



Final Accounts Financial year 2014

**Research Executive
Agency**

**Financial Statements
Reports on the
Implementation of the
budget**

The opinion of the Steering Committee was given on 12/06/2015

The accounts were sent to the Commission's Accounting Officer, the Court of Auditors, the European Parliament and the Council.
They will also be published on the REA website: <http://ec.europa.eu/research/rea/>



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CERTIFICATION OF THE ACCOUNTS

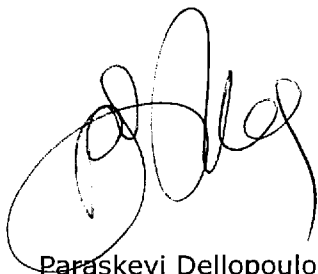
Certification

The annual accounts of the Research Executive Agency (hereafter "the Agency") for the year 2014, have been prepared in accordance with Title VI of the Financial regulation of the Agency (Commission Regulation (EC) No 1653/2004) as well as the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions, agencies and joint undertakings.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the Agency in accordance with Article 68 of the Financial Regulation.

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

I hereby certify that 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 the Agency.



Paraskevi Dellopoulos

Accounting Officer

Statement of the Director

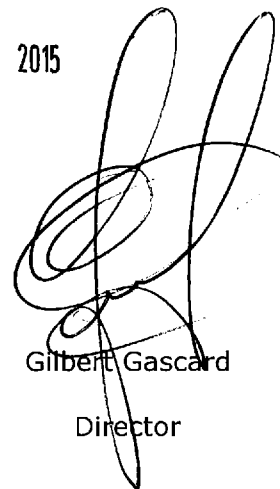
I, the undersigned, Director of the Research Executive Agency, in my capacity as authorising officer,

- Declare that the information contained in this report gives a true and fair view.
- State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the work of ex-ante controls and the internal audits as well as the observations of the Internal Audit Service.

- Confirm that I am not aware of anything not reported here which could harm the interests of the Agency or the Commission.

Brussels, 11. 06. 2015



Gilbert Gascard

Director

1. INTRODUCTION

By Commission Decision of 14 December 2007 the Research Executive Agency (REA) was set up for the management of certain areas of the seventh EU Framework Programme for research and technological development (FP7) in application of Council Regulation (EC) No 58/2003. It is located in Brussels at the following address: Place Rogier 16, COV2, BE-1049 Brussels.

With the subsequent Commission Decision of 31 July 2008, the REA was delegated powers for the implementation of parts of the specific programmes implementing FP7 (namely, the People, Capacities and Cooperation programmes) and for implementation of appropriations entered in the European Union's budget (C(2008) 3980 final)

The Agency assumed its operational and administrative autonomy on 15 June 2009.

Over the life of FP7, which ran until end-2013, the Research Executive Agency managed research projects to a total value of approximately €6.5 billion, which represents around 13% of the total FP7 budget. The FP7 budget in general, and the share managed by the REA in particular, is mostly spent on grants to research actors in Europe and beyond in order to co-finance research, technological development and demonstration projects. FP7 is a key tool to respond to Europe's needs in terms of jobs and competitiveness in the global knowledge economy.

In December 2013, the REA's new mandate was formally adopted by the Commission. REA's Establishment Act, adopted on 13 December 2013, translates into the extension of the lifetime of REA until 2024 and into the growth of staff up to 764 people by 2020.

REA's Delegation Act and its Annexes, adopted on 20 December 2013, state which parts of Horizon 2020 are delegated to the REA, which tasks are managed for each project and how REA interacts with the parent DGs. It also details the future mandate regarding the Support Services.

Under the **new mandate**, the REA :

- offers administrative and logistical support services to the whole of Horizon 2020 and certain other programmes (Erasmus+, Creative Europe, Europe for Citizenship, COSME, health and consumer programmes);

- continues to manage the legacy of all the FP7 actions REA run now and their successor actions under Horizon 2020 (for Marie Skłodowska-Curie Actions, Space and Security Research);

- manages a large share of the following H2020 activities which are new to the REA:

(1) Food security, sustainable agriculture, marine & maritime research, and bio-economy (DG RTD, DG AGRI)

(2) Innovative, inclusive and reflective societies (DG RTD, DG CNECT)

(3) Secure Societies (DG ENTR, DG CNECT)

(4) Future Emerging Technologies, FET Open (DG CNECT)

(5) Spreading Excellence and Widening Participation (DG RTD)

(6) Science with and for Society (DG RTD)

The 2014 financial statements of the REA and its report on budget implementation for 2014 were prepared in conformity with:

- Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002;
- Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union;
- Commission Regulation (EC) No 1653/2004, of 21 September, on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the Statute for executive agencies to be entrusted with certain tasks in the management of Community programmes, as last amended by Commission Regulation (EC) No 651/2008;
- The 18 accounting rules on accrual accounting adopted by the Accounting Officer of the Commission.

2. FINANCIAL STATEMENTS 2014

2.1. REA balance sheet as of 31.12.2014 (in euros)

ASSETS	Notes	31.12.2014	31.12.2013
NON CURRENT ASSETS	(section 2.5.2)	5.519.895	6.920.873
Intangible fixed assets	(1)	2.240.770	3.456.014
Tangible fixed assets	(2)	3.279.125	3.464.859
Land and buildings			
Plant and equipment		62	811
Computer hardware		128.784	86.231
Furniture and vehicles		67.597	112.013
Others fixtures and fittings		3.082.682	3.265.804
CURRENT ASSETS		10.986.725	7.166.200
Current receivables - non exchange receivables	(3)	922	72.677
Sundry receivables – other exchange receivables	(4)	125.073	320.578
Short-term receivables consolidated entities			
Exchange receivables		6.167.034	2.520.533
Accrued income	(5)	11.648	
Deferred charges	(6)	2.621.898	2.520.533
Deferrals consolidated entities	(7)	3.533.488	
Cash and cash equivalents	(8)	4.693.696	4.252.412
TOTAL ASSETS		16.506.620	14.087.073

LIABILITIES			
CAPITAL		13.191.901	9.646.611
Reserves			
Accumulated surplus/deficit		9.646.611	10.021.851
Economic result of the year - profit+/loss-		3.545.290	-375.240
NON CURRENT LIABILITIES			
CURRENT LIABILITIES		3.314.719	4.440.462
Short-term provisions			331.156
Current payables	(9)	13.848	2.579
Sundry payables	(10)	39.026	42.674
Accounts payable consolidated entities	(11)	685.668	1.843.168
Prefinancing from consolidated entities		669.329	1.704.089
Other accounts payable consolidated entities		16.339	139.079
Other		2.576.177	2.220.885
Accrued charges	(12)	1.461.880	1.394.930
Deferred income			
Accruals consolidated entities	(13)	1.114.297	825.955
TOTAL LIABILITIES		16.506.620	14.087.073

2.2. REA Statement of financial performance (in euros)

SFP	Notes (section 2.5.3)	2014	2013
Revenues from administrative operations - exchange revenue	(1)	107.858	2.261
Adjustment provision - non exchange revenue	(2)	331.156	529.415
Other operating revenue - non exchange revenue	(3)	50.725.703	45.060.651
TOTAL OPERATING REVENUE		51.164.717	45.592.327
Staff expenses	(4)	-31.082.259	-28.500.694
Fixed asset related expenses	(5)	-1.997.445	-1.816.306
Other administrative expenses	(6)	-14.693.620	-15.650.507
Operational expenses	(7)	-4.460	-60
TOTAL OPERATING EXPENSES		-47.777.784	-45.967.567
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES		3.386.933	-375.240
Financial revenues - exchange revenue	(8)	158.357	-
ECONOMIC RESULT OF THE YEAR		3.545.290	-375.240

2.3. REA cash flow table for 2014 (Indirect Method – in euros)

in euros	31.12.2014
Surplus/(deficit) from ordinary activities	3.545.290
Amortization (intangible fixed assets) (+)	1.263.043
Depreciation (tangible fixed assets) (+)	734.189
(Increase)/decrease in Provisions for risks and liabilities	-331.156
Increase/(decrease) in Short term Receivables	82.492
(Increase)/decrease in Receivables related to consolidated EU entities	-3.461.733
Increase/(decrease) in Accounts payable	74.570
(Increase)/decrease in Liabilities related to consolidated EU entities	-869.157
Other non-cash movements	508
Net cash Flow from operating activities	1.038.046
Proceeds from disposals of Fixed Assets	
Increase of tangible and intangible fixed assets(-)	-596.762
Net increase/(decrease) in cash and cash equivalents	441.284
Cash and cash equivalents at the beginning of the period	4.252.412
Cash and cash equivalents at the end of the period	4.693.696

2.4. REA statement of changes in net assets (in euros)

in euros	Reserves		Accumulated Surplus / Deficit	Economic result of the year	Net assets (total)
	Fair value reserve	Other reserves			
Balance as of 31 December 2013	0	0	10.021.851	-375.240	9.646.611
Changes in accounting policies	0	0	0	0	0
Balance as of 1 January 2014 (if restated)	0	0	10.021.851	-375.240	9.646.611
Fair value movements	0	0	0	0	0
Allocation of the Economic Result of Previous Year	0	0	-375.240	375.240	0
Economic result of the year	0	0	0	3.545.290	3.545.290
Balance as of 31 December 2014	0	0	9.646.611	3.545.290	13.191.901

2.5. Notes to the financial statements

These financial statements cover the period from 1 January 2014 until 31 December 2014.

2.5.1. Accounting policies

Legal basis and the financial regulation

The accounts are kept in accordance with Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies.

The REA being fully consolidated in the Commission accounts, the 2014 REA financial statements have been established in accordance with the legislation listed in the introduction to the annual accounts and with the consolidation package provided by the European Commission. The accounting rules and regulations used in this report are adopted by the European Commission, are on an accrual basis and are compliant with the International Public Sector Accounting Standards (IPSAS) or, by default, with the International Financial Reporting Standards (IFRS).

In compliance with Accounting Rule 6, in application since 1 January 2010, internally developed intangible assets are capitalised. On the basis of the administrative budget size of REA the threshold amount for capitalisation has been set at € 100,000.

Accounting principles

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. For a public sector entity such as the REA, 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.

The accounting system of the REA 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 at 31 December.

Article 53 of the standard financial regulation for executive agencies 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.

2.5.2. Notes to the Balance sheet

(1) *Non-current assets – Intangible fixed assets*

Intangible fixed assets are identifiable non-monetary assets without physical substance. To be entered in the financial inventory on the assets side of the balance sheet, they must be controlled by the Agency and generate future economic benefits for the Agency. Additionally, they should have a purchase price above € 420.

For internally developed intangible fixed assets, the threshold is set at € 100,000.

Intangible fixed assets are depreciated monthly with an annual depreciation rate of 25%.

The variation of the intangible fixed assets in 2014 is detailed as follows (in euros):

Intangible assets 2014 (euros)	Internally generated Computer Software	Other Computer Software	Intangible fixed assets under construction	TOTAL
Gross carrying amounts 1.1.2014	955.787	3.528.791	727.998	5.212.575
Additions	47.798			47.799
Disposals				0
Transfer between headings		727.998	-727.998	0
Other changes				0
Gross carrying amounts 31.12.2014	1.003.585	4.256.788	0	5.260.373
Accumulated depreciation and impairment 1.1.2014	-542.844	-1.213.717		-1.756.561
Depreciation	-119.337	-1.143.705		-1.263.043
Write-back of depreciation				
Disposals				
Impairment				
Write-back of impairment				
Transfer between headings				
Other changes				
Accumulated amortization and impairment 31.12.2014	-662.181	-2.357.422		-3.019.603
Net carrying amounts 31.12.2014	341.404	1.899.366	0	2.240.770

In order to implement the Horizon 2020 program, DG Research and Innovation and DIGIT are developing several IT tools (COMPASS, SYGMA, ...). DG Research and Innovation is the owner of these tools. REA uses these tools without paying any fee.

(2) *Non-current assets – Tangible fixed assets*

Tangible fixed assets are identifiable non-monetary assets with physical substance. To be entered in the financial inventory on the assets side of the balance sheet, they must be controlled by the Agency and generate future economic benefits for the Agency. Additionally, they should have a purchase price above € 420. Items with lower value are treated as expenses of the year; however they are registered in the physical inventory.

Tangible fixed assets have an annual depreciation rate of 25%. The investment for the fitting out of the building is depreciated at an annual rate of 10%. All tangible fixed assets are depreciated monthly.

2014	Plant and Equipment	Computer hardware	Furniture and vehicles	Other Fixtures and Fittings	Total
Gross carrying amounts 01.01.2014	5.226	933.239	230.393	5.615.244	6.784.102
Additions		120.524	2.181	426.258	548.963
Disposals					-
Transfer between headings					-
Other changes		-685		15.475	14.790
Gross carrying amounts 31.12.2014	5.226	1.053.078	232.574	6.056.977	7.347.855
Accumulated depreciation and impairment 01.01.2014	-4.415	-847.008	-118.380	-2.349.440	-3.319.243
Depreciation	-749	-77463	-46597	-609380	-734.189
Write-back of depreciation					
Disposals					
Impairment					
Write-back of impairment					
Transfer between headings					
Other changes		177		-15475	-15.298
Accumulated depreciation and impairment 31.12.2014	-5.164	-924.294	-164.977	-2.974.295	-4.068.730
Net carrying amounts 31.12.2014	62	128.784	67.597	3.082.682	3.279.125

(3) *Current Receivables (€922)*

(4) *Sundry Receivables (€ 125.073)*

The current receivables and sundry receivables are mostly related to regularisations in salary payments.

(5) *Accrued Income (€11.648)*

The accrued incomes correspond to the bank interest accrued on 2014 fourth quarter but not yet liquidated at 31.12.2014.

(6) *Deferred charges (€ 2.621.898)*

The deferred charges include part of the usufruct fee for REA's premises paid in 2014 and corresponding to 2015 (€ 2.485.773) and other prepaid charges (€136.125).

(7) *Deferred charges consolidated entities (€ 3.533.488)*

The usufruct fee for COVE building REA's premises has been paid in 2014. As this charge covers the period from 1st of January to 31 December 2015, it has been deferred.

(8) *Cash and cash equivalents (€ 4.693.696)*

This balance corresponds exclusively to the cash held on the REA's bank account on 31 December 2014. The bank accounts are held with ING. The REA does not hold any petty cash or other cash equivalents.

(9) *Current payables (€ 13.848)*

The current payables consist of the amounts due to suppliers of goods and services and to staff.

(10) *Sundry payables (€39.026)*

The sundry payables relate to:

- € 32.576 for staff salary retentions to be transferred to the European Commission;
- € 6.124 amount for social security to be paid to the European Commission
- € 326 returned payments.

(11) *Accounts payable to consolidated entities (€ 685.668)*

- € 669.329 positive budgetary outturn to be paid to DG Research and Innovation;
- € 16.339 balance to be paid to EC.

(12) *Accrued charges (€ 1.461.880)*

This relates to goods and services received in 2014 but not invoiced at year-end (€ 884.035), charges relating to untaken annual leave by staff (€ 567.844) and other staff cost (€10.001).

(13) *Accruals consolidated entities (€ 1.114.297)*

This balance relates to accrued charges for consolidated entities for the goods and services received in 2014 but not yet invoiced to the REA as of 31.12.2014. These accruals are based on the Service Level Agreements signed with the European Commission :

DG HR : € 718.509

OIB : € 384.089

PMO : € 16.700

2.5.3. Notes to the Statement of financial performance

(1) Revenues from administrative operations (€ 107.858)

This amount represents incomes linked:

- to a fixed asset accounting regularisation : € 4.121
- reimbursement of charges : € 103.727

(2) Provision Adjustment (€ 331.156)

The salary indexation has been paid in May 2014. The provision has been completely used.

(3) Other operating revenues (€ 50.725.703)

This revenue relates to the operating subsidy received by REA from the European Commission.

(4) Staff expenditure (€ 31.082.259)

This includes total gross salaries, allowances, social contributions, employee pension contributions, a provision for untaken holidays and accrued charges for the staff.

(5) Fixed asset related expenses (€ 1.997.445)

These expenses relate to depreciation charges of the Agency's tangible and intangible fixed assets and written off amounts respectively € 1.263.043, € 734.189 and € 214.

(6) Other administrative expenses (€ 14.693.620)

These expenses relate to:

	Third Parties	Consolidated Entities	Total
Building expenses	3.482.989	3.052.305	6.535.294
Contribution to the cost of the H2020 evaluation platform	254.430		254.430
IT expenses, services and supplies	1.046.604	1.952.802	2.999.407
Other external service provider (non-it services)	1.603.540		1.603.540
Audits	701.348		701.348
Office Supplies and material	376.286		376.286
Training	274.545	210.843	485.388
Missions	387.195		387.195
Communications	74.328		74.328
Other expenditure	51.803	1.224.601	1.276.404
Total of expenses	8.253.069	6.440.552	14.693.620

(7) Operational expenses (€ 4.460)

Operational expenses are related to exchange rate expenses .

(8) Financial Revenues (€ 158.357)

This revenue consists of bank account interest.

Contingent assets and commitment for future expenditure

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 recognised because:
 - o it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - o the amount of the obligation cannot be measured with sufficient reliability.

The agency has no contingent liabilities to report as of 31.12.2014 (in euros).

	31.12.2014
Contingent Liabilities	
Guarantees given	0.00
Amounts relating to legal cases	pm

Commitments for future expenditure	
Commitments made in 2014 and not yet consumed (paid) as of 31.12.2014	2,082,420
Future charges resulting from usufruct contract for the REA building	54,345,216
Total	

In 2014 the Tribunal of Civil Service dismissed the action brought by an agent in 2013, and condemned him to pay the costs of the proceedings, including the costs incurred by the Agency. The same agent lodged an appeal before the European Union Civil Service Tribunal seeking the annulment of the Ordinance of April 30, 2014. In this case, an obligation, for an amount to be set by the Court, may arise, if the Court would decide in favor of the applicant.

Commitments made in 2014 and not yet consumed (paid) as of 31.12.2014 relate to the difference between the unpaid balance of commitments made and to be carried over to 2015 (€ 4,110,940) and accruals made as of 31.12.2014 (€ 2,028,520).

The future charges resulting from the usufruct contract for the COV 2 building relate to the period from 24.09.2015 to 23.09.2023. The future charges can be detailed as follows:

- Charges until 31.12.2017: € 7,998,109
- Charges 01.01.2018-23.09.2023: €22,480,654

The future charges resulting from the usufruct contract for the COVE building relate to the period from 01.01.2016 to 31.12.2022. The future charges covering this period amount :

€23,866,453

All together, the future charges for the buildings (COV 2 and COVE) amount :

€54,345,216.

Financial instruments

Financial instruments comprise cash, current receivable and recoverables, current payables, amounts due to and from consolidated entities.

	2014
Financial Assets	€
Current receivables	922
Other receivables	125.073
Cash and deposits	4.693.696
Total financial assets	4.819.691
Financial Liabilities	
Current payables	13.848
Other payables	39.026
Payables consolidated ent.	685.668
Total financial liabilities	738.542

REA holds a bank account in ING Belgium, risk has been assessed as follows by the principal rating agencies:

	Standard & Poors	Moody's	Fitch
Short Term rating	A-1	Prime-1	F1+
Long term rating	A	A2	A+

2.5.4. Post balance sheet events

Subsequent events are defined as events which occur between the year-end and the date on which the accounts are issued. Two types of events can be identified:

- subsequent events relating to an existing situation at year-end. The financial effect need to be reflected in the annual accounts,
- subsequent events not relating to an already existing situation at 31 December of the financial year. No accounting entry is necessary, but the nature of the event, estimate of the financial effect or indication of impossibility of carrying out the estimate should be mentioned in the notes to the financial statements if the amount is significant.

No significant post balance sheet events occurred between 31.12.2014 and the finalisation of the financial statements.

2.5.5. Related Party disclosure

Key management personnel hold positions of responsibility within the Agency. They are responsible for the strategic direction and operational management of the entity and are entrusted with significant authority to execute their mandate.

Highest grade description	Grade	Number of persons of this grade
Director	AD15	1
Head of Department	AD14	2

The balance position of the Agency with the key management personnel for its activity period as autonomous entity during the financial year 2014 is composed of the salary and allowances as determined for the relevant grade by the Staff Regulations of the Officials of the European Communities.

3. REPORTS ON BUDGETARY AND FINANCIAL MANAGEMENT 2014

3.1. The REA's initial administrative budget

The administrative budget of the REA covers the whole of 2014.

The administrative budget was adopted by the REA's Steering Committee on 11 December 2013 as detailed below (in euros):

Budget title		Initial budget
2000	Operating grant from EU Budget	52.162.600
Total Revenue		52.162.600
Title 1	Staff expenditure	33.544.350
Title 2	Infrastructure and Operating Expenditure	8.686.200
Title 3	Technical and Administrative Support Expenditure	9.932.050
Total Expenditures		52.162.600

3.2. Amending budget and transfers

Expenditure Titles, Chapters, Articles and Items	Name of the budget line	The INITIAL BUDGET	Amendment	TRANSFERS	BUDGET 2014 following amendment & transfers
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TOTAL EXPENDITURE		52.162.600,00	-626.400,00	0,00	51.536.200,00
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Title	1	STAFF EXPENDITURE	33.544.350,00	1.028.800,00	-555.300,00	34.017.850,00
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Chapter	11	Remunerations, Allowances and Charges	31.708.000,00	1.179.100,00	-511.300,00	32.375.800,00
Article	111	Staff occupying an employment in the establishment plan	13.255.000,00	568.000,00	-511.300,00	13.311.700,00
Item	1111	Temporary Agents - Remuneration, Allowances and Charges	13.255.000,00	568.000,00	-511.300,00	13.311.700,00
Article	112	Contract Agents	17.093.000,00	412.000,00	-94.100,00	17.410.900,00
Item	1121	Contract Agents - Remuneration, Allowances and Charges	17.093.000,00	412.000,00	-94.100,00	17.410.900,00
Article	113	Other Staff Remunerations, Allowances and Charges	1.360.000,00	199.100,00	94.100,00	1.653.200,00
Item	1131	Seconded National Experts - Allowances and Charges	p.m.	0,00	0,00	0,00
Item	1132	Interim supportive agents and Trainees	1.360.000,00	199.100,00	94.100,00	1.653.200,00

Chapter	12	Professional Development and Social expenditure	1.836.350,00	-150.300,00	-44.000,00	1.642.050,00
Article	121	Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel	1.073.400,00	-35.250,00	45.910,00	1.084.060,00
Item	1211	Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel	1.073.400,00	-35.250,00	45.910,00	1.084.060,00
Article	122	Professional and Personal Development and Social expenses for Staff	742.950,00	-104.550,00	-89.910,00	548.490,00
Item	1221	Training Courses for the Professional and Personal Development of Staff	475.000,00	-77.000,00	-83.000,00	315.000,00
Item	1222	Missions related to the Professional and Personal Development of Staff	31.450,00	-10.550,00	-2.650,00	18.250,00
Item	1223	Medical Service	139.500,00	-16.000,00	-12.760,00	110.740,00
Item	1224	Mobility and Other Social expenses	97.000,00	-1.000,00	8.500,00	104.500,00
Article	123	Representation expenses, Events and Internal meetings	20.000,00	-10.500,00	0,00	9.500,00
Item	1231	Representation expenses, Events and Internal meetings	20.000,00	-10.500,00	0,00	9.500,00

Title	2	INFRASTRUCTURE AND OPERATING EXPENDITURE	8.686.200,00	-357.680,00	207.300,00	8.535.820,00
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Expenditure Titles, Chapters, Articles and Items	Name of the budget line	The INITIAL BUDGET	Amendment	TRANSFERS	BUDGET 2014 following amendment & transfers
Chapter 21	Building expenditure	5.611.000,00	-307.380,00	84.000,00	5.387.620,00
Article 211	Rent / Usufruct instalments and Building Charges	5.611.000,00	-307.380,00	84.000,00	5.387.620,00
Item 2111	Rent / Usufruct instalments, Building Charges and associated expenses	5.611.000,00	-307.380,00	84.000,00	5.387.620,00

Chapter 22	ICT expenditure	2.754.850,00	24.890,00	88.000,00	2.867.740,00
Article 221	ICT Environment	2.355.250,00	41.890,00	34.600,00	2.431.740,00
Item 2211	ICT Environment (Infrastructure, Systems and Services)	2.355.250,00	41.890,00	34.600,00	2.431.740,00
Article 222	Data Processing and application development	399.600,00	-17.000,00	53.400,00	436.000,00
Item 2221	Data Processing and application development and associated expenditure	399.600,00	-17.000,00	53.400,00	436.000,00

Chapter 23	Movable property and Current Operating expenditure	320.350,00	-75.190,00	35.300,00	280.460,00
Article 231	Furniture, Materials and Technical Installations	88.700,00	-60.040,00	34.000,00	62.660,00
Item 2311	Furniture, Materials and Technical Installations and associated expenditure	88.700,00	-60.040,00	34.000,00	62.660,00
Article 232	Current Operating expenditure	231.650,00	-15.150,00	1.300,00	217.800,00
Item 2321	Office Supplies and Other Current Operating expenditure	231.650,00	-15.150,00	1.300,00	217.800,00

Title	3	PROGRAMME SUPPORT EXPENDITURE	9.932.050,00	-1.297.520,00	8.982.530,00
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Expenditure Titles, Chapters, Articles and Items	Name of the budget line	The INITIAL BUDGET	Amendment	TRANSFERS	BUDGET 2014 following amendment & transfers
Chapter 31	Programme Management expenditure	2.061.450,00	-188.845,00	0,00	1.872.605,00
Article 311	Communication, Information and ICT expenditure related to the Management of Delegated Programmes	351.400,00	-88.865,00	-3.545,00	258.990,00
Item	3111 Communication, Information, Publications, Linguistic Services and Training Courses for the Management of Programmes and associated expenses	104.200,00	-19.665,00	-2.871,00	81.664,00
Item	3112 ICT Infrastructure, Environment and Systems related to the Programme Management and associated expenses	247.200,00	-69.200,00	-674,00	177.326,00
Article 312	External Audits, Missions and Other expenses related to the Management of Delegated Programmes	1.710.050,00	-99.980,00	3.545,00	1.613.615,00
Item	3121 External Audits	1.241.500,00	-57.030,00	3.545,00	1.188.015,00
Item	3122 Missions and Other expenses related to the Administrative Management of Programmes	468.550,00	-42.950,00	0,00	425.600,00

Chapter 32	Common Support Services expenditure	7.870.600,00	-1.108.675,00	348.000,00	7.109.925,00
Article 321	Common Support Services and Evaluation Platform – Building expenditure	6.037.400,00	-810.680,00	0,00	5.226.720,00
Item	3211 Building Rent / Usufruct instalments, Building charges and associated expenses for the Common Support Services and Evaluation Platform	6.037.400,00	-810.680,00	0,00	5.226.720,00
Article 322	Common Support Services and Evaluation Platform – ICT, Logistics, Information and Current Operating expenditure	1.503.200,00	-212.450,00	395.000,00	1.685.750,00
Item	3221 ICT, Logistics, Acquisition and Provision of Information, Current Operating expenditure and associated costs	1.503.200,00	-212.450,00	395.000,00	1.685.750,00
Article 323	Meetings of Experts	330.000,00	-85.545,00	-47.000,00	197.455,00
Item	3231 Meetings of Experts and associated costs	330.000,00	-85.545,00	-47.000,00	197.455,00

In September 2014 REA amended its budget and reduced it by € 626.400. As a result, the budget line in the EU general budget covering the subsidy to the REA was reduced accordingly by transferring this balance to operational budget lines for programmes managed by the REA on behalf of the Commission.

The reduction in budget resulted mostly from a re-assessment of needs identifying surpluses on building expenses (usufruct instalments, common support services and evaluation platform); the reinforcements relates to remunerations, allowances and staff charges.

In addition, eight transfers of appropriations between articles and chapters were authorised.

3.3. Implementation of appropriations of 2014

99% of the Agency's administrative budget appropriations were committed and 92% were paid by 31 December 2014.

Details of budget implementation of the 2014 appropriations are provided in the following table:

Budget Execution of C1 Appropriations as of - Legal Commitments										
Expenditure Titles, Chapters, Articles and Items	Official Name of the Expenditure Budget Lines	EXECUTION Budgetary Commitments	EXECUTION Legal Commitments		AVAILABLE Legal Commitments		EXECUTION Payment Appropriations		B2014 RAL Outstanding for Payments	
			value	%	value	%	value	%	value	%
TOTAL EXPENDITURE		51.238.435,98	51.129.389,78	99,8%	109.046,20	0,2%	47.127.495,86	92,2%	4.110.940,12	8,0%
Title 1	STAFF EXPENDITURE	33.729.757,22	33.671.586,57	99,8%	58.170,65	0,2%	33.259.993,55	98,8%	469.763,67	1,4%
Chapter 11	Remunerations, Allowances and Charges	32.100.449,72	32.065.183,80	99,9%	35.265,92	0,1%	31.870.554,62	99,4%	229.895,10	0,7%
Article 111	Staff occupying an employment in the establishment plan	13.146.475,94	13.146.475,94	100,0%	0,00	0,0%	13.146.475,94	100,0%	0,00	0,0%
Item	1111 Temporary Agents - Remuneration, Allowances and Charges	13.146.475,94	13.146.475,94	100,0%	0,00	0,0%	13.146.475,94	100,0%	0,00	0,0%
Article 112	Contract Agents	17.300.773,78	17.300.773,78	100,0%	0,00	0,0%	17.300.773,78	100,0%	0,00	0,0%
Item	1121 Contract Agents - Remuneration, Allowances and Charges	17.300.773,78	17.300.773,78	100,0%	0,00	0,0%	17.300.773,78	100,0%	0,00	0,0%
Article 113	Other Staff Remunerations, Allowances and Charges	1.653.200,00	1.617.934,08	97,9%	35.265,92	2,1%	1.423.304,90	88,0%	229.895,10	13,9%
Item	1131 Seconded National Experts - Allowances and Charges	p.m.	p.m.	-	p.m.	-	p.m.	-	p.m.	-
Item	1132 Interim supportive agents and Trainees	1.653.200,00	1.617.934,08	97,9%	35.265,92	2,1%	1.423.304,90	88,0%	229.895,10	13,9%

Expenditure Titles, Chapters, Articles and Items	Official Name of the Expenditure Budget Lines	EXECUTION Budgetary Commitment S	EXECUTION Legal Commitments		AVAILABLE Legal Commitments		EXECUTION Payment Appropriations		B2014 RAL Outstanding for Payments	
			value	%	value	%	value	%	value	%
Chapter 12	Professional Development and Social expenditure	1.629.307,50	1.606.402,77	98,6%	22.904,73	1,4%	1.389.438,93	86,5%	239.868,57	14,7%

Article 121	Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel	1.084.053,31	1.081.821,19	99,8%	2.232,12	0,2%	1.043.410,80	96,4%	40.642,51	3,7%
Item ###	Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel	1.084.053,31	1.081.821,19	99,8%	2.232,12	0,2%	1.043.410,80	96,4%	40.642,51	3,7%
Article 122	Professional and Personal Development and Social expenses for Staff	535.754,19	516.616,92	96,4%	19.137,27	3,6%	338.356,07	65,5%	197.398,12	36,8%
Item ###	Training Courses for the Professional and Personal Development of Staff	314.800,00	296.349,77	94,1%	18.450,23	5,9%	164.994,78	55,7%	149.805,22	47,6%
Item ###	Missions related to the Professional and Personal Development of Staff	11.900,00	11.303,41	95,0%	596,59	5,0%	10.232,52	90,5%	1.667,48	14,0%
Item ###	Medical Service	104.554,19	104.554,19	100,0%	0,00	0,0%	60.267,64	57,6%	44.286,55	42,4%
Item ###	Mobility and Other Social expenses	104.500,00	104.409,55	99,9%	90,45	0,1%	102.861,13	98,5%	1.638,87	1,6%
Article 123	Representation expenses, Events and Internal meetings	9.500,00	7.964,66	83,8%	1.535,34	16,2%	7.672,06	96,3%	1.827,94	19,2%
Item ###	Representation expenses, Events and Internal meetings	9.500,00	7.964,66	83,8%	1.535,34	16,2%	7.672,06	96,3%	1.827,94	19,2%

Title 2	INFRASTRUCTURE AND OPERATING EXPENDITURE	8.533.478,32	8.526.765,72	99,9%	6.712,60	0,1%	7.289.679,44	85,5%	1.243.798,88	14,6%
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Chapter 21	Building expenditure	5.387.620,00	5.387.620,00	100,0%	0,00	0,0%	4.740.044,00	88,0%	647.576,00	12,0%
Article 211	Rent / Usufruct instalments and Building Charges	5.387.620,00	5.387.620,00	100,0%	0,00	0,0%	4.740.044,00	88,0%	647.576,00	12,0%
Item ###	Rent / Usufruct instalments, Building Charges and associated expenses	5.387.620,00	5.387.620,00	100,0%	0,00	0,0%	4.740.044,00	88,0%	647.576,00	12,0%

Expenditure Titles, Chapters, Articles and Items	Official Name of the Expenditure Budget Lines	EXECUTION Budgetary Commitments	EXECUTION Legal Commitments		AVAILABLE Legal Commitments		EXECUTION Payment Appropriations		B2014 RAL Outstanding for Payments	
			value	%	value	%	value	%	value	%
Chapter 22	ICT expenditure	2.866.112,80	2.866.112,80	100,0%	0,00	0,0%	2.337.288,49	81,5%	528.824,31	18,5%
Article 221	ICT Environment	2.430.443,30	2.430.443,30	100,0%	0,00	0,0%	2.138.421,67	88,0%	292.021,63	12,0%
Item 2211	ICT Environment (Infrastructure, Systems and Services)	2.430.443,30	2.430.443,30	100,0%	0,00	0,0%	2.138.421,67	88,0%	292.021,63	12,0%
Article 222	Data Processing and application development	435.669,50	435.669,50	100,0%	0,00	0,0%	198.866,82	45,6%	236.802,68	54,4%
Item 2221	Data Processing and application development and associated expenditure	435.669,50	435.669,50	100,0%	0,00	0,0%	198.866,82	45,6%	236.802,68	54,4%

Chapter 23	Movable property and Current Operating expenditure	279.745,52	273.032,92	97,6%	6.712,60	2,4%	212.346,95	77,8%	67.398,57	24,1%
Article 231	Furniture, Materials and Technical Installations	61.945,52	61.945,52	100,0%	0,00	0,0%	22.261,82	35,9%	39.683,70	64,1%
Item 2311	Furniture, Materials and Technical Installations and associated expenditure	61.945,52	61.945,52	100,0%	0,00	0,0%	22.261,82	35,9%	39.683,70	64,1%
Article 232	Current Operating expenditure	217.800,00	211.087,40	96,9%	6.712,60	3,1%	190.085,13	90,1%	27.714,87	12,7%
Item 2321	Office Supplies and Other Current Operating expenditure	217.800,00	211.087,40	96,9%	6.712,60	3,1%	190.085,13	90,1%	27.714,87	12,7%

Title 3	PROGRAMME SUPPORT EXPENDITURE	8.975.200,44	8.931.037,49	99,5%	44.162,95	0,5%	6.577.822,87	73,7%	2.397.377,57	26,7%
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Chapter 31	Programme Management expenditure	1.868.987,89	1.858.000,41	99,4%	10.987,48	0,6%	673.036,84	36,2%	1.195.951,05	64,0%
Article 311	Communication, Information and ICT expenditure related to the Management of Delegated	257.331,90	254.218,25	98,8%	3.113,65	1,2%	69.537,76	27,4%	187.794,14	73,0%
Item 3111	Communication, Information, Publications, Linguistic Services and Training Courses for the Management of Programmes and associated expenses	80.006,30	76.892,65	96,1%	3.113,65	3,9%	31.513,52	41,0%	48.492,78	60,6%
Item 3112	ICT Infrastructure, Environment and Systems related to the Programme Management and associated expenses	177.325,60	177.325,60	100,0%	0,00	0,0%	38.024,24	21,4%	139.301,36	78,6%
Article 312	External Audits, Missions and Other expenses related to the Management of Delegated	1.611.655,99	1.603.782,16	99,5%	7.873,83	0,5%	603.499,08	37,6%	1.008.156,91	62,6%
Item 3121	External Audits	1.186.055,99	1.186.055,99	100,0%	0,00	0,0%	292.769,99	24,7%	893.286,00	75,3%
Item 3122	Missions and Other expenses related to the Administrative Management of Programmes	425.600,00	417.726,17	98,1%	7.873,83	1,9%	310.729,09	74,4%	114.870,91	27,0%

Expenditure Titles, Chapters, Articles and Items	Official Name of the Expenditure Budget Lines	EXECUTION Budgetary Commitments	EXECUTION Legal Commitments		AVAILABLE Legal Commitments		EXECUTION Payment Appropriations		B2014 RAL Outstanding for Payments	
			value	%	value	%	value	%	value	%
Chapter 32	Common Support Services expenditure	7.106.212,55	7.073.037,08	99,5%	33.175,47	0,5%	5.904.786,03	83,5%	1.201.426,52	16,9%
Article 321	Common Support Services and Evaluation Platform – Building expenditure	5.225.860,00	5.225.860,00	100,0%	0,00	0,0%	4.701.412,54	90,0%	524.447,46	10,0%
Item 3211	Building Rent / Usufruct instalments, Building charges and associated expenses for the Common Support Services and Evaluation Platform	5.225.860,00	5.225.860,00	100,0%	0,00	0,0%	4.701.412,54	90,0%	524.447,46	10,0%
Article 322	Common Support Services and Evaluation Platform – ICT, Logistics, Information and Current Operating expenditure	1.683.501,21	1.683.492,76	100,0%	8,45	0,0%	1.055.523,30	62,7%	627.977,91	37,3%
Item 3221	ICT, Logistics, Acquisition and Provision of Information, Current Operating expenditure and associated costs	1.683.501,21	1.683.492,76	100,0%	8,45	0,0%	1.055.523,30	62,7%	627.977,91	37,3%
Article 323	Meetings of Experts	196.851,34	163.684,32	83,2%	33.167,02	16,8%	147.850,19	90,3%	49.001,15	24,9%
Item 3231	Meetings of Experts and associated costs	196.851,34	163.684,32	83,2%	33.167,02	16,8%	147.850,19	90,3%	49.001,15	24,9%

The balance of unused commitment appropriations of € 109,046.20 million results basically from staff costs and programme support expenditures.

3.4. Liquidation of appropriations carried forward from 2013

The implementation of appropriations carried forward from 2013 is detailed in the following table:

Budget Execution of C8 Appropriations as of 31/12/2014 - B2013 RAL

Expenditure Titles, Chapters, Articles and Items	Official Name of the Expenditure Budget Lines		B2013 RAL	EXECUTION Payment Appropriations		RAL Left Unused	
				value	%	value	%
TOTAL EXPENDITURE			2.824.943,71	2.557.197,96	90,5%	267.745,75	9,5%
Title	1	STAFF EXPENDITURE	478.166,31	445.302,60	93,1%	32.863,71	6,9%
Chapter	11	Remunerations, Allowances and Charges	172.589,28	170.105,93	98,6%	2.483,35	1,4%
Article	111	Staff occupying an employment in the establishment plan	0,00	0,00	-	0,00	-
Item	1111	Temporary Agents - Remuneration, Allowances and Charges	0,00	0,00	-	0,00	-
Article	112	Contract Agents	0,00	0,00	-	0,00	-
Item	1121	Contract Agents - Remuneration, Allowances and Charges	0,00	0,00	-	0,00	-
Article	113	Other Staff Remunerations, Allowances and Charges	172.589,28	170.105,93	98,6%	2.483,35	1,4%
Item	1131	Seconded National Experts - Allowances and Charges	p.m.	p.m.	-	p.m.	-
Item	1132	Interim supportive agents and Trainees	172.589,28	170.105,93	98,6%	2.483,35	1,4%
Chapter	12	Professional Development and Social expenditure	305.577,03	275.196,67	90,1%	30.380,36	9,9%
Article	121	Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel	74.980,16	62.035,01	82,7%	12.945,15	17,3%
Item	1211	Specific Staff-related Charges, Support Services for the management of Staff Rights and Payroll, Charges relating to Recruitment and Change of Personnel	74.980,16	62.035,01	82,7%	12.945,15	17,3%
Article	122	Professional and Personal Development and Social expenses for Staff	230.132,10	212.696,89	92,4%	17.435,21	7,6%
Item	1221	Training Courses for the Professional and Personal Development of Staff	126.279,31	123.833,56	98,1%	2.445,75	1,9%
Item	1222	Missions related to the Professional and Personal Development of Staff	0,00	0,00	-	0,00	-
Item	1223	Medical Service	96.616,57	81.627,11	84,5%	14.989,46	15,5%
Item	1224	Mobility and Other Social expenses	7.236,22	7.236,22	100,0%	0,00	0,0%
Article	123	Representation expenses, Events and Internal meetings	464,77	464,77	100,0%	0,00	0,0%
Item	1231	Representation expenses, Events and Internal meetings	464,77	464,77	100,0%	0,00	0,0%

Title	2	INFRASTRUCTURE AND OPERATING EXPENDITURE	961.299,20	899.802,33	93,6%	61.496,87	6,4%
Chapter	21	Building expenditure	576.381,97	529.224,35	91,8%	47.157,62	8,2%
Article	211	Rent / Usufruct instalments and Building Charges	576.381,97	529.224,35	91,8%	47.157,62	8,2%
Item	2111	Rent / Usufruct instalments, Building Charges and associated expenses	576.381,97	529.224,35	91,8%	47.157,62	8,2%

Chapter	22	ICT expenditure	367.189,44	354.378,83	96,5%	12.810,61	3,5%
Article	221	ICT Environment	159.464,29	147.149,84	92,3%	12.314,45	7,7%
Item	2211	ICT Environment (Infrastructure, Systems and Services)	159.464,29	147.149,84	92,3%	12.314,45	7,7%
Article	222	Data Processing and application development	207.725,15	207.228,99	99,8%	496,16	0,2%
Item	2221	Data Processing and application development and associated expenditure	207.725,15	207.228,99	99,8%	496,16	0,2%

Chapter	23	Movable property and Current Operating expenditure	17.727,79	16.199,15	91,4%	1.528,64	8,6%
Article	231	Furniture, Materials and Technical Installations	1.005,36	994,18	98,9%	11,18	1,1%
Item	2311	Furniture, Materials and Technical Installations and associated expenditure	1.005,36	994,18	98,9%	11,18	1,1%
Article	232	Current Operating expenditure	16.722,43	15.204,97	90,9%	1.517,46	9,1%
Item	2321	Office Supplies and Other Current Operating expenditure	16.722,43	15.204,97	90,9%	1.517,46	9,1%

Title	3	PROGRAMME SUPPORT EXPENDITURE	1.385.478,20	1.212.093,03	87,5%	173.385,17	12,5%
Chapter	31	Programme Management expenditure	1.217.443,91	1.044.359,85	85,8%	173.084,06	14,2%
Article	311	Communication, Information and ICT expenditure related to the Management of Delegated Programmes	253.949,33	245.462,85	96,7%	8.486,48	3,3%
Item	3111	Communication, Information, Publications, Linguistic Services and Training Courses for the Management of Programmes and associated expenses	89.650,08	81.163,60	90,5%	8.486,48	9,5%
Item	3112	ICT Infrastructure, Environment and Systems related to the Programme Management and associated expenses	164.299,25	164.299,25	100,0%	0,00	0,0%
Article	312	External Audits, Missions and Other expenses related to the Management of Delegated Programmes	963.494,58	798.897,00	82,9%	164.597,58	17,1%
Item	3121	External Audits	863.978,00	714.322,80	82,7%	149.655,20	17,3%
Item	3122	Missions and Other expenses related to the Administrative Management of Programmes	99.516,58	84.574,20	85,0%	14.942,38	15,0%

Chapter	32	Common Support Services expenditure	168.034,29	167.733,18	99,8%	301,11	0,2%
Article	321	Common Support Services and Evaluation Platform – Building expenditure	0,00	0,00	-	0,00	-
Item	3211	Building Rent / Usufruct instalments, Building charges and associated expenses for the Common Support Services and Evaluation Platform	0,00	0,00	-	0,00	-
Article	322	Common Support Services and Evaluation Platform – ICT, Logistics, Information and Current Operating expenditure	160.433,68	160.432,57	100,0%	1,11	0,0%
Item	3221	ICT, Logistics, Acquisition and Provision of Information, Current Operating expenditure and associated costs	160.433,68	160.432,57	100,0%	1,11	0,0%
Article	323	Meetings of Experts	7.600,61	7.300,61	96,1%	300,00	3,9%
Item	3231	Meetings of Experts and associated costs	7.600,61	7.300,61	96,1%	300,00	3,9%

A total balance of € 267,746 (accounting for 9,5 % of the total balance carried forward from 2013) did not lead to final expenditure and these appropriations were cancelled.

3.5. REA staffing

During 2014, the REA has recruited 38 contract staff and 7 temporary staff and seconded officials (including recruitments for replacing departing staff).

ALL TEMPORARY AGENTS		
<i>Seconded Officials included</i>		
Function Group and Category	2014	
	Adopted by the Steering Committee	Filled on 31/12/2014
AD16	0	0
AD15	0	1
AD14	4	2
AD13	10	7
AD12	6	5
AD11	5	5
AD10	6	6
AD9	8	4
AD8	20	17
AD7	21	20
AD6	27	27
AD5	28	35
TOTAL AD	135	129
AST11	0	0
AST10	0	0
AST9	1	0
AST8	2	2
AST7	0	0
AST6	3	1
AST5	2	4
AST4	1	2
AST3	1	1
AST2	0	0
AST1	0	0
TOTAL AST	10	10
GRAND TOTAL (AD+AST)	145	139
CONTRACT AGENTS		
FG IV	93	74
FG III	151	144
FG II	184	184
FG I	7	7
TOTAL CA	435	409
REA's Total Saff	580	548

3.6. Administrative budget outturn account for 2014

The budget outturn presented below details the budget revenue and the budget expenditure for 2014 and presents a calculation of the amount of the unused subsidy received for 2013 which will be reimbursed to the European Commission.

BUDGET OUTTURN FOR THE FINANCIAL YEAR 2014		2014
REVENUE		
Balancing Commission subsidy	+	51.395.032,00
Other subsidy from Commission (Phare, IPA,...)	+	
Fee income	+	
Other income	+	249.436,00
TOTAL REVENUE (a)		51.644.468,00
EXPENDITURE		
<i>Title I: Staff</i>		
Payments	-	33.259.994,00
Appropriations carried over	-	469.764,00
<i>Title II: Administrative Expenses</i>		
Payments	-	7.289.679,00
Appropriations carried over	-	1.243.799,00
<i>Title III: Operating Expenditure</i>		
Payments	-	6.577.823,00
Appropriations carried over	-	2.397.378,00
TOTAL EXPENDITURE (b)		51.238.436,00
OUTTURN FOR THE FINANCIAL YEAR (a-b)		406.032,00
Cancellation of unused payment appropriations carried over from previous year	+	267.746,00
Exchange differences for the year (gain +/- loss -)	+/-	- 4.449,00
BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR		669.329,00
Balance year N-1	+/-	1.704.089,00
Positive balance from year N-1 reimbursed in year N to the Commission	-	- 1.704.089,00
Result used for determining amounts in general accounting		669.329,00
Commission subsidy - agency registers accrued revenue and Commission accrued expense		50.725.704,00
Pre-financing remaining open to be reimbursed by agency to Commission in year 2015		669.329,00

(figures in €)

3.7. Reconciliation of the 2014 administrative budget outturn with the 2014 economic outturn

Economic result (+ for surplus and - for deficit) (in €)	3.545.290
Adjustments for accrual cut-off (reversal 31.12.N-1)	-2.279.551
Adjustments for accrual cut-off (cut- off 31.12.N)	2.606.365
Depreciation of intangible and tangible assets (1)	1.997.446
Recovery orders issued in 2014 in class 7 and not yet cashed	-1.000
Payments made from carry over of payment appropriations	2.557.198
Deferals and accrued income 2014	-6.167.034
Reversal of deferrals 2013	2.520.533
Regularisations linked to assets transactions	-778
Provision (decrease)	-331.156
Asset acquisitions (less unpaid amounts)	-596.762
Budgetary recovery orders issued in 2014 on balance sheet accounts (not 7 or 6 accounts) and cashed	669.329
Payment appropriations carried over to 2015	-4.110.940
Cancellation of unused carried over payment appropriations from previous year	267.746
Invoice booked in charge in 2013 but paid in 2014	-7.356
TOTAL	669.329
Budgetary result (+ for surplus)	669.329
Delta not explained	0

3.8. Additional notes to the administrative budget implementation report

3.8.1. Legislative framework

The establishment and implementation of the Agency's administrative budget complies with the principles of unity and budget accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency as provided for in the Agency Financial Regulation.

The assurance statement related to the accounts 2014 has been transmitted to the Accountant of the Commission in a separate note. It includes no reservation to any of the listed points.

According to the Delegation Act of the Agency, the Commission's 16 internal control standards apply for budgetary and financial management.

Since the Agency's autonomy in 2009, the Director is the authorising officer for the administrative budget. The budget is financed by a subsidy awarded by the EU budget. The Director submits the provisional accounts to the Steering Committee which forwards these to the Commission's accounting officer and to the European Court of Auditors by 1 March 2015. The final accounts are sent to the Commission's accounting officer and the European Court of Auditors by 1 July 2015. The European Parliament, acting on a recommendation from the Council and after having examined the report by the European Court of Auditors, shall grant a discharge to the executive agency for the implementation of its budget.

3.8.2. The Agency's administrative budget structure

The Agency makes use of non-differentiated appropriations for its administrative expenditures.

The Agency's expenditure covers staff and administrative expenses.

Title I budget lines are related to staff expenditure:

- Chapter 11 and 12: salaries and allowances of the staff members working for the agency and all other entitlements such as removal expenditures, installation costs, change of personnel etc. The recruitment costs incurred by the Agency from the launch of a selection procedure to the effective recruitment of the selected candidates are also included;
- Chapter 13 to 17: costs for business travels of staff, training, medical expenses, staff perquisites and internal meetings expenses are incorporated under those chapters.

Title II budget lines relate to infrastructure and operating expenditure

- Chapter 20: Offices. The rent is fixed through a usufruct contract signed by the Agency following a tender procedure launched to the benefit to the European Commission and its consolidated entities. Charges for the maintenance, cleaning, security, heating, etc. of the building, and costs of the fitting out of premises are also included under this chapter;
- Chapter 21: Computer equipment purchases and maintenance. This includes the purchase of equipment, licences, support for maintenance, specific IT developments and IT Services, including REA's contribution to the development and maintenance of FP7 tools and applications common to various services which are part of the European Commission's 'Research and Innovation family';
- Chapter 22: Goods, furniture and incidental expenses. This chapter covers the costs of furniture for the Agency and its staff and expenditure related to documentation, library and archives;
- Chapter 23: Current administrative expenditure. This concerns mainly office supplies;
- Chapter 24: telecommunication and posting expenses.

Title III budget lines relate to technical and administrative support expenditure:

- Chapter 31: Meetings of experts, conferences and seminars;
- Chapter 32: Information, Publications and Communications;
- Chapter 33: Other Technical and administrative support expenses. This includes mainly the costs incurred by the Agency in managing the FP7 central evaluation facility and in outsourcing ex-post controls on grants managed by the REA in accordance with the Delegation Act.

3.8.3. The agency's budgetary and financial accounting systems

From the first day of its autonomy, the Agency has an accounting officer who is appointed by the Steering Committee. The Agency's bank account was opened in June 2009 under the same conditions as those of the Commission. As of REA's administrative autonomy, all payments have been made through the Commission's SWIFT system. The Agency has no petty cash.

The Agency uses the accounting system SAP which is managed and hosted by the Commission.

For its budgetary management (i.e. commitment and payment transactions) the Agency uses the ABAC system managed and hosted by the Commission. From this system, reports on financial management and budget execution are assembled.

In collaboration with DG DIGIT and DG BUDG, the Agency uses the ABAC Assets system to manage and account for its fixed assets.