



DECISION NO 15-W-04
OF THE ADMINISTRATIVE BOARD
OF THE EUROPEAN FISHERIES CONTROL AGENCY
of 26/06/2015

relating to the adoption of the Final Annual Accounts for financial year 2014

European Fisheries Control Agency

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THE ADMINISTRATIVE BOARD OF THE EUROPEAN FISHERIES CONTROL AGENCY,

Having regard to AB Decision No 13-W-09 of 31 December 2013 concerning the Financial Regulation of the European Fisheries Control Agency, and in particular Article 99 thereof,

Considering that the Executive Director shall, after drawing up the final accounts of the Agency, send them under his responsibility to the Administrative Board which shall give an opinion on these accounts,

Considering that the Accounting Officer shall send the final accounts, together with the opinion of the Administrative Board, to the Commission's accounting officer, the Court of Auditors, the European Parliament and the Council, by 1 July at the latest,

HAS DECIDED AS FOLLOWS:

Article 1

The Final Annual accounts as attached in the Annex are adopted.

Article 2

The present Decision shall enter into force on the day of adoption by the Administrative Board.

Done in Vigo, on 26/06/2015.



Reinhard Priebe
Chair of the Administrative Board



ANNEX

**FINAL
ANNUAL ACCOUNTS OF
European Fisheries Control
Agency (EFCA)**

Financial Year 2014

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

Financial Year 2014

The final annual accounts for financial year 2014 have been prepared by the Accounting Officer and drawn up by the Executive Director on 11/06/2015. The opinion of the Administrative Board was given on 26/06/2015.

The present annual accounts, together with the opinion of the Administrative Board, will be sent to the Commission's Accounting Officer, the European Court of Auditors, the European Parliament and the Council on 30/06/2015.

The accounts will be published on the EFCA website: <http://efca.europa.eu/>.

Vigo, 29th of June 2015



Pascal SAVOURET
The Executive Director



Malvine TOMUSCA
The Accounting Officer

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CERTIFICATE

The Annual Accounts of the European Fisheries Control Agency for the year 2014 have been prepared in accordance with the Financial Regulation applicable to the general budget of the European Union and 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 EFCA in accordance with Art 50 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 EFCA'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-flows of the Agency.

Vigo, 29th of June, 2015



Malvine Tomusca
Accounting Officer

INTRODUCTION

LEGAL BASIS

The Annual Accounts of European Fisheries Control Agency (herein also "EFCA" or "the Agency") have been established in accordance with the following legislation:

- The Financial Regulation as adopted by its Administrative Board on 31st of December 2013
- The "Framework Financial Regulation" – Regulation (EU, Euratom) no 966/2012 of the European Parliament and of the Council of 25th of October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, EURATOM) no 1605/2002
- The EU Accounting rules, methods and guidelines as adopted and provided by the Accountant Officer of the European Commission.

BACKGROUND INFORMATION

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.

Change of name

- Taking into account the Lisbon Treaty laying down that the European Union shall replace and succeed the European Community, at its meeting on 19th of October 2010, the CFCA Administrative Board expressed a preference to change the name of the CFCA to "European Fisheries Control Agency" and thereafter on 15th of March 2011, they decided the procedure and the target date of implementation.
- Moreover, the Commission has agreed with the new name and has used the new name in new legislation, such as the Implementing Regulation (EU) No 404/2011 of 8th of April 2011 laying down detailed rules for the implementation of Council Regulation (EC) No 1224/2009 establishing a Community control system for ensuring compliance with the rules of the Common Fisheries Policy.

Therefore, starting with 1st of January 2012, the Community Fisheries Control Agency (CFCA) has become the European Fisheries Control Agency (EFCA).

• Mission

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

Details are provided in article 3 of Council Regulation n°768/2005. Some of the current tasks of the Agency are:

- to coordinate control and inspection activities of the Member States within 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.

- **Seat**

The Agency is a body of the Community as referred in Article 185 of the Financial Regulation (EC, Euratom) n°1605/2002 of the Council of 25th of June 2002, amended by Council Regulation (EC, Euratom) n° 1995/2006 of 13th of December 2006.

It has legal personality and is represented by its Executive Director, Mr Pascal SAVOURET, appointed by the Administrative Board of the Agency. On 1st July of 2008, the Agency started to operate from its provisional headquarters at Edificio Odriozola, Avenida García Barbón 4 – 36201 Vigo. The Protocol on the Privileges and Immunities of the European Communities applies to the Agency.

- **Governance**

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

The Administrative Board meets twice a year. It has among others, the powers:

- to appoint and dismiss the Executive Director
- to appoint and dismiss the Accounting Officer
- to adopt the Activity Report of the Agency for the previous year
- to adopt the Annual Work programme and Multi-annual Work Programme of the Agency for the coming years
- to certify the Final Annual Accounts of the Agency for the previous financial year.

The budgetary process in terms of principles, structure of the budget, main actors, execution and implementation, etc. could be found explained in detail in the second part of this report, which is dedicated to budgetary accounts.

The audit of the agency is performed both by the European Court of Auditors on the legality and regularity of underlying transactions and by an external financial auditor on the true and fair view given by the accounts.

The discharge in respect of the implementation of the budget of the year is granted by the European Parliament and the Council to the Authorising Officer of the Agency which is the Executive Director.

FINANCIAL STATEMENTS

(All amounts herein are disclosed in EUR)

BALANCE SHEET

	Note	31.12.2014	31.12.2013	Variation
NON-CURRENT ASSETS		1,156,345.73	860,659.48	295,686.25
Intangible assets	2.1.	625,531.31	372,596.58	252,934.73
Intangible assets under construction		100,800.00	39,800.00	61,000.00
Property, Plant and Equipment	2.2.	530,814.42	488,062.90	42,751.52
Land and buildings		0.00	0.00	0.00
Plant and equipment		47,015.00	11,125.00	35,890.00
Computer hardware		394,576.42	362,557.64	32,018.78
Furniture and vehicles		71,283.00	84,651.26	-13,368.26
Other fixtures and fittings		17,940.00	29,729.00	-11,789.00
Tangible assets under construction		0.00	0.00	0.00
Financial assets	2.3.	0.00	0.00	0.00
Long-term receivables and recoverables		0.00	0.00	0.00
Pre-financing		0.00	0.00	0.00
CURRENT ASSETS		1,246,784.96	1,754,588.10	-507,803.14
Financial assets	2.3.	1,246,784.96	1,754,588.10	-507,803.14
Receivables and recoverables	2.4.	178,583.73	190,003.22	-11,419.49
Current receivables	2.4.	0.00	402.88	-402.88
Long-term receivables falling due within a year		0.00	0.00	0.00
Accounts receivable from consolidated EU entities	2.4.	11,770.92	1,360.88	10,410.04
Sundry receivables	2.4.	27,349.04	68,545.25	-41,196.21
Deferred charges	2.4.	130,575.00	99,502.21	31,072.79
Accrued income	2.4.	8,888.77	20,192.00	-11,303.23
Pre-financing		0.00	0.00	0.00
Cash and cash equivalents	2.5.	1,068,201.23	1,564,584.88	-496,383.65
TOTAL ASSETS	A	2,403,130.69	2,615,247.58	-212,116.89
NON-CURRENT LIABILITIES		0.00	0.00	0.00
Provisions for risks and liabilities (long-term)		0.00	0.00	0.00
Financial liabilities		0.00	0.00	0.00
Long-term liabilities to consolidated entities		0.00	0.00	0.00
Other long-term liabilities		0.00	0.00	0.00
CURRENT LIABILITIES		608,313.11	758,006.08	-149,692.97
Provisions for risks and liabilities	2.6.	0.00	15,573.00	-15,573.00
Financial liabilities	2.7.	608,313.11	742,433.08	-134,119.97
Payables		608,313.11	742,433.08	-134,119.97
Current payables		0.00	0.00	0.00
Long-term liabilities falling due within the year		0.00	0.00	0.00
Sundry payables	2.8.	163,910.46	57,426.91	106,483.55
Accrued charges	2.9.	297,167.96	412,528.26	-115,360.30
Deferred income		0.00	0.00	0.00
Accounts payable to consolidated EU entities	2.10.	147,234.69	272,477.91	-125,243.22
TOTAL LIABILITIES	L	608,313.11	758,006.08	-149,692.97
NET ASSETS	A-L	1,794,817.58	1,857,241.50	-62,423.92
Accumulated surplus/deficit	R	1,857,241.50	1,313,834.23	543,407.27
Economic result of the year	A-L-R	-62,423.92	543,407.27	-605,831.19

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2014	2013	Variation
OPERATING REVENUE	3.1.			
European Union Contribution	3.1.1.	9,069,915.31	8,956,734.44	113,180.87
Other non-exchange revenue	3.1.2.	7,194.00	0.00	7,194.00
Other exchange revenue	3.1.3.	12,108.14	452.71	11,655.43
OPERATING EXPENSES		9,089,217.45	8,957,187.15	132,030.30
Operating expenses	3.2.1	-1,181,380.05	-1,035,125.90	-146,254.15
Administrative expenses	3.2.2	-7,977,922.03	-7,378,185.47	-599,736.56
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES		-70,084.63	543,875.78	-613,960.41
Financial revenue	3.3.	7,978.67	0.00	7,978.67
Financial expenses	3.3.	-317.96	-468.51	150.55
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES		-62,423.92	543,407.27	-605,831.19
Extraordinary gains		0.00	0.00	0.00
Extraordinary losses		0.00	0.00	0.00
SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS		0.00	0.00	0.00
ECONOMIC RESULT OF THE YEAR		-62,423.92	543,407.27	-605,831.19

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CASH FLOW STATEMENT

	Note	2014	2013
Economic result of the year		-62,423.92	543,407.27
Operating activities			
Amortization (intangible fixed assets) +		147,556.72	99,630.36
Depreciation (tangible fixed assets) +		223,719.09	193,177.25
Increase/(decrease) in Provisions for risks and liabilities		-15,573.00	-155,680.95
Increase/(decrease) in Value reduction for doubtful debts		0.00	0.00
(Increase)/decrease in Stock		0.00	0.00
(Increase)/decrease in Long term Pre-financing		0.00	0.00
(Increase)/decrease in Short term Pre-financing		0.00	0.00
(Increase)/decrease in Long term Receivables		0.00	0.00
(Increase)/decrease in Short term Receivables		21,829.53	-119,830.37
(Increase)/decrease in Receivables related to consolidated EU entities		-10,410.04	-959.11
Increase/(decrease) in Other Long term liabilities		0.00	0.00
Increase/(decrease) in Accounts payable		-8,876.75	-76,567.97
Increase/(decrease) in Liabilities related to consolidated EU entities		-125,243.22	-250,610.12
Other non-cash movements		0.00	203.00
Net cash-flow from operating activities	4.1.	170,578.41	232,769.36
Investing activities			
(Increase)/Decrease in intangible assets and property, plant and equipment		-666,962.06	-499,758.87
Proceeds from tangible and intangible fixed assets (+)		0.00	0.00
Net cash-flow from investing activities	4.2.	-666,962.06	-499,758.87
Net cash-flow from financing activities	4.3.	0.00	0.00
<i>Increase/(decrease) in Employee benefits</i>		0.00	0.00
Net increase/(decrease) in cash and cash equivalents		-496,383.65	-266,989.51
Cash and cash equivalents at the beginning of the year		1,564,584.88	1,831,574.39
Cash and cash equivalents at year-end		1,068,201.23	1,564,584.88

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NOTES TO THE FINANCIAL STATEMENTS
1.1.2014 – 31.12.2014

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Legal basis and Accounting rules

The following Annual Accounts together with the reports on implementation of the budget of EFCA have been drawn up in accordance with Article 95 of EFCA Financial Regulation.

These Financial Statements are prepared on the basis of the EU Accounting Rules as adopted by the Commission's Accounting Officer which adapt the International Public Sector Accounting Standards (and in some cases the International Financial Reporting Standards) to the specific environment of the EU. The reports on implementation of the budget continue to be primarily based on movements of cash.

The accounting system of EFCA consists of general accounts and budget accounts. These accounts are kept in Euro based on the calendar year. The budget accounts give a detailed picture of the implementation of the budget. They are based on the modified cash accounting principle.¹ The general accounts allow for the preparation of the Financial Statements as they show all charges and income for the financial year and are designed to establish the financial position in the form of a Balance Sheet as at 31st of December.

1.2. Accounting principles

The objectives of the Financial Statements are to provide information about the financial position, the performance and the cash flows of an entity that is useful to a wide range of users. For a public sector entity such as EFCA, 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.

Article 95 of EFCA Financial Regulation sets out the accounting principles to be applied in drawing up the financial statements.

The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in EU Accounting rule No. 2 and are the same as those described in IPSAS 1 "Presentation of Financial Statements".

Fair presentation

Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in the EU Accounting rules. The application of EU Accounting rules, with additional disclosures when necessary, is presumed to result in Financial Statements that achieve a fair presentation (EU Accounting rule No.2).

Accrual Basis

In order to meet their objectives, Financial Statements are prepared on the accrual basis of accounting. Under this basis, the effects of transactions and other events are recognised when they occur (and not when cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the Financial Statements of the period to which they relate (EU Accounting rule No.2).

¹ This differs from cash-based accounting because of elements such as carry-forwards and carry-overs.
EFCA's Final Accounts 2014

STATEMENT OF CHANGES IN NET ASSETS

	Note	Accumulated Surplus/Deficit	Economic result of the year	Net Assets (Total)
Balance as at 31 December 2013		1,313,834.23	543,407.27	1,857,241.50
Changes in accounting policies		0.00	0.00	0.00
Balance as at 1 January 2014		1,313,834.23	543,407.27	1,857,241.50
Allocation of the economic result of previous year		543,407.27	-543,407.27	0.00
Economic result of the year		0.00	-62,423.92	-62,423.92
Balance as at 31 December 2014		1,857,241.50	-62,423.92	1,794,817.58

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Going concern basis

When preparing Financial Statements the entity's ability to continue as a going concern shall be assessed. The Financial Statements shall be prepared on a going concern basis unless there is an intention to liquidate the entity or to cease its operations or if there is no realistic alternative but to do so. These Financial Statements have been prepared in accordance with the going concern principle, which means that EFCA is deemed to have been established for an indefinite duration (EU Accounting rule No.2).

Consistency of presentation

According to this principle, the presentation and classification of items in the Financial Statements shall be retained from one period to the next (EU Accounting Rule No.2).

Aggregation

Each material class of similar items shall be presented separately in the Financial Statements. Items of a dissimilar nature or function shall be presented separately unless they are immaterial (EU Accounting rule No.2).

Offsetting

Assets and liabilities, and revenue and expenses, shall not be offset unless required or permitted by an EU Accounting rule (EU Accounting rule No.2).

Comparative Information

Except when an EU Accounting rule permits or requires otherwise, comparative information shall be disclosed in respect of the previous period for all amounts reported in the Financial Statements. When the presentation or classification of items in the Financial Statements is amended, comparative amounts shall be reclassified unless the reclassification is impracticable (EU Accounting rule No.2).

According to article 95 of EFCA Financial Regulation, the information reported in the Financial Statements should be relevant, reliable, understandable and comparable including the information on accounting policies applied (as also explained in EU Accounting rule No.2 and IPSAS No 1).

1.3. Basis of preparation

Functional and reporting currency

The Financial Statements are presented in euros, which is the functional and reporting currency of the EU and of EFCA (article 21 of EFCA Financial Regulation).

Transactions and balances

Foreign currency transactions are recorded using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary items in foreign currency into euros at year-end are recognised in the Statement of Financial Performance.

Chart of Accounts

The Chart of Accounts used by EFCA follows the structure of the Chart of Accounts of the European Commission (PCUE).

Use of estimates

Preparation of Financial Statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the amounts presented and disclosed in the Financial Statements of EFCA. The significant estimates and assumptions in these Financial Statements require judgment and are used for, but not limited to, accrued income and charges, provisions, contingent assets and liabilities. Actual results reported in future periods may be different from these estimates. Changes in estimates are reflected in the period in which they become known.

2. NOTES TO THE BALANCE SHEET

Assets are resources controlled by the Agency as a result of past events and from which future economic benefits or service potential are expected to flow.

NON-CURRENT ASSETS

2.1. Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. Acquired computer software licences are stated at historical cost less accumulated amortisation and impairment losses. The assets are amortised on a straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets depend on their specific useful economic lifetime.

Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life (EU Accounting Rule 6).

Internally developed intangible assets are capitalised when the criteria of the relevant EU Accounting rule No.6 are met. The costs capitalisable include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses when incurred.

During the year 2014, EFCA has incurred the following research and development costs for IT Projects which were not meeting the capitalisation criteria:

Not capitalised costs	IT Research cost	IT Development cost
Cost of the year 2014	2,965.00	118,284.78

These costs were recognised in the category of Administrative expenses together with other IT operational costs (please see below the note 3.2.2 of EOA at page 22).

At yearend, an amount of €100,800 (2013: €39,800) related to an IT project in progress was presented as Intangible assets under construction.

2.2. Property, plant and equipment

All property, plant and equipment items are valued at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the Agency and its cost can be measured reliably. Repairs and maintenance costs are charged to the Statement of Financial Performance during the financial period in which they are incurred.

Assets under construction are not depreciated, as these assets are not yet available for use. Depreciation is the systematic allocation of the depreciable amount of an asset over its useful economic lifetime (EU Accounting Rule 7).

Gains or losses on disposals of assets are determined by comparing the proceeds less the selling expenses with the carrying amount of the disposed asset. They are included in the Statement of Financial Performance.

According to EC guidelines and automatically embedded in the electronic Asset Register (ABAC Assets), the assets are considered as such when their nominal value is equal or above €420.

The assets registration system, integrated in the Agency's accounting systems, is identical to the one used by the European Commission (ABAC Assets) and it is operational in EFCA since July 2008. The amortisation and depreciation are automatically calculated and posted in SAP on a monthly basis

Intangible assets and Property, Plant and Equipment are both reflected in the Balance Sheet at their net book value.

Leases

EFCA has no leases of tangible assets, where to have substantially all the risks and rewards of ownership and which are classified as finance leases.

Leases where the lessor retains a significant portion of the risks and rewards inherent to ownership are classified as operating leases. Payments made under operating leases are recognised as an expense in the statement of financial performance on a straight-line basis over the period of the lease. Further disclosures on the operating leases of the Agency could be found at page 25.

The following amortisation/depreciation rates are used by the Agency (automatically applied in SAP based on the product selected from the catalogue of ABAC Assets):

Asset type	A Depreciation rate, consolidation manual	B Depreciation rate used by reporting entity
Intangible assets		
Software for personal computers and servers	25%	25.0%
Tangible assets		
Land		
Land	0%	0.0%
Buildings		
Buildings	4%	4.0%
Plant and equipment		
Scientific and laboratory equipment	25%	25.0%
Tools for industry and workshops	12.5%	12.5%
Lifting and mechanical handling equipment for public works, prospecting and mining	12.5%	12.5%
Control and transmission devices, motors, compression, vacuum and pumping equipment	12.5%	12.5%
Equipment for the supply and treatment of electric power	12,5%, 25%	12,5%, 25%
Specific electric equipment	25%	25.0%
Furniture and vehicles		
Office, laboratory and workshop furniture	10%	10.0%
Electrical office equipment, printing and mailing equipment	25%	25.0%
Printshop and postroom equipment	12.5%	12.5%
Equipment and decorations for garden, kitchen, canteen, restaurant, crèche and school	12.5%	12.5%
Motorised outdoor equipment	25%	25.0%
Specific furniture and equipment for schools, crèches and childcare centres	25%	25.0%
Furniture for restaurant/cafeteria/bar area	10%, 12,5%	10%, 12,5%
Cash registers and card acceptor devices	25%	25.0%
Antiques, artistic works, collectors' items	0%	0.0%
Transport equipment (vehicles and accessories)	25%	25.0%
Computer hardware		
Computers, servers, accessories, data transfer equipment, printers, screens	25%	25.0%
Copying equipment, digitising and scanning equipment	25%	25.0%
Other fixtures and fittings		
Telecommunications equipment	25%	25.0%
Audiovisual equipment	25%	25.0%
Computer, scientific and general books, documentation		
Computer books, CDs, DVDs	33%	33.0%
Scientific books, general books, CDs, DVDs	25%	25.0%
Health, safety and protective equipment, medical equipment, fire-fighting equipment, equipment for surveillance and security services	12.5%	12.5%
Medical and nursing equipment	25%	25.0%
Other	10%	10.0%
Tangible fixed assets under construction		
Tangible fixed assets under construction	0%	0.0%

MOVEMENTS IN FIXED ASSETS DURING 2014												
ASSET CLASS	Gross Carrying Amounts						Accumulated Depreciation					Net carrying amounts 31.12.14
	Opening Balance 01.01.14	Additions	Disposals	Transfers between headings	Closing Balance 31.12.14	Opening Balance 01.01.14	Amortisation and depreciation charge of the year	Amort/Depr of disposals	Charge of transfers between headings	Closing Balance 31.12.14		
Computer Software	217,185.57	60,921.45	0.00	0.00	278,107.02	-157,932.99	-23,331.72	0.00	0.00	-181,264.71	96,842.31	
Internally Generated Software (*)	358,780.00	238,770.00	0.00	39,800.00	637,350.00	-85,236.00	-124,225.00	0.00	0.00	-209,461.00	427,889.00	
Intangibles under construction	39,800.00	100,800.00	0.00	-39,800.00	100,800.00	0.00-0.00	0.00	0.00	0.00	0.00	100,800.00	
Intangible Fixed Assets	615,765.57	400,491.45	0.00	0.00	1,016,257.02	-243,168.99	-147,556.72	0.00	0.00	-390,725.71	625,531.31	
Plant and Equipment	26,678.34	42,275.00	0.00	0.00	68,953.34	-15,553.34	-6,385.00	0.00	0.00	-21,938.34	47,015.00	
Furniture	175,516.15	3,710.37	0.00	0.00	179,226.52	-90,864.89	-17,078.63	0.00	0.00	-107,943.52	71,283.00	
Computer hardware	806,252.12	(**) ^{217,802.04}	0.00	0.00	1,024,054.16	-443,694.48	-185,783.26	0.00	0.00	-629,477.74	394,576.42	
Fixtures & Fittings	159,320.09	2,683.20	0.00	0.00	162,003.29	-129,591.09	-14,472.20	0.00	0.00	-144,063.29	17,940.00	
Fixed assets under construction	0.00-	0.00	0.00	0.00	0.00	0.00-	0.00	0.00	0.00	0.00	0.00	
Tangible Fixed Assets	1,167,766.70	266,470.61	0.00	0.00	1,434,237.31	-679,703.80	-223,719.09	0.00	0.00	-903,422.89	530,814.42	
Total Fixed Assets a (Net Book Value)	1,783,532.27	666,962.06	0.00	0.00	2,450,494.33	-922,872.79	-371,275.81	0.00	0.00	-1,294,148.60	1,156,345.73	

Notes:

(*) As requested by the EC Accounting Rule number 6, the Internally Generated Software items are capitalised if their eligible development costs are above a locally established capitalisation threshold. The Agency decided to implement a local capitalisation threshold of 25,000 euro. In establishing this amount, it was taken into account the limit of 100,000 euro (recommended by ECA as best practice for entities with an annual budget below 40 million euro) and it has been made an alignment with the Agency's average annual budget of ~10 million euro over the last 3 years.

(**) Additions to Computer Hardware include a partial reception of printers in amount of €23,250.00, which were not in use at year-end. No depreciation charge was recognised in 2014 and the starting date of depreciation will be the date when the assets will be installed and put into operation.

2.3. Financial assets

Applying the EU Accounting rule No.11, the financial assets of the Agency consists in its receivables and current bank accounts. Receivables arise when the Agency provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities more than 12 months of the balance sheet date. Receivables (including deferred charges and accrued income) are classified in the category of financial instruments of "Loans and receivables". Further disclosures are presented below in section 7 "Financial Instruments".

CURRENT ASSETS

2.4. Current receivables and recoverables

Receivables are carried at original amount less write-down for impairment. A write-down for impairment of receivables is established when there is objective evidence that the Agency will not be able to collect all amounts due according to the original terms of receivables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the Statement of Financial Performance.

In Sundry receivables from staff, the major amount of last year's balances (€57,224.36) was a recoverable from PMO as a result of the decrease in the pension contribution (covering retroactively the last half of the year 2013). This receivable was settled during 2014 by netting-off against fresh payables.

Current receivables and recoverables	31.12.2014	31.12.2013
Current customer receivables	0.00	402.88
Amounts due from other consolidated entities	11,770.92	1,360.88
-exchange	4,576.92	1,360.88
-non-exchange	7,194.00	0.00
Sundry receivables	27,349.04	68,545.25
Staff	20,430.84	66,924.05
Others	6,918.20	1,621.20
Deferred charges	130,575.00	99,502.21
Accrued Income	8,888.77	20,192.00
Total	178,583.73	190,003.22

The amounts above unless specifically stated otherwise, they have the nature of receivables and recoverable from **exchange** transactions.

The **deferred charges** represent mostly prepaid expenses for software licenses and other maintenance, insurance and service contracts that are associated with deliveries of services for periods that are ending after the 31st of December 2014.

The **accrued income** consists in the amounts recoverable from staff salaries due to the revaluation of the country coefficient for Spain. The amount is based on the calculation and reporting done by PMO for December 2014 payroll run. The amount in balance at 2013 yearend was recovered in instalments during the first months of 2014. Therefore, the 2014 closing balance of accrued income it is a fresh amount referring solely to the 2014 salaries adjusted retroactively for the period July 2014 to December 2014 to the new drop of the country coefficient for Spain from 96.3% to 94.5%. By the date when these accounts are published, the amount was recovered almost in its entirety.

2.5. Cash and cash equivalents

Applying the EU Accounting rule No.11, the cash and cash equivalents are classified in the category of financial instruments "Available for sale". Further disclosures are presented below in section 7 "Financial Instruments".

Cash and Cash equivalents	31.12.2014	31.12.2013
Unrestricted cash	1,068,201.23	1,564,584.88
Treasury and Central Bank accounts	0.00	0.00
Current accounts (bank accounts)	1,068,201.23	1,564,584.88
Imprest accounts	0.00	0.00
Cash in hand ("Caisses")	0.00	0.00
Transfers (Cash in transit) *)	0.00	0.00
Short-term deposits and other cash equivalents < 3 months	0.00	0.00
Restricted cash	0.00	0.00
Total	1,068,201.23	1,564,584.88

The Agency has bank accounts in Belgium with ING Bank SA and in Spain with Banco Bilbao Vizcaya Argentaria SA (BBVA).

The Cash Flow Statement presented above at page 9 provides the users of the financial statements with a basis to assess:

- (a) the ability of the entity to generate cash and cash equivalents, and
- (b) the needs of the entity to utilize those cash flows.

More details on the Cash Flow Statement follow below in part 4 "Notes to the Cash Flow Statement" (page 23).

CURRENT LIABILITIES

2.6. Current provisions/short-term provisions for risks and liabilities

Provisions are recognised when the Agency has a present legal or constructive obligation towards third parties as a result of past events, when it is more likely than not that an outflow of resources will be required to settle the obligation and when the amount can be reliably estimated. The amount of the provision is the best estimate of the expenditures expected to be required to settle the present obligation at the reporting date.

At the end of previous year, a short-term provision was recognised as instructed by EC (DG Budget) providing for the annual adjustments of remuneration and pensions of the EU staff with 0.00% for 2011 and of 0.80% for 2012 (payable as from 1st July 2012). The provision was adjusted for the 2013 Final Annual Accounts based on the exact reporting and calculations provided by PMO (Paymaster Office) for the May 2014 payroll run and then reversed during 2014 after the 2011-2012 indexation was paid to staff.

Short-Term Provisions	31.12.2014	31.12.2013
Opening Balance	15,573.00	171,253.95
Additional provisions	0.00	0.00
Unused Amounts reversed	0.00	-155,680.95
Amounts Used	-15,573.00	0.00
Transfers from Long-term provisions	0.00	0.00
Others	0.00	0.00
Total Closing Balance	0.00	15,573.00

2.7. Financial liabilities

Applying the provisions of the EU Accounting rule No.11, the financial liabilities of the Agency consists in its payables. They are classified as current liabilities, except for maturities more than 12 months after the balance sheet date. Payables (including accrued charges, deferred income and other liabilities) are classified in the category of financial instruments "Other financial liabilities". Further disclosures are presented below in section 7 "Financial Instruments".

2.8. Current Payables

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount. The corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the Agency.

The payables of the Agency are not related only to the purchase of goods or services. They are pending cost claims from governmental experts invited to meetings organised in the framework of Agency's operational activities or from own staff for missions. They are recorded as payables for the requested amount when the cost claim is received. Upon verification and acceptance of the eligible costs, the payables are valued at the accepted and eligible amount.

An overview of the sundry payables it is presented below by major sub-heading.

Current payables	31.12.2014	31.12.2013
Amounts payable – suppliers, Member states, etc.	0.00	0.00
Sundry Payables	163,910.46	57,426.91
Staff	2,681.50	16,318.24
Other (2)	161,228.96	41,108.67
Total	163,910.46	57,426.91

(2) Other Sundry payables	31.12.2014	31.12.2013
Assets - Goods received without invoice	156,398.31	24,308.79
Amounts payable to public bodies (bank interest for funds - Assigned revenues)	2,457.61	2,457.61
Various amounts in transit	2,373.04	14,342.27
Total	161,228.96	41,108.67

2.9. Accrued charges

According to the EU Accounting rules, transactions and events are recognised in the financial statements in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with practical guidelines issued by the Agency (the Carry-forward procedure) which aim at ensuring that the financial statements reflect a true and fair view.

As a result, expenditure related to goods or services provided to the Agency during financial year 2014 but neither invoiced nor paid at the end of the exercise, are estimated and recognised as accrued charges.

Moreover, some accrued amounts are also taking into account specific additional payment obligations stemming from 2014 activities on top of the carry forward amounts (like for example untaken leave of staff).

Accrued Charges	31.12.2014	31.12.2013
Untaken annual leave	87,343.00	101,337.00
Other accrued charges	130,995.96	246,483.35
Accrued Charges with consolidated EU entities	78,829.00	64,707.91
Total	297,167.96	412,528.26

2.10. Accounts payable to consolidated EU entities

At the end of 2014, there is a surplus of the EC subsidy in amount of **€147,234.69** that has to be returned to the European Commission in the coming year. The amount corresponds to the budgetary outturn result of the year (please see page 31).

During 2014, the subsidy surplus of 2013 (**€260,165.00**) together with the bank interest earned during 2013 (**€12,312.91**) have been repaid to the European Commission.

Accounts payable to consolidated EU entities	31.12.2014	31.12.2013
Repayable positive budget outturn	147,234.69	260,165.00
Repayable bank interest for funds held at bank	0.00	12,312.91
Total	147,234.69	272,477.91

Since 1st of January 2014, the interest from subsidy held in bank accounts is not repayable anymore to the European Commission. For more details on the accounting treatment of interest, please see note 3.3. "Financial result"(page 23).

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

3.1. Revenue

Non-exchange revenue makes up the vast majority of the Agency's revenue and includes mainly EU subsidy.

3.1.1. European Union subsidy

Non-exchange revenue	31.12.2014	31.12.2013
European Union subsidy	9,069,915.31	8,956,734.44
Total	9,069,915.31	8,956,734.44

3.1.2. Other non-exchange revenue

Other non-exchange revenue	31.12.2014	31.12.2013
Reimbursement of the price stability reserve – Translation Centre	7,194.00	0.00
Total	7,194.00	0.00

The recognition of this revenue is based on the communication dated 17th of February 2015 when EFCA was informed that in October 2014, the Management Board of the Translation Centre took the decision of reducing the balance of the price stability reserve created from their budget surpluses over several years and to use it for reimbursing the clients. The share of EFCA in amount of € 7,194.00 will be received in 2015. The debit was posted as a current receivable in "Amounts due from consolidated entities" (note 2.4.).

The recovery of translation costs was recognised as "Other non-exchange revenue" rather than a reduction of the costs with translations services of the year. Due to late announcement, the transaction could be settled via a recovery order issued in 2015.

3.1.3. Other exchange revenue

Exchange revenue is the revenue from exchange transactions which are defined as those transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange. The typical exchange revenue for the Agency is related to procurement of goods and services.

Other exchange revenue -	31.12.2014	31.12.2013
Miscellaneous recoveries	12,108.14	452.71
Total	12,108.14	452.71

The miscellaneous recoveries relate to regularisations occurred in 2014 for costs of previous periods. During the year, with the support of PMO, it was performed a cleaning exercise of old balances with staff and the favourable corrections coming from previous periods were recognised as exchange revenue rather than a decrease of the staff costs of the period.

3.2. Expenses

According to the principle of accrual-based accounting, the financial statements take account of expenses relating to the reporting period, without taking into consideration the payment date; meaning when the goods or services are used or consumed.

The Agency incurs mostly exchange expenses arising from the purchase of goods and services. The costs are recognised when the supplies are delivered and accepted by the Agency. When an invoice, debit note, request for payment or cost claim is received and meets the eligibility criteria, it is recognised as an expense for the eligible amount.

3.2.1. Operational Expenses

The operational expenses include the expenditure with main operational activities carried out in the frame of the mission and tasks of the Agency. They include the expenses with experts invited to various technical meetings for their specific expertise.

Exchange Operational Expenses	31.12.2014	31.12.2013
Operational Expenses	1,181,380.05	1,035,125.90
Total	1,181,380.05	1,035,125.90

3.2.2. Administrative Expenses

Administrative Expenses	31.12.2014	31.12.2013
Staff expenses	5,573,999.98	5,432,546.44
Amortisation/depreciation and Fixed assets-related expenses	371,275.81	293,010.61
Other administrative expenses	2,032,646.24	1,652,628.42
Maintenance, security, insurance and other costs related to the office premises	361,150.15	319,561.26
Training and recruitment	121,880.48	159,764.11
Missions, experts	114,897.64	168,426.84
IT related expenditure including research and development costs	759,625.99	389,078.97
Expenses with other internal/external services providers(non-IT)	448,735.33	439,289.56
Other administrative expenses	223,036.27	176,477.36
Net loss/(gain) from foreign exchange (*) ²	3,320.38	30.32
Total	7,977,922.03	7,378,185.47

The main administrative expenses are as follows:

- Staff expenses consisting mainly of staff salaries and allowances related to Operations and Administration units of the Agency;
- The amortisation/depreciation charge of tangible and intangible assets. No impairment losses were recognised for the year 2014;
- Other administrative expenses for which the main headings were detailed above.

Herein are also included all IT operational costs of the year together with 2014 costs with IT projects consisting in research and development costs not eligible for capitalisation as Internally Generated Software (please see disclosures under "Intangible Assets"- page 14). The increase in 2014 versus previous year could be explained by the costs with the development and implementation of the new intranet (€59,155.68) that were not found eligible for capitalisation due to high customisation. Other important costs of the year under this heading were those with the services of IT external contractors hired by the Agency to re-shape the IT infrastructure.

The transactions with the European Commission and other EU agencies included in Administrative Expenses are related mainly to services provided under various service level agreements (IAC, translation, publication, training, IT systems, personnel administration, etc.).

²(*) In comparison with the previous accounting periods, the net result from foreign exchange transactions was reclassified under Administrative expenses as it is generated mostly by payments related to staff.

Admin expenses EC and other EU agencies	31.12.2014	31.12.2013
Administrative expenses with consolidated entities	361,111.22	257,923.25
Total	361,111.22	257,923.25

3.3. Financial result

Financial result	31.12.2014	31.12.2013
Financial revenues	7,978.67	0.00
Financial expenses	-317.96	-468.51
Total	7,660.71	-468.51

Due to the new Financial Regulation implemented since 1st of January 2014, there is a change in the accounting treatment of the interest income generated by the EU subsidy and of other funds held in the current bank accounts.

The interest income which was showed until 2014 as a liability repayable to the European Commission it has to be recognised in the Statement of Financial Performance as a financial exchange revenue as it is no longer due to the Commission but is owed by the Agency (Art. 58 of EFCA Financial Regulation adopted by the Administrative Board on 31st of December 2013).

Financial expenses are bank charges and interest for late payments paid according to the provisions of Financial Regulation. Only during 2013, the Agency incurred minor interest for late payment in relation with invoices issued by the European Commission within the applicable SLAs.

4. NOTES TO THE CASH-FLOW STATEMENT

Cashflow information is used to provide a basis for assessing the ability of the Agency to generate cash and cash equivalents, and its needs to utilise those cashflows.

The cashflow statement is prepared using the indirect method. This means that the economic result of the financial year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing cashflows.

Cashflows arising from transactions in a foreign currency are recorded in the EU's reporting currency (Euro), by applying to the foreign currency amount the exchange rate between the euro and the foreign currency at the date of the cashflow.

4.1. Operating activities

Operating activities are the activities of the EU that are not investing activities. These are the majority of the activities performed.

4.2. Investing activities

Investing activities are the acquisition and disposal of intangible assets and property, plant and equipment and of other investments which are not included in cash equivalents. The objective is to show the real investments made by EFCA.

4.3. Financing activities.

The Agency does not have this type of activities.

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5. CONTINGENT ASSETS AND LIABILITIES AND OTHER SIGNIFICANT DISCLOSURES

5.1. Contingent assets

A contingent asset is a possible asset 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 entirely within the control of the Agency. It is not recognised in the Balance Sheet because the amount of the obligation cannot be measured with sufficient reliability. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

5.2. Contingent liabilities

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 entirely within the control of the Agency; or a present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or,
- in the rare circumstances where the amount of the obligation cannot be measured with sufficient reliability.

5.2.1. Outstanding commitments not yet expensed (Carryovers)

RAL	31.12.2014	31.12.2013
Automatic carry-forward (C1 to C8)	982,322.02	1,362,861.10
Accrued expenses and assets not invoiced	-365,930.52	-335,192.07
Outstanding commitments not yet expensed	616,931.50	1,027,669.03

The amount disclosed above is the budgetary RAL ("Reste à Liquider") less the amounts carried-forward that have been included either as expenses in the 2014 Statement Of Financial Performance or recognised as acquisitions of assets. The budgetary RAL is an amount representing the open commitments for which payments and/or de-commitments have not yet been made.

5.3. Other significant disclosures

5.3.1. Services in kind (EU Accounting rule No.17)

The Agency receives services in kind under the form of free use of the office building as part of the Seat Agreement with the Host Member State (Spain) and free services granted within the synergies with other EU bodies (EMSA).

Concerning the Seat of the Agency, in 2012 the conditions for providing the provisional headquarters were re-discussed with the Spanish Authorities and it was agreed they will remain unchanged for the foreseeable future. At this moment of preparation of the annual accounts, there were no further developments in this area. The amount disclosed below is an estimation at the level of 2010-2011 payments of rent.

Services in kind	Estimated amount for the year	
	2014	2013
Free use of the office Building offered by the Host Member State (SPAIN)	624,000.00	624,000.00
Free Integrated Maritime services (use of EMSA MARSURV - Satellite AIS)	850,000.00	0.00
TOTAL	1,474,000.00	624,000.00

Promoting the EU initiative towards an integrated maritime surveillance, EFCA cooperates with other agencies and bodies active in the maritime domain.

As a result, EFCA is able to deliver to Member States VMS data for the integrated picture that displays, apart from VMS data, AIS, Sat-AIS and LRIT data providing an integrated maritime picture of fisheries with related positioning data. During 2014, the cooperation with EMSA intensified in relation with the rollout of the new major update of the EFCA MARSURV application that consisted into establishing two maritime services (Atlantic and Mediterranean).

The MARSURV service runs on the IMDATE platform that is developed, maintained and run at EMSA. In 2014, EMSA has not charged EFCA for the services provided. In order to quantify the amount of services obtained from EMSA for free, an estimation was done taking into account the area covered (square kilometres) valued at an average market rate per square kilometre as applied by notorious data providers.

5.3.2. Operating leases

Assets subject to an operating lease are generating rental expenditure.

Starting with 2013, EFCA has a new operating lease contract for the renting of the 7th floor space of the premises where the seat of the Agency is registered. The contractual terms and conditions are renewable every two years and the contract is valid as long as the Agency maintains its premises in this building. Therefore, the termination date of the contract is not determinate for the foreseeable future. For the disclosures below the validity was assumed only for the next period of two years (2015 and 2016).

The corresponding rental expenses are recognised as building related expenses (please see note 3.2.2.)

Operating Lease	31.12.2014	31.12.2013
Rent expenses 7th floor of premises	34,680.00	34,680.00
Total	34,680.00	34,680.00

Operating Lease	Charges paid in 2014	Charges to be paid next year	Charges to be paid later than one year	Total charges to be paid
Rent expenses	34,680.00	34,680.00	34,680.00	69,360.00
Total	34,680.00	34,680.00	34,680.00	69,360.00

5.3.3. Significant legal commitments

Legal commitments	31.12.2014	31.12.2013
Rental of 7th floor	34,680.00	34,680.00
General building maintenance	21,454.00	21,454.00
Electricity consumption	58,992.00	0.00
Security/parking	18,000.00	18,000.00
Total	133,126.00	74,134.00

There are some commitments originated because the Agency entered into long-term legal commitments in respect of amounts that were not yet covered by commitment appropriations in the budget of the year 2014. This relates to amounts that the Agency is committed to pay in the future under administrative contracts existing at the balance sheet date. In addition to the rental contract presented above, there is also the contract for the general maintenance of the building, electricity and security/parking. Some of them became relevant for this disclosure only starting from 2014 due to new contractual arrangements. The amounts above are estimations at the level of a yearly consumption, one more year being assumed as the maximum exposure the Agency might face in case of contract ending.

6. PROTECTION OF THE AGENCY'S BUDGET

6.1. Recoveries

Under direct management, and in accordance with the Financial Regulation, the Authorising Officer should establish recovery orders for amounts unduly paid. Recoveries are then implemented by direct bank transfer from the debtor (e.g. a supplier) or by offsetting from other amounts that the Agency owes to the debtor. The Financial Regulation foresees additional procedures to ensure the collection of Recovery Orders overdue, which are the object of a specific follow up by the Accounting Officer of the Agency.

7. FINANCIAL INSTRUMENTS

Financial instruments consist of cash, current receivables and recoverables, current payables, amounts due to and from consolidated entities including accruals and deferrals.

- **Valuation of Financial Instruments**

All the financial assets and liabilities of EFCA are valued at Fair value or Amortised cost. An overview of their classification, measurement and treatment of changes in carrying amount is presented below:

Financial Instrument	Category	Measurement	Change in carrying amount
Cash and cash equivalents	Available for sale	Fair value	FV reserve in Net Assets
Receivables	Loans and receivables	Amortised cost	Economic Outturn Account
Deferred charges and accrued income	Loans and receivables	Amortised cost	Economic Outturn Account
Payables	Other financial liabilities	Amortised cost	Economic Outturn Account
Accrued charges and deferred income	Other financial liabilities	Amortised cost	Economic Outturn Account
Other liabilities	Other financial liabilities	Amortised cost	Economic Outturn Account

- **Disclosure requirements**

Financial instruments give rise to liquidity, credit, interest rate and foreign currency risks. The information on how those risks are managed is set out below.

The carrying amounts of financial instruments are as follows:

Carrying amounts	31.12.2014	31.12.2013
Financial assets		
Current receivables	11,770.92	1,360.88
Other receivables (accruals and deferrals)	27,349.04	68,948.13
Deferred charges and accrued income	139,463.77	119,694.21
Cash and deposits	1,068,201.23	1,564,584.88
Total financial assets	1,246,784.96	1,754,588.10
Financial liabilities		
Current payables	147,234.69	272,477.91
Other payables	163,910.46	57,426.91
Accrued charges and deferred income	297,167.96	412,528.26
Total financial liabilities	608,313.11	742,433.08
Total net financial instruments	638,471.85	1,012,155.02

- **Liquidity risk**

Liquidity risk is the risk that arises from the difficulty of selling an asset; for example, the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss or meet an obligation. Liquidity risk arises from the ongoing financial obligations, including settlement of payables.

The Agency manages its liquidity risk by continually monitoring its actuals cash positions and by launching its funding request based on forecast of its expected outflows.

Details of contractual maturities for assets and liabilities form an important source of information for managing the liquidity risk.

Liquidity risk on the financial assets and liabilities is not managed on the basis of contractual maturity because they are not held for settlement according to such maturity and will be settled before contractual maturity at fair value.

Therefore, according disclosure requirements of liquidity risks, a maturity analysis of non-derivative financial liabilities (excepting accruals and deferrals) showing the remaining contractual maturities is presented below:

Remaining contractual maturities	<1 year	1-5 years	>5 years	Total
As at 31 December 2014				
Payables with third parties	163,910.46	0.00	0.00	163,910.46
Payable with consolidated entities	147,234.69	0.00	0.00	147,234.69
Total Financial liabilities	311,145.15	0.00	0.00	311,145.15
As at 31 December 2013				
Payables with third parties	57,426.91	0.00	0.00	57,426.91
Payable with consolidated entities	272,477.91	0.00	0.00	272,477.91
Total Financial liabilities	329,904.82	0.00	0.00	329,904.82

The following measures are in place to manage liquidity risk:

- Bank accounts opened in the name of EFCA may not be overdrawn.
- The treasury and payment operations are highly automated and rely on modern information systems. Specific procedures are applied to guarantee system security and to ensure segregation of duties in line with the Financial Regulation, the internal control standards, and audit principles.
- EU budget principles ensure that overall cash resources for a given year are always sufficient for the execution of all payments.

- **Credit risk**

Credit risk is the risk of loss due to a debtor /borrower non-payment of a loan or other line of credit (either the principal or interest or both) or other failure to meet a contractual obligation. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy.

The most important financial asset being the cash held at banks, the following measures are in place to manage the credit risk:

- Treasury resources are kept with commercial banks.
- Specific guidelines are applied for the selection of these commercial banks in order to further minimise counterparty risk to which the Agency is exposed:
- All commercial banks are selected by call for tenders. The minimum short term credit rating required for admission to the tendering procedures is Moody's P-1 or equivalent (S&P A-1 or Fitch F1). A lower level may be accepted in specific and duly justified circumstances.

- The EU contribution is requested four times a year based on cash forecasts. The cash levels, proportional to the average amount of quarterly payments executed from available funds, are kept at a comfortable level over a buffer of 500 kEUR and with alarm levels at 1 million when a new cash request is triggered. As a consequence the amounts kept overnight on the bank accounts fluctuated in 2014 between 560 kEUR and 3,607 kEUR with an overall amount of payments executed in 2014 (for both C1 and C8 funds) that equals 9,455 kEUR.
- As a cash contingency plan, there is a second strong financial institution that have won the tender for financial services organised in 2013 and where in case of rating deterioration of current banks, the Agency could open bank accounts and arrange the transfer of its available funds.

The other receivables are constantly monitored for prompt recovery.

At year-end, the maximum exposure to credit risk is as follows:

CREDIT QUALITY DISCLOSURES	31.12.2014	31.12.2013
Counterparties with external credit rating	1,068,201.23	1,564,584.88
Prime and higher rate	0.00	0.00
Upper medium grade	1,050,398.46	1,545,267.16
Lower medium grade	17,802.77	19,317.72
Non-investment grade	0.00	0.00
Counterparties without external credit rating		
European Commission and consolidated entities	11,770.92	1,360.88
Other debtors who did not default	166,812.81	188,642.34
Total financial assets	1,246,784.96	1,754,588.10

The **maximum exposure to credit risk** for amounts due from consolidated entities and other receivables is equal to the carrying amount.

The current (customer) receivables/open recoveries disclosed above are **non-impaired** as they are neither **past due** nor there are reasons to believe that the full recoverability of the debt is **doubtful**.

- **Interest rate risk**

As the Agency is not allowed to borrow any money, the interest rate risk at EFCA could arise only in relation with the cash held at bank and therefore is limited.

The interest rate for cash held in current bank accounts is governed by the terms and conditions of the framework contracts signed with the banks. For the main bank account (holding at any time more than 95% of the EFCA's cash available) the interest rate granted by ING BANK Belgium is linked to the market interest rate (EONIA+0.30 spread) with the related possible daily fluctuation.

- **Foreign currency risk**

Currency risk is the risk that the EU's operations or its investments' value will be affected by changes in exchange rates. This risk arises from the change in price of one currency against another.

As all the EFCA's financial assets and liabilities are in EUR, the Agency is not impacted by the foreign currency risk.

- **Interest rate sensitivity analysis**

Considering the limited impact that EFCA could experience from interest rate risk, this interest rate sensitivity analysis is not relevant.

8. CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies for the financial year 2014. The change in the accounting treatment of interest for the cash held at bank due to the new provisions of the EFCA Financial Regulation was explained above at page 23.

9. RELATED PARTY DISCLOSURE

The related parties of EFCA are the key management personnel who 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_3	1

The transactions of the Agency with the key management personnel during financial year 2014r consist only of the remuneration, allowances and other entitlements as determined for grade AD 14 by the Staff Regulations of the Officials of the European Communities. There are no loans or other amounts outside provisions of Staff Regulation being granted to management or staff.

Therefore no other specific disclosure requirements are necessary for these transactions in accordance with the EU Accounting rules.

10. EVENTS AFTER THE BALANCE SHEET DATE

All events after balance sheet date with a material impact have been recorded so far in these 2014 Provisional Annual Accounts and their related notes. The most available information was reflected in all the figures and disclosures presented above.

REPORTS ON IMPLEMENTATION OF EFCA BUDGET FINANCIAL YEAR 2014

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BUDGET OUTTURN RESULT
1.1.2014 – 31.12.2014

REVENUES		2014	2013
Balancing Commission subsidy	+	9,217,150.00	9,216,899.44
Other subsidy from Commission (Phare, IPA...)	+	0.00	0.00
Fee income	+	0.00	0.00
Other Income	+	7,978.67	7,405.13
TOTAL REVENUE (a)		9,225,128.67	9,224,304.57
EXPENDITURE			
Title I: Staff			
Payments	-	5,819,392.55	5,971,657.88
Appropriations carried over	-	97,496.04	129,968.59
Title II: Administrative Expenses			
Payments	-	1,127,504.62	794,161.77
Appropriations carried over	-	378,388.14	498,591.68
Title III: Operating Expenditure			
Payments	-	1,203,894.84	962,686.27
Appropriations carried over	-	506,437.84	734,300.83
TOTAL EXPENDITURE (b)		9,133,114.03	9,091,367.02
OUTTURN FOR THE FINANCIAL YEAR (a-b)		92,014.64	132,937.55
Cancellation of unused payment appropriations carried over from previous year	+	58,540.43	127,257.77
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+	0.00	0.00
Exchange differences for the year (gain +/-loss -)	+/-	-3,320.38	-30.32
BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR		147,234.69	260,165.00
Balance year N-1	+/-	260,165.00	500,250.47
Positive balance from year N-1 reimbursed in year N to the Commission	-	-260,165.00	-500,250.47
Result used for determining amounts in general accounting		147,234.69	260,165.00
Commission subsidy - agency registers accrued revenue and Commission accrued expense		9,069,915.31	8,956,734.44
Pre-financing remaining open to be reimbursed by agency to Commission in year N+1		147,234.69	260,165.00
Not included in the budget outturn			
Interests generated by 31/12/2013 on the EC subsidy and to be reimbursed to the Com ^o (liability) incl. reimbursement on previous year expenditure	+	0.00	12,312.91

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BUDGET IMPLEMENTATION CREDIT OF THE YEAR 2014- Fund Source: C1

TITLE I: STAFF EXPENDITURE

Budget Line	Budget Line	Commitment Appropriations ABAC (1)	Committed (2)	%Committed (2/1)	Payment Appropriations ABAC	Paid (3)	% Paid (3/1)	RAL (2-3)
A-1100	Basic salaries	3,640,868	3,636,750	100%	3,640,868	3,636,750	100%	0
A-1101	Family allowances	628,114	628,114	100%	628,114	618,664	98%	9,450
A-1102	Expatriation and foreign-residence allowances	582,167	582,167	100%	582,167	582,167	100%	0
A-1111	Contract staff	188,000	187,830	100%	188,000	187,830	100%	0
A-1112	Interim Staff	134,420	131,058	97%	134,420	94,202	70%	36,855
A-1116	Seconded national experts	152,330	125,487	82%	152,330	125,487	82%	0
A-1130	Insurance against sickness	133,996	133,889	100%	133,996	133,889	100%	0
A-1131	Insurance against accidents and occupational disease	20,091	20,091	100%	20,091	20,091	100%	0
A-1132	Insurance against unemployment	51,195	51,195	100%	51,195	51,195	100%	0
A-1141	Annual Travel expenses	127,000	126,676	100%	127,000	126,676	100%	0
A-1200	Candidates recruitment and other related costs	16,500	9,131	55%	16,500	5,531	34%	3,600
A-1210	Travel expenses on entering/leaving and transfer	3,200	2,466	77%	3,200	2,466	77%	0
A-1220	Installation resettlement and transfer allowances	43,600	43,514	100%	43,600	43,514	100%	0
A-1230	Removal expenses	22,746	7,329	32%	22,746	7,329	32%	0
A-1240	Temporary daily subsistence allowances	22,000	21,002	95%	22,000	21,002	95%	0
A-1300	Administrative Missions	75,000	73,100	97%	75,000	65,904	88%	7,196
A-1410	Medical service	17,000	13,900	82%	17,000	11,497	68%	2,403
A-1420	Training of Staff	115,900	115,031	99%	115,900	78,265	68%	36,765
A-1430	Social Welfare of Staff	8,000	7,757	97%	8,000	6,531	82%	1,226
A-1700	Representation and events expenses	2,000	402	20%	2,000	402	20%	0
	TITLE I TOTAL	5,984,126	5,916,889	99%	5,984,126	5,819,393	97%	97,496

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TITLE II: ADMINISTRATIVE EXPENDITURE

Budget Line	Budget Line	Commitment Appropriations ABAC (1)	Committed (2)	%Committed (2/1)	Payment Appropriations ABAC	Paid (3)	% Paid (3/1)	RAL (2-3)
A-2000	Rent	52,680	52,680	100%	52,680	52,680	100%	0
A-2010	Utilities and Services	133,548	133,547	100%	133,548	125,686	94%	7,861
A-2050	Security and Surveillance	69,078	68,662	99%	69,078	51,410	74%	17,252
A-2051	Other Building Expenditure	39,952	39,889	100%	39,952	33,961	85%	5,928
A-2100	ICT hardware and software	207,010	204,990	99%	207,010	127,157	61%	77,833
A-2101	ICT External Services	360,765	360,764	100%	360,765	218,508	61%	142,256
A-2200	Technical and electr off equipment	117,545	117,145	100%	117,545	116,745	99%	400
A-2210	Furniture and related equipment	23,679	23,679	100%	23,679	21,445	91%	2,235
A-2252	Subscriptions to newspapers and periodicals	7,000	6,792	97%	7,000	0	0%	6,792
A-2300	Stationery and office supplies	20,000	19,772	99%	20,000	19,772	99%	0
A-2330	Legal Expenses	1,750	1,750	100%	1,750	0	0%	1,750
A-2350	Other current administrative expenditure	1,996	1,996	100%	1,996	1,996	100%	0
A-2400	Courier and Postage charges	9,200	9,200	100%	9,200	8,105	88%	1,095
A-2410	Telecommunication charges	41,893	40,893	98%	41,893	36,565	87%	4,328
A-2411	Telecommunication equipment	20,991	20,989	100%	20,991	1,891	9%	19,098
A-2500	Administrative Board Meetings	43,000	41,650	97%	43,000	41,650	97%	0
A-2501	Advisory Board Meetings	5,973	5,973	100%	5,973	5,973	100%	0
A-2600	Translation and interpretation services	154,988	151,706	98%	154,988	119,432	77%	32,274
A-2620	External Services Commission	87,900	87,805	100%	87,900	67,799	77%	20,005
A-2630	External Services Other Bodies	81,866	78,143	95%	81,866	44,020	54%	34,124
A-2700	Communication expenses	39,418	37,867	96%	39,418	32,710	83%	5,157
	TITLE II TOTAL	1,520,233	1,505,893	99%	1,520,233	1,127,505	74%	378,388

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TITLE III: OPERATIONAL EXPENDITURE

Budget Line	Budget Line	Commitment Appropriations ABAC (1)	Committed (2)	%Committed (2/1)	Payment Appropriations ABAC	Paid (3)	% Paid (3/1)	RAL (2-3)
B3-010	Data Monitoring and Networks	591,000	590,410	100%	591,000	253,093	43%	337,317
B3-020	Capacity Building Training	169,020	167,513	99%	169,020	96,195	57%	71,318
B3-030	Maritime Surve. Pooled Capacities & IUU	140,571	140,270	100%	140,571	136,362	97%	3,908
B3-100	North Sea and Baltic Sea	203,580	203,580	100%	203,580	171,729	84%	31,851
B3-120	NAFO-NEAFC and Western Watters	180,220	180,218	100%	180,220	165,913	92%	14,305
B3-130	Mediterranean Sea and Black Sea	227,900	227,890	100%	227,900	208,733	92%	19,157
B3-160	Programs, Plans and Assessment	200,500	200,452	100%	200,500	171,870	86%	28,581
	TITLE III TOTAL	1,712,791	1,710,333	100%	1,712,791	1,203,895	70%	506,438

Budget Line	Budget Line	Commitment Appropriations ABAC (1)	Committed (2)	%Committed (2/1)	Payment Appropriations ABAC	Paid (3)	% Paid (3/1)	RAL (2-3)
	TOTAL BUDGET 2014 - C1	9,217,150	9,133,114	99%	9,217,150	8,150,792	88%	982,322

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BUDGET IMPLEMENTATION CREDIT OF THE YEAR 2014 – Fund Source: C8

TITLE I: STAFF EXPENDITURE

Budget Line	Budget Line	Commitment Appropriations ABAC (1)	Committed (2)	%Committed (2/1)	Payment Appropriations ABAC	Paid (3)	% Paid (3/1)	RAL (2-3)
A-1101	Family allowances	2,640	2,140	81%	2,640	2,140	81%	0
A-1112	Interim staff	57,652	55,962	97%	57,652	55,962	97%	0
A-1200	Candidates recruitment and other related costs	1,860	1,060	57%	1,860	1,060	57%	0
A-1230	Removal expenses	12,647	12,647	100%	12,647	12,647	100%	0
A-1300	Administrative missions and duty travel	7,321	4,742	65%	7,321	4,742	65%	0
A-1410	Medical service	5,062	3,426	68%	5,062	3,426	68%	0
A-1420	Language courses training	38,152	34,888	91%	38,152	34,888	91%	0
A-1101	Family allowances	4,634	4,634	100%	4,634	4,634	100%	0
	TITLE I TOTAL	129,969	119,498	92%	129,969	119,498	92%	0

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TITLE II: ADMINISTRATIVE EXPENDITURE

Budget Line	Budget Line	Commitment Appropriations ABAC (1)	Committed (2)	%Committed (2/1)	Payment Appropriations ABAC	Paid (3)	% Paid (3/1)	RAL (2-3)
A-2010	Utilities and services	15,067	13,256	88%	15,067	13,256	88%	0
A-2050	Security and surveillance	22,664	21,040	93%	22,664	21,040	93%	0
A-2051	Other building expenditure	5,817	5,817	100%	5,817	5,817	100%	0
A-2100	ICT hardware and software	56,285	56,033	100%	56,285	56,033	100%	0
A-2101	ICT external services	186,146	182,748	98%	186,146	182,748	98%	0
A-2200	Technical installations and electronic office equipment	5,599	5,594	100%	5,599	5,594	100%	0
A-2210	Furniture and related equipment	11,490	11,490	100%	11,490	11,490	100%	0
A-2252	Subscriptions to newspapers and periodicals	8,093	8,093	100%	8,093	8,093	100%	0
A-2300	Stationery and office supplies	7,935	7,935	100%	7,935	7,935	100%	0
A-2400	Courier and postage charges	1,043	981	94%	1,043	981	94%	0
A-2410	Telecommunication charges	9,942	8,827	89%	9,942	8,827	89%	0
A-2411	Telecommunication equipment	10,647	10,647	100%	10,647	10,647	100%	0
A-2500	Administrative Board meetings	2,513	-	0%	2,513	-	0%	0
A-2502	Other administrative meetings	4,740	4,740	100%	4,740	4,740	100%	0
A-2600	Translation and interpretation services	37,879	37,879	100%	37,879	37,879	100%	0
A-2620	External services Commission	11,367	11,367	100%	11,367	11,367	100%	0
A-2630	External services other bodies	19,850	19,380	98%	19,850	19,380	98%	0
A-2700	Communication expenses	81,516	79,059	97%	81,516	79,059	97%	0
	TITLE II TOTAL	498,592	484,886	97%	498,592	484,886	97%	0

TITLE III: OPERATIONAL EXPENDITURE

Budget Line	Budget Line	Commitment Appropriations ABAC (1)	Committed (2)	%Committed (2/1)	Payment Appropriations ABAC	Paid (3)	% Paid (3/1)	RAL (2-3)
B3-010	Data Monitoring and Networks	471,184	468,673	99%	471,184	468,673	99%	0
B3-020	Capacity Building Training	107,935	103,642	96%	107,935	103,642	96%	0
B3-030	Maritime Surve. Pooled Capacities & IUU	16,070	15,015	93%	16,070	15,015	93%	0
B3-100	North Sea and Baltic Sea	23,931	18,319	77%	23,931	18,319	77%	0
B3-120	NAFO-NEAFC and Western Watters	18,489	15,472	84%	18,489	15,472	84%	0
B3-130	Mediterranean Sea and Black Sea	24,849	21,639	87%	24,849	21,639	87%	0
B3-160	Programs, Plans and Assessment	71,842	57,176	80%	71,842	57,176	80%	0
	TITLE III TOTAL	734,301	699,937	95%	734,301	699,937	95%	0

Budget Line	Budget Line	Commitment Appropriations ABAC	Committed	Committed %	Payment Appropriations ABAC	Paid	% Paid	RAL
	TOTAL 2014 - C8	1,362,861	1,304,321	96%	1,362,861	1,304,321	96%	0

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NOTES TO THE BUDGET IMPLEMENTATION REPORT

- **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.

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.

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.

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 voted budget, plus own revenue and any other revenue. The Agency may not raise loans.

4 Principle of unit of account

The budget shall be drawn up and implemented in Euro and the accounts shall be presented in Euro.

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.

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.

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.

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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.

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.

• Types of appropriations

The Agency makes use of non-differentiated appropriations for its administrative expenditure (Titles I and II). In the case of operational expenditure (Title III) there are used both non-differentiated appropriations (chapters 30 and 31) as well as differentiated appropriations (chapter 32).

• Description of the budget accounts

Following the provisions of the Financial Rules and Implementing Rules of the Agency, Budget accounts shall provide a detailed record of budget implementation and shall record all budget revenue and expenditure operations (voted appropriations, commitments and payments of the financial year, entitlements established, etc).

The content of the budget accounts – also called budget lines - is adopted annually by the Members of the Administrative Board, taking into account the general budgetary nomenclature and the Agency Implementing Rules on the structure and presentation of the statement of expenditure.

Title I budget lines are related to staff expenditure like: salaries and allowances of the staff members working for the agency as well as recruitment costs such as removal expenditure, installation costs, daily subsistence allowance, etc. In addition, there are also included costs with interim staff services, training, medical expenses and administrative missions' costs.

Title II budget lines relate to all buildings and related services like maintenance and security, utilities, ICT equipment and specialised services. There are also incorporated all expenses generated by the various SLAs signed with EC and other consolidated entities.

Title III budget lines provide the implementation of all the activities carried out in the frame of the missions and tasks assigned to the Agency by its establishing Council Regulation (EC) n° 768/2005 of 26 April 2005.

Further on, there are three chapters under title III which are organised around the main operational activities carried out by the Agency as follows:

- Chapter 30- Capacity Building
- Chapter 31- Operational coordination
- Chapter 32-Acquisition of Means.

RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

The economic result of the year is calculated on the basis of accrual accounting principles. The budget result is based however on modified cash accounting rules, in accordance with the Financial Regulation. As the economic result and the budget result both cover the same underlying operational transactions, it is a useful control to ensure that they are reconcilable.

Please find below a detailed overview of reconciling items:

Economic result (loss) of the year		+/-	-62,423.92
Adjustment for accrual items <i>(items not in the budgetary result but included in the economic result)</i>			
A	Adjustments for Accrual Cut-off (reversal 31.12.2013)	-	-412,528.26
B	Adjustments for Accrual Cut-off (cut- off 31.12.2014)	+	297,167.96
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)	+	0.00
E	Depreciation of intangible and tangible fixed assets	+	371,275.81
F	Provisions	+/-	-15,573.00
G	Value reductions	+	0.00
H	Recovery Orders issued in 2014 in class 7 and not yet cashed	-	0.00
la	Pre-financing given in previous year and cleared in the year	+	0.00
lb	Pre-financing received in previous year and cleared in the year	-	0.00
J	Payments made from carry-over of payment appropriations	+	1,304,320.67
K	Other(*)	+/-	-23,022.92
Adjustment for budgetary items <i>(item included in the budgetary result but not in the economic result)</i>			
M	Asset acquisitions (less unpaid amounts)	-	-510,563.75
N	New pre-financing paid in the year 2014 and remaining open as at 31.12.2014	-	0.00
O	New pre-financing received in the year 2014 and remaining open as at 31.12.2014	+	147,234.69
P	Budgetary recovery orders issued before 2014 and cashed in the year	+	0.00
Q	Budgetary recovery orders issued in 2014 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)	-	0.00
S	Payment appropriations carried over to 2014	-	-982,322.02
T	Cancellation of unused carried over payment appropriations from previous year	+	58,540.43
U	Adjustment for carry-over from the previous year of appropriations available at 31.12.2014 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(**)	+/-	-25,077.10
Total			147,028.59
Budgetary result (+ for surplus) (2)			147,234.69
Including amount of exchange rate differences (3)			-3,320.38
Delta not explained			-206.10

(*)K-Other refers to:

- yearly movement in prepayments (deferred charges)
- accounting corrections in the class 6 and 7 accounts without budgetary impact
- reimbursement of price stability reserve (Translation Centre) non-cashed at year-end

()X-Other** refers to:

- cash paid in 2014 and accounted in 2013
- minor amount paid in 2013 under 2014 budget

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BUDGETARY AND FINANCIAL MANAGEMENT REPORT

1 – FINANCIAL SYSTEMS AND MANAGEMENT
2 - BUDGET EXECUTION 2014

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Legal framework – Financial Regulation

The presentation of this report on budgetary and financial management has been prepared in accordance with Articles 93 to 97 of the Financial Regulation applicable to EFCA³.

- **FINANCIAL SYSTEMS AND MANAGEMENT**

The budget transactions are managed in the ABAC system and the general ledger accounts are maintained in the SAP system, which has a direct interface with the General Accounting System of the European Commission. The various budgetary and financial reports are produced based on the information stored in the Datawarehouse and making use of the Business Objects reporting tool.

The following important events/issues were addressed during 2014:

- Moving towards greater efficiency through increasing use of information systems or streamlining procedures, in particular reduction of ex-ante and more use of ex-post controls in Finance;
- Completion of projects related to the revised Financial Regulation and Staff Regulations, in particular the adoption of related rules and Data Protection (DP) notifications;
- Establishment of an updated service level agreement with the Paymasters Office (PMO) for continuation of services related to salaries, missions and pensions;
- First use of electronic invoicing with the inception of e-Prior in EFCA for DG DIGIT framework contracts;
- A new Intranet with a large amount of information related to Horizontal services became operable in the middle of the year.

In 2014, a number of 9 exceptions were registered in the register of exceptions the same number as the year before. From the 9 exceptions registered 3 were ex-ante exceptions and 6 were ex-post (non-compliance events).

Up to 2014, all financial transactions were subject to ex-ante verification before they were authorised by an Authorising Officer (AO). However, with a view to increasing efficiency in processing financial transactions, a risk assessment was carried out during 2013 over the entire population of financial transactions of the previous year. It was concluded that EFCA could safely merge the verification and authorisation processes into one step for certain type of transactions of low value and/or recurrent nature. This reduced validation workflow was implemented in August 2014.

- **EFCA BUDGET EXECUTION 2014**

An amount of €9.22 million from the total subsidy of the European Union was set as 2014 contribution to EFCA.

EFCA has implemented 99.1% (98.6% in 2013) of the commitment appropriations and 88.4% (83.9% in 2013) of the payments appropriations.

The level of carry forward of appropriations from 2014 to 2015 has been 11% (versus 15% in 2013).

³ Decision No 13-W-09 of the Administrative Board of the European Fisheries Control Agency of 31st December 2013 concerning the Financial Regulation of the EFCA

Budget implementation for commitments and payments 2014

VOTED BUDGET 2014		BUDGET EXECUTION						
		COMMITMENTS				PAYMENTS		
TITLE	VOTED BUDGET 2014	Transferred	Appropriations	Committed	% exec	Appropriations	Paid	% exec
TITLE I	6,344,359	-360,233	5,984,126	5,916,889	99%	5,984,126	5,819,393	97%
TITLE II	1,160,000	360,233	1,520,233	1,505,893	99%	1,520,233	1,127,505	74%
TOTAL TITLE I AND II	7,504,359	0	7,504,359	7,422,781	99%	7,504,359	6,946,897	93%
TITLE III	1,712,791	0	1,712,791	1,710,333	100%	1,712,791	1,203,895	70%
Capacity Building	937,791	- 37,200	900,591	898,193	100%	900,591	485,650	54%
Operational Coordination	775,000	37,200	812,200	812,140	100%	812,200	718,245	88%
TOTAL	9,217,150	0	9,217,150	9,133,114	99%	9,217,150	8,150,792	88%

The cancellation of payment appropriations⁴ in the 2014 budget of EFCA was of €142,576 representing 1.3 % of the total payment appropriations of 2014. This amount consists of:

- € 84,036 for non-used payment appropriations of 2014
 - € 58,540 for cancellation of payment appropriations carried over from 2013 (C8 funds)
- €142,576**

In terms of the payments processed in compliance with the Financial Regulation time limits, 99.9% (95% in 2013) of all payments were made within the legal targets and the 2014 average number of days for payment was of 18 days. Therefore, no interest for late payments was charged by EFCA's suppliers.

Additional details on activities of EFCA and its performance during the year 2014 can be found in the EFCA Annual Report 2014 of the Agency.

⁴ After taking into account automatic as well as non-automatic carry overs of payment appropriations from 2013 (for EFCA in 2014, fund source C8 – appropriations carried over automatically).

ANNEX I: BUDGET EXECUTION 2014

**Budget implementation (C1)
STAFF AND ADMINISTRATIVE EXPENDITURE**

Chapter	Description	Voted Budget 2014	Transfers	Commitments (€)			Payments (€)			Carried Forward	
				CA ⁵	Committed	%	PA ⁶	Paid	%	€	%
1 1	Staff in active employment	5,992,359	- 334,178	5,658,181	5,623,257	99%	5,658,181	5,576,951	99%	46,305	1%
1 2	Expenditure related to recruitment	110,000	- 1,954	108,046	83,442	77%	108,046	79,842	74%	3,600	3%
1 3	Administrative missions and duty travel	100,000	- 25,000	75,000	73,100	97%	75,000	65,904	88%	7,196	10%
1 4	Socio-medical infrastructure, training	140,000	900	140,900	136,688	97%	140,900	96,293	68%	40,395	29%
1 7	Reception and representation expenses	2,000	-	2,000	402	20%	2,000	402	20%	-	0%
	TOTAL TITLE I	6,344,359	- 360,233	5,984,126	5,916,889	99%	5,984,126	5,819,393	97%	97,496	2%
2 0	Rental of building and associated costs	342,000	-46,742	295,258	294,779	100%	295,258	263,737	89%	31,041	11%
2 1	Data processing expenditure and associated costs	272,000	295,775	567,775	565,754	100%	567,775	345,665	61%	220,089	39%
2 2	Movable property and associated costs	32,000	116,224	148,224	147,616	100%	148,224	138,190	93%	9,427	6%
2 3	Current administrative expenditure	22,000	1,746	23,746	23,518	99%	23,746	21,768	92%	1,750	7%
2 4	Postal charges and telecommunications	61,000	11,084	72,084	71,082	99%	72,084	46,561	65%	24,521	34%
2 5	Meeting expenses	56,000	-7,027	48,973	47,623	97%	48,973	47,623	97%	-	0%
2 6	Supplementary Services	320,000	4,754	324,754	317,654	98%	324,754	231,251	71%	86,403	27%
2 7	General Info/Communications	55,000	-15,582	39,418	37,867	96%	39,418	32,710	83%	5,157	13%
	TOTAL TITLE II	1,160,000	360,233	1,520,233	1,505,893	99%	1,520,233	1,127,505	74%	378,388	25%

OPERATIONAL EXPENDITURE

Chapter	Description	Voted Budget 2014	Transfers	Commitments (€)			Payments (€)			Carried Forward	
				CA	Committed	%	PA	Paid	%	€	%
3 0	Capacity Building	937,791	-37,200	900,591	898,193	100%	900,591	485,650	54%	412,543	46%
3 1	Operational Coordination	775,000	37,200	812,200	812,140	100%	812,200	718,245	88%	93,895	12%
3 2	Acquisition of means	0	0	0	0	0%	0	0	0%	0	0%
	TOTAL TITLE III	1,712,791	0	1,712,791	1,710,333	100%	1,712,791	1,203,895	70%	506,438	30%
	TOTAL BUDGET	9,217,150	0	9,217,150	9,133,114	99%	9,217,150	8,150,792	88%	982,322	11%

⁵ CA: Commitment Appropriations

⁶ PA: Payment Appropriations

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Budget implementation (C8)

STAFF AND ADMINISTRATIVE EXPENDITURE

Chapter	Description	Carried Forward from 2013	Paid	Cancelled	% cancelled /carry forward
1 1	Staff in active employment	60,292	58,102	2,190	4%
1 2	Expenditure related to recruitment	14,507	13,707	800	6%
1 3	Administrative missions and duty travel	7,321	4,742	2,579	35%
1 4	Socio-medical infrastructure, training	47,848	42,947	4,901	10%
1 7	Reception and representation expenses	-	-	-	0%
	TOTAL TITLE I	129,969	119,498	10,471	8%
2 0	Rental of building and associated costs	43,548	40,113	3,435	8%
2 1	Data processing expenditure and associated costs	242,431	238,781	3,650	2%
2 2	Movable property and associated costs	25,182	25,177	5	0%
2 3	Current administrative expenditure	7,935	7,935	-	0%
2 4	Postal charges and telecommunications	21,632	20,456	1,176	5%
2 5	Meeting expenses	7,253	4,740	2,513	35%
2 6	Supplementary Services	69,095	68,626	470	1%
2 7	General Info/Communications	81,516	79,059	2,457	3%
	TOTAL TITLE II	498,592	484,886	13,706	3%

OPERATIONAL EXPENDITURE

Chapter	Description	Carried Forward from 2013	Paid	Cancelled	% cancelled /carry forward
3 0	Capacity Building	595,189	587,330	7,859	1%
3.1	Operational Coordination	139,112	112,606	26,506	19%
3.2	Acquisition of means	0	0	-	0%
	TOTAL TITLE III	734,301	699,937	34,364	5%
	TOTAL BUDGET	1,362,861	1,304,321	58,540	4%

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ANNEX II: BUDGET TRANSFERS 2014

TITLE I: STAFF EXPENDITURE			
BL	Initial Budget	Transfers	After Balance
A-1100	3,935,892	-295,024	3,640,868
A-1101	574,580	53,534	628,114
A-1102	557,520	24,647	582,167
A-1111	200,000	-12,000	188,000
A-1112	120,000	14,420	134,420
A-1116	225,000	-72,670	152,330
A-1130	130,896	3,100	133,996
A-1131	19,271	819	20,091
A-1132	49,200	1,995	51,195
A-1141	180,000	-53,000	127,000
A-1200	27,000	-10,500	16,500
A-1210	3,000	200	3,200
A-1220	38,000	5,600	43,600
A-1230	20,000	2,746	22,746
A-1300	100,000	-25,000	75,000
A-1420	115,000	900	115,900
TITLE I		-360,233	

TITLE II: ADMINISTRATIVE EXPENDITURE			
BL	Initial Budget	Transfers	After Balance
A-2000	58,800	-6,120	52,680
A-2010	164,200	-30,652	133,548
A-2050	76,000	-6,922	69,078
A-2051	43,000	-3,048	39,952
A-2100	130,000	77,010	207,010
A-2101	142,000	218,765	360,765
A-2200	18,400	99,145	117,545
A-2210	5,000	18,679	23,679
A-2252	8,600	-1,600	7,000
A-2330	0	1,750	1,750
A-2350	2,000	-4	1,996
A-2400	14,000	-4,800	9,200
A-2410	45,000	-3,107	41,893
A-2411	2,000	18,991	20,991
A-2500	50,000	-7,000	43,000
A-2501	6,000	-27	5,973
A-2600	160,000	-5,012	154,988
A-2620	100,000	-12,100	87,900
A-2630	60,000	21,866	81,866
A-2700	55,000	-15,582	39,418
TITLE II		360,233	

TITLE III: OPERATIONAL EXPENDITURE			
BL	Initial Budget	Transfers	After Balance
B3-010	421,000	170,000	170,000
B3-020	286,000	-116,980	-116,980
B3-030	230,791	-90,220	-90,220
B3-100	275,000	-71,420	-71,420
B3-120	275,000	-94,780	-94,780
B3-130	150,000	77,900	77,900
B3-160	75,000	125,500	125,500
TITLE III		0.00	

ESTABLISHMENT PLAN 2014

Function group and grade	2014			
	Authorised under the EU Budget		Filled as at 31/12/2014	
	Permanent posts	Temporary Posts	Permanent posts	Temporary Posts
AD 16				
AD 15		1		1
AD 14				
AD 13		2		2
AD 12		2		2
AD 11				
AD 10		3		3
AD 9		6		6
AD 8		5		5
AD 7		1		1
AD 6		2		2
AD 5				
Total AD category	0	22	0	22
AST 11				
AST 10		7		7
AST 9		3		3
AST 8		3		3
AST 7		8		8
AST 6		2		2
AST 5		6		6
AST 4				
AST 3		2		1
AST 2				
AST 1				
Total AST category	0	31	0	30
SUBTOTAL	0	53	0	52
TOTAL		53		52

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