



COMMUNITY FISHERIES CONTROL AGENCY

Brussels, 01st July 2008

**Note to the attention of Brian Gray,
Accounting Officer of the European Commission**

Subject: Transmission letter for the final annual accounts of the Community Fisheries Control Agency (CFCA) for 2007

I have prepared the appended final accounts of CFCA for the year 2007 and that are to be used by you for the purpose of establishing the consolidated European Communities final annual accounts for 2007.

This transmission letter for the individual accounts of CFCA is provided to you in connection with the Court of Auditor's audit of the "Final annual accounts of the European Communities" consisting of the "Consolidated financial statements and the consolidated reports on implementation of the budget" for the financial year ended 31 December 2007 for the purpose of expressing an opinion as to whether these present fairly, in all material respects, the financial position of the European Communities as of 31 December 2007 and of the results of its operations and its cash flows for the year then ended.

In accordance with the Financial Regulation (EC, Euratom) n°1605/2002 of the Council of 25 June 2002, amended by Council Regulation (EC, Euratom) n° 1995/2006 of 13 December 2006, CFCA's financial statements¹ for the financial year 2007 are prepared on the basis of the EC Accounting Rules which adapt the International Public Sector Accounting Standards (and in some cases the International Financial reporting Standards) to the specific environment of the Communities, while the "Reports on implementation of the budget" continue to be primarily based on movements of cash.

I acknowledge my responsibility for the fair presentation of the final annual accounts of the CFCA in accordance with the CFCA Financial Rules and Implementing Rules as respectively adopted by its Administrative Board on 27th and 28th September 2006, the Financial Regulation (EC, Euratom) n°1605/2002 of the Council of 25 June 2002, amended by Council Regulation (EC, Euratom) n° 1995/2006 of 13 December 2006, its implementing rules and the EC Accounting Rules. To comply with Article 61 of the Financial Regulation, the accounting systems laid down by myself and where appropriate systems laid down by the authorising officers to supply and justify accounting information will be validated. All the information necessary for the production of accounts which give a true and fair view of the CFCA's assets and liabilities and of budgetary implementation has been obtained from the authorising officers, who guaranteed its reliability.

¹ The Financial Statements comprise the balance sheet, the economic outturn account (including segment reporting), the cash flow table, statement of changes in net assets and a summary of significant accounting policies and other explanatory notes.

I confirm, to the best of my knowledge and belief, the following representations:

1. The final annual accounts of the CFCA for the financial year ended 31 December 2007 referred to above are presented in accordance with the CFCA Financial Rules and Implementing Rules as respectively adopted by its Administrative Board on 27th and 28th September 2006, the Financial Regulation (EC, Euratom) n°1605/2002 of the Council of 25 June 2002, amended by Council Regulation (EC, Euratom) n° 1995/2006 of 13 December 2006, its implementing rules and the EC accounting rules and methods established under your responsibility.

2. No issues requiring a reservation have been brought to my attention. (except for the following issues:)

3. There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the financial statements.

4. All books of account and supporting documentation have been/will be made available to the auditors of the Court of Auditors.

5. The final financial statements are exhaustive and consistent.

6. The financial statements are free of material misstatements, including omissions. All revenue and expenditure was entered in the accounts.

7. The following have been completely and properly recorded and, when appropriate, adequately disclosed in the financial statements:

- The identity of, and balances and transactions with, related parties.

The following elements have no relevance to the final accounts:

- Losses arising from sale and purchase commitments.

- Agreements and options to buy back assets previously sold.

- Assets pledged as collateral.

8. There are no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements. The carrying value of receivables which are potentially irrecoverable has been corrected, where necessary.

9. There are no plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value. The value of inventory is not material to the accounts.

10. The CFCA has satisfactory title to all assets and there are no liens or encumbrances on the assets.

11. All liabilities, both actual and contingent, have been recorded or disclosed, as appropriate, and all guarantees that have been given to third parties have been disclosed in the Notes to the financial statements.

12. There have to date been no events subsequent to the period end which require adjustment of or disclosure in the financial statements or notes thereto.

13. All claims against the CFCA are reflected in the accounts as a provision or, where relevant, as a contingent liability.


14. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts.

15. The CFCA has complied with all aspects of legal texts, regulations and contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance. In this context, I confirm that:

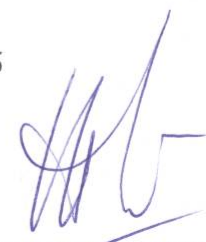
- the financial statements explain adequately the provisional nature of those operations which are subject to future clearance of accounts or closure procedures;
- the accounts include all the recovery orders issued by the Authorising Officer concerning the operations giving rise to reimbursement to the CFCA by the final beneficiary, third country or Member State recovery. Authorising Officers have not informed me of delays in the establishment of recovery orders.

Yours Sincerely

With regard to all aspects mentioned above except for representation 3 and paragraph 1 of representation 15:


.....
Soudaina WALA
Accounting Officer of the CFCA

With regard to representation 3 and paragraph 1 of representation 15


.....
Harm KOSTER
Executive Director of the CFCA



- CFCA -

FINAL
ANNUAL ACCOUNTS
OF
THE COMMUNITY FISHERIES CONTROL
AGENCY

FINANCIAL YEAR 2007

Brussels, 01st July 2008

Declaration of Assurance by the Executive Director of the Community Fisheries Control Agency for financial year 2007

I, the undersigned, Harm KOSTER, Executive Director of the Community Fisheries Control Agency, in my capacity as Authorising Officer,

state that I have reasonable assurance that the resources assigned to the activities described in the annual accounts 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 judgment and on the information at my disposal,

confirm that I am not aware of anything not reported in the annual accounts which could harm the interests of the Community Fisheries Control Agency.

Brussels, 17th June 2008-06-16



Harm KOSTER
Executive Director

Declaration of Assurance by Accounting Officer of the Community Fisheries Control Agency for financial year 2007

The annual accounts of the Community Fisheries Control Agency have been prepared in accordance with Title VII of the Community Fisheries Control Agency's Financial Regulation 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 Community Fisheries Control Agency in all material aspects.

Brussels, 17th June 2008-06-16



Soudaina WALA
Accounting Officer

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1 - PRESENTATION OF THE ORGANISATION

1.1- Introduction

The Community Fisheries Control Agency was established by Council Regulation (EC) n° 768/2005 of 26 April 2005 establishing a Community Fisheries Control Agency and amending Regulation (EEC) n° 2847/93 establishing a control system applicable to the common fisheries policy.

1.2- Missions

The objective of the Agency is to organise operational coordination of fisheries control and inspection activities by the Member States and to assist them to cooperate so as to comply with the rules of the Common Fisheries Policy in order to ensure its effective and uniform application.

Details are provided in article 2 of Council Regulation n°768/2005. Some of the missions of the Agency are :

- to coordinate control and inspection by Member States relating to the control and inspection obligations of the Community;
- to coordinate the deployment of the national means of control and inspection pooled by the Member States concerned in accordance with this Regulation;
- to assist Member States in reporting information on fishing activities and control and inspection activities to the Commission and third parties;
- to contribute to the coordination of inspector training and the exchange of experience between Member States
- etc

1.3- Legal status and principal office

The Agency is a body of the Community as referred to at article 185 of The Financial Regulation (EC, Euratom) n°1605/2002 of the Council of 25 June 2002, amended by Council Regulation (EC, Euratom) n° 1995/2006 of 13 December 2006. It has legal personality. It is represented by its Executive Director, Mr Harm KOSTER, appointed by the Agency Administrative Board. The seat of the Agency shall be at Vigo, Spain. The headquarters are located, at the date of the final annual accounts, at Avenida Garcia Barbon n° 4 – 36201 VIGO - Spain. The Protocol on the Privileges and Immunities of the European Communities applies to the Agency.

1.4- The Administrative Board

The Administrative Board is composed of one representative per Member States and six representatives of the Commission. The duration of office of each member shall be five years as from the date of appointment. The Administrative Board elects for a 3-year term of office, a Chairperson from the Commission representatives, and elects a Deputy Chairperson from among its members.

The Chairman is Mr Marcelo Vasconcelos and the Deputy chairman is Mr Hermann Pott. The Administrative Board meets twice a year. It has among other, the powers

- to appoint and dismiss the Executive Director
- to appoint and dismiss the Accounting Officer
- to adopt the general report of the Agency for the previous year
- to adopt the work programme of the Agency for the coming year.

1.5- More information

More information on the administrative and operational activities of the Agency, its organizational chart, the legislation applicable, the Administrative Board, can be found on its web site :

http://ec.europa.eu/cfca/index_en.htm

2 – LEGAL BASE FOR DRAWING UP THE ANNUAL ACCOUNTS

The final annual accounts of CFCA have been established in accordance with the following legislation.

The Financial and Implementing Rules of CFCA as respectively adopted by its Administrative Board on 27 and 28th September 2006.

The Financial Regulation (EC, Euratom) n°1605/2002 of the Council of 25 June 2002, amended by Council Regulation (EC, Euratom) n° 1995/2006 of 13 December 2006

The implementing rules of the above mentioned regulation , the Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002, amended by the Commission Regulation (EC, Euratom) No 478/2007 of 23 April 2007.

The Commission Regulation (EC) No 2909/2000 of 29 December 2000 on the accounting management of the European Communities' non-financial fixed assets.

The accounting rules, methods and guidelines as adopted and provided by the Accountant of the Commission (Decision of 28th December 2004, Note C2/HL/HJ/mt/D(2006) 62329 December 20 – 2005)

PART I

FINANCIAL STATEMENTS

- 1 - BALANCE SHEET - ASSETS
- 2 - BALANCE SHEET - LIABILITIES
- 3 – ECONOMIC OUTTURN ACCOUNT
- 4 – CASH FLOW TABLE
- 5 – STATEMENT OF CHANGES IN CAPITAL
- 6– ANNEX TO THE FINANCIAL STATEMENTS

1 - CFCA-BALANCE SHEET - ASSETS

1	2	4	5
Consolidation account		31.12.2007	31.12.2006
	ASSETS		
	A. NON CURRENT ASSETS		
210000	Intangible fixed assets	0,00	0,00
200000	Tangible fixed assets	37.327,26	0,00
221000	Land and buildings	0,00	0,00
230000	Plant and equipment	0,00	0,00
241000	Computer hardware	34.343,36	0,00
240000	Furniture and vehicles	0,00	0,00
242000	Other fixtures and fittings	2.983,90	0,00
250000	Leasing	0,00	0,00
244000	Tangible fixed assets under construction	0,00	0,00
280000	Investments	0,00	0,00
284000	Guarantee Fund		
282000	Investments in associates		
283000	Interest in joint ventures		
281000	Other investments	0,00	0,00
290000	Loans	0,00	0,00
291000	Loans granted from the budget	0,00	0,00
294000	Loans granted from borrowed funds	0,00	0,00
299000	Long-term pre-financing	0,00	0,00
range	Long-term pre-financing	0,00	0,00
range	<i>LT pre-financing with consolidated EC entities</i>	0,00	0,00
292000	Long-term receivables	0,00	0,00
range	Long-term receivables	0,00	0,00
292009	<i>LT receivables with consolidated EC entities</i>	0,00	0,00
TOTAL NON CURRENT ASSETS		37.327,26	0,00
	B. CURRENT ASSETS		
310000	Stocks	0,00	0,00
405000	Short-term pre-financing	0,00	0,00
range	Short-term pre-financing	0,00	0,00
range	<i>ST pre-financing with consolidated EC entities</i>	0,00	0,00
400000	Short-term receivables	4.193,86	0,00
401000	Current receivables	0,00	0,00
420900	Long term receivables falling due within a year		
410900	Sundry receivables	104,17	0,00
490000	Other	3.804,38	0,00
490010	Accrued income	3.804,38	
490011	Deferred charges		
490090	<i>Deferrals and Accruals with consolidated EC entities</i>	0,00	
400009	<i>Short-term receivables with consolidated EC entities</i>	285,31	0,00
501000	Short-term Investments	0,00	0,00
500000	Cash and cash equivalents	2.001.699,16	0,00
TOTAL CURRENT ASSETS		2.005.893,02	0,00
TOTAL		2.043.220,28	0,00

2 - CFCA-BALANCE SHEET - LIABILITIES

Consolidation account		31.12.2007	31.12.2006
	LIABILITIES		
	A. CAPITAL	282.013,35	0,00
100000	Reserves	0,00	0,00
140000	Accumulated surplus/deficit	0,00	0,00
141000	Economic result of the year - profit+/loss-	282.013,35	0,00
	B. Minority interest		
	C. NON CURRENT LIABILITIES	0,00	0,00
161000	Employee benefits	0,00	0,00
162000	Provisions for risks and charges	0,00	0,00
170000	Financial liabilities	0,00	0,00
170200	Borrowings	0,00	0,00
170300	Held-for-trading liabilities	0,00	0,00
172000	Other long-term liabilities	0,00	0,00
172100	Other long-term liabilities	0,00	0,00
172009	Other LT liabilities with consolidated Ec entities	0,00	0,00
172019	Pre-financing received from consolidated EC entities	0,00	0,00
172029	Other LT liabilities from consolidated EC entities	0,00	0,00
	TOTAL NON CURRENT LIABILITIES	282.013,35	0,00
	D. CURRENT LIABILITIES	1.761.206,93	0,00
482000	Provisions for risks and charges	79.329,88	0,00
430000	Financial liabilities	0,00	0,00
431000	Borrowings falling due within the year	0,00	0,00
432000	Held-for-trading liabilities due within the year	0,00	0,00
433000	Other current financial liabilities		
440000	Accounts payable	1.681.877,05	0,00
441000	Current payables	31.650,19	0,00
442000	Long-term liabilities falling due within the year	0,00	0,00
443000	Sundry payables	29.365,95	0,00
491000	Other	414.340,72	0,00
491010	Accrued charges	92.779,10	
491011	Deferred income		
491090	Deferrals and accruals with consolidated EC entities	321.561,62	
440009	Accounts payable with consolidated EC entities	1.206.520,19	0,00
440019	Pre-financing received from consolidated EC entities	1.145.861,14	0,00
440029	Other accounts payable against consolidated EC entities	60.659,05	0,00
	TOTAL CURRENT LIABILITIES	1.761.206,93	0,00
	TOTAL	2.043.220,28	0,00

3 – CFCA – ECONOMIC OUTTURN ACCOUNT

1	2	4	5
Consolidation account		2007	2006
706130	GNI based resources	0,00	0,00
706140	VAT resources	0,00	0,00
706120	Traditional Own Resources	0,00	0,00
706199	Funds transferred from the Commission to other Institutions	0,00	0,00
740100	Contributions of EFTA countries belonging to the EEA	0,00	0,00
712000	Fines	0,00	0,00
743000	Recovery of expenses	0,00	0,00
744000	Revenues from administrative operations	39.240,00	0,00
745000	Other operating revenue	1.147.414,60	0,00
777777	TOTAL OPERATING REVENUE	1.186.654,60	0,00
610000	Administrative expenses	-870.592,45	0,00
620100	Staff expenses	-306.068,23	0,00
630100	Fixed asset related expenses	-1.912,74	0,00
611000	Other administrative expenses	-562.611,48	0,00
600000	Operational expenses	-33.864,08	0,00
601000	Centralized Direct Management	0,00	0,00
605000	Centralized Indirect Management	0,00	0,00
603000	Decentralized Management	0,00	0,00
602000	Shared Management	0,00	0,00
604000	Joint Management	0,00	0,00
606000	Other operational expenses	-33.864,08	0,00
666666	TOTAL OPERATING EXPENSES	-904.456,53	0,00
	SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES	282.198,07	0,00
750000	Financial revenues	0,00	0,00
650000	Financial expenses	-184,72	0,00
680000	Movement in pensions (- expense, + revenue)		
750530	Share of net surpluses or deficits of associates and joint ventures accounted for using the equity method		
	SURPLUS/ (DEFICIT) FROM NON OPERATING ACTIVITIES	-184,72	0,00
	SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES	282.013,35	0,00
800008	Minority interest		
790000	Extraordinary gains (+)		
690000	Extraordinary losses (-)		
	SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS	0,00	0,00
	ECONOMIC RESULT OF THE YEAR	282.013,35	0,00

4 – CFCA – CASH FLOW TABLE

	2007	2006
Cash Flows from ordinary activities		
Surplus/(deficit) from ordinary activities	282.013,35	0,00
Operating activities		
<u>Adjustments</u>		
Amortization (intangible fixed assets) +	0,00	
Depreciation (tangible fixed assets) +	1.912,74	
Increase/(decrease) in Provisions for risks and liabilities	79.329,88	
Increase/(decrease) in Value reduction for doubtful debts	0,00	
(Increase)/decrease in Stock	0,00	
(Increase)/decrease in Long term Pre-financing	0,00	
(Increase)/decrease in Short term Pre-financing	0,00	
(Increase)/decrease in Long term Receivables	0,00	
(Increase)/decrease in Short term Receivables	-3.908,55	
(Increase)/decrease in Receivables related to consolidated EC entities	-285,31	
Increase/(decrease) in Other Long term liabilities	0,00	
Increase/(decrease) in Accounts payable	475.356,86	
Increase/(decrease) in Liabilities related to consolidated EC entities	1.206.520,19	
(Gains)/losses on sale of Property, plant and equipment		
Net cash Flow from operating activities	2.040.939,16	0,00
Cash Flows from investing activities		
Purchase of tangible and intangible fixed assets (-)	-45.905,58	
Proceeds from tangible and intangible fixed assets (+)	6.665,58	
Net cash flow from investing activities	-39.240,00	0,00
Cash flow from CECA specific transactions		
(Increase)/decrease in Other Investments (281000)	0,00	
(Increase)/decrease in Long term Loans (290000)	0,00	
(Increase)/decrease in Short term Investments (501000)	0,00	
Increase/(decrease) in Long term Financial Liabilities (170000)	0,00	
Increase/(decrease) in Short term Financial Liabilities (430000)	0,00	
Other CECA		
Net Cash Flow from CECA specific transactions	0,00	0,00
Increase/(decrease) in Employee benefits	0,00	
Net increase/(decrease) in cash and cash equivalents	2.001.699,16	0,00
Cash and cash equivalents at the beginning of the period	0,00	
Cash and cash equivalents at the end of the period	2.001.699,16	0,00

5 – CFCA – STATEMENT OF CHANGES IN CAPITAL

Capital	Reserves		Accumulated Surplus / Deficit	Economic result of the year	Capital (total)
	Fair value reserve	Other reserves			
Balance as of 31 December 2006				0,00	0,00
Changes in accounting policies 1)					0,00
Balance as of 1 January 2007 (if restated)	0,00	0,00	0,00	0,00	0,00
Other					0,00
Fair value movements					0,00
Movement in Guarantee Fund reserve					0,00
Allocation of the Economic Result of Previous Year			0,00	0,00	0,00
Amounts credited to Member States					0,00
Economic result of the year				282.013,35	282.013,35
Balance as of 31 December 2007	0,00	0,00	0,00	282.013,35	282.013,35
Account	102100	102200	140000	141000	

1) Only entities which are consolidated for the first time this year AND which have not adapted their accounts to accrual accounting before can use this line.

6 – ANNEX TO THE FINANCIAL STATEMENTS

6.1 Accounting principles (summary)

Generally accepted accounting principles as defined by the Agency Financial Regulation under the provisions of article 78, are

6.1.1 Going-concern principle

The going-concern principle means that the Agency is deemed to be established for an indefinite duration. Would there be objective indications that the Agency is to cease its activities; the accounting officer shall present this information in the annex, indicating the reasons. He shall apply the accounting rules with a view to determining its liquidation value.

6.1.2 Principle of prudence

The principle of prudence means that assets and income shall not be overstated and liabilities and charges shall not be understated. However, the principle of prudence does not allow the creation of hidden reserves or undue provisions.

6.1.3 Principle of consistent accounting methods

The principle of consistent accounting methods means that the structure of the components of the financial statements and the accounting methods and valuation rules may not be changed from one year to the next.

The Agency's accounting officer may not depart from the principle of consistent accounting methods other than in exceptional circumstances, in particular:

- (a) in the event of a significant change in the nature of the entity's operations;
- (b) where the change made is for the sake of a more appropriate presentation of the accounting operations.

6.1.4 Principle of comparability of information

The principle of comparability of information means that for each item the financial statements shall also show the amount of the corresponding item the previous year. Where, the presentation or the classification of one of the components of the financial statements is changed, the corresponding amounts for the previous year shall be made comparable and reclassified. Where it is impossible to reclassify items, this shall be explained in the annex to the financial statements.

6.1.5 Principal of Materiality

The materiality principle means that all operations which are of significance for the information sought shall be taken into account in the financial statements. Materiality shall be assessed in particular by reference to the nature of the transaction or the amount.

Transactions may be aggregated where:

- (a) the transactions are identical in nature, even if the amounts are large;
- (b) the amounts are negligible;
- (c) aggregation makes for clarity in the financial statements.

6.1.6 Principal of No-netting

The no-netting principle means that receivables and debts may not be offset against each other, nor may charges and income, save where charges and income derive from the same transaction, from similar transactions or from hedging operations and provided that they are not individually material.

6.1.7 Principal of reality over appearance

The principle of reality over appearance means that accounting events recorded in the financial statements shall be presented by reference to their economic nature.

6.1.8 Accrual-based accounting principal

The accrual-based accounting principle means that transactions and events shall be entered in the accounts when they occur and not when amounts are actually paid or recovered. They shall be booked to the financial years to which they relate.

The accounting methods provided by the Accountant of the European Commission shall specify the obligating event for the entry of each transaction in the accounts.

Exception to the accounting principles

Where, in a specific case, the accounting officers consider that an exception should be made to the content of one of the accounting principles defined above this exception must be duly substantiated and reported in the annex to the financial statements.

6.2 Notes to the Balance Sheet

6.2.1 NON CURRENT ASSETS

The purchase of the assets was made before the Agency financial autonomy from the budget managed by the Commission on behalf of the Agency. This budget will be included in the Commission annual accounts. The assets concerned have been transferred to the Agency for their residual value on the date of the financial autonomy (12th November 2007) without counterpart from the Agency to the Commission. The value of the assets transferred was posted in the corresponding Agency's assets accounts against a profit account. This value was 39.240 EUR on 12 November 2007.

In compliance with the accounting rules, assets are considered as such when their nominal value is equal or above 420 EUR. The assets are reflected in the balance sheet at year end for their net value. The depreciation method used is the straight-line method and the prorata temporis from the month of purchase of the asset.

The net value of the Agency assets at year end is **37.327,26 EUR**. They are mainly constituted of hardware.

The result of the physical inventory of the Agency Assets for 2007 does not lead to any retirement or extraordinary depreciation.

TABLE OF DEPRECIATION RATE

Asset type	Depreciation rate
<u>Computer hardware</u>	
Computers, servers, accessories, data transfer equipment, printers, screens	25%
Copying equipment, digitising and scanning equipment	25%
<u>Other fixtures and fittings</u>	
Telecommunications equipment	25%
Audiovisual equipment	25%
Computer, scientific and general books, documentation	
Computer books, CDs, DVDs	33%
Scientific books, general books, CDs, DVDs	25%

TABLE OF ASSETS

2007		Land	Buildings	Plant and Equipment	Computer hardware	Furniture and vehicles	Other Fixtures and Fittings	Finance lease (Fixed assets under leasing and other similar rights)	Tangible Fixed Assets under Construction	Total
Gross carrying amounts 01.01.2007	+									0,00
Additions	+				42.027,14		3.878,44			45.905,58
Disposals	-									0,00
Transfer between headings	+/-									0,00
Other changes (1)	+/-									0,00
Gross carrying amounts 31.12.2007		0,00	0,00	0,00	42.027,14	0,00	3.878,44	0,00	0,00	45.905,58
										0,00
Accumulated amortization and impairment 01.01.2007	-									0,00
Depreciation	-				-1.751,13		-161,61			-1.912,74
Write-back of depreciation	+									0,00
Disposals	+									0,00
Impairment (1)	-									0,00
Write-back of impairment	+									0,00
Transfer between headings	+/-									0,00
Other changes (1)	+/-				-5.932,65		-732,93			-6.665,58
Accumulated amortization and impairment 31.12.2007		0,00	0,00	0,00	-7.683,78	0,00	-894,54	0,00	0,00	-8.578,32
Net carrying amounts 31.12.2007		0,00	0,00	0,00	34.343,36	0,00	2.983,90	0,00	0,00	37.327,26

6.2.2 CURRENT ASSETS

A – Short-term Receivables

The balance of Short-term Receivables for the financial year 2007 is **4.193,86 EUR**.

It corresponds to

- amounts related to staff - adjustments concerning missions and settlements to receive from other institutions in relation with staff mobility (104,17 and 285,31 EUR).
- the accrued amount of the interests due to the Commission for the subsidy paid to the Agency. The payment of the subsidy is considered as pre-financing from the Commission to the Agency. The interests earned on the pre-financing are added up to the principal amount. The counter entry for the posting under Short term Receivables is made in a liability account (3.804,38 EUR).

B - Cash and cash equivalents

On 20th March 2003, the European Community represented by the European Commission and the formerly Banque Bruxelles Lambert (now ING) signed a contract for the opening of a bank account. Under the terms of this contract, the bank selected is expected to extend them, upon demand, to the banking activities of other European Union institutions or agencies. On 24th April 2007, the Agency has requested ING to join the "general" contract and opened a bank account.

Only bank transfers have been carried out by the Agency. There is therefore no cash or cheques movement recorded on the financial accounts.

The bank balance at 31st December 2007 was 2.007.679,60 EUR. The payments in transit amounted for 5.980,44 EUR, bringing down the Cash and Cash equivalents position of the Agency to **2.001.699,16 EUR**

Accounts	Description	31.12.2007	31.12.2006
505000	<i>Unrestricted cash:</i>	2.001.699,16	0,00
505200	Treasury and Central Bank accounts		
505300	Current accounts (bank accounts)	2.007.679,60	
505400	Imprest accounts		
505500	Cash in hand ("Caisses")		
505600	Transfers (Cash in transit) *)	-5.980,44	
505700	Short-term deposits and other cash equivalents		
506000	<i>Restricted cash:</i>	0,00	0,00
506100	Fines		
506200	Other		
500000	Total	2.001.699,16	0,00

6.2.3 NON CURRENT LIABILITIES

Capital

The capital amounts to **282.013,35 EUR**. It is constituted of the Economic outturn for the one and a half month of activity of the Agency for 2007 after its financial autonomy (12/11/07).

6.2.4 CURRENT LIABILITIES

A – Provision for risks and charges

A provision is booked when there is uncertainty about a future outflow of resources to settle a present obligation resulting from past event. It is probable that an outflow will be required but some past or present events make it uncertain. Timing or amount may also be uncertain. Under this heading, are booked provisions foreseen to be settled within 12 months from end of financial year.

The provision for risks and charges is related to untaken holidays at 31st December 2007. It totals **79.329,88 EUR**.

B – Accounts payable

Account	Accounts payable	31.12.2007	31.12.2006
441100	Vendors	12.276,05	0,00
441200	Member States	37.480,58	0,00
441700	Public Bodies	3.591,47	0,00
441009	Payables from consolidated EC entities	2.950,00	0,00
441100	Eligibility to be checked	-24.647,91	
	Subtotal	31.650,19	
443000	Sundry payable - Staff	24.172,75	0,00
443000	Other sundry payables	5.193,20	0,00
	Subtotal	29.365,95	
440019	Pre-financing received from Consolidated entities	1.145.861,14	0,00
440029	Other accounts payable against consolidated EC entities	60.659,05	0,00
	Subtotal	1.206.520,19	
491010	Accrued charges	92.779,10	0,00
491090	Deferrals and accruals with consolidated entities	321.561,62	0,00
	Subtotal	414.340,72	
440000	Total	1.681.877,05	0,00

The cost claims and invoices received are first to be analysed, looking at the eligibility of the expenses together with a possible clearing of a pre-financing made to provide the beneficiary with a float. The eligibility criteria are defined in the legal commitment taken by the Agency towards the third party, the staff member, or the consolidated entity.

The cost claims and invoices received are registered immediately as a current, sundry or EC consolidated entity payable with a counter-entry-"eligibility to be checked" account included as "negative payable account" under the Current payables heading.

Current payables concern therefore the open position of current payables which an eligibility check has been already carried out , the open position of current payables pending of eligibility check, and, in negative, the amount of the "eligibility to be checked" account.

B1 - Accounts payable - Current payables

Current payables are constituted of cost claims from governmental experts invited by the Agency to the meetings organised in the frame of its operational activities, and from the candidates at recruitment interviews. It includes as well invoices received from the suppliers of goods and services provided to the Agency.

In the light of the explanations given above on eligibility checks, the net open position at year end of current payables is **31.650,19 EUR**.

B2 – Accounts payable – Sundry payables

Sundry payables are constituted of cost claims from the staff members (mission costs) and an amount to pay to the Belgium social security for the staff members having opted for the Belgium social security system. Sundry payables amount to **29.365,95 EUR**.

B3– Accounts payable with consolidated EC entities

Payables against consolidated EC entities are totalling **1.206.520,19 EUR**.

This heading is constituted of the outstanding amount of the subsidy paid by the Commission to the Agency (1.145.861,14 EUR).

The budget voted by the Budgetary Authority for the Agency is released as Community subsidy, under terms and at intervals agreed with the Commission, on presentation by the Agency to the Commission of requests for payment supported by a cash-flow forecast. The payments to the Agency of all or part of the Community subsidy are pre-financing payments whose interests earned return to the Commission. The pre-financing is cleared at year-end by the budgetary payments

executed during the financial year and the outstanding payment obligations – called **Reste A Liquidier** - of the Agency. The cleared amount of the subsidy is revenue. The calculation is detailed in the Budget Outturn Account attached in part II of the Annual Accounts.

The interests on the Community Subsidy amount 3.804,38 EUR for 2007.

Are also incorporated under this heading an amount of 56.854,67 EUR corresponding to the unsettled invoices at year end, received from the different Directorates General of the Commission for the goods or services they provided in 2007 in application of the Service level Agreements they signed with the Agency.

B4– Other – Accrued charges

Are considered as accrued charges the expenditure related to goods or services provided to the Agency during financial year 2007 but not invoiced yet at the end of the exercise.

Are, also included under this heading, estimate eligible amounts of cost claims and invoices. As explained in the preceding pages, cost claims and invoices received by the Agency are registered as a payable with "Eligibility to be checked" the counterpart entry. After analysis, the eligible expenses are taken into charges. The "Eligibility to be checked" open amounts at year end represent then received cost claims and/or invoices for which the event giving rise to the expense being realised has not yet been reached. The estimates of eligible expenses are therefore recorded as accrued charges with the counter entry expenditure.

Are incorporated as well, the eligible estimate amount of the invoices or cost claims corresponding to generating events validated before the Agency financial autonomy by the Agency parent Directorate General (DG FISH) on behalf of the Agency, which invoices/cost claims were not proceeded by DG FISH, which, therefore were transferred to the Agency for payment, but could not be registered in time in the accounting system due to the tight time frame between the period where the Agency financial autonomy took place¹ and the end of year closure.

Accrued charges are reaching **414.340,72 EUR**:

- 321.561,62 EUR correspond to goods or services delivered in 2007 by the Commission Directorates General in the frame of Service level Agreements they signed with the Agency;

- 92.779,10 EUR concern cost claims from governmental experts, candidates at recruitment interviews, mission claims from staff member, invoices for goods or services delivered but not invoiced yet, accrued financial expenses.

The counter entry of charges accrued under this heading is expenditure.

¹ 12/11/07 Decision of the Commission – 27/11/07 Signature of the Protocol

6.3 Notes to the Economic Outturn Account

6.3.1 OPERATING REVENUE

A – Revenue from administrative operations

The revenue under this heading amounts to **39.240,00 EUR**. It corresponds to the residual value of assets transferred from the Commission to the Agency at its financial autonomy (see paragraph 6.2.1 NON CURRENT ASSETS).

B – Other operating revenue

The only operating revenue of the Agency for financial year 2007 is the amount of the Community Subsidy as cleared by the expenditures supported by the Agency during the exercise, increased by the outstanding payment obligations of the Agency (see B3–Accounts payable with consolidated EC entities + Part II-Budget Outturn Account). The cleared amount of the subsidy is **1.147.414,60 EUR**.

6.3.2 OPERATING EXPENSES

A – Administrative expenses

Account		2007	2006
620100	Staff expenses (include the provision for untaken holiday)	306.068,23	0,00
630100	Fixed Assets Expenses	1.912,74	0,00
611000	Other Administrative Expenses	562.611,48	0,00
611910	<i>Other</i>	447.118,31	0,00
	Recruitment	30.644,77	0,00
	Training	1.179,55	0,00
	Missions	8.872,74	0,00
	Experts and related expenditure	74.869,54	0,00
	Other goods and services	9.990,09	0,00
	Administrative Expenses with consolidated entities (not reconciled)	321.561,62	0,00
611919	<i>Administrative Expenses with consolidated entities (reconciled)</i>	115.493,17	0,00
610000	Total Administrative Expenses	870.592,45	0,00

B – Operational expenses

630000	Provisions for risks and liabilities ²	0,00	0,00
640000	Exchange rate losses (payments carried in other currency than Euro)	267,99	0,00
606910	Other (costs of staff missions)	33.596,09	0,00
606919	Other operational exp - Consolidated EC entities	0,00	0,00
600000	Operational Expenses	33.864,08	0,00

6.3.3 NON OPERATING EXPENSES

Non operating expenses reach 184,72 EUR and consist in financial charges charged by the bank for carrying out some payment transactions.

² The provision expenses for risks and liabilities corresponding to the staff untaken holiday at year end, is booked under staff expenses (heading 620100)

6.4 Notes to the Cash Flow Table

The cash flow provides a basis to assess the ability of the Agency to generate cash and cash equivalents, and the needs of the entity to utilise those cash flows.

The cash flows are classified by operating, investing and financing activities.

The cash flow table is prepared using the indirect method. The economic outturn for the financial year is adjusted for the effects of transactions of a non-cash nature (e.g. deferrals, accruals, depreciation).

6.5 Notes to the Statement of changes in capital

For financial year 2007, the statement of changes in capital of the Agency comprises only the economic result of the year: **282.013,35 EUR**.

6.6 Contingent liabilities and commitment for future funding

Account	Description	31.12.2007	31.12.2006
	<i>Contingent liabilities:</i>	0,00	0,00
902100	Guarantees given		
902200	Loan commitments		
902300	EAGGF		
902400	Fines - Appeals to the Court of Justice		
902700	Contributions to related organisations		
902800	Emergency veterinary fund		
903000	Amounts relating to legal cases		
	<i>Commitments for future funding:</i>	564.083,18	0,00
902500	RAL - Commitments against appropriations not yet consumed	564.083,18	0,00
902600	Legal Commitments (for which budget commitments have not yet been made) *)		
903200	Operating lease	0,00	
903100	Other **)		
902000	TOTAL	564.083,18	0,00

Contingent liability is disclosed in the notes to the financial statements when the Agency has a possible obligation resulting of a past event and, it is possible that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation. This should be in the near future. The contingent for liability and for future funding of the Agency amounts to **564.083,18 EUR**. It corresponds to the outstanding potential payment obligations of the Agency after deducting all eligible expenses that have been already booked in the Economic Outturn Account.

6.7 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
Executive Director	AD14	1

The balance position of the Agency with the key management personnel for its activity period as autonomous entity during financial year 2007 is approximately 18000 EUR. This amount is composed of the basic salary and allowances.

6.8 Events after the balance sheet date

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 event, not relating to an already existing situation already at 31 December. 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 if the amount is significant.

Events after the balance sheet date, if posted in the accounts 2007, would have a financial impact on the total expenditure amount of 25.494,84 EUR or 2,8%. It concerns claims received in April and May 2008 from a consolidated entity (PMO) for the 2007 social security contributions paid by this consolidated entity in the name of the Agency and travel costs for missions carried out by the Agency staff in 2007.

PART II

BUDGET IMPLEMENTATION REPORTS

- 1 – BUDGET OUTTURN ACCOUNT
- 2 a – BUDGET IMPLEMENTATION CREDIT OF THE YEAR – C1
- 2 b – BUDGET IMPLEMENTATION CREDIT OF THE YEAR – C8
- 3 – RECONCILIATION OF THE ACCRUAL BASED WITH THE BUDGET RESULT
- 4 – ANNEX TO THE BUDGET IMPLEMENTATION REPORTS

1 – BUDGET OUTTURN ACCOUNT

			2007	2006
REVENUE				
	Commission subsidy (for the operating budget -Titles 1,2 and 3 - of the agency)		2.293.171,00	
	Phare funds from Commission			
	Other contributions and funding received via the Commission			
	Other donors			
	Fee income			
	Other revenue	+		
		+		
		+	2.293.171,00	0,00
EXPENDITURE		+		
	<i>Title I: Staff</i>	+		
	Payments	+	222.842,92	
	Appropriations carried over		³ 101.132,01	
	<i>Title II: Administrative Expenses</i>			
	Payments		54.536,49	
	Appropriations carried over		749.822,51	
	<i>Title III: Operating Expenditure</i>			
	Payments	-	18.812,68	
	Appropriations carried over	-	0,00	
			1.147.146,61	0,00
		-	1.146.024,39	0,00

³ On page 27 of the Final Annual Accounts, the column "RAL - remaining amount to pay" displays an amount of 167.698,47 EUR, where in the Budget Outturn Account, the amount is 101.132,01 EUR. The difference of 66.566,46 EUR consists in staff entitlements (salaries, allowances, insurance, etc). In accordance with the CFCA's and the General Financial Rules, staff appropriations can not be carried over to the next financial year. All payments related to staff have to occur within the financial year. If not, appropriations are loss and commitments done have to be de-committed. When de-committments do not happen before end of financial year, the used commitment appropriations, excluding therefore payments appropriations, related to staff entitlements are carried over to the next financial year under a C9 funds source, where only a de-commitment process is possible. No more payment can be executed in n+1 under the carried over appropriations. The payment appropriations of financial year n corresponding to the used-carried-over-to-n+1 commitment appropriations related to staff entitlements are cancelled in n. The amount of 101.132,01 EUR shown in the heading "Title 1 – Staff" of the Budget Outturn Account consists then in used appropriations, other than staff entitlements, carried over to n+1 in funds source C8 to honour the legal obligations taken by the Agency before 31/12/2007 for Interim Staff (7.552,68), for recruitment/candidates reimbursement (47.378,13), for administrative missions (21.833,25), and for language courses/training (24.367,95).

		-		
Cancellation of unused payment appropriations carried over from previous year			0,00	
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue			0,00	
Exchange differences for the year (gain +/-loss -)			-163,25	
		BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR	1.145.861,14	0,00
Balance year N-1		+/-	0,00	
Positive balance from year N-1 reimbursed in year N to the Commission			0,00	
Result used for determining amounts in general accounting			1.145.861,14	0,00
Commission subsidy - agency registers accrued revenue and Commission accrued expense			1.147.309,86	
Pre-financing remaining open to be reimbursed by agency to Commission in year N+1			1.145.861,14	
Not included in the budget outturn:				
Interest received by 31/12/N on the Commission subsidy funds and to be reimbursed to the Commission (liability)		+	3.804,38	

2 a – BUDGET IMPLEMENTATION CREDIT OF THE YEAR – C1

Budget Poste	Description	Credit transfer (Comm and Pay)	Fund Source	Commitment				Payment				RAL	
				Approp. Transaction Amount (Euro)	Consumed Comm. Appropriation(Euro)	Executed Comm. Appropriation (Euro)	% commit	Approp. Transaction Amount (Euro)	Consumed Pay. Appropriation (Euro)	Executed Pay. Appropriation (Euro)	% pay	Remaining amount to pay	Percentage RAL
A-1100	BASIC SALARIES	81.695,94	C1	531.615,78	184.032,58	184.032,58	34,62%	531.615,78	117.466,12	117.466,12	22,10%	66.566,46	36,17%
				531.615,78	184.032,58	184.032,58	34,62%	531.615,78	117.466,12	117.466,12	22,10%	66.566,46	36,17%
A-1101	FAMILY ALLOWANCES	11.617,62	C1	10.117,62	10.117,62	10.117,62	100,00%	10.117,62	10.117,62	10.117,62	100,00%	0,00	0,00%
				10.117,62	10.117,62	10.117,62	100,00%	10.117,62	10.117,62	10.117,62	100,00%		0,00%
A-1102	EXPAT.& FOR.RES.ALL.	16.951,16	C1	16.951,16	16.951,16	16.951,16	100,00%	16.951,16	16.951,16	16.951,16	100,00%		0,00%
				16.951,16	16.951,16	16.951,16	100,00%	16.951,16	16.951,16	16.951,16	100,00%		0,00%
A-1110	AUXILIARY STAFF	5.742,13	C1	5.742,13	5.742,13	5.742,13	100,00%	5.742,13	5.742,13	5.742,13	100,00%		0,00%
				5.742,13	5.742,13	5.742,13	100,00%	5.742,13	5.742,13	5.742,13	100,00%		0,00%
A-1112	CONTRACT STAFF	28122,39	C1	28.122,39	28.122,39	28.122,39	100,00%	28.122,39	28.122,39	28.122,39	100,00%		0,00%
				28.122,39	28.122,39	28.122,39	100,00%	28.122,39	28.122,39	28.122,39	100,00%		0,00%
A-1113	INTERIM STAFF	3583,74	C1	80.444,29	10.000,00	10.000,00	12,43%	80.444,29	2.447,32	2.447,32	3,04%	7.552,68	75,53%
				80.444,29	10.000,00	10.000,00	12,43%	80.444,29	2.447,32	2.447,32	3,04%	7.552,68	75,53%
A-1130	INSURANCE SICKNESS	311,81	C1	3.895,55	3.895,55	3.895,55	100,00%	3.895,55	3.895,55	3.895,55	100,00%		0,00%
				3.895,55	3.895,55	3.895,55	100,00%	3.895,55	3.895,55	3.895,55	100,00%		0,00%
A-1131	INS.ACCID.& OCC.DIS.	813,48	C1	813,48	813,48	813,48	100,00%	813,48	813,48	813,48	100,00%		0,00%
				813,48	813,48	813,48	100,00%	813,48	813,48	813,48	100,00%		0,00%
A-1132	INS. UNEMPLOYMENT	1.515,32	C1	1.515,32	1.515,32	1.515,32	100,00%	1.515,32	1.515,32	1.515,32	100,00%		0,00%
				1.515,32	1.515,32	1.515,32	100,00%	1.515,32	1.515,32	1.515,32	100,00%		0,00%
A-1190	SALARY WEIGHTINGS	61,51	C1	61,51	61,51	61,51	100,00%	61,51	61,51	61,51	100,00%		0,00%
				61,51	61,51	61,51	100,00%	61,51	61,51	61,51	100,00%		0,00%

Budget Poste	Description	Credit transfer (Comm and Pay)	Fund Source	Commitment				Payment				RAL	
				Approp. Transaction Amount (Euro)	Consumed Comm. Appropriation(Euro)	Executed Comm. Appropriation (Euro)	% commit	Approp. Transaction Amount (Euro)	Consumed Pay. Appropriation (Euro)	Executed Pay. Appropriation (Euro)	% pay	Remaining amount to pay	Percentage RAL
CHAPTER 11 Total				679.279,23	261.251,74	261.251,74	38,46%	679.279,23	187.132,60	187.132,60	27,55%	74.119,14	28,37%
A-1200	MISC.EXP.STAFF RECR.		C1	150.000,00	60.000,00	60.000,00	40,00%	150.000,00	12.621,87	12.621,87	8,41%	47.378,13	78,96%
				150.000,00	60.000,00	60.000,00	40,00%	150.000,00	12.621,87	12.621,87	8,41%	47.378,13	78,96%
A-1210	TRAVEL EXPENSES	530,63	C1	530,63	530,63	530,63	100,00%	530,63	530,63	530,63	100,00%		0,00%
				530,63	530,63	530,63	100,00%	530,63	530,63	530,63	100,00%		0,00%
A-1220	INST.RES.&TRANS.ALL.	10167,83	C1	10.167,83	10.167,83	10.167,83	100,00%	10.167,83	10.167,83	10.167,83	100,00%		0,00%
				10.167,83	10.167,83	10.167,83	100,00%	10.167,83	10.167,83	10.167,83	100,00%		0,00%
A-1240	TEMP.DLY SUBST.ALL.	2278,32	C1	2.278,32	2.278,32	2.278,32	100,00%	2.278,32	2.278,32	2.278,32	100,00%		0,00%
				2.278,32	2.278,32	2.278,32	100,00%	2.278,32	2.278,32	2.278,32	100,00%		0,00%
CHAPTER 12 Total				162.976,78	72.976,78	72.976,78	44,78%	162.976,78	25.598,65	25.598,65	15,71%	47.378,13	64,92%
A-1300	MISS.EXP.ADMIN.STAFF		C1	44.712,87	24.712,87	24.712,87	55,27%	44.712,87	2.879,62	2.879,62	6,44%	21.833,25	88,35%
				44.712,87	24.712,87	24.712,87	55,27%	44.712,87	2.879,62	2.879,62	6,44%	21.833,25	88,35%
CHAPTER 13 Total				44.712,87	24.712,87	24.712,87	55,27%	44.712,87	2.879,62	2.879,62	6,44%	21.833,25	88,35%
A-1420	LANGUAGE CRS.& TRAIN		C1	31.600,00	31.600,00	31.600,00	100,00%	31.600,00	7.232,05	7.232,05	22,89%	24.367,95	77,11%
				31.600,00	31.600,00	31.600,00	100,00%	31.600,00	7.232,05	7.232,05	22,89%	24.367,95	77,11%
CHAPTER 14 Total				31.600,00	31.600,00	31.600,00	100,00%	31.600,00	7.232,05	7.232,05	22,89%	24.367,95	77,11%
A-1700	ENTERT.& REPRES.EXP.		C1	4.000,00				4.000,00					
				4000				4000					
CHAPTER 17 Total				4000	0	0,00		4000	0	0,00		0,00	
TITLE 1				922568,88	390541,39	390541,39	42,33%	922568,88	222842,92	222842,92	24,15%	167698,47	42,94%

Budget Poste	Description	Credit transfer (Comm and Pay)	Fund Source	Commitment				Payment				RAL	
				Approp. Transaction Amount (Euro)	Consumed Comm. Appropriation(Euro)	Executed Comm. Appropriation (Euro)	% commit	Approp. Transaction Amount (Euro)	Consumed Pay. Appropriation (Euro)	Executed Pay. Appropriation (Euro)	% pay	Remaining amount to pay	Percentage RAL
A-2000	RENT		C1	292.387,67	292.387,67	292.387,67	100,00%	292.387,67			0,00%	292.387,67	100,00%
				292.387,67	292.387,67	292.387,67	100,00%	292.387,67			0,00%	292.387,67	100,00%
A-2050	SEC.& SURV.BUILD.		C1	57.600,00	57.600,00	57.600,00	100,00%	57.600,00			0,00%	57.600,00	100,00%
				57.600,00	57.600,00	57.600,00	100,00%	57.600,00			0,00%	57.600,00	100,00%
	CHAPTER 20 Total			349.987,67	349.987,67	349.987,67	100,00%	349.987,67		0,00	0,00%	349.987,67	100,00%
A-2100	ICT EQUIPMENT	-10000	C1	130.000,00	55.176,84	55.176,84	42,44%	130.000,00				55.176,84	100,00%
				130.000,00	55.176,84	55.176,84	42,44%	130.000,00				55.176,84	100,00%
	CHAPTER 21 Total			130.000,00	55.176,84	55.176,84	42,44%	130.000,00		0,00	0,00%	55.176,84	100,00%
A-2204	ELECTR.OFF.EQUIP.	-10000	C1										
A-2210	NEW PURCHASES	20000	C1	220.000,00	218.325,19	218.325,19	99,24%	220.000,00				218.325,19	100,00%
				220.000,00	218.325,19	218.325,19	99,24%	220.000,00				218.325,19	100,00%
	CHAPTER 22 Total			220.000,00	218.325,19	218.325,19	99,24%	220.000,00		0,00	0,00%	218.325,19	100,00%
A-2300	STAT.& OFF.SUPPL.		C1	10.000,00				10.000,00					
				10.000,00				10.000,00					
	CHAPTER 23 Total			10.000,00		0,00		10.000,00		0,00		0,00	
A-2400	POST.& DELIV.CH.		C1	2.500,00				2.500,00					
				2.500,00				2.500,00					
	CHAPTER 24 Total			2.500,00		0,00		2.500,00		0,00		0,00	
A-2500	ADMIN.BOARD MEETINGS		C1	91.238,27	61.169,12	61.169,12	67,04%	91.238,27	2.460,49	2.460,49	2,70%	58.708,63	95,98%
				91.238,27	61.169,12	61.169,12	67,04%	91.238,27	2.460,49	2.460,49	2,70%	58.708,63	95,98%
A-2501	ADVIS.BOARD MEETINGS		C1	4.600,00	4.600,00	4.600,00	100,00%	4.600,00				4.600,00	100,00%
				4.600,00	4.600,00	4.600,00	100,00%	4.600,00				4.600,00	100,00%

Budget Poste	Description	Credit transfer (Comm and Pay)	Fund Source	Commitment				Payment				RAL	
				Approp. Transaction Amount (Euro)	Consumed Comm. Appropriation(Euro)	Executed Comm. Appropriation (Euro)	% commit	Approp. Transaction Amount (Euro)	Consumed Pay. Appropriation (Euro)	Executed Pay. Appropriation (Euro)	% pay	Remaining amount to pay	Percentage RAL
A-2502	OTH.MEETINGS EXPERTS		C1	10.100,18	10.100,18	10.100,18	100,00%	10.100,18				10.100,18	100,00%
CHAPTER 25 Total				10.100,18	10.100,18	10.100,18	100,00%	10.100,18				10.100,18	100,00%
				105.938,45	75.869,30	75.869,30	71,62%	105.938,45	2.460,49	2.460,49	2,32%	73.408,81	96,76%
A-2620	EXT.SERV.COMMISSION		C1	144.750,00	105.000,00	105.000,00	72,54%	144.750,00	52.076,00	52.076,00	35,98%	52.924,00	50,40%
CHAPTER 26 Total				144750	105000	105.000,00	72,54%	144750	52076	52.076,00	35,98%	52.924,00	50,40%
				144750	105000	105.000,00	72,54%	144750	52076	52.076,00	35,98%	52924	50,40%
TITLE 2				963.176,12	804.359,00	804.359,00	83,51%	963.176,12	54.536,49	54.536,49	5,66%	749.822,51	93,22%
B0-3320	STUD.NAFO AND NEAFC		C1	49.933,00		0,00	0,00%	49.933,00					
				49.933,00		0,00	0,00%	49.933,00					
B0-3330	MISS.NAFO AND NEAFC		C1	205.777,09	100.000,00	100.000,00	48,60%	205.777,09	18.812,68	18.812,68	9,14%	81.187,32	81,19%
				205.777,09	100.000,00	100.000,00	48,60%	205.777,09	18.812,68	18.812,68	9,14%	81.187,32	0,81
B0-3340	MEET.NAFO AND NEAFC		C1	147.915,91	88.515,91	88.515,91	59,84%	147.915,91				88.515,91	100,00%
				147.915,91	88.515,91	88.515,91	59,84%	147.915,91				88.515,91	100,00%
B0-3350	COMM.NORTH SEA		C1	3.800,00	3.800,00	3.800,00	100,00%	3.800,00				3.800,00	100,00%
CHAPTER 33 Total				3.800,00	3.800,00	3.800,00	100,00%	3.800,00				3.800,00	100,00%
				407.426,00	192.315,91	192.315,91	47,20%	407.426,00	18.812,68	18.812,68	4,62%	173.503,23	90,22%
TITLE 3				407.426,00	192.315,91	192.315,91	47,20%	407.426,00	18.812,68	18.812,68	4,62%	173.503,23	90,22%
Grand Total		0,00		2.293.171,00	1.387.216,30	1.387.216,30	60,49%	2.293.171,00	296.192,09	296.192,09	12,92%	1.091.024,21	78,65%

2 b – BUDGET IMPLEMENTATION CARRIED OVER APPROPRIATION – C8

There is no C8 appropriations from financial year 2006 transferred to the Agency at its financial independence on 12 November 2007.

The carried-over credits from 2007 to 2008, as shown in the table above, in relation to the staff will be cancelled in 2008. The carry-over related to the differentiated credits (operational expenditure) concerns only the commitment appropriations and not the payments. The payment obligations for the operating expenditures will therefore consume the appropriations for payment budgeted for financial year 2008.

3 – RECONCILIATION OF THE ACCRUAL BASED RESULT WITH THE BUDGET RESULT

	sign +/-	amount
Economic result (- for loss)	+/-	282.013,35
<i>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</i>		
A Adjustments for Accrual Cut-off (reversal 31.12.N-1)	-	0,00
B Adjustments for Accrual Cut-off (cut- off 31.12.N)	+	414.466,56
C Amount from liaison account with Commission booked in the Economic Outturn Account	-	0,00
D Unpaid invoices at year end but booked in charges (class 6)	+	112.474,47
E Depreciation of intangible and tangible fixed assets (1)	+	1.912,74
F Provisions (1)	+	79.329,88
G Value reductions (1)	+	0,00
H Recovery Orders issued in 2007 in class 7 and not yet cashed	-	0,00
I Cleared Pre-financing in the year (they are in the economic result but not in the budgetary result)	+	
J Payments made from carry over of payment appropriations	+	0,00
K Other : value of the assets transferred from DG FISH to the Agency	+/-	-39.240,00
L Exchange rate differences - loss: sign +, gain: sign -	+/-	0,00
<i>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</i>		
M Asset acquisitions (less unpaid amounts)	-	
N New pre-financing paid in the year 2007	-	
O New pre-financing received in the year 2007 and remaining open as at 31.12.2007	+	1.145.861,14
P Budgetary recovery orders issued before 2007 and cashed in the year	+	0,00
Q Budgetary recovery orders issued in 2007 on balance sheet accounts (not 7 or 6 accounts) and cashed	+	0,00
R Capital payments on financial leasing (they are budgetary payments but not in the economic result)	-	
S Payment appropriations carried over to 2008	-	-850.954,52
T Cancellation of unused carried over payment appropriations from previous year	+	0,00
U Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+	0,00
V Payments for pensions (they are budgetary payments but booked against provisions)	-	0,00
W Payments for stocks of leave and supplementary hours (they are budgetary payments but booked against provisions)	-	0,00
X Other **)	+/-	
total		1.145.863,62
Budgetary result (+ for surplus) (4)		1.145.861,14
Delta not explained		-2,48

4 – ANNEX TO THE BUDGET IMPLEMENTATION REPORT

4.1 Budgetary principles (summary)

The establishment and implementation of the Agency's budget shall comply 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.

4.1.1 Principle of unity and budget accuracy

The budget is the instrument which, for each financial year, forecasts and authorises the revenue and expenditure considered necessary for the Agency's activities.

No revenue shall be collected and no expenditure effected unless booked to a line in the budget.

An appropriation must not be entered in the budget if it is not for an item of expenditure considered necessary.

No expenditure may be committed or authorised in excess of the appropriations authorised by the budget.

4.1.2 Principle of annuality

The appropriations entered in the budget shall be authorised for one financial year which shall run from 1 January to 31 December, inclusive.

Commitments shall be entered in the accounts on the basis of the legal commitments entered into up to 31 December.

Payments shall be entered in the accounts for a financial year on the basis of the payments effected by the accounting officer by 31 December of that year at the latest.

4.1.3 Principle of equilibrium

The Agency's budget revenue and payment appropriations must be in balance.

Commitment appropriations may not exceed the amount of the Community subsidy, plus own revenue and any other revenue.

The Agency may not raise loans.

4.1.4 Principle of unit of account

The budget shall be drawn up and implemented in Euro and the accounts shall be presented in Euro. However, for cash-flow purposes, the accounting officer and, in the case of imprest accounts, imprest administrators shall be authorised to carry out operations in national currencies.

4.1.5 Principle of universality

Total revenue shall cover all expenditure. All revenue and expenditure shall be entered in full without any adjustment against each other.

4.1.6 Principle of specification

The appropriations in their entirety shall be earmarked for specific purposes by title and chapter; the chapters shall be further subdivided into articles and items.

The Executive Director may authorise transfers from one article to another within each chapter.

4.1.7 Principle of sound financial management

Budget appropriations shall be used in accordance with the principle of sound financial management, that is to say, in accordance with the principles of economy, efficiency and effectiveness.

The principle of economy requires that the resources used by the Agency for the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price.

The principle of efficiency is concerned with the best relationship between resources employed and results achieved.

The principle of effectiveness is concerned with attaining the specific objectives set and achieving the intended results.

4.1.8 Principle of transparency

The budget shall be drawn up and implemented and the accounts presented in compliance with the principle of transparency. The budget, as finally adopted, shall be published in the Official Journal of the European Communities and amending budgets shall be published in an appropriate way within two months of their adoption.

4.2 Types of appropriations

The Agency makes use of non-differentiated appropriations for its administrative expenditure and differentiated appropriations for its operational ones.

PART III

BUDGETARY AND FINANCIAL MANAGEMENT REPORT

- 1 – SETTING UP OF THE FINANCIAL SYSTEM FOR THE AGENCY**
- 2 - OVERVIEW ON THE BUDGET EXECUTION FOR THE WHOLE YEAR 2007**

1 – INTRODUCTION

Year 2007 has been a critical period for the setting up of the main finance and budget systems for the CFCA. At the end of 2006, and due to a lack of resources at that moment, it was decided that the financial management should be still kept in DG Fish until financial circuits of the Agency standing alone were validated. Therefore, the necessary steps were to be followed in order to achieve the financial independence of the Agency, whose budget had been managed for most of the year by its parent DG, as follows:

Period from 01/01/2007 to 11/11/2007. Budget execution by DG Fisheries

Period from 11/11/2007 to 31/12/08. Budget execution by the CFCA.

2 – SETTING UP OF THE FINANCIAL SYSTEM FOR THE AGENCY

In order to become independent and be able to implement the budget, the CFCA had to meet several objectives established by the Commission and the CFCA. These objectives, which were undertaken keeping in mind the establishment of a sound and consistent financial management system for the Agency, were the following:

A- Setting up the necessary human resources in place to comply with the Financial Rules applicable to the CFCA in relation to the mandatory Financial Actors.

- Recruitment of an Accounting Officer, selected as the Accounting Officer of the Agency, during the month of August 2007. She was presented to the Administrative Board during the Administrative Board meeting held 17 October 2007.
- Recruitment of a Verifying Agent (VA) selected to be the verifying agent of the Agency in its headquarters in Vigo-Spain.
- Training of actors involved in the financial workflows defined.

B- Setting up financial and budget procedures as well as internal control systems

- Definition of the financial procedures and circuits. A comprehensive description of all processes was documented and posted in the Intranet for the implementation of all Staff of the CFCA.
- Internal Control Systems. During 2007, the Agency adopted the following documents related to internal control systems and always under the legal framework of the Agency:

Director's Decision 2007 – 014 0607. Decision of the Executive Director on Internal Control and Verification of financial operations.

Director's Decision 2007 – 015 0607. Decision of the Executive Director on Computer Systems used to process budget implementation in the Agency

C - Running relevant tools for ensuring security and reliability of transactions.

- Implementation of the ABAC system. The ABAC system was implemented, tested and put in production during the month of November 2007 as a requisite to the financial independence of the Agency.

D- Financial Independence.

As part of the procedure to become independent, a financing decision was adopted by the Commission, fixing the total appropriations to be transferred to the CFCA at the moment of the independence.

- The Decision of the Commission C(2007)5385 of **12 November 2007** on the financial contribution from the Community to the Community Fisheries Control Agency for 2007
- The financial contribution transferred to the CFCA was fixed at **2,293,171 Euro**
- The ABAC system final go live date was the **22 November 2007**
- The Protocol for financial independence between the Commission and the CFCA was signed on 26 November 2007 (Annex III)
- The amount of the subsidy (2.293.171.Euro) was available in the Agency bank account on **13 December 2007**.

As from the signing of the above Protocol, the Executive Director of the CFCA was the only responsible for the management and execution of the budget.

3- OVERVIEW ON THE BUDGET EXECUTION FOR THE WHOLE YEAR 2007

During the Administrative Board of 27 October 2006, the final budget of the CFCA for 2007 was adopted, which became final December 2006 when the Budget Authority adopted the General Budget 2007. There were **5,0 million Euro** set as contribution to the CFCA from the total subsidy of the European Community.

The Financing Decision C(2007)5385 granted **2,3 million Euro** to the CFCA from the funds still available and not yet executed by the Commission.

Around 20 commitments were transferred from DG Fish to the CFCA at the moment of the independence.

The figures provided in the tables below for 2007 are divided as followed:

A- Budgetary figures as supplied to the Agency by its parent DG, DG FISH.

The figures are related to the budget implemented by DG FISH on behalf of the Agency during the period 01/01/2007 to 11/11/2007. They will form part of the financial and budgetary accounts of the European Commission. **Any declaration of assurance given by the Accounting Officer and the Executive Director on the Agency annual accounts do not therefore apply to the concerned figures.** They are here mentioned for information purposes only, in order to give the users and readers of the Agency annual accounts an overview of to which extend can have been the budgetary movements related to the Agency for financial year 2007.

B- Budgetary figures as extracted from the Agency financial systems.

The figures are related to the budget implemented during the period 11/11/2007 to 31/12/07. The Agency was then autonomous for its budgetary and financial management. The figures of execution of the budget, and according to the reporting tool Business Objects can be found in table I below. The main highlights for this period:

- All payments pending in DG Fish were transferred to the CFCA for payment;
- The funds arrived to the CFCA's bank account only mid December, which did not leave much time for executing those payments before the year end.
- Most payments had to be carried over to the budget year 2008.

The **consolidated** figures for the implementation of the budget for 2007 would be the following

	COMMITMENTS			PAYMENTS		
	Budget 2007 (€)	TOTAL EXECUTION 2007 (€)	% Execution	Budget 2007 (€)	TOTAL EXECUTION 2007 (€)	% Execution
Title 1 - Total	2.650.000	2.001.351,65	75%	2.650.000	1.936.056,50	73%
Title 2 - Total	1.250.000	900.590,81	72%	1.250.000	154.898,21	12%
TOTAL TITLES I & II	3.900.000,00	2.901.942,46	74%	3.900.000,00	2.090.954,71	53%
Title 3 - Total	1.100.000,00	365.720,54	33,25%	1.100.000,00	167.801,96	15,25%
TOTAL EXPENDITURE	5.000.000,00	3.267.663,00	65,35%	5.000.000,00	2.258.756,67	45,18%

Detailed figures can be found in the following tables.

Staff and Administrative Expenditure (In Euros)

EXPENDITURE	COMMITMENTS					PAYMENTS				
	Budget 2007 (€)	Executed	Executed	TOTAL EXECUTION 2007 (€)	% Execution	Budget 2007 (€)	Executed	Executed	TOTAL EXECUTION 2007 (€)	% Execution
	Commitment Appropriations	Budget 2007 (€) DG FISH	Budget 2007 (€) CFCA			Payment Appropriations	Budget 2007 (€) DG FISH	Budget 2007 (€) CFCA		
Title 1 Staff Expenditure										
11 Salaries & allowances	2.325.000	1.555.523,13	261.251,74	1.816.774,87	78%	2.325.000	1.571.751,34	187.132,60	1.758.883,94	75%
12. Expenditure relating to Staff recruitment	185.000	0,00	72.976,78	72.976,78	39%	185.000	69.626,63	25.598,65	95.225,28	51%
13. Mission Expenses	75.000	55.287,13	24.712,87	80.000,00	107%	75.000	71.835,61	2.879,62	74.715,23	100%
14 Socio-medical infrastructure	45.000	0,00	31.600,00	31.600,00	70%	45.000		7.232,05	7.232,05	16%
17 Receptions and Events	20.000	0,00	0,00		0%	20.000	0,00	0,00	0,00	0%
Title 1 - Total	2.650.000	1.610.810,26	390.541,39	2.001.351,65	75%	2.650.000	1.713.213,58	222.842,92	1.936.056,50	73%
Title 2 Administrative Expenditure										
2 0 Rental of buildings and associated costs	500.000	0,00	349.987,67	349.987,67	70%	500.000	0,00	0,00	0,00	0%
21 Information and communication technology	260.000	84.664,62	55.176,84	139.841,46	54%	260.000	83.543,77	0,00	83.543,77	32%
22 Movable property and associated costs	300.000	3.130,00	218.325,19	221.455,19	74%	300.000	3.130,00	0,00	3.130,00	1%
23 Current Administrative expenditure	30.000		0,00	0,00	0%	30.000		0,00	0,00	0%
24 Postage / Telecommunications	60.000		0,00	0,00	0%	60.000		0,00	0,00	0%
25 Meeting Expenses	100.000	8.437,19	75.869,30	84.306,49	84%	100.000	13.687,95	2.460,49	16.148,44	16%
26 Supplementary Expenses	0		105.000,00	105.000,00		0		52.076,00	52.076,00	
Title 2 - Total	1.250.000,00	96.231,81	804.359,00	900.590,81	72%	1.250.000,00	100.361,72	54.536,49	154.898,21	12%
TOTAL TITLES I & II	3.900.000,00	1.707.042,07	1.194.900,39	2.901.942,46	74%	3.900.000,00	1.813.575,30	277.379,41	2.090.954,71	53%

Operational Expenditure 2007 (In Euros)

EXPENDITURE	COMMITMENTS					PAYMENTS				
	Budget 2007	Executed	Executed	TOTAL EXECUTION 2007	% Execution	Budget 2007	Executed	Executed	TOTAL EXECUTION 2007	% Execution
	Commitment Appropriations	Budget 2007	Budget 2007			Payment Appropriations	Budget 2007	Budget 2007		
-	-	DG FISH	CFCA	-	DG FISH	CFCA				
Title 3 - Operating Expenditure										
30 Translation Services				0,00					0,00	
31 North Sea and Adjacent Areas				0,00					0,00	
32 Baltic Sea				0,00					0,00	
33 NAFO and NEAFC	1.100.000	173.404,63	192.315,91	365.720,54	33%	1.100.000	148.989,28	18.812,68	167.801,96	15%
34 Western Waters				0,00					0,00	
35 Mediterranean Sea				0,00					0,00	
36 Black Sea				0,00					0,00	
37 IUU				0,00					0,00	
39 Operations Non EU parties				0,00					0,00	
Title 3 - Total	1.100.000,00	173.404,63	192.315,91	365.720,54	33%	1.100.000,00	148.989,28	18.812,68	167.801,96	15%
TOTAL EXPENDITURE	5.000.000,00	1.880.446,70	1.387.216,30	3.267.663,00	65%	5.000.000,00	1.962.564,58	296.192,09	2.258.756,67	45%

Conclusion

The exercise 2007 was a transitional period for the Community Fisheries Control Agency. Most of the budget was implemented by the Commission (1,8 million Euro for commitments and 1,9 million Euro for payments) during the first 11 months of the year, in comparison to the budget implemented by the CFCA (1,3 million Euro for commitments and 0.3 million Euro for payments).

Establishment plan of the Agency for 2007

GRADES	
1	TAD14.1
2	TAD12.6
3	TAD12.7
4	TAST5.2
5	TAST8.2
6	TAST8.2
7	TAST8.1
8	TAST8.2
9	TAST5.1
10	TAD 9.1
11	CA FGII 5.1
12	CA FGIV 14.1
13	CA FGIII 9.1
14	CA FGIV 13.1
15	CA FGIV 13.1
16	CA FGII 5.1
17	TAST3.2
18	TAST3.1
19	CA FGIII 10.1
20	TAST5.2
21	TAST8.2
22	TAST5.1
23	TAST8.1
24	CA FGIII 9.1
25	INTERIM
26	INTERIM

In total 26 persons were working for the Agency for financial year 2007, of which 2 Intermarries

T means Temporary agent
 CA means contractual agent
 xx of ASTxx, or ADxx or FGxx
 stands for the category