



Annual Accounts for the European Environment Agency

Financial year 2013

Copenhagen, 19 May 2014

FINANCIAL YEAR 2013

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1 Certification

The annual accounts of the European Environment Agency have been prepared in accordance with Title IX of the Financial Regulation of the Agency, as well as the accounting rules and methods adopted by the Commission's accounting officer.

I hereby certify that based on the information provided by the authorising officer, I have reasonable assurance that the accounts present a true and fair view of the financial position of the Agency in all material aspects.

Copenhagen, 19 May 2014



Anne-Li Hartmann-FitzGerald
Accounting Officer

2 Presentation of the annual accounts

The annual accounts of the European Environment Agency include the financial statements, the report on implementation of the budget, and the report on budget and financial management during the year.

The financial statements comprise the balance sheet and the economic outturn account at 31 December, the cash-flow table and the statement of change in capital.

The objectives of financial statements are to provide information about the financial position, performance and cash flows of an entity that is useful to a wide range of users. For a public sector entity such as the European Environment Agency, the objectives are more specifically to provide information useful for decision making, and to demonstrate the accountability of the entity for the resources entrusted to it.

To present a true and fair view, financial statements must not only supply relevant information to describe the nature and range of the activities, explain how it is financed and supply definitive information on its operations, but also do so in a clear and comprehensible manner which allows comparisons between financial years. It is with these goals in mind that the present document has been drawn up.

The accounting system of the European Environment Agency comprises budget accounts and general 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.¹ The general accounts allow for the preparation of the financial statements as they show all revenues and expenses for the financial year and are designed to establish the financial position in the form of a balance sheet at 31 December.

The annual accounts are drawn up in accordance with the Financial Regulation of the European Environment Agency adopted by the Management Board on 23 April 2014.

According to the Financial Regulation, the Agency's accounting officer shall send to the Commission's accounting officer by no later than 1 March of the following year its provisional accounts, together with the report on budgetary and financial management during the year. The Executive Director shall send the final accounts, together with the opinion of the management board, to the Commission's accounting officer, the Court of Auditors, the European Parliament and the Council, by 1 July of the following year at the latest.

The final annual accounts will be published in the Official Journal of the European Communities together with the statement of assurance given by the Court of Auditors by 15 November of the following year in accordance with Article 99 of the Financial Regulation.

¹ This differs from cash-based accounting because of elements such as carryovers.

3 Financial Statements of the European Environment Agency

3.1 Balance sheet – Assets

EUR

	Note	31.12.2013	31.12.2012
A. NON CURRENT ASSETS			
Intangible assets	1	123,266.61	140,899.03
Property, plant and equipment	1	1,029,259.92	991,957.46
Land and buildings			0.00
Plant and equipment		74,631.14	99,344.09
Computer hardware		697,935.40	582,655.01
Furniture and vehicles		253,585.29	272,300.83
Other fixtures and fittings		3,108.09	37,657.53
Long-term receivables		788,712.98	782,100.92
Long-term receivables	2	788,712.98	782,100.92
<i>LT receivables with consolidated EU entities</i>			0.00
TOTAL NON CURRENT ASSETS		1,941,239.51	1,914,957.41
B. CURRENT ASSETS			
Short-term pre-financing		3,572,060.00	1,883,035.00
Short-term pre-financing	3	3,572,060.00	1,883,035.00
Short-term receivables		12,781,436.99	5,641,724.77
Current receivables	4	496,103.85	571,620.43
Sundry receivables		197,778.63	-29,153.81
Accrued income			2,735.99
Deferred charges		484,570.57	95,642.34
<i>Accrued income with consolidated EU entities</i>	5	11,452,983.99	4,850,879.87
<i>Short-term receivables with consolidated EU entities</i>	6	149,999.95	149,999.95
Cash and cash equivalents	7	27,969,678.66	13,662,066.47
TOTAL CURRENT ASSETS		44,323,175.65	21,186,826.24
TOTAL		46,264,415.16	23,101,783.65

3.2 Balance sheet – Liabilities

EUR

LIABILITIES		31.12.2013	31.12.2012
Net Assets		5,349,435.02	4,330,110.36
Accumulated surplus/deficit		4,330,110.36	4,126,759.32
Economic outturn for the year - profit+/loss-		1,019,324.66	203,351.04
CURRENT LIABILITIES			
Employee benefits			
Provisions for risks and charges	8	289,800.00	422,738.00
Accounts payable		40,625,180.14	18,348,935.29
Current payables		246,774.38	201,297.97
Sundry payables		0.00	-1,436.40
Accrued charges	9	7,988,133.14	5,130,105.91
Pre-financing received from consolidated EU entities	10	32,387,826.17	12,961,613.09
Other accounts payable against consolidated EU entities		2,446.45	57,354.72
TOTAL CURRENT LIABILITIES		40,914,980.14	18,771,673.29
TOTAL		46,264,415.16	23,101,783.65

3.3 Economic outturn account

EUR

		2013	2012
Recovery of expenses		0.00	29,907.00
Revenues from administrative operations		12,933.86	76,908.49
Other operating revenue	11	48,978,595.27	45,562,787.99
TOTAL OPERATING REVENUE		48,991,529.13	45,669,603.48
Administrative expenses		-31,864,723.35	-34,108,888.81
All Staff expenses		-21,823,802.46	-22,688,733.32
Fixed asset related expenses		-559,312.82	-600,164.15
Other administrative expenses		-9,481,608.07	-10,819,991.34
Operational expenses		-16,104,791.83	-11,352,363.63
TOTAL OPERATING EXPENSES		-47,969,515.18	-45,461,252.44
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES		1,022,013.95	208,351.04
Financial revenues		0.00	0.00
Financial expenses		-2,689.29	-5,000.00
SURPLUS/ (DEFICIT) FROM NON OPERATING ACTIVITIES		-2,689.29	-5,000.00
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES		1,019,324.66	203,351.04
ECONOMIC OUTTURN FOR THE YEAR		1,019,324.66	203,351.04

3.4 Statement of change in capital

Capital	Reserves		Accumulated Surplus / Deficit	Economic result of the year	Capital (total)
	Fair value reserve	Other reserves			
Balance as of 31 December 2012	0.00	0.00	4,126,759.32	203,351.04	4,330,110.36
Other	0.00	0.00	0.00	0.00	0.00
Fair value movements					
Allocation of the Economic Result of Previous Year			203,351.04	-203,351.04	
Economic result of the year	0.00	0.00		1,019,324.66	1,019,324.66
Balance as of 31 December 2013			4,330,110.36	1,019,324.66	5,349,435.02

3.5 Cash flow statement

	EUR	
	31.12.2013	31.12.2012
Cash Flows from ordinary activities		
Surplus/(deficit) from ordinary activities	1,019,324.66	203,351.04
Adjustments		
Amortization (intangible fixed assets) (+)	72,169.05	84,107.78
Depreciation (tangible fixed assets) (+)	487,143.77	515,297.79
Increase (+) /decrease (-) in Provisions for risks and liabilities	-132,938.00	247,000.00
Increase (-) /decrease (+) in Short term Pre-financing	-1,689,025.00	-1,574,380.20
Increase (-) /decrease (+) in Long term Receivables	-6,612.06	-13,956.39
Increase (-) /decrease (+) in Short term Receivables	-537,608.10	-152,037.77
Increase (-) /decrease (+) in Receivables related to consolidated EC entities		3,369.09
Increase (+) /decrease (-) in Accounts payable	2,904,940.04	1,048,344.14
Increase + /decrease - in Liabilities related to consolidated EC entities	12,769,200.69	4,595,897.68
Other non-cash movements		758.57
Net cash Flow from operating activities	14,886,595.05	4,957,751.73
Cash Flows from investing activities		
Purchase of tangible and intangible fixed assets (-)	-578,982.86	-170,177.99
Net cash flow from investing activities	-578,982.86	-170,177.99
Net increase (+) /decrease (-) in cash and cash equivalents	14,307,612.19	4,787,573.74

3.6 Notes to the Financial statements

3.6.1 Notes to the Balance sheet

1. Fixed assets

Items acquired whose purchase price or production cost is EUR 420 or more, with a period of use greater than one year, and which are not consumables are recorded in the fixed assets accounts valued at their acquisition price. These thresholds also apply to software that are acquired from a third party or covered by a license.

Intangible fixed assets consist of computer software.

As from 2010, the development cost for internally developed intangible assets are to be capitalized and presented as fixed assets if the cost is EUR 500,000 or more. Appendix 7 shows an overview of internal IT-projects in 2013 and their estimated costs divided in research phase, development phase and maintenance phase. Since no project is foreseen to exceed the threshold the total cost has been expensed in 2013.

Tangible fixed assets are divided in four categories:

- Equipment
- Computer hardware
- Furniture
- Other fixtures and fittings

The fixed assets as of 31 December 2013 are set out in the following table:

	<i>EUR</i>					
	Computer Software	Equipment	Computer Hardware	Furniture	Other fixtures and fittings	TOTAL
Gross carrying amounts 1.1.2013	1,327,004.04	1,661,400.83	2,785,878.89	985,177.31	209,608.99	6,969,070.06
Additions	54,536.63	18,182.13	479,658.78	26,605.32		578,982.86
Disposals						
Gross carrying amounts 31.12.2013	1,381,540.67	1,679,582.96	3,265,537.67	1,011,782.63	209,608.99	7,548,052.92
Accumulated depreciation and impairment 1.1.2013	-1,186,105.01	-1,562,056.74	-2,203,223.88	-712,876.48	-171,951.46	-5,836,213.57
Depreciation	-72,169.05	-42,895.08	-364,378.39	-45,320.86	-34,549.44	-559,312.82
Disposals						
Accumulated depreciation and impairment 31.12.2013	-1,258,274.06	-1,604,951.82	-2,567,602.27	-758,197.34	-206,500.90	-6,395,526.39
Net carrying amounts 31.12.2013	123,266.61	74,631.14	697,935.40	253,585.29	3,108.09	1,152,526.53

2. Long-term receivables

The amount booked as long term receivables, EUR 788,712.98 (782,100.92) refers to the deposit paid for the premises rented at Kongens Nytorv in Copenhagen.

3. Short-term pre-financing

At the end of the year 2013 a total amount of EUR 3,572,060.00 (1.883.035,00) was outstanding in respect of pre-financing given to sub-contractors.

4. Current receivables

Current receivables, EUR 496,103.85 (571.620,43) refer to receivables which are outstanding at the end of the year and expected to be recovered within one year. The whole amount refers to recoverable taxes.

5. Deferrals and accruals (asset)

The outgoing balance, EUR 11,452,983.99 (4,850,879.87), refers to accrued revenues in respect of grant agreements for which received pre-financing is outstanding at the end of the year.

Grant Agreement	2013		2012	
	Outstanding pre-financing	Accrued revenue	Outstanding pre-financing	Accrued revenue
IPA2/ DG ENLARGEMENT	771,718.57	663,805.73	505,385.00	327,042.50
GIO/ DG ENTERPRISE	27,530,000.00	8,113,193.53	8,100,000.00	2,435,106.44
GISC/ DG ENTERPRISE	663,233.52	916,586.75	1,409,137.52	872,200.95
ENPI/ DG AIDCO	2,000,000.00	1,759,397.98	2,000,000.00	1,216,529.66
Grand total	30,964,952.09	11,452,983.99	12,014,522.52	4,850,879.55

6. Short term receivables with consolidated EU entities

The outgoing balance EUR 149,999.75 (149,999.75) refers to an outstanding recovery order regarding the pre-financing for the GISC grant administrated by DG Enterprise.

7. Cash and cash equivalent

At the end of the year 2013, the Agency held bank accounts in Danish kroner and Euro, in Denmark and Belgium. The Fortis Bank-GIO account is earmarked and can only be used for transactions relating to the GIO grant.

Bank	EUR	
	2013	2012
Fortis Bank (EUR)	1,879,099.98	1,428,596.64
Fortis Bank (DKK)	0.07	113.37
Nordea (DKK)	4,734,619.75	6,197,842.96
Imprest account (DKK)	21,987.61	20,586.23
	6,635,707.41	7,647,139.20
Fortis Bank-GIO (EUR)	21,333,971.25	6,014,927.27
Sum	27,969,678.66	13,662,066.47

The imprest account is set up in order to enable cash payments of daily subsistence and travel costs for meeting participants from non-EEA member countries for meetings taking place at the Agency's premises, and for internet purchases.

8. Provision for risks and charges

The amount EUR 289,800.00 (422,738.00) is a provision for outstanding salary adjustment.²

9. Accrued charges

The total amount of EUR 7,998,133.14 (5,130,105.91) EUR consists of three parts;

	2013	2012
Estimate of the cost incurred for services and goods received in the year 2013 but not paid for by the end of the year	4,223,105.18	3,591,412.25
Estimate of accrued costs in relation to prefinancing of grants	3,405,061.73	1,092,406.31
Provision for the cost of annual leave incurred but not taken during the year.	359,966.23	446,287.35
	7,988,133.14	5,130,105.91

10. Pre-financing received from consolidated EU entities

The outstanding amount EUR 32,387,826.17 (12,961,613.09) refers to pre-financing received in relation to grant agreements, EUR 30,964,952.09 (12,014,522.52), for a specification see note 5 above, and EUR 1,422,874.08 (947,090,57) which is the positive budget outturn for 2013 to be reimbursed to the European Commission, see point 4.1 Budget outturn account, below.

3.6.2 Notes to the Economic outturn account

11. Operating revenues

The operating revenues of the year 2013 amounts to EUR 48,978,595.27 (45,562,787.99) and can be specified as follows:

	<i>EUR</i>	
Revenue source	2013	2012
European Commission subsidy	34,886,366.71	35,363,354.85
Contribution from the EFTA countries	1,002,328.00	928,899.00
Contributions from the PECO countries		
Turkey	3,127,000.00	3,127,000.00
Switzerland	1,301,723.50	1,323,218.37
Grants from consolidated EC entities	8,633,573.58	4,771,601.86
Exchange rate gains	27,603.48	48,713.91
Sum	48,978,595.27	45,562,787.99

² In March 2014 the European Parliament confirmed the salary adjustment for 2011 as 0%, and for 2012 as 0.8%.

3.6.3 Accounting principles, rules and methods

Article 78 of the Financial Regulation sets out the accounting principles to be applied in drawing up the financial statements:

- going concern basis;
- prudence;
- consistent accounting methods;
- comparability of information;
- materiality;
- no netting;
- reality over appearance;
- accrual-based accounting.

Transactions and balances

Foreign currency transactions are converted into euro using the exchange rates prevailing at the dates of the transactions.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are converted into euro on the basis of the exchange rates applying on 31 December.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the economic outturn account.

Fixed assets

Intangible fixed assets are valued at their acquisition price converted into euro at the rate applying when they were purchased, less depreciation and impairment. The exception is assets acquired free of charge that are valued at their market value.

Tangible fixed assets are stated at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Agency and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the economic outturn account during the financial period in which they are incurred.

Depreciation is calculated using the straight line method to allocate depreciation cost to the assets' residual values over their estimated useful lives, as follows:

Type of asset	Straight line depreciation rate
Intangible assets	25%
Fitting out of leasehold premises	20 %
Plant, machinery and equipment	12,5% to 25%
Furniture	10%, 12,5%
Computer hardware	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, on a regular basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the economic outturn account.

Assets that have an indefinite useful life are not subject to amortization and are tested regularly for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized as the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

With reference to EC Accounting rule no. 6, the Agency is required, as from the financial year 2010, to capitalise internally generated intangible assets (software) and to disclose the total development costs that is not capitalised. The threshold for capitalizing a internally generated asset is EUR 500.000.

Pre-financing amounts

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments over a period defined in the particular pre-financing agreement. The float or advance is repaid or used for the purpose for which it was provided during the period defined in the agreement. If the beneficiary does not incur eligible expenditures, the beneficiary has the obligation to return the pre-financing advance to the Agency. The amount of the pre-financing is reduced (wholly or partially) by the acceptance of eligible costs and amounts returned.

At year-end outstanding pre-financing amounts are valued at the original amount(s) paid less: amounts returned, eligible amounts cleared, and value reductions. Interest on pre-financing is recognised as it is earned in accordance with the provisions of the relevant agreement.

Receivables

Receivables are carried at original invoice amount less write-down for impairment. A write-down for impairment of receivables is established when there is objective evidence that the Agency will not be able to collect all amounts due according to the original terms of receivables.

Cash and cash equivalents

Cash and cash equivalents include bank accounts and cash in hand.

Use of estimates

In accordance with generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management. Significant estimates include, but are not limited to, accrued income and charges, contingent assets and liabilities, and degree of impairment of fixed assets. Actual results could differ from those estimates. Changes in estimates are reflected in the period in which they become known.

3.7 Contingent liabilities and off the balance sheet items

Per 31 December 2013, the Agency had agreements with contractors and suppliers amounting to MEUR 24,1 (22,1). These agreements relate mainly to operational projects, in 2013 it is primarily the GIO-project, and are covered by budgetary commitments in 2013.

The Agency also has rent contracts that provide that the contracts may not be terminated before a certain period; 12 months in the case of Kongens Nytorv 6, and earliest July 2015 in the case of Kongens Nytorv 8. The contingent liability in respect of the rent contracts as per 31 December 2013, amounts to approximately MEUR 1,9 (3,3).

3.8 Disclosures

Revenue divided in exchange and non-exchange transactions

The disclosure is presented in accordance with EC Accounting rule no. 4 and 17 which require that revenues are divided in exchange and non-exchange transactions.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange. An example of an exchange transaction is the purchase or sale of goods or services, disposal of assets and bank interest.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange. Examples of non-exchange transactions include the subsidy from the European Commission, grants and donations.

	<i>EUR</i>	
	2013	2012
Non-exchange transactions		
Subsidy	34,886,366.71	35,363,354.85
PECO contributions	4,428,723.50	4,450,218.37
EFTA contributions	1,002,328.00	928,899.00
Grants	8,633,573.58	4,771,601.86
Non-EC grants		0.00
Exchange rate gains	27,603.48	48,713.91
Exchange transactions		
Bank interest	0.00	0.00

Related party disclosure

The disclosure is presented in accordance with EC Accounting rule no. 15. This rule requires certain disclosures to be made about the remuneration of key management personnel during the reporting period, loans made to them and the consideration provided to them for services they provide to the entity other than as a member of the governing body or an employee. The disclosures required by this rule will ensure that appropriate minimum levels of transparency are applied to the remuneration of key management personnel.

	2013	2012
Number of Authorising Officers at the year end	1	1
Analysis by grade		
AD15		1
AD14	1	

The Authorising Officer is remunerated in accordance with the Staff Regulations of the European Communities.

Non-capitalised research and development costs

The disclosure is presented in accordance with EC Accounting rule no. 6 which require that the amount of research and development costs for internally or externally generated intangible assets (software), which has not be capitalised, is presented. As specification of the relevant projects is attached as Appendix 7.

	<i>kEUR</i>	
The following amounts were recongnised as expenses in the economic outturn account :	2013	2012
Research costs	2.30	0.00
Development costs	7.05	0.00
	9.35	0.00

4 Report on implementation of the budget

4.1 Budget outturn account

EUR

	Note	2013	2012
REVENUE			
Commission subsidy		36,309,240.79	36,310,445.42
Other contributions and funding via the Commission		26,412,950.53	14,317,693.77
Other donors			
Other revenue		27,472.52	116,566.80
TOTAL REVENUE (a)	12	62,749,663.84	50,744,705.99
EXPENDITURE			
Title I: Staff Expenditure			
Payments		-23,765,297.29	-24,476,531.47
Appropriations carried over		-1,388,701.70	-2,552,537.65
Title II: Administrative Expenditure			
Payments		-3,846,802.50	-4,041,754.50
Appropriations carried over		-635,696.26	-549,319.63
Title III: Operating Expenditure			
Payments		-15,740,692.78	-13,298,482.22
Appropriations carried over		-25,451,674.88	-23,565,637.30
TOTAL EXPENDITURE (b)	13	-70,828,865.41	-68,484,262.77
OUTTURN FOR THE FINANCIAL YEAR (a-b)		-8,079,201.57	-17,739,556.78
Cancellation of unused payment appropriations carried over from prev. year		380,948.99	544,350.56
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue		22,595,916.32	27,264,369.13
Adjustment for grant budget outturn		-13,476,850.00	-9,107,725.95
Exchange differences for the year		2,060.34	-14,346.39
BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR		1,422,874.08	947,090.57
Balance year N-1		947,090.57	511,843.79
Positive balance from year N-1 reimbursed in year N to the Commission		-947,090.57	-511,843.79
Result used for determining amounts in general accounting	14	1,422,874.08	947,090.57

4.1.1 Notes to the Budget outturn account

12. Budgetary revenues

The budgetary revenues for the financial year 2013 amounts to EUR 62,749,663.84 (50,744,705.99). Below is a specification of the amount and comparative figures for the year 2012.

<i>EUR</i>		
Source	2013	2012
European Commission subsidy	36,309,240.79	36,310,445.42
EFTA contribution	1,002,328.00	928,899.00
New member countries	4,428,723.53	4,450,218.37
Earmarked revenues (grants)	20,981,899.00	8,938,576.40
Bank interest	0.00	7,346.85
Other	27,472.52	109,219.95
Sum	62,749,663.84	50,744,705.99

13. Budgetary expenditure

The total payments can be specified as follows:

	C1	C4	C5	R0	Sum
Title 1	22,557,064.49	0.00	1,102.64	1,207,130.16	23,765,297.29
Title 2	3,742,343.50	0.00	2,265.40	102,193.60	3,846,802.50
Title 3	10,203,423.24	0.00	6,664.10	5,530,605.44	15,740,692.78
Sum	36,502,831.23	0.00	10,032.14	6,839,929.20	43,352,792.57

The total of carried over amounts can be specified as follows:

	C1	C4	C5	R0	Sum
Title 1	232,127.25	0.00	0.00	1,156,574.45	1,388,701.70
Title 2	505,527.39	0.00	0.00	130,168.87	635,696.26
Title 3	3,464,506.08	0.00	0.00	21,987,168.80	25,451,674.88
Sum	4,202,160.72	0.00	0.00	23,273,912.12	27,476,072.84

The carry-over of C1 payment credits from 2013 to 2014, EUR 4,202,160.72, is slightly higher than the previous year (4,071,578.26). Of the amount carried over regarding title 3, EUR 3,464,506.08 (3.355.798.96), 64 % refers to the final payment of the contribution 2013 to the European Topic Centres which, according to the agreements, which is to be paid after the 4th quarterly progress report has been presented in 2014.

The fund source R0 includes the grants which are usually multi-annual. In the EEA budget system, the total value of the grant contribution is made available for commitment during the year the grant is approved by the Management Board. Hence, the amount carried over in respect of R0 includes also non-committed amounts to be used in future years.

14. Budgetary result

A positive budgetary result is to be reimbursed to the Commission. The positive result for 2013, EUR 1,422,874.08, is composed of the following elements:

C1- CURRENT YEAR APPROPRIATIONS		
Amount not recuperated	-430	0
Amount not made available in the budget	0	1,206
Non-committed	230,547	336,917
Committed, carried over to C9	805,183	7,990
C4 - Reused funds current year		
Amounts not made available in the budget	2,522	926
Cancellation of unused appropriations		64,503
C5 - Reused funds carried over		
Cancellation of unused appropriations	2,043	5,424
C8 - APPROPRIATIONS CARRIED OVER FROM PREVIOUS YEAR		
Cancellation of unused appropriations	380,949	544,351
Exchange rate difference (gain +/-loss-)	2,060	-14,346
RO - grant surplus not recuperated by grant provider		120
Total:	1,422,874	947,091

Cancellation of unused payment appropriations carried over from previous year (C8 funds) amounted to EUR 380,948.99 which is lower than previous year (EUR 544,351).

From the C1 funds, EUR 805,183 had been committed to cover the outstanding salary adjustment for 2011 and 2012. In November 2013 the Court of Justice decided that the salary adjustments should not be paid in 2013 and that new calculations had to be made. At this point in time, it was not possible for the Agency to reallocate these funds to other expenses.

Detailed specifications of the execution of the various fund sources are attached to this report as follows:

- Appendix 1: Budget execution C1 - Current year appropriations
- Appendix 2: Budget execution C5 - Internal assigned revenue carried over
- Appendix 3: Budget execution C8 - C1 commitments carried over
- Appendix 4: Budget execution R0 - Other external assigned revenue
- Appendix 5: Reconciliation of the accrual based result with the budget result

4.1.2 Budgetary principals

The establishment and implementation of the budget of the European Environment Agency are governed by the following basic principles:

(a) unity and budget accuracy;

all expenditure and revenue must be incorporated in a single budget document, must be booked on a budget line and expenditure must not exceed authorised appropriations;

(b) universality:

this principle comprises two rules:

- the rule of non-assignment, meaning that budget revenue must not be earmarked for specific items of expenditure (total revenue must cover total expenditure);

- the gross budget rule, meaning that revenue and expenditure are entered in full in the budget without any adjustment against each other;

(c) annuality:

the appropriations entered are authorised for a single year and must therefore be used during that year;

(d) equilibrium:

the revenue and expenditure shown in the budget must be in balance (estimated revenue must equal payment appropriations);

(e) specification:

each appropriation is assigned to a specific purpose and a specific objective;

(f) unit of account:

the budget is drawn up and implemented in euro and the accounts are presented in euro;

(g) sound financial management:

budget appropriations are used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness;

(h) transparency:

the budget is established and implemented and the accounts presented in compliance with the principle of transparency - the budget and amending budgets are published in the Official Journal of the European Communities.

Fund Source: ENPI

B. L.	Official Budget Item Desc (Fr)	Appropriation (1)	Committed (Amount Accepted + In WKFL) (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
A-1111	Contract agents	425,946.12	425,946.12	1.00	282,034.03	0.66	0.00	143,912.09
A-1113	Interim Staff	173,764.00	60,305.26	0.35	60,305.26	0.35	113,458.74	0.00
A-1141	Travel expenses for annual leave	20,000.00	0.00	0.00			20,000.00	
A-1170	Salary weightings	100,174.48	37,442.81	0.37	37,442.81	0.37	62,731.67	0.00
A-1200	EXPENDITURE RELATED TO RECRUITMENT	4,305.74	4,305.74	1.00	4,200.00	0.98	0.00	105.74
A-1300	Mission expenses	78,835.31	78,821.26	1.00	35,067.33	0.44	14.05	43,753.93
A-1420	Development of competencies, organisational develo	16,498.89	12,908.89	0.78	4,227.95	0.26	3,590.00	8,680.94
	Title 1	819,524.54	619,730.08		423,277.38		199,794.46	196,452.70
A-2310	Postage on correspondence and delivery charges	17,754.09	13,500.00	0.76	6,314.75	0.36	4,254.09	7,185.25
A-2311	Telephone, telegraph, telex, radio, television and	26,544.48	26,544.48	1.00	26,544.10	1.00	0.00	0.38
	Title 2	44,298.57	40,044.48		32,858.85		4,254.09	7,185.63
B3-312	Expert meetings	129,792.81	129,792.81	1.00	88,112.64	0.68	0.00	41,680.17
B3-324	Translation	55,657.70	47,933.00	0.86	17,290.50	0.31	7,724.70	30,642.50
B3-531	Regional and global assessments	223,500.00	223,500.00	1.00	187,500.00	0.84	0.00	36,000.00
B3-540	Shared Environmental Information System	465,653.00	331,640.63	0.71	229,068.63	0.49	134,012.37	102,572.00
B3-550	Governance and country network support	1,247,589.93	735,705.40	0.59	374,632.00	0.30	511,884.53	361,073.40
	Title 3	2,122,193.44	1,468,571.84		896,603.77		653,621.60	571,968.07
	Sum:	2,986,016.55	2,128,346.40		1,352,740.00		857,670.15	775,606.40

Fund Source: GIO

B. L.	Official Budget Item Desc (Fr)	Appropriation (1)	Committed (Amount Accepted + In WKFL) (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
A-1111	Contract agents	935,338.44	654,102.44	0.70	330,605.61	0.35	281,236.00	323,496.83
A-1141	Travel expenses for annual leave	9,514.00	9,514.00	1.00			0.00	9,514.00
A-1200	EXPENDITURE RELATED TO RECRUITMENT	17,122.09	17,122.09	1.00	4,857.08	0.28	0.00	12,265.01
A-1300	Mission expenses	78,757.16	61,657.16	0.78	39,637.53	0.50	17,100.00	22,019.63
A-1410	Medical service	2,000.00	2,000.00	1.00	1,400.00	0.70	0.00	600.00
A-1420	Development of competencies, organisational develo	18,106.53	18,106.53	1.00	217.83	0.01	0.00	17,888.70
	Title 1	1,060,838.22	762,502.22		376,718.05		298,336.00	385,784.17
A-2100	Rent	94,075.79	0.00	0.00			94,075.79	
A-2120	Water, gas, electricity and heating	14,643.32	14,643.11	1.00	14,643.11	1.00	0.21	0.00
A-2130	Cleaning and maintenance	6,987.09	63.51	0.01	63.51	0.01	6,923.58	0.00
A-2150	Security and surveillance of buildings	18,277.77	5,166.00	0.28	4,693.77	0.26	13,111.77	472.23
A-2320	Bank charges	400.00	400.00	1.00	23.70	0.06	0.00	376.30
	Title 2	134,383.97	20,272.62		19,424.09		114,111.35	848.53
B3-312	Expert meetings	158,791.31	158,791.31	1.00	38,044.70	0.24	0.00	120,746.61
B3-541	GMES/GEO	24,090,930.70	8,153,109.13	0.34	3,708,144.63	0.15	15,937,821.57	4,444,964.50
	Title 3	24,249,722.01	8,311,900.44		3,746,189.33		15,937,821.57	4,565,711.11
	Total:	25,444,944.20	9,094,675.28		4,142,331.47		16,350,268.92	4,952,343.81

Fund Source: GISC

B. L.	Official Budget Item Desc (Fr)	Appropriation (1)	Committed (Amount Accepted + In WKFL) (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
A-1111	Contract agents	377,366.84	377,366.84	1.00	357,366.06	0.95	0.00	20,000.78
A-1113	Interim Staff	0.59	0.59	1.00			0.00	0.59
A-1141	Travel expenses for annual leave	11,605.85	11,605.62	1.00	11,605.62	1.00	0.23	0.00
A-1200	EXPENDITURE RELATED TO RECRUITMENT	627.87	627.87	1.00	626.72	1.00	0.00	1.15
A-1300	Mission expenses	71,150.21	71,150.21	1.00	27,253.07	0.38	0.00	43,897.14
A-1420	Development of competencies, organisational develo	0.00	0.00	0.00			0.00	0.00
	Title 1	460,751.36	460,751.13		396,851.47		0.23	63,899.66
A-2100	Rent	4.83	0.00	0.00			4.83	
A-2140	Fitting-out of premises	5,067.68	4,593.94	0.91	4,593.94	0.91	473.74	0.00
A-2241	Software development	30,000.00	29,930.29	1.00	29,911.08	1.00	69.71	19.21
A-2310	Postage on correspondence and delivery charges	0.03	0.00	0.00			0.03	
A-2330	Legal expenses	0.00	0.00	0.00			0.00	
A-2391	Other administrative expenditure	407.63	8.00	0.02	7.38	0.02	399.63	0.62
	Title 2	35,480.17	34,532.23		34,512.40		947.94	19.83
B3-312	Expert meetings	147,349.79	147,349.79	1.00	66,709.12	0.45	0.00	80,640.67
B3-320	Publication and graphic services	678.00	0.00	0.00			678.00	
B3-540	Shared Environmental Information System	324,282.00	283,600.00	0.87	283,342.14	0.87	40,682.00	257.86
	Title 3	472,309.79	430,949.79		350,051.26		41,360.00	80,898.53
	Sum:	968,541.32	926,233.15		781,415.13		42,308.17	144,818.02

Fund Source: IPA2

B. L.	Official Budget Item Desc (Fr)	Appropriation (1)	Committed (Amount Accepted + In WKFL) (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance Commitment (1-2)	Balance Payment (2-3)
A-1300	Mission expenses	16,765.42	16,765.42	1.00	7,166.58	0.43	0.00	9,598.84
A-1420	Development of competencies, organisational	5,825.07	5,825.07	1.00	3,116.68	0.54	0.00	2,708.39
	Title 1	22,590.49	22,590.49		10,283.26		0.00	12,307.23
A-2240	Equipment, costs for equipment and data-proc	12,000.00	12,000.00	1.00	12,000.00	1.00	0.00	0.00
A-2311	Telephone, telegraph, telex, radio, television ar	6,199.76	3,956.00	0.64	3,398.26	0.55	2,243.76	557.74
	Title 2	18,199.76	15,956.00		15,398.26		2,243.76	557.74
B3-312	Expert meetings	220,314.00	218,967.91	0.99	182,822.75	0.83	1,346.09	36,145.16
B3-550	Governance and country network support	453,235.00	412,416.33	0.91	354,938.33	0.78	40,818.67	57,478.00
	Title 3	673,549.00	631,384.24		537,761.08		42,164.76	93,623.16
	Total:	714,339.25	669,930.73		563,442.60		44,408.52	106,488.13

Appendix 5 – Reconciliation of the accrual based result with the budget result

	sign +/-	
Economic result (- for loss) of the consolidation reporting package including table M2	+/-	1,019,324.50
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)	-	-638,152.11
Adjustments for Accrual Cut-off (cut- off 31.12.N)	+	-3,175,050.85
Amount from liaison account with Commission booked in the Economic Outturn Account	-	
Unpaid invoices at year end but booked in charges	+	
Depreciation of intangible and tangible fixed assets	+	559,312.82
Provisions	+	0.00
Value reductions	+	0.00
Recovery Orders issued in in class 7 and not yet cashed	-	0.00
Pre-financing given in previous year and cleared in the year	+	370,759.00
Pre-financing received in previous year and cleared in the year	-	-974,185.46
Payments made from carry over of payment appropriations	+	3,690,629.26
Other *)	+/-	-2,080.00
Exchange rate differences	+/-	0.00
Ajustment for budgetary items (item included in the budgetary result but not in the economic result)		0.00
		0.00
Asset acquisitions (less unpaid amounts)	-	-585,594.92
New pre-financing paid in the year and remaining open as at	-	-2,079,656.00
New pre-financing received in the year and remaining open as at	+	21,347,489.21
Budgetary recovery orders issued before and cashed in the year	+	-10,412.34
Budgetary recovery orders issued in on balance sheet accounts (not 7 or 6 accounts) and cashed	+	
Capital payments on financial leasing (they are budgetary payments but not in the economic result)	-	
Payment appropriations carried over	-	-27,476,072.84
Cancellation of unused carried over payment appropriations from previous year	+	380,948.99
Adjustment for grants		-13,476,850.00
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+	22,595,916.32
Payments for pensions (they are budgetary payments but booked against provisions)	-	
Payments for stocks of leave and supplementary hours (they are budgetary payments but booked against provisions)	-	
Other **)	+/-	-124,809.76
Total		1,421,515.82
Budgetary result (+ for surplus)		1,422,874.08
Delta not explained		1,358.26

Expenditure (kEUR)			
Project	Phase	2012	2013
EEA Forum	Reserach	1,6	0,0
	Development	7	0,0
		8.6	0.0
EEA Eionet Forum	Reserach		0,0
	Development	111.6	0,0
		111.58	0.00
Mission & Training system	Reserach	0.00	2.3
	Development	0.00	7.0
		0.00	9.3