennes | 525 045 | 2 100 180 | 2 625 225 | 5 250 450 |
| Rent building Lille | 115 153 | 230 306 | | 345 459 |

3.5.4.4 Commitments for future funding

At 31 December 2023 the budgetary RAL for the VOB budget amounted to € 1 168 062. 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 2023 statement of financial performance giving a total of € 841 258.

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 | AD15 | 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 2023 consolidated EU annual accounts.

3.5.4.7 Financial instruments

Financial instruments comprise cash and cash equivalents, current and non-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:

| | 31/12/2023 | 31/12/2022 |
|---|-------------------|-------------------|
| Exchange receivables and recoverables | 5 791 596 | 5 432 341 |
| Non - exchange receivables and recoverables | 108 862 | 116 292 |
| Cash and cash equivalents | 5 525 669 | 3 516 447 |
| Total monetary assets | 11 426 127 | 9 065 081 |
| Accounts payable | 1 162 195 | 488 718 |
| Total monetary liabilities | 1 162 195 | 488 718 |
| Total net financial instruments | 10 263 932 | 8 576 363 |

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 2023 and 31 Dec 2022. 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 2023

| <i>Fund Source : VOB</i> 2023 | | | | | | | |
|-------------------------------|--|---------------------------------|----------------------|--------------------------------|--|-----------------------|---------------------------|
| | <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 | 22 205 165 | 22 205 165 | 100% | 0 | 22 205 165 | 100% |
| 12 | Expenditure relating to staff recruitment and Employer's pension contributions | 39 373 | 39 373 | 100% | 0 | 39 373 | 100% |
| 13 | Mission expenses | 10 221 | 10 221 | 100% | 0 | 9 512 | 93% |
| 14 | Socio-medical infrastructure | 31 470 | 31 470 | 100% | 0 | 13 650 | 43% |
| 15 | Training | 165 579 | 165 579 | 100% | 0 | 97 978 | 59% |
| 16 | External services | 364 996 | 364 996 | 100% | 0 | 177 146 | 49% |
| 17 | Receptions, events and representation | 1 500 | 1 500 | 100% | 0 | 1 351 | 90% |
| 18 | Social welfare | 19 742 | 19 742 | 100% | 0 | 18 927 | 96% |
| | Title I | 22 838 047 | 22 838 047 | 100% | 0 | 22 563 102 | 99% |
| 20 | Rental of buildings and associated costs | 992 369 | 992 369 | 100% | 0 | 881 826 | 89% |
| 21 | Information, communication technology and data processing | 1 024 706 | 1 024 705 | 100% | 0 | 851 412 | 83% |
| 22 | Movable property and associated costs | 31 315 | 31 315 | 100% | 0 | 27 391 | 87% |
| 23 | Current administrative expenditure | 6 073 | 6 072 | 100% | 1 | 3 438 | 57% |
| 24 | Postage / telecommunications | 42 338 | 42 338 | 100% | 0 | 41 765 | 99% |
| 27 | Information and publishing | 0 | 0 | 0% | 0 | 0 | 0% |
| | Title II | 2 096 800 | 2 096 799 | 100% | 1 | 1 805 832 | 86% |

| | | | | | | | |
|----|--|-------------------|-------------------|-------------|---------------|-------------------|------------|
| 30 | Operational expenditure - Strategic Statements | 2 413 983 | 2 394 030 | 99% | 19 953 | 2 035 322 | 84% |
| 31 | Operational expenditures | 870 759 | 870 759 | 100% | 0 | 627 317 | 72% |
| | Title III | 3 284 742 | 3 264 789 | 99% | 19 953 | 2 662 639 | 81% |
| | Total Budget | 28 219 589 | 28 199 635 | 100% | 19 954 | 27 031 573 | 96% |

| <i>Fund Source : IAR 2/2 2023</i> | | | | | | | |
|-----------------------------------|--|-------------------------------------|--------------------------|---------------------------------------|---|-------------------------------|----------------------------|
| | <i>Chapter</i> | <i>Final appropriations (1)</i> | <i>Committed (2)</i> | <i>% Committed =(2) / (1)</i> | <i>Balance not committed =(1) - (2)</i> | <i>Total Paid (3)</i> | <i>% Paid =(3)/(1)</i> |
| 20 | Rental of buildings and associated costs | 1 692 | 1 692 | 100% | 0 | 0 | 0% |
| 23 | Current administrative expenditure | 1 210 | 1 210 | 100% | 0 | 1 210 | 100% |
| 24 | Postage / telecommunications | 900 | 0 | 0% | 900 | 0 | 0% |
| | Title II | 3 802 | 2 902 | 76% | 900 | 1 210 | 32% |
| 30 | Operational expenditure - Strategic Statements | 158 201 | 0 | 0% | 158 201 | 0 | 0% |
| 31 | Operational expenditures | 14 650 | 14 650 | 100% | 0 | 9 889 | 68% |
| | Title III | 172 851 | 14 650 | 8% | 158 201 | 9 889 | 6% |
| | Total Budget | 176 653 | 17 552 | 10% | 159 101 | 11 099 | 6% |

| <i>Fund Source : IAR 2/2 2022 (2023 – 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> |
| 13 | Mission expenses | 422 | 0 | 0% | 422 | 0 | 0% |
| | Title I | 422 | 0 | 0% | 422 | 0 | 0% |
| 20 | Rental of buildings and associated costs | 5 078 | 5 078 | 100% | 0 | 0 | 0% |
| | Title II | 5 078 | 5 078 | 100% | 0 | 0 | 0% |
| 31 | Operational expenditures | 224 | 0 | 0% | 224 | 0 | 0% |
| | Title III | 224 | 0 | 0% | 224 | 0 | 0% |
| | Total Budget | 5 724 | 5 078 | 89% | 646 | 0 | 0% |

| <i>Fund Source : EARN/N 2023 – 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>Final payment appropriations (3)</i> | <i>Total Paid (4)</i> | <i>% Paid = (4)/(3)</i> |
| 40 | Operational expenditure ⁴ | 5 941 869 | 66 960 | 1% | 5 874 909 | 35 867 | 35 867 | 100% |
| 41 | Staff expenditure | 6 932 597 | 5 133 908 | 74% | 1 798 689 | 6 932 597 | 5 133 177 | 74% |
| 42 | Administrative expenditure | 710 943 | 431 404 | 61% | 279 539 | 746 394 | 357 679 | 48% |
| 43 | Operational expenditure - Strategic Statements (cost of services NSA and Pool of experts) | 7 471 355 | 6 293 559 | 84% | 1 177 796 | 3 465 460 | 3 214 198 | 93% |
| 43 | Operational expenditure - Strategic Statements (other) | 1 169 417 | 769 232 | 66% | 400 185 | 1 358 341 | 748 278 | 55% |
| 46 | Other operational expenditure | 211 238 | 211 238 | 100% | 0 | 279,530 | 206 656 | 74% |
| | Title IV | 22 437 219 | 12 906 300 | 58% | 9 531 119 | 12 818 190 | 9 695 855 | 76% |
| | Total Budget | 22 437 219 | 12 906 300 | 58% | 9 531 119 | 12 818 190 | 9 695 855 | 76% |

⁴ 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.

| <i>Fund Source : EARN/N 2023 – 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>Final payment appropriations (3)</i> | <i>Total Paid (4)</i> | <i>% Paid = (4) / (3)</i> |
| 50 | IPA and Western Balkans | 176 345 | 160 120 | 91% | 16 225 | 193 415 | 153 830 | 80% |
| 50 | EUMEDRAIL | 154 299 | 154 299 | 100% | 0 | 177 227 | 91 697 | 52% |
| 50 | Railway System Pillar | 225 410 | 225 410 | 100% | 0 | 297 330 | 277 017 | 93% |
| 50 | Pilot project - SERA - Prototype Corridor Munich-Verona | 395 250 | 0 | 0% | 395 250 | 395 250 | 0 | 0% |
| 50 | Technical support on the depl. of ERTMS in Greece | 250 000 | 16 460 | 7% | 233 540 | 250 000 | 0 | 0% |
| | Title V | 1 201 304 | 556 289 | 46% | 645 015 | 1 313 222 | 522 544 | 40% |
| | Total Budget | 1 201 304 | 556 289 | 46% | 645 015 | 1 313 222 | 522 544 | 40% |

As started in 2022, a detailed budget structure was implemented in 2023 for the expenditure related to T4, 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:

- The human resources related costs (salaries corresponding to the FTEs working on F&C and other supporting costs calculated on a pro rata basis)
- Pro rata costs for IT and FM
- 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. In SUMMA the corresponding commitment items and funded programs were reflected. The breakdown of amounts per type of expenditure under T4 was included in the budget 2023 adopted by the Management Board in November 2022 ([MB Decision n°311](#)). This was further updated through two amending budgets:

- [MB Decision n°327 \(Amendment n°1\)](#) on 19 July
- [MB Decision n°341 \(Amendment n°2\)](#) on 15 December

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.

All corresponding commitment and payment credits, cashed for VA, SSC and TA applications, are transferred on a regular basis to the T4 salary budget line (Temporary Agents), with the exception of the OSS fees, which are transferred to the OSS expenditure budget line in T4. The inscription of the gradually cashed amounts during the year as commitment and payment appropriations is done by means of a note, signed by the Authorising Officer.

In 2023, three notes have been implemented for salary costs related to F&C:

- 20/04/2023 – for 1st Quarter of 2023:
 - Amount of € 1.227.036 for TAs
 - Amount of € 170.074 for CAs
- 30/06/2023 – for 2nd Quarter of 2023:
 - Amount of € 1,291,388 for TAs
 - Amount of € 167,987 for CAs
- 02/10/2023 – for 3rd Quarter of 2023:
 - Amount of € 1,250,416 for TAs
 - Amount of € 182,719 for CAs

Title V covers operational expenditures linked to the delegation agreements that the Agency has signed with DG NEAR, DG MOVE and DG REFORM.

4.3 Budget implementation – Appropriations carried over 2022/2023

| <i>Fund Source : VOB</i> | | | | | |
|--------------------------|--|--------------------------------------|----------------------|---|---------------------|
| | <i>Chapter</i> | <i>Amount carried over 2022/2023</i> | <i>Payments made</i> | <i>Balance not paid at the end of the year 2023</i> | <i>% of Balance</i> |
| 11 | Staff in active employment | 16 358 | 16 358 | 0 | 0% |
| 12 | Expenditure relating to staff recruitment and Employer's pension contributions | 36 018 | 36 018 | 0 | 0% |
| 13 | Mission expenses | 2 719 | 2 277 | 443 | 16% |
| 14 | Socio-medical infrastructure | 30 456 | 24 588 | 5 868 | 19% |
| 15 | Training and team building | 61 377 | 53 298 | 8 078 | 13% |
| 16 | External services | 23 637 | 20 517 | 3 120 | 13% |
| | Title I | 170 565 | 153 056 | 17 509 | 10% |
| 20 | Rental of buildings and associated costs | 149 998 | 136 156 | 13 842 | 9% |
| 21 | Information, communication technology and data processing | 138 796 | 138 796 | 0 | 0% |
| 22 | Movable property and associated costs | 22 494 | 22 282 | 212 | 1% |
| 23 | Current administrative expenditure | 1 000 | 970 | 30 | 3% |
| 24 | Postage / telecommunications | 323 | 208 | 115 | 36% |
| | Title II | 312 611 | 298 413 | 14 198 | 5% |
| 30 | Operational Activities directly linked to the Regulation n°796/2016 | 559 998 | 520 520 | 39 479 | 7% |
| 31 | Operational expenditures | 299 157 | 293 879 | 5 278 | 2% |
| | Title III | 859 155 | 814 398 | 44 757 | 5% |
| | Grandtotal | 1 342 332 | 1 265 867 | 76 465 | 6% |

4.4 2023 Budget transfers/Amendments

| <i>VOBU 2022</i> | <i>Initial adopted budget</i> | <i>Amending budgets</i> | <i>Transfers between titles</i> | <i>Final adopted budget</i> | <i>Internal assigned revenue</i> | <i>Total appropriations available</i> |
|------------------|-------------------------------|-------------------------|---------------------------------|-----------------------------|----------------------------------|---------------------------------------|
| <i>Title 1</i> | 23 473 646 | | -635 599 | 22 838 047 | 422 | 22 838 469 |
| <i>Title 2</i> | 2 096 800 | | | 2 096 800 | 8 880 | 2 105 680 |
| <i>Title 3</i> | 2 649 143 | | 635 599 | 3 284 742 | 173 075 | 3 457 817 |
| TOTAL | 28 219 589 | | - | 28 219 589 | 182 377 | 28 401 966 |

4.5 Appropriations carried over 2023/2024 VOB

| | <i>Chapter</i> | <i>Amount carried over 2023/2024</i> | <i>% Amount carried over 2023/2024</i> |
|----|---|--------------------------------------|--|
| 13 | Mission expenses | 709 | 7% |
| 14 | Socio-medical infrastructure | 17 820 | 57% |
| 15 | Training | 67 601 | 41% |
| 16 | External services | 187 851 | 51% |
| 17 | Receptions, events and representation | 149 | 10% |
| 18 | Social welfare | 815 | 4% |
| | Title I | 274 945 | 1% |
| 20 | Rental of buildings and associated costs | 110 543 | 13% |
| 21 | Information, communication technology and data processing | 173 293 | 17% |
| 22 | Movable property and associated costs | 3 924 | 13% |
| 23 | Current administrative expenditure | 2 634 | 43% |
| 24 | Postage / telecommunications | 573 | 1% |
| | Title II | 290 967 | 14% |
| 30 | Operational expenditure - Strategic Statements | 358 708 | 29% |
| 31 | Operational expenditures | 243 442 | 26% |
| | Title III | 602 150 | 19% |
| | Total Budget | 1 168 062 | 4% |

4.6 Budget outturn 2023

| | 2023 | 2022 |
|---|-------------------|-------------------|
| Revenue | | |
| Commission subsidy DG MOVE | 28 219 589 | 26 935 145 |
| IPA EUMEDRAIL and System Pilar agreement funds from Commission | 944 006 | 247 451 |
| Fee income | 10 998 797 | 7 510 584 |
| Other income | 195 154 | 10 560 |
| Total revenue (a) | 40 357 546 | 34 703 739 |
| Expenditure | | |
| Personnel expenses – Budget Title I | | |
| Payments | 22 563 102 | 21 796 148 |
| Appropriations carried over to the following year | 274 945 | 170 986 |
| Administrative expenses – Budget Title II | | |
| Payments | 1 835 615 | 1 584 514 |
| Appropriations carried over to the following year | 298 637 | 346 263 |
| Operational expenses – Budget Title III | | |
| Payments | 2 672 529 | 2 234 267 |
| Appropriations carried over to the following year | 765 112 | 859 380 |
| Operational expenses – Budget Title IV | | |
| Payments | 9 718 189 | 7 003 588 |
| Appropriations carried over to the following year | 3 122 335 | 1 819 393 |
| Operational expenses – Budget Title V | | |
| Payments | 522 544 | 628 153 |
| Appropriations carried over to the following year | 790 678 | 369 216 |
| Total expenditure (b) | 42 563 686 | 36 811 909 |
| Outturn for the financial year (a-b) | 2 206 140 | -2 108 170 |
| Cancellation of unused carry-overs | 76 465 | 40 317 |
| Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue | 2 245 241 | 2 150 676 |
| Exchange differences for the year | - 4 253 | -1 002 |
| Balance carried over from year N-1 | 81 821 | 69 638 |
| Positive balance from year N-1 reimbursed in year N to the Commission | - 81 821 | -69 638 |
| Balance of the outturn account for the financial year | 111 313 | 81 821 |

| | <i>Subsidy</i> | <i>F&C</i> | <i>IPA & EUMEDRAI & System Pillar agreement</i> |
|---|-------------------|--------------------|---|
| Revenue | | | |
| Commission subsidy DG MOVE | 28 219 589 | 0 | 0 |
| IPA EUMEDRAI and System Pillar agreement funds from Commission | 0 | 0 | 944 006 |
| Fee income | 0 | 10 998 797 | 0 |
| Other income | 195 154 | 0 | 0 |
| Total revenue (a) | 28 414 743 | 10 998 797 | 944 006 |
| Expenditure | | | |
| Personnel expenses – Budget Title I | | | |
| Payments | 22 563 102 | 0 | |
| Appropriations carried over to the following year | 274 945 | 0 | |
| Administrative expenses – Budget Title II | | | |
| Payments | 1 835 615 | 0 | |
| Appropriations carried over to the following year | 298 637 | 0 | |
| Operational expenses – Budget Title III | | | |
| Payments | 2 672 529 | 0 | |
| Appropriations carried over to the following year | 765 112 | 0 | |
| Operational expenses – Budget Title IV | | | |
| Payments | 0 | 9 718 189 | |
| Appropriations carried over to the following year | 0 | 3 122 335 | |
| Operational expenses – Budget Title V | | | 522 544 |
| Payments | | | 790 678 |
| Appropriations carried over to the following year | | | |
| Total expenditure (b) | 28 409 940 | 12 840 524 | 1 313 222 |
| Outturn for the financial year (a-b) | 4 804 | - 1 841 727 | -369 216 |
| Cancellation of unused carry-overs | 76 465 | 0 | |
| Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue | 34 398 | 1 841 727 | 369 216 |
| Exchange differences for the year | - 4 253 | 0 | 0 |
| Balance carried over from year N-1 | 81 821 | 0 | 0 |
| Positive balance from year N-1 reimbursed in year N to the Commission | -81 821 | 0 | 0 |
| Balance of the outturn account for the financial year | 111 313 | 0 | 0 |

4.7 Reconciliation economic outturn – budget outturn 2023

| | 2023 | 2022 |
|---|------------------|------------------|
| Economic result (+ for surplus and - for deficit) of the consolidation reporting package | 1 606 158 | 1 125 504 |
| 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) | - 1 526 505 | -1 179 439 |
| Adjustments for Accrual Cut-off (cut- off 31.12.N) | 1 030 528 | 1 541 863 |
| 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) | 1 071 951 | 1 084 998 |
| Provisions (1) | 56 671 | 9 305 |
| Value reductions (1) | 84 673 | 0 |
| Recovery Orders issued in 2021 in class 7 and not yet cashed | - 384 422 | - 947 601 |
| Prefinancing given in previous year and cleared in the year | 0 | 0 |
| Prefinancing received in previous year and cleared in the year | - 769 402 | -670 490 |
| Payments made from carry over of payment appropriations | 1 265 867 | 1 703 965 |
| Other *) | - 429 472 | - 2 226 146 |
| Ajustment for budgetary items (item included in the budgetary result but not in the economic result) | | |
| Asset acquisitions (less unpaid amounts) | - 20 053 | -189 431 |
| New pre-financing paid in the year 2023 and remaining open as at 31.12.2023 | 0 | 0 |
| New pre-financing received in the year 2023 and remaining open as at. 31.12.2023 | 1 055 310 | 329 272 |
| Budgetary recovery orders issued before 2023 and cashed in the year | 0 | 874 266 |
| Budgetary recovery orders issued in 2023 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 2024 | - 5 251 707 | -3 565 238 |
| Cancellation of unused carried over payment appropriations from previous year | 76 465 | 40 317 |
| Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue | 2 245 241 | 2 150 676 |
| Payments for pensions (they are budgetary payments but booked against provisions) | 0 | 0 |
| Palements 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 | 111 313 | 81 821 |

4.8 Annex to the Budget Accounts**4.8.1 Establishment plan 2023**

| <i>Function group and grade</i> | 2023 | | | |
|---------------------------------|---------------------------------------|------------------------|--------------------------------|------------------------|
| | <i>Authorised under the EU Budget</i> | | <i>Filled as at 31/12/2023</i> | |
| | <i>Permanent posts</i> | <i>Temporary Posts</i> | <i>Permanent posts</i> | <i>Temporary Posts</i> |
| AD16 | | 0 | | 0 |
| AD15 | | 1 | | 1 |
| AD14 | | 0 | | 0 |
| AD13 | | 1 | | 1 |
| AD12 | | 2 | | 2 |
| AD11 | | 14 | | 14 |
| AD10 | | 19 | | 20 |
| AD9 | | 19 | | 19 |
| AD8 | | 24 | | 21 |
| AD7 | | 20 | | 24 |
| AD6 | | 25 | | 24 |
| AD5 | | 11 | | 8 |
| Total AD | | 136 | | 134 |
| AST11 | | 0 | | 0 |
| AST10 | | 0 | | 0 |
| AST9 | | 1 | | 1 |
| AST8 | | 2 | | 3 |
| AST7 | | 4 | | 4 |
| AST6 | | 4 | | 3 |
| AST5 | | 7 | | 7 |
| AST4 | | 9 | | 10 |
| AST3 | | 3 | | 1 |
| AST2 | | 0 | | 0 |
| AST1 | | 0 | | 0 |
| Total AST | | 30 | | 29 |
| GRAND TOTAL | | 166 | | 163 |