



DECISION NO 18-W-3
OF THE ADMINISTRATIVE BOARD
OF THE EUROPEAN FISHERIES CONTROL AGENCY
of 22/06/2018
relating to the adoption of the Final Annual Accounts for financial year 2017

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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, on receiving the Court of Auditors' observations on the provisional accounts of the Agency, the Accounting Officer shall draw up the final accounts of the Agency and the Executive Director shall send them 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 Accounting Officer of the Commission, the Court of Auditors, the European Parliament and the Council, by 1 July of the following financial year,

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 22 June 2018.



Reinhard Priebe
Chair of the Administrative Board

ANNEX

FINAL ANNUAL ACCOUNTS FOR FINANCIAL YEAR 2017

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**Final
ANNUAL ACCOUNTS
of the
European Fisheries Control Agency (EFCA)**

Financial Year 2017

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

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CERTIFICATE

The Annual Accounts of the European Fisheries Control Agency for the year 2017 have been prepared in accordance with the Title IX of the Financial Regulation applicable to the general budget of the European Union, the accounting rules adopted by the Commission's Accounting Officer and the accounting principles and methods adopted by myself.

I acknowledge my responsibility for the preparation and presentation of the Annual Accounts of the EFCA in accordance with Article 50 of the Agency's 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, 1 June 2018



Marcel Dedić
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 31 December 2013
- Regulation (EU, Euratom) n° 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, EURATOM) n° 1605/2002
- The "Framework Financial Regulation" (EU) n° 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of the above mentioned general financial regulation
- The EU Accounting rules, methods and guidelines as adopted and provided by the Accounting Officer of the European Commission.

These Final Annual Accounts shall be sent, together with the opinion of the Administrative Board, to the Accounting Officer of the European Commission, the European Court of Auditors, the European Parliament and the Council by 1 July of the following financial year in accordance with Article 99 of the EFCA Financial Regulation.

BACKGROUND INFORMATION

The Community Fisheries Control Agency was established by Council Regulation (EC) n° 768/2005 of 26 April 2005 establishing a Community Fisheries Control Agency. The regulation was last amended by Regulation (EU) n° 2016/1626, replacing the words 'Community Fisheries Control Agency' by the words 'European Fisheries Control Agency' and extending the mission of the Agency to cooperate with the European Border and Coast Guard Agency (FRONTEX) and the European Maritime Safety Agency (EMSA) to support national authorities carrying out coastguard functions.

Mission

The objective of the Agency is to organise the operational coordination of fisheries control and inspection activities of the Member States (MS) 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 original tasks of the Agency are:

- to coordinate control and inspection activities of the Member States within the control and inspection obligations of the EU;
- to coordinate the deployment of the national means of control and inspection pooled by the Member States concerned in accordance with the 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.

On 15 December 2015, in order to enhance cooperation and synergies between the relevant EU agencies, the Commission adopted three legislative proposals (known as "border package") amending the founding regulations of EMSA and EFCA, and proposing the creation of a new European Border and Coast Guard Agency (EBCA/FRONTEX). The Regulations were adopted on 14 September and published on 16 September 2016.

Since the beginning of 2016 until June 2017, the three agencies have been working together with the three "partner" Commission Directorate-Generals (MARE, HOME and MOVE) in the

implementation of the pilot project "Creation of a European coastguard function", established by the European Parliament preparing the implementation of the "border package".

Within the framework of their new competences, EMSA, EFCA and FRONTEX signed a Tripartite Working Arrangement (TWA) in March 2017. This set the basis for the framework of cooperation on coast guard functions, including the sharing of capacity and other capabilities. The TWA, has led, inter alia, to a common annual strategic plan and the signature of Specific Service Level Agreements (SLAs) for the provision of control means.

The financial reporting year

As a result of the attribution of the new tasks in relation to the European coastguard initiative, the Budget had increased substantially for 2017 compared to previous years (€17,1 million compared to €9,9 million in 2016). The resulting significant increase in operational and administrative activities, as well as the additional human resources are mirrored in the 2017 Annual Accounts, showing substantial increases in income, expenses, financial assets, current liabilities and the economic result of the year compared to 2016.

In December 2017, EFCA was able to conclude the difficult procurement process for the chartering of an Offshore Patrol Vessel (OPV) with the signature of a €20,0 million framework contract for maximum four years. Although the contract itself has limited impact on the 2017 Annual Accounts, the joint contracting of vessels and other control means with EMSA and FRONTEX in the meantime was reflected in important inter-agency transactions during the year and respective open positions at balance sheet date.

Seat

The Agency is a body of the European Union as referred to in Article 208 of Regulation (EU, Euratom) n° 966/2012 on the financial rules applicable to the general budget of the Union. It has legal personality and is represented by its Executive Director, Mr Pascal SAVOURET, appointed by the Administrative Board of the Agency. The seat of the agency is Vigo, Spain. The Protocol on the Privileges and Immunities of the European Communities applies to the Agency. On 1 July 2008, the Agency started operating from its current headquarters at Edificio Odriozola, Avenida García Barbón 4 – 36201 Vigo.

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 at least twice a year. It has, among others, the powers:

- to appoint and dismiss the Executive Director;
- to appoint the Accounting Officer;
- to adopt the Annual 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 adopt the final Budget before the beginning of the financial year;
- to give an opinion on the Final Annual Accounts of the Agency for the previous financial year.

In line with article 39 of the founding regulation of the Agency, in 2017 the second Five Year Independent External Evaluation of EFCA was commissioned by the Administrative Board for the period 2012-2016. It confirmed EFCA's positive performance across the different evaluation criteria and stated, amongst other, that "EFCA's strong performance was supported by adequate

governance arrangements and working practices, with commendable efficiency efforts, e.g. use of e-administration”.

The Administrative Board issued recommendations to the European Commission regarding changes to the Founding Regulation, the Agency and its working practices. The evaluation findings and recommendations were forwarded by the European Commission to the European Parliament and the Council, and were made public (<https://www.efca.europa.eu/en/content/external-evaluation-2017>).

Audit and Discharge

The audit of the agency is performed by the European Court of Auditors on the legality and regularity of the underlying transactions of the annual accounts, and by an independent external auditor who verifies that the annual accounts properly present the income, expenditure and financial position of the Agency.

The discharge in respect of the implementation of the budget of the year is granted by the European Parliament, upon recommendation from the Council to the Executive Director of the Agency. The discharge decision shall cover the accounts of all the revenue and expenditure of the agency, the budget result and the assets and liabilities of the agency shown in the financial statement.

STRUCTURE OF THE REPORT

In accordance with Article 92 of the EFCA Financial Regulation, the accounts consist of the financial statements of the Agency (general accounts) and of the reports on the implementation of the budget (budgetary accounts), each following different accounting principles (please cf. Note 1 for more details). This report therefore consists of two parts:

Part I: Annual Financial Statements

The general accounts are accrual accounts, meaning that the effects of transactions and other events are recognised when those transactions or events take place. They are drawn up in accordance with the accounting rules adopted by the European Commission’s Accounting Officer. These rules were initially adopted on 28 December 2004 and modified from time to time until the issuance of these Annual Accounts, and are accrual based accounting policies derived from the International Public Sector Accounting Standards (IPSAS) or by default, International Financial Reporting Standards (IFRS).

Part II: Annual Reports on the implementation of the budget

The budgetary accounts are modified cash accounts. As in any cash accounting system, payments made and revenue received are recorded in the period in which the cash transaction occurs. These accounts are termed ‘modified’ because payment appropriations carried over are also recorded. Their purpose is for drawing up the budget result and reports on budget implementation.

Part I: FINANCIAL STATEMENTS

(All amounts disclosed in EUR)

**I.1 BALANCE SHEET
(BS)**

| BS HEADING | Note | 31.12.2017 | 31.12.2016 <i>(restated)</i> | Variation |
|--|-------------------|---------------------|---------------------------------|---------------------|
| NON-CURRENT ASSETS | | 611.488,68 | 813.337,68 | -201.849,00 |
| Intangible assets | 2.1. | 183.950,00 | 317.124,00 | -133.174,00 |
| Intangible assets | | 183.950,00 | 317.124,00 | -133.174,00 |
| Property, Plant and Equipment | 2.2. | 427.538,68 | 496.213,68 | -68.675,00 |
| Plant and equipment | | 18.982,00 | 30.730,00 | -11.748,00 |
| Computer hardware | | 318.723,68 | 399.957,68 | -81.234,00 |
| Furniture and vehicles | | 27.379,00 | 37.980,00 | -10.601,00 |
| Other fixtures and fittings | | 62.454,00 | 27.546,00 | 34.908,00 |
| Financial assets (non-current) | 2.3.&7 | 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 | | 5.383.018,74 | 1.656.433,56 | 3.726.585,18 |
| Financial assets (current) | 2.3.&7 | 0,00 | 0,00 | 0,00 |
| Receivables and recoverables | 2.4. | 438.351,37 | 125.491,41 | 312.859,96 |
| Sundry receivables | | 8.408,96 | 15.017,57 | -6.608,61 |
| Deferred charges | | 429.938,87 | 110.473,52 | 319.465,35 |
| Accrued income | | 3,54 | 0,32 | 3,22 |
| Pre-financing | 2.5. | 328.869,18 | 0,00 | 328.869,18 |
| Cash and cash equivalents | 2.6. | 4.615.798,19 | 1.530.942,15 | 3.084.856,04 |
| TOTAL ASSETS | A | 5.994.507,42 | 2.469.771,24 | 3.524.736,18 |
| NON-CURRENT LIABILITIES | | 0,00 | 0,00 | 0,00 |
| Provisions for risks and liabilities (long-term) | | 0,00 | 0,00 | 0,00 |
| Financial liabilities (non-current) | 2.7.&7 | 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 | | 2.174.321,00 | 1.090.971,13 | 1.083.349,87 |
| Provisions for risks and liabilities | 2.7. | 0,00 | 5.000,00 | -5.000,00 |
| Financial liabilities (current) | 2.7.&7 | 0,00 | 0,00 | 0,00 |
| Payables | | 2.174.321,00 | 1.085.971,13 | 1.088.349,87 |
| Current payables | 2.8. | 0,00 | 44.595,67 | -44.595,67 |
| Sundry payables | 2.8. | 6.774,30 | 37.086,38 | -30.312,08 |
| Accrued charges | 2.9. | 1.807.126,38 | 481.465,55 | 1.325.660,83 |
| Accounts payable to consolidated EU entities | 2.10. | 360.420,32 | 522.823,53 | -162.403,21 |
| TOTAL LIABILITIES | L | 2.174.321,00 | 1.090.971,13 | 1.083.349,87 |
| NET ASSETS | A-L | 3.820.186,42 | 1.378.800,11 | 2.441.386,31 |
| Accumulated surplus/deficit | R | 1.378.800,11 | 1.638.406,45 | -259.606,34 |
| Economic result of the year | A-L-R | 2.441.386,31 | -259.606,34 | 2.700.992,65 |

**I.2 STATEMENT OF FINANCIAL PERFORMANCE
(SFP)**

| | Note | 2017 | 2016 | Variation |
|--|--------|-----------------------|----------------------|----------------------|
| OPERATING REVENUE | | 17.207.869,12 | 9.444.176,47 | 7.763.692,65 |
| European Union Contribution | 3.1.1. | 17.207.869,12 | 9.444.176,47 | 7.763.692,65 |
| Other non-exchange revenue | 3.1.2. | 0,00 | 0,00 | 0,00 |
| Other exchange revenue | 3.1.3. | 0,00 | 0,00 | 0,00 |
| OPERATING EXPENSES | | -14.768.556,63 | -9.704.260,27 | -5.064.296,36 |
| Operating expenses | 3.2.1 | -4.387.240,28 | -1.143.466,56 | -3.243.773,72 |
| Administrative expenses | 3.2.2 | -10.381.316,35 | -8.560.793,71 | -1.820.522,64 |
| SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES | | 2.439.312,49 | -260.083,80 | 2.699.396,29 |
| Financial revenue | 3.3. | 2.548,05 | 813,91 | 1.734,14 |
| Financial expenses | 3.3. | -474,23 | -336,45 | -137,78 |
| SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES | | 2.441.386,31 | -259.606,34 | 2.700.992,65 |
| 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 | | 2.441.386,31 | -259.606,34 | 2.700.992,65 |

I.3 CASH FLOW STATEMENT

| | Note | 2017 | 2016 (restated) |
|--|-------------|---------------------|---------------------|
| Economic result of the year | | 2.441.386,31 | -259.606,34 |
| Operating activities | | | |
| Amortization (intangible fixed assets) + | | 189.096,00 | 235.562,00 |
| Depreciation (tangible fixed assets) + | | 232.131,09 | 292.068,99 |
| Increase/(decrease) in Provisions for risks and liabilities | | -5.000,00 | 5.000,00 |
| 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 | | -328.869,18 | 0,00 |
| (Increase)/decrease in Long term Receivables | | 0,00 | 0,00 |
| (Increase)/decrease in Short term Receivables | | -312.859,96 | 86.321,07 |
| (Increase)/decrease in Receivables related to consolidated EU entities | | 0,00 | 0,00 |
| Increase/(decrease) in Other Long term liabilities | | 0,00 | 0,00 |
| Increase/(decrease) in Accounts payable | | 1.250.753,08 | 140.874,83 |
| Increase/(decrease) in Liabilities related to consolidated EU entities | | -162.403,21 | 283.149,14 |
| Other non-cash movements | | 0,00 | 0,00 |
| Net cash-flow from operating activities | 4.1. | 3.304.234,13 | 783.369,69 |
| Investing activities | | | |
| (Increase)/Decrease in intangible assets and property, plant and equipment | | -219.503,09 | -99.403,05 |
| Proceeds from tangible and intangible fixed assets (+) | | 125,00 | 2.024,00 |
| Net cash-flow from investing activities | 4.2. | -219.378,09 | -97.379,05 |
| 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 | | 3.084.856,04 | 685.990,64 |
| Cash and cash equivalents at the beginning of the year | | 1.530.942,15 | 844.951,51 |
| Cash and cash equivalents at year end | | 4.615.798,19 | 1.530.942,15 |

I.4 STATEMENT OF CHANGES IN NET ASSETS

| | Note | Accumulated Surplus/Deficit | Economic result of the year | Net Assets (Total) |
|--|------|--------------------------------|--------------------------------|---------------------|
| Balance as at 31 December 2016 | | 1.638.406,45 | -259.606,34 | 1.378.800,11 |
| Changes in accounting policies | | 0,00 | 0,00 | 0,00 |
| Balance as at 1 January 2017 | | 1.638.406,45 | -259.606,34 | 1.378.800,11 |
| Allocation of the economic result of previous year | | -259.606,34 | 259.606,34 | 0,00 |
| Economic result of the year | | 0,00 | 2.441.386,31 | 2.441.386,31 |
| Balance as at 31 December 2017 | | 1.378.800,11 | 2.441.386,31 | 3.820.186,42 |

I.5 NOTES TO THE FINANCIAL STATEMENTS (1.1.2017 – 31.12.2017)

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 31 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 n° 1 and are the same as those described in IPSAS n° 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 n° 1).

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 n° 1).

¹ This differs from cash-based accounting because of elements such as carry-forwards and carry-overs.

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 n° 1).

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 n° 1).

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 n° 1).

Offsetting

Assets and liabilities, and revenue and expenses, shall not be offset unless required or permitted by an EU Accounting rule (EU Accounting Rule n° 1).

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 n° 1).

According to article 95 of EFCA Financial Regulation, the financial statements shall present information, including the information on accounting policies, in a manner that ensures it is relevant, reliable, comparable and understandable (as explained in EU Accounting Rule n° 1 and IPSAS n° 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.

1.4. Changes in accounting policies and prior period adjustments

In accordance with EU Accounting Rule n° 14, changes in Accounting Policies should be applied in such manner that the financial statements, including the comparative information for prior periods, are presented as if the new accounting policy had always been in use. Comparative information should be restated for each prior period presented unless it is impracticable to do so.

Starting from these Final Annual Accounts 2017, EFCA has aligned its disclosure practices for Pre-Financing received or paid by other EU institutions and agencies, in order to facilitate reconciliation and consolidation into the EU Accounts. For example, Pre-Financing amounts received from the Commission for Ad-hoc grants are now shown net of eligible expenses even if these are only estimated at reporting date (instead of showing the initial gross amount received as liability and the estimated expenses as assets until their eligibility is formally approved). Consequently, the comparative information for 2016 has been restated for the balance sheet items "Accrued income" and "Accounts payable to consolidated EU entities" and the respective positions in the Cash Flow Statement and Notes 2.4., 2.10. and 7.. This change of accounting policy is purely technical and does not impact Net Assets or the result of the year.

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.

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 n° 6).

Internally developed intangible assets are capitalised when the criteria of the relevant EU Accounting Rule n° 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 2017, EFCA has incurred the following research and development costs related to IT Projects which have not met the capitalisation criteria:

| Not capitalised costs | IT Research cost | IT Development cost |
|-----------------------|------------------|---------------------|
| Financial year 2017 | 0.00 | 307.735,10 |
| Financial year 2016 | 0.00 | 117.074,56 |

These costs were recognised in the category of Administrative expenses together with other IT operational costs (please see also Note 3.2.2 below).

As required by the EC Accounting Rule n° 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. In establishing this amount, the limit of €100.000 (recommended by the European Court of Auditors (ECA) as best practice for entities with an annual budget below €40,0 million) was taken into account and aligned it with the Agency's average annual budget in the past years².

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 n° 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.

² Despite the increase of the annual budget in 2017, the threshold has been maintained for the financial year 2017 but may be subject for revision in future.

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 €420³.

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.

The following amortisation/depreciation rates are used by the Agency (automatically applied in SAP based on the products 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 | 0% | 0.0% |
| 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 | 0% | 0.0% |

The table 'MOVEMENTS IN FIXED ASSETS' on the following page shows the opening balances, acquisitions, disposals, transfers and closing balances of the main asset classes for 2017, split between gross carrying amounts and amortisations/depreciations.

³ A substantial increase of this threshold is under discussion, however, should EFCA decide to change it, it would not affect the 2017 Accounts.

Leases

EFCA does not have leases of tangible assets, where to have substantially all the risks and rewards of ownership and which would be 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 can be found under Note 5.3.2. further below.

MOVEMENTS IN FIXED ASSETS DURING 2017

| ASSET CLASS | Gross Carrying Amounts | | | | | | Accumulated Depreciation | | | | | Net Carrying Amounts 01.01.17 | Net Carrying Amounts 31.12.17 |
|--|--------------------------|-------------------|--------------------|----------------------------|--------------------------|--------------------------|--|-------------------------|--------------------------------------|--------------------------|-------------------|-------------------------------|-------------------------------|
| | Opening Balance 01.01.17 | Additions | Disposals | Transfers between headings | Closing Balance 31.12.17 | Opening Balance 01.01.17 | Amortisation and depreciation charge of the year | Amort/Depr of disposals | Charge of transfers between headings | Closing Balance 31.12.17 | | | |
| Computer Software | 278.625,02 | 0,00 | 0,00 | 0,00 | 278.625,02 | -247.266,02 | -23.722,00 | 0,00 | 0,00 | -270.988,02 | 31.359,00 | 7.637,00 | |
| Internally Generated Software (*) | 866.452,00 | 55.922,00 | 0,00 | 0,00 | 922.374,00 | -580.687,00 | -165.374,00 | 0,00 | 0,00 | -746.061,00 | 285.765,00 | 176.313,00 | |
| Intangibles under construction | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | |
| Intangible Fixed Assets | 1.145.077,02 | 55.922,00 | 0,00 | 0,00 | 1.200.999,02 | -827.953,02 | -189.096,00 | 0,00 | 0,00 | -1.017.049,02 | 317.124,00 | 183.950,00 | |
| Plant and Equipment | 77.503,34 | 0,00 | 0,00 | 0,00 | 77.503,34 | -46.773,34 | -11.748,00 | 0,00 | 0,00 | -58.521,34 | 30.730,00 | 18.982,00 | |
| Furniture | 179.110,07 | 6.494,80 | -5.357,46 | 0,00 | 180.247,41 | -141.130,07 | -16.970,80 | 5.232,46 | 0,00 | -152.868,41 | 37.980,00 | 27.379,00 | |
| Computer hardware | 1.252.814,25 | 106.860,77 | -137.476,91 | 0,00 | 1.222.198,11 | -852.856,57 | -188.094,77 | 137.476,91 | 0,00 | -903.474,43 | 399.957,68 | 318.723,68 | |
| Fixtures & Fittings | 180.250,88 | 50.225,52 | -559,00 | 0,00 | 229.917,40 | -152.704,88 | -15.317,52 | 559,00 | 0,00 | -167.463,40 | 27.546,00 | 62.454,00 | |
| 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 | 0,00 | |
| Tangible Fixed Assets | 1.689.678,54 | 163.581,09 | -143.393,37 | 0,00 | 1.709.866,26 | -1.193.484,86 | -232.131,09 | 143.268,37 | 0,00 | -1.282.327,58 | 496.213,68 | 427.538,68 | |
| TOTAL Fixed Assets (Net Book Value) | 2.834.755,56 | 219.503,09 | -143.393,37 | 0,00 | 2.910.865,28 | -2.021.417,88 | -421.227,09 | 143.268,37 | 0,00 | -2.299.376,60 | 813.337,68 | 611.488,68 | |

Notes:

(*) please refer to Note 2.1. for details on the capitalisation policy for Internally Generated Software

2.3. Financial assets

Applying the EU Accounting Rule n° 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 Note 7 "Financial Instruments".

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.

| Current customer receivables and recoverables | 31.12.2017 | 31.12.2016 (restated) |
|---|-------------------|--------------------------|
| Current customer receivables | 0,00 | 0,00 |
| Amounts due from other consolidated entities | 0,00 | 0,00 |
| -exchange | 0,00 | 0,00 |
| -non-exchange | 0,00 | 0,00 |
| Sundry receivables | 8.408,96 | 15.017,57 |
| Staff | 8.006,08 | 14.485,67 |
| Others | 402,88 | 531,90 |
| Deferred charges | 429.938,87 | 110.473,52 |
| Accrued Income | 3,54 | 0,32 |
| TOTAL | 438.351,37 | 125.491,41 |

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

The **deferred charges** for 2017 include €310.000 of prepaid expenses for the EFCA chartered Vessel for January to February 2018. The remaining amount represents mostly prepaid expenses for software licenses and other maintenance, insurance and service contracts that are associated with deliveries of services for periods ending after the 31 December 2017.

The **accrued income** refer to interests received after year-end but still accrued in the reporting year.

2.5. Pre-Financing (Short-term receivable)

Pre-Financing for €1.026.000 was paid to EMSA during the financial year 2017 for specific Integrated Maritime Services (IMS) and the provision of a vessel suitable for supporting fisheries control as defined in the Service Level Agreement between the two agencies. No final cost statement has been received at balance sheet date to allow clearing of the Pre-Financing in 2017, however, in accordance with EU Accounting Rules n° 5 the amount shown in the balance sheet can be net of estimated amounts for eligible expenses incurred during the period where necessary. Charges accrued until 31.12.2017 in relation to the pre-financed activities were estimated at €697.130,82 leading to the disclosed net Pre-Financing receivable of €328.869,18.

2.6. Cash and cash equivalents

Applying the EU Accounting Rule n° 11, the cash and cash equivalents are classified in the category of financial instruments "Available for sale". Further disclosures are presented below in Note 7 "Financial Instruments".

| Cash and Cash equivalents | 31.12.2017 | 31.12.2016 |
|---|---------------------|---------------------|
| Unrestricted cash | 4.615.798,19 | 1.530.942,15 |
| Treasury and Central Bank accounts | 0,00 | 0,00 |
| Current accounts (bank accounts) | 4.614.750,27 | 1.530.942,15 |
| Imprest accounts | 0,00 | 0,00 |
| Cash in hand ("Caisses") | 1.047,92 | 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 | 4.615.798,19 | 1.530.942,15 |

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

The Cash Flow Statement presented under I.3 above provides the users of the financial statements with a basis to assess:

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

More details on the Cash Flow Statement can be found below in section 4 "Notes to the Cash Flow Statement".

2.7. Financial liabilities and provisions for risks and liabilities

Applying the provisions of the EU Accounting Rule n° 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 Note 7 "Financial Instruments".

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 expenditure expected to be required to settle the present obligation at the reporting date.

The short-term provision recognised in 2016 for risks in connection with recruitment procedures and related legal fees was partly used and reversed in 2017.

No new provision has to be accounted for in 2017. All the adjustments for the indexation and for the annual review of country coefficient for Spain were calculated by PMO and accounted for timely in the last payroll run of the current year (December 2017) for the period 01.07.2017-31.12.2017.

| Short-Term Provisions | 31.12.2017 | 31.12.2016 |
|-------------------------------------|-------------|-----------------|
| Opening Balance | 5.000,00 | 0,00 |
| Additional provisions | 0,00 | 5.000,00 |
| Unused Amounts reversed | -1.200,00 | 0,00 |
| Amounts Used | -3.800,00 | 0,00 |
| Transfers from Long-term provisions | 0,00 | 0,00 |
| Others | 0,00 | 0,00 |
| TOTAL Closing Balance | 0,00 | 5.000,00 |

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 major items of sundry payables is presented below:

| Current payables | 31.12.2017 | 31.12.2016 |
|---|-----------------|------------------|
| Amounts payable – suppliers, Member states, etc. | 0,00 | 44.595,67 |
| Sundry Payables | 6.774,30 | 37.086,38 |
| Staff | 0,00 | 429,33 |
| Assets - Goods received without invoice | 6.774,30 | 34.199,44 |
| Amounts payable to public bodies (bank interest for funds - Assigned revenues) | 0,00 | 2.457,61 |
| TOTAL | 6.774,30 | 81.682,05 |

The amount of €2.457,61 recognised without further specification in the financial years 2011 (and earlier) for interests accrued on assigned revenue from Member States, has since not been re-allocated, claimed or paid. In view of the age and the materiality of the amount, this payable was written off and credited to financial revenues (cf. Note 3.3.).

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 the financial year 2017, but neither invoiced nor paid at the end of the year, are estimated and recognised as accrued charges.

Moreover, some accrued amounts are also taking into account specific additional payment obligations stemming from 2017 activities on top of the carry-forward amounts (like for example untaken leave of staff).

Of 2017 accrued charges with consolidated EU entities, €1,1 million are with FRONTEX for Multipurpose Aerial Surveillance and Seaborne means covered by the Service Level Agreements between the agencies.

| Accrued Charges | 31.12.2017 | 31.12.2016 |
|---|---------------------|-------------------|
| Untaken annual leave | 120.747,07 | 94.339,13 |
| Other accrued charges | 495.464,41 | 344.772,81 |
| Accrued Charges with consolidated EU entities | 1.190.914,90 | 42.353,61 |
| TOTAL | 1.807.126,38 | 481.465,55 |

2.10. Accounts payable to consolidated EU entities

At the end of 2017, there is a surplus of the EU subsidy of **€240,699,81** that has to be returned to the European Commission in the coming year. The amount corresponds to the budgetary outturn result of the year (cf. II.2 in Part II of this report).

During 2017, the surplus of the 2016 subsidy (**€67.534,09**) has been repaid to the European Commission. Since 1 January 2014, the bank interest from funds representing EU subsidy is not repayable anymore to the European Commission (for more details on the accounting treatment of interest, please see Note 3.3. "Financial result").

| Accounts payable to consolidated EU entities | 31.12.2017 | 31.12.2016 (restated) |
|--|-------------------|--------------------------|
| Repayable positive budget outturn (EU subsidy) | 240.699,81 | 67.534,09 |
| Pre-Financing Ad-hoc grants Pilot Projects EUCG/MARSURV | 119.720,51 | 455.289,44 |
| TOTAL | 360.420,32 | 522.823,53 |

Two Ad-hoc Grants were received as 100% Pre-Financing in June 2016: €330.000 for the pilot project: "Creation of a European coastguard function" (EUCG PP) and €420.000 for a second pilot-project "Modernising Fisheries Controls and Optimising Vessel Monitoring through the use of Innovative European Systems". The remaining Pre-Financing payable shown here is net of €630.279,49 estimated eligible expense accumulated until 31.12.2017 (see Note 3.1.1. below for further details).

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 represents mainly the EU subsidy.

3.1.1. European Union subsidy

| Non-exchange revenue | 31.12.2017 | 31.12.2016 |
|---|----------------------|---------------------|
| European Union subsidy | 16.872.300,19 | 9.149.465,91 |
| Income from EU Grants (PP EUCG/MARSURV) | 335.568,93 | 294.710,56 |
| TOTAL | 17.207.869,12 | 9.444.176,47 |

The EU balancing subsidy 2017 increased significantly (+84%), in line with the increase of the Annual Budget from 2016 to 2017 (see Part II of this report).

As for ad-hoc grants, max. €330.000 were granted in 2016 for the Pilot Project: "Creation of a European coastguard function", with eligibility running from 1 January 2016 until 30 June 2017. The project finished as planned in 2017 with €308.138,32 total costs incurred.

For the second Pilot-Project "Modernising Fisheries Controls and Optimising Vessel Monitoring through the use of Innovative European Systems" max. €420.000 were granted in 2016, with eligibility running from 30 June 2016 to 31 December 2017. The project was extended until 30 June 2018 and is still on-going. By the end of 2017, costs of €322.141,17 have been cumulated so far.

Both grants were received already in full during 2016. The part matching the costs incurred only during 2017 was recognised as income for 2017 for **€335.568,93**. The below table summarises the payments implemented (budget accounting) and income recognised (accrual accounting) since the receipt of the two grants in 2016 in function of their budget commitments entered into and their respective charges:

| Ad-hoc grants for Pilot Projects | Expenses Ref. | Budget appropriations | Budget payments 2016-2017 | CHARGES 2016 (Accrual Acc.) | CHARGES 2017 (Accrual Acc.) | CUMUL. CHARGES 2016-2017 (Accrual Acc.) |
|----------------------------------|---------------|-----------------------|---------------------------|-----------------------------|-----------------------------|---|
| PP EUCG | | | | | | |
| Seconded National Experts (SNEs) | Staff | 135.842,00 | 135.842,00 | 135.842,00 | 0,00 | 135.842,00 |
| Capacity Building Training | Operational | 40.000,00 | 27.889,28 | 16.000,00 | 11.889,28 | 27.889,28 |
| Mediterranean Sea and Black Sea | Operational | 154.158,00 | 144.407,04 | 125.000,00 | 19.407,04 | 144.407,04 |
| Subtotal EUCG | | 330.000,00 | 308.138,32 | 276.842,00 | 31.296,32 | 308.138,32 |
| PP MARSURV | | | | | | |
| Contract Staff | Staff | 41.000,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Seconded National Experts (SNEs) | Staff | 117.000,00 | 113.131,72 | 17.868,56 | 95.263,16 | 113.131,72 |
| Maritime Surve. Pooled Cap.&IUU | Operational | 212.000,00 | 209.009,45 | 0,00 | 209.009,45 | 209.009,45 |
| Data Monitoring and Networks | Operational | 50.000,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Subtotal MARSURV | | 420.000,00 | 322.141,17 | 17.868,56 | 304.272,61 | 322.141,17 |
| GRAND TOTAL | | 750.000,00 | 630.279,49 | 294.710,56 | 335.568,93 | 630.279,49 |

3.1.2. Other non-exchange revenue

There was no other non-exchange revenue in 2017.

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.

There was no such income for 2017.

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, i.e. 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.

| Exchange Operational Expenses | 31.12.2017 | 31.12.2016 |
|--|---------------------|---------------------|
| Off-Shore Patrol Vessels (OPVs) and related expenses | 1.974.072,80 | 0,00 |
| Multipurpose Aerial Surveillance (MAS) | 717.007,49 | 0,00 |
| Other operational expenses | 1.696.159,99 | 1.143.466,56 |
| TOTAL | 4.387.240,28 | 1.143.466,56 |

In 2017 they are made up of expenses for the joint contracting of Off-shore Patrol Vessels (OPV) and Multipurpose Aerial Surveillance (MAS) with EMSA and FRONTEX, and other operational expenses such as experts invited to various technical meetings for their specific expertise, mission expenses related to operational tasks and costs in relation to the two Pilot Projects (see Note 3.1.1. for details on the latter).

3.2.2. Administrative Expenses

| Administrative Expenses | 31.12.2017 | 31.12.2016 |
|---|----------------------|---------------------|
| Staff expenses | 7.010.670,18 | 5.738.090,56 |
| Amortisation/depreciation and Fixed assets-related expenses | 421.352,09 | 529.654,99 |
| Other administrative expenses | 2.949.294,08 | 2.293.048,16 |
| Maintenance, security, insurance and other costs related to the office premises | 318.945,30 | 301.559,42 |
| Training and recruitment | 116.028,43 | 116.885,06 |
| Missions, experts | 186.467,16 | 155.783,94 |
| IT related expenditure including research and development costs | 1.460.745,43 | 952.051,52 |
| Expenses with other internal/external services providers (non-IT) | 581.120,45 | 589.748,02 |
| Other administrative expenses | 285.104,64 | 177.604,67 |
| Net loss/(gain) from foreign exchange ⁴ | 882,67 | -584,47 |
| TOTAL | 10.381.316,35 | 8.560.793,71 |

⁴ Since the 2015 Annual Accounts, the net result from foreign exchange transactions is reclassified under Administrative expenses as it is generated mostly by payments related to staff. This approach is maintained for consistency.

The main administrative expenses are as follows:

- Staff expenses consisting mainly of salaries and allowances of the staff working in the Operations and Administration units of the Agency;
- tangible and intangible assets: the amortisation/depreciation charge of the year⁵;
- other administrative expenses for which the main headings are detailed above.

Herein are also included all IT operational costs of the year including 2017 costs for IT projects for research and development not eligible for capitalisation as Internally Generated Intangible Assets (please see disclosures under "Intangible Assets" in Note 2.1. above).

The overall increase of €1,8 million versus the previous year can be mainly explained by the increase of staff expenses (+22%) and the increase in IT costs (+53%), both of them stemming from the increased budget for these expenditures.

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 (translation, publication, training, IT systems, personnel administration, etc.).

| Admin expenses with EC and other EU agencies | 31.12.2017 | 31.12.2016 |
|--|-------------------|-------------------|
| Administrative expenses with consolidated entities | 529.006,29 | 356.255,11 |
| TOTAL | 529.006,29 | 356.255,11 |

3.3. Financial result

| Financial result | 31.12.2017 | 31.12.2016 |
|--------------------|-----------------|---------------|
| Financial revenues | 2.548,05 | 813,91 |
| Financial expenses | -474,23 | -336,45 |
| TOTAL | 2.073,82 | 477,46 |

Due to the new Financial Regulation implemented since 1 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: Interests are no longer due to the Commission, but owned by the Agency (Art. 58 of EFCA Financial Regulation adopted by the Administrative Board on 31st of December 2013).

The 2017 financial revenue contains the effect of the write-off of €2.457,61 for interests originally accrued in the financial years 2011 (and earlier) on assigned revenue from Member States as explained in Note 2.8. above.

Financial expenses consist in bank charges. No interest for late payments (incurred according the provisions of Financial Regulation) was paid in 2017.

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.

⁵ Impairment tests were performed for Cash-generating assets, Non-cash generating assets and internally-generated Intangible Assets. No permanent impairment of the net book value is expected or could be identified and consequently no impairment losses were recognised for the year 2017.

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 respective 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.

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, the existence of which 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 asset 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, the existence of which 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 can also be a present obligation that arises from past events, but it 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,
- the amount of the obligation cannot be measured with sufficient reliability.

5.2.1. Outstanding commitments not yet expensed (Carry-overs)

| | 31.12.2017 | 31.12.2016 |
|---|---------------------|-------------------|
| Automatic carry-forward (RAL C1 to C8) | 4.294.423,17 | 1.025.872,61 |
| Adjustments for cut-off impact and open Vendors | -1.402.287,43 | -393.219,77 |
| Outstanding commitments not yet expensed | 2.892.135,74 | 632.652,84 |

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 2017 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. The increase of the RAL compared to 2016 is explained in Part II of this report.

5.3. Other significant disclosures

5.3.1. Services in kind (EU Accounting Rule n° 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, FRONTEX).

| Services in kind | Estimated amount for the year 2017 | Estimated amount for the year 2016 |
|--|------------------------------------|------------------------------------|
| Free use of the office Building offered by the Host Member State (SPAIN) | 672.750,00 | 624.000,00 |
| Free Integrated Maritime services from EMSA (IMS, Sat AIS, CMS) | 3.725.000,00 | 950.000,00 |
| Free Maritime Aerial surveillance services (use of FRONTEX Services, Assets and Experts) | 1.066.500,00 | 778.500,00 |
| TOTAL | 5.464.250,00 | 2.352.500,00 |

Concerning the Seat of the Agency, Spanish Authorities (MAPAMA) have informed the Agency and the Administrative Board that the lease for the current office building was extended for a period of 5 years until the end of 2022. The new lease comprises now the first floor of the building which was available and free of use for EFCA from mid-2017. The amount of services in kind disclosed above is an estimation of the rent based on payments when the Agency was covering it from its own funds, updated to include the additional floor.

Promoting the EU initiative towards an integrated maritime surveillance, EFCA cooperates with other agencies and bodies active in the maritime domain. The EFCA IMS Service (formerly MARSURV) is the result of a long standing cooperation with EMSA. The IMS Service, developed and hosted by EMSA, provides for a real time integrated maritime picture, that integrates and fuses VMS data, AIS, Sat-AIS and LRIT data. In close cooperation with EFCA this application has been further refined to become a very specific fisheries control coordination tool, in support of EFCA, DG MARE and MS activities. The improvements include the provision of worldwide nautical charts, specific reference information (fishing areas and maritime boundaries), fisheries specific information (gear types, licenses), remote sensing information and much more. In accordance with the existing SLA between EMSA and EFCA signed on 26 June 2015, as amended, EMSA does not charge EFCA for the provision, management, maintenance and user defined upgrades of the EFCA IMS Service. The above figure for these services in kind is an indicative estimation of the proportionate amount EFCA would presumably have to pay on the market otherwise. The increase of the 2017 estimation compared to 2016 results from an increased number and value of user accesses and further developed functionalities for the IMS Service itself, as well as the inclusion of separate estimations for a first complete year using the worldwide validated Satellite AIS services (€1,3 million) and the Copernicus Maritime Surveillance CMS Services to fisheries control (€1,0 million).

Similarly, EFCA has been receiving since 2016 services, data and expertise free of charge from FRONTEX Maritime Aerial Surveillance Operations. In order to estimate the services in kind, the approximate number of flights for which information at EFCA was received, is multiplied by an estimated average cost rate per flying hour. The increase in 2017 is due to a higher number of flights compared to 2016.

5.3.2. Operating leases

Assets subject to an operating lease are generating rental expenditure.

EFCA entered into an operating lease contract for the renting of the 7th floor space of the premises where the seat of the Agency is located. The contractual terms and conditions are valid as long as the Agency maintains its premises in this building.

The corresponding rental expenses are recognised as part of the building related expenses (cf. Note 3.2.2. above)

| Operating Lease | 2017 | 2016 |
|---|-----------|-----------|
| Rent expenses 7 th floor of premises | 34.680,00 | 34.680,00 |

| Operating Lease | Charges paid in 2017 | Charges to be paid next year | Charges to be paid later than one year | Total charges to be paid |
|------------------|----------------------|------------------------------|--|--------------------------|
| 34.680,00 | 34.680,00 | 34.680,00 | 138.720,00 | 208.080,00 |

5.3.3. Significant legal commitments

| Legal commitments | 2017 | 2016 |
|--|---------------------|-------------------|
| Chartering of EFCA Offshore Fisheries Patrol Vessel (OPV) January-March 2018 | 975.000,00 | 0,00 |
| Rental of 7 th floor | 34.680,00 | 34.680,00 |
| General building maintenance | 20.497,96 | 20.497,00 |
| Utilities consumption | 65.123,75 | 61.560,00 |
| Security/parking | 18.000,00 | 18.000,00 |
| External Audit Services | 12.816,00 | 19.224,00 |
| TOTAL | 1.126.117,71 | 153.961,00 |

In December 2017 EFCA concluded a framework contract (FWC) for the chartering of an Offshore Fisheries Patrol Vessel following a public tender, with a maximum budget of €20,0 million over max. 4 years. The amount disclosed above relates to the first specific contract signed on 16.12.2017 for the chartering of 65 days from 22.01.2018 onwards and represents the only binding commitment entered into already in relation with this FWC.

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 2017. This relates to amounts the Agency is committed to pay in 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. The amounts above are estimations at the level of a yearly consumption (please see also 5.3.1. above for the office building). Furthermore, in 2016 the Agency had entered into a two-year contract for External Audit Services required by the Financial Regulation, while in 2014 and 2015 these services were provided based on one-year contracts.

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.

6.2. Preventive mechanisms

In addition to the corrective mechanisms mentioned above, EFCA uses a number of preventive mechanisms to protect the budget. Preventive actions include checks made on eligibility of expenditure being claimed by beneficiaries. These ex-ante controls are intended to provide reasonable assurance on the legality and regularity of expenditure being paid.

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) | 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 | 31.12.2017 | 31.12.2016 (restated) |
|-------------------------------------|---------------------|--------------------------|
| Financial assets | | |
| Current receivables | 0,00 | 0,00 |
| Other receivables | 8.408,96 | 15.017,57 |
| Deferred charges and accrued income | 429.942,41 | 110.473,84 |
| Pre-financing | 328.869,18 | 0,00 |
| Cash and deposits | 4.615.798,19 | 1.530.942,15 |
| TOTAL financial assets | 5.383.018,74 | 1.656.433,56 |

| Financial liabilities | | |
|--|---------------------|---------------------|
| Current payables | 360.420,32 | 567.419,20 |
| Other payables | 6.774,30 | 37.086,38 |
| Accrued charges and deferred income | 1.807.126,38 | 481.465,55 |
| Total financial liabilities | 2.174.321,00 | 1.085.971,13 |
| TOTAL net financial instruments | 3.208.697,74 | 570.462,43 |

- **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 actual 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 to disclosure requirements of liquidity risks, a maturity analysis of non-derivative financial liabilities (except 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 2017 | | | | |
| Payables with third parties | 6.774,30 | 0,00 | 0,00 | 6.774,30 |
| Payable with consolidated entities | 360.420,32 | 0,00 | 0,00 | 360.420,32 |
| TOTAL Financial liabilities | 367.194,62 | 0,00 | 0,00 | 367.194,62 |
| As at 31 December 2016 (restated) | | | | |
| Payables with third parties | 81.682,05 | 0,00 | 0,00 | 81.682,05 |
| Payable with consolidated entities | 522.823,53 | 0,00 | 0,00 | 522.823,53 |
| TOTAL Financial liabilities | 604.505,58 | 0,00 | 0,00 | 604.505,58 |

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. With 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 level of cash held at banks, proportional to the average amount of quarterly payments executed from available funds, should be higher €0,5 million, which was agreed as buffer (approximately 1-month of salaries worth) and with alarm levels close to €1,0 million when a new cash request is triggered. In 2017 the amounts kept overnight in the bank accounts fluctuated between €0,3 million⁶ and €8,3 million with an overall amount of payments executed (for both C1 and C8 funds) that equals €13,6 million.
- As a cash contingency plan, there is a second strong financial institution that has 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 | 31.12.2017 | 31.12.2016 (restated) |
|--|---------------------|--------------------------|
| Counterparties with external credit rating | 4.615.798,19 | 1.531.071,49 |
| Prime and higher rate | 0,00 | 0,00 |
| Upper medium grade | 4.609.062,66 | 1.514.565,46 |
| Lower medium grade | 6.735,53 | 16.377,01 |
| Non-investment grade | 0,00 | 129,02 |
| Counterparties without external credit rating | 767.220,55 | 125.362,07 |
| European Commission and consolidated entities | 328.869,18 | 0,00 |
| Other debtors who did not default | 438.351,37 | 125.362,07 |
| TOTAL financial assets | 5.383.018,74 | 1.656.433,56 |

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 with the related possible daily fluctuation.

⁶ The balance went below the threshold for three days in December 2017 (after payment of the December salaries including substantial retroactive payments and before the receipt of the Q4 subsidy from the Commission).

- **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 Euro, 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, an interest rate sensitivity analysis is not relevant.

8. CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies for the financial year 2017 other than mentioned under Note 1.4.

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_5 | 1 |

The transactions of the Agency with the key management personnel during financial year 2017 consist only of the remuneration, allowances and other entitlements as determined for grade AD14 by the Staff Regulations of the Officials of the European Communities. There are no loans or other amounts outside provisions of the 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 REPORTING DATE

All of the events after balance sheet date requiring adjustment and with a material impact have been recorded in these 2017 Final Annual Accounts and their related notes. The most available information was reflected in all the figures and disclosures presented above. The following events after balance sheet date do not require adjustment of the 2017 Accounts:

1. The legal arrangements for additional resources to be granted to EFCA under the PESCAO project by DG Development and Cooperation (DEVCO) for capacity building and additional training and assistance missions in particular Western Africa countries are finalised. Additional funds of estimated €2,5 million over five years are expected to flow to the Agency starting in 2018 and are earmarked in the budget. EFCA has received a first Pre-Financing of €0,5 million in March 2018.
2. On 5 February 2018, a new organisational structure was adopted in order to prepare the organisation for growing, possible new tasks beyond the EU Coast Guard framework and the on-going revision of Regulations potentially affecting EFCA's mission directly or indirectly.

3. On 15 February 2018 EFCA received a Debit Note from the European Commission for the recovery of the unused funds for the EUCG Pilot Project ad-hoc grant, thereby indirectly confirming eligibility of the funds used and allowing EFCA to clear the remaining Pre-Financing liability against the accrued income in the financial year 2018 as anticipated in these 2017 Accounts (see also Notes 2.10. and 3.1.1. above).

At the date of issue of the accounts, no other material issues came to the attention of the Accounting Officer of the Agency or were reported to him that would require separate disclosure under this section.

Part II: REPORTS ON IMPLEMENTATION OF THE BUDGET

(All amounts disclosed in EUR)

II.1 BUDGETARY STRUCTURE, PRINCIPLES AND MAIN EVENTS

The budget accounts (Part II) are modified cash accounts. As in any cash accounting system, payments made and revenue received are recorded in the period in which the cash transaction occurs. These accounts are termed 'modified' because payment appropriations carried over are also recorded. Their purpose is for drawing up the budget result and reports on budget implementation.

DESCRIPTION OF THE BUDGETARY ACCOUNTS

In accordance with the Financial Regulation and Implementing Rules of the Agency, the 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 budget 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 and recruitment costs such as removal expenditure, installation costs, daily subsistence allowance, etc. In addition, this title comprises also expenditure for seconded national experts (SNEs), interim staff services, trainings, medical expenses and administrative missions.

Title II budget lines comprise all buildings- and infrastructure expenditures and related services like maintenance and security, utilities, ICT equipment and services. Also incorporated in this title are all expenditure generated by the various Service Level Agreements (SLAs) signed with the Commission and other consolidated EU 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 and as last amended in 2016. There are three chapters under Title III which are organised around the main operational activities carried out by the Agency as follows:

- Chapter 33 – Coordination
- Chapter 34 – Assistance and expertise
- Chapter 35 – Harmonisation and standardisation.

BUDGETARY PRINCIPLES

As provided for in EFCA's Financial Regulation, 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, each of which is briefly described hereunder:

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.
- 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 USED BY EFCA

The Agency makes use of non-differentiated appropriations, i.e. appropriations of annual nature, for its administrative expenditure (Titles I and II) as well as for operational expenditure (Title III).

MAIN EVENTS WITH INFLUENCE ON THE 2017 BUDGET AND ITS IMPLEMENTATION

The Budgetary exercise 2017 has been an exceptional year for EFCA, marked by a significant increase in activity following the amendment of EFCA's founding regulation by the European Parliament and the Council relating to the European Coast Guard initiative. This increase in activity has been underpinned by an overall increase in the budget resources of 86% for the regular budget (i.e. without assigned revenue from ad-hoc grants), including an increase in operational budget of 295% and a net increase of 10 statutory staff (+20%). Despite this increase, the implementation for commitments was very high throughout all Budget Titles (99% in total). The cancellation rate for the commitments carried-forward from 2016 was with 5% in line with previous years as well.

Of the €0,8 million Assigned revenue for the two ad-hoc grants originally received in 2016, further €0,4 million were paid during 2017 leading to a cumulative execution of 84% at the end of the year, with one project still continuing until mid-2018 (please refer also to Note 3.1.1. in Part I of this report).

Regarding payments, the overall implementation (including Assigned Revenue and Carry-overs from 2016) was with 75% lower than in previous years. This was mainly due to the difficulty in the procurement of the EFCA chartered Vessel (eventually contracted in December 2017) and the postponing of works and refurbishing of the additional first floor of the office building to the beginning of 2018. However, all respective commitments were carried-forward ('planned carry-forwards') and are scheduled to be implemented during 2018.

Overall, in view of the significant increase of the budget, the 2017 implementation and budget management can be considered satisfactory for a first year with such additional appropriations.

The following tables provide details for all Budget titles and items. For further information on the financial management and budget execution during 2017 please refer also to the 'Budgetary and Financial Management report' in Annex I.

II.2 BUDGET RESULT 2017
(1.1.2017 – 31.12.2017)

| REVENUES | | 2017 | 2016 |
|---|-----|----------------------|---------------------|
| Balancing Commission subsidy | + | 17.113.000,00 | 9.217.000,00 |
| Other subsidy from Commission (Phare, IPA...) | + | 0,00 | 750.000,00 |
| Fee income | + | 0,00 | 0,00 |
| Other Income | + | 871,31 | 813,91 |
| TOTAL REVENUE (a) | | 17.113.871,31 | 9.967.813,91 |
| EXPENDITURE | | | |
| Title I: Staff | | | |
| Payments | - | 7.266.256,61 | 6.031.857,73 |
| Appropriations carried over | - | 101.966,79 | 242.574,15 |
| Title II: Administrative Expenses | | | |
| Payments | - | 1.953.135,68 | 1.066.291,46 |
| Appropriations carried over | - | 874.705,51 | 541.156,46 |
| Title III: Operating Expenditure | | | |
| Payments | - | 3.773.705,72 | 1.327.516,46 |
| Appropriations carried over | - | 3.437.471,38 | 723.500,58 |
| TOTAL EXPENDITURE (b) | | 17.407.241,69 | 9.932.896,84 |
| OUTTURN FOR THE FINANCIAL YEAR (a-b) | | -293.370,38 | 34.917,07 |
| Cancellation of unused payment appropriations carried over from previous year | + | 53.594,28 | 32.032,55 |
| Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue | + | 481.358,58 | 0,00 |
| Exchange differences for the year (gain +/-loss -) | +/- | -882,67 | 584,47 |
| BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR | | 240.699,81 | 67.534,09 |
| Balance year N-1 | +/- | 67.534,09 | 92.674,39 |
| Positive balance from year N-1 reimbursed in year N to the Commission | - | -67.534,09 | -92.674,39 |
| Result used for determining amounts in general accounting | | 240.699,81 | 67.534,09 |
| Commission subsidy - agency registers accrued revenue and Commission accrued expense | | 16.872.300,19 | 9.149.465,91 |
| Pre-financing remaining open to be reimbursed by agency to Commission in year N+1 | | 240.699,81 | 67.534,09 |

II.3 BUDGET REVENUE

| Ref. | Budget Line description | Income appropriations | | Entitlements established | | | Revenue received | | | | | |
|------|---|------------------------|----------------------|--------------------------|-------------------------------------|-------------------|------------------|-------------------------------------|----------|-------------------|---------------|----------|
| | | Initial budget adopted | Final budget adopted | Current year | Carried Forward from previous years | Total | Current year | Carried Forward from previous years | Total | % | Outstanding | |
| | | 1 | 2 | 3 | 4 | 5=3+4 | 6 | 7 | 8=6+7 | 9=8/2 | 10=5-8 | |
| 10 | Contribution from the General EU Budget | 17.113.000 | 17.113.000 | 17.113.000 | 0 | 17.113.000 | 0 | 17.113.000 | 0 | 17.113.000 | 100,0% | 0 |
| 20 | Services rendered by the Agency | pm | pm | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0,0% | 0 |
| 30 | Revenue from Grants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0,0% | 0 |
| 300 | Pilot Project European Coast Guard (EUCG) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0,0% | 0 |
| 310 | Pilot Project MARSURV | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0,0% | 0 |
| | BUDGET REVENUE TOTAL | 17.113.000 | 17.113.000 | 17.113.000 | 0 | 17.113.000 | 0 | 17.113.000 | 0 | 17.113.000 | 100,0% | 0 |

II.4 BUDGET EXPENDITURE COMMITMENTS OF THE YEAR

| Ref. | Budget Line description | Commitment appropriations of the year | | | | | | Additional Commitment appropriations | | | Total Commitment appropriations available | Commitments made | | | | | |
|--------|---|---------------------------------------|----------|-----------------|----------------------|-------------|------------------|--------------------------------------|------------------|---------------------------|---|------------------|----------------|-----------------------|--------------|-------------------|--------------|
| | | Annulling budget | | Transfers | Final budget adopted | Carry-overs | Assigned revenue | Carry-overs | Assigned revenue | from final budget adopted | | from Carry-overs | % | from Assigned revenue | % | Total made | % |
| | | 1 | 2 | | | | | | | | | | | | | | |
| A-1100 | Salaries and Allowances Officials and Temporary St | 6,445,000 | 0 | -447,346 | 5,997,654 | 0 | 0 | 5,997,654 | 0 | 5,997,007 | 99.8% | 0 | 0 | 5,987,007 | 99.8% | 5,987,007 | 99.8% |
| A-1111 | Salaries and Allowances Contract Staff | 400,000 | 0 | -29,800 | 370,200 | 0 | 41,000 | 411,200 | 0 | 370,135 | 100.0% | 0 | 0 | 370,135 | 100.0% | 370,135 | 90.0% |
| A-1112 | Interim Staff | 220,000 | 0 | -32,200 | 187,800 | 0 | 187,800 | 187,800 | 0 | 152,852 | 81.4% | 0 | 0 | 152,852 | 81.4% | 152,852 | 81.4% |
| A-1116 | Seconded national experts | 310,000 | 0 | -31,000 | 279,000 | 0 | 97,000 | 376,000 | 0 | 272,548 | 97.7% | 0 | 93,132 | 365,680 | 97.3% | 365,680 | 97.3% |
| A-1200 | Candidates recruitment and other related costs | 27,000 | 0 | 0 | 27,000 | 0 | 0 | 27,000 | 0 | 20,286 | 75.1% | 0 | 0 | 20,286 | 75.1% | 20,286 | 75.1% |
| A-1210 | Installation costs of TA (removal DSA and install) | 280,000 | 0 | -28,000 | 252,000 | 0 | 0 | 252,000 | 0 | 238,105 | 94.5% | 0 | 0 | 238,105 | 94.5% | 238,105 | 94.5% |
| A-1300 | Administrative Missions | 100,000 | 0 | -10,000 | 90,000 | 0 | 0 | 90,000 | 0 | 61,516 | 68.4% | 0 | 0 | 61,516 | 68.4% | 61,516 | 68.4% |
| A-1410 | Social Welfare of staff and Medical service | 30,000 | 0 | -1,830 | 28,170 | 0 | 28,170 | 28,170 | 0 | 23,288 | 82.7% | 0 | 0 | 23,288 | 82.7% | 23,288 | 82.7% |
| A-1420 | Language courses and other training for staff | 135,000 | 0 | -13,500 | 121,500 | 0 | 121,500 | 121,500 | 0 | 102,063 | 84.0% | 0 | 0 | 102,063 | 84.0% | 102,063 | 84.0% |
| A-1700 | Reception and representation costs | 2,000 | 0 | 0 | 2,000 | 0 | 0 | 2,000 | 0 | 292 | 14.6% | 0 | 0 | 292 | 14.6% | 292 | 14.6% |
| | TITLE I TOTAL | 7,949,000 | 0 | -593,676 | 7,355,324 | 0 | 138,000 | 7,493,324 | 0 | 7,228,092 | 96.3% | 0 | 93,132 | 7,321,224 | 67.5% | 7,321,224 | 97.7% |
| A-2000 | Rental costs | 115,000 | 0 | -62,320 | 52,680 | 0 | 0 | 52,680 | 0 | 52,680 | 100.0% | 0 | 0 | 52,680 | 100.0% | 52,680 | 100.0% |
| A-2010 | Utilities and Services | 155,000 | 0 | -18,488 | 136,512 | 0 | 0 | 136,512 | 0 | 136,512 | 100.0% | 0 | 0 | 136,512 | 100.0% | 136,512 | 100.0% |
| A-2050 | Security and Surveillance | 165,000 | 0 | 18,800 | 183,800 | 0 | 0 | 183,800 | 0 | 178,723 | 97.2% | 0 | 0 | 178,723 | 97.2% | 178,723 | 97.2% |
| A-2051 | Other Building Expenditure | 45,000 | 0 | 1,030 | 46,030 | 0 | 0 | 46,030 | 0 | 46,030 | 100.0% | 0 | 0 | 46,030 | 100.0% | 46,030 | 100.0% |
| A-2100 | ICT hardware and software | 290,000 | 0 | 280,264 | 570,264 | 0 | 0 | 570,264 | 0 | 570,263 | 100.0% | 0 | 0 | 570,263 | 100.0% | 570,263 | 100.0% |
| A-2101 | ICT External Services | 725,000 | 0 | -36,716 | 688,284 | 0 | 0 | 688,284 | 0 | 687,625 | 99.9% | 0 | 0 | 687,625 | 99.9% | 687,625 | 99.9% |
| A-2110 | Technical installations and equipment | 60,000 | 0 | -3,950 | 56,050 | 0 | 0 | 56,050 | 0 | 56,050 | 100.0% | 0 | 0 | 56,050 | 100.0% | 56,050 | 100.0% |
| A-2200 | Technical installations and electronic office equi | 30,000 | 0 | 0 | 30,000 | 0 | 0 | 30,000 | 0 | 28,313 | 94.4% | 0 | 0 | 28,313 | 94.4% | 28,313 | 94.4% |
| A-2210 | Furniture and workplace improvements | 135,000 | 0 | 268,280 | 403,280 | 0 | 0 | 403,280 | 0 | 401,779 | 99.6% | 0 | 0 | 401,779 | 99.6% | 401,779 | 99.6% |
| A-2301 | Current Administrative Expenditure (stationary fin | 53,000 | 0 | 47,788 | 100,788 | 0 | 0 | 100,788 | 0 | 100,680 | 99.9% | 0 | 0 | 100,680 | 99.9% | 100,680 | 99.9% |
| A-2500 | Meetings of Administrative nature (AB Adv.B etc...) | 72,000 | 0 | 52,000 | 124,000 | 0 | 0 | 124,000 | 0 | 124,000 | 100.0% | 0 | 0 | 124,000 | 100.0% | 124,000 | 100.0% |
| A-2600 | Translation and interpretation services | 200,000 | 0 | -55,741 | 144,259 | 0 | 0 | 144,259 | 0 | 144,259 | 100.0% | 0 | 0 | 144,259 | 100.0% | 144,259 | 100.0% |
| A-2620 | External Services | 200,000 | 0 | 29,810 | 229,810 | 0 | 0 | 229,809 | 0 | 229,809 | 100.0% | 0 | 0 | 229,809 | 100.0% | 229,809 | 100.0% |
| A-2700 | Communication expenses | 55,000 | 0 | 16,119 | 71,119 | 0 | 0 | 71,119 | 0 | 71,119 | 100.0% | 0 | 0 | 71,119 | 100.0% | 71,119 | 100.0% |
| | TITLE II TOTAL | 2,300,000 | 0 | 536,876 | 2,836,876 | 0 | 0 | 2,836,876 | 0 | 2,827,841 | 99.7% | 0 | 0 | 2,827,841 | 99.7% | 2,827,841 | 99.7% |
| B3-300 | Coordination | 775,000 | 0 | -255,700 | 519,300 | 0 | 0 | 519,300 | 0 | 519,235 | 100.0% | 0 | 0 | 519,235 | 100.0% | 519,235 | 100.0% |
| B3-400 | Assistance and Expertise | 565,000 | 0 | -32,700 | 532,300 | 0 | 0 | 532,300 | 0 | 532,267 | 100.0% | 0 | 220,889 | 753,156 | 94.8% | 753,156 | 98.4% |
| B3-410 | Operational application maintenance and developmen | 760,000 | 0 | -102,400 | 657,600 | 0 | 0 | 657,600 | 0 | 652,200 | 99.2% | 0 | 0 | 652,200 | 99.2% | 652,200 | 92.2% |
| B3-500 | Harmonisation and Standardisation | 4,764,000 | 0 | 447,600 | 5,211,600 | 0 | 18,803 | 5,230,403 | 0 | 5,166,249 | 98.1% | 0 | 9,052 | 5,175,301 | 48.1% | 5,175,301 | 98.9% |
| | TITLE III TOTAL | 6,864,000 | 0 | 56,800 | 6,920,800 | 0 | 301,803 | 7,222,603 | 0 | 6,869,950 | 99.3% | 0 | 229,941 | 7,099,891 | 76.2% | 7,099,891 | 98.3% |
| | TOTAL BUDGET 2017 | 17,113,000 | 0 | 0 | 17,113,000 | 0 | 439,803 | 17,552,803 | 0 | 16,925,883 | 96.9% | 0 | 323,073 | 17,248,956 | 73.5% | 17,248,956 | 98.3% |

COMMITMENT APPROPRIATIONS CARRIED OVER AND LAPSING

| Ref. | Budget Line description | Total Commitment appropriations available | Commitment appropriations carried over to 2018 | | | | Commitment appropriations lapsing | | | | |
|--------|---|---|--|-------------|--------------------|-------------|-----------------------------------|------------------|-----------------------|----------------|-------------|
| | | | Assigned revenue | by decision | Total carried over | % | from final budget adopted | from Carry-overs | from Assigned revenue | Total lapsing | % |
| | | | | | | | | | | | |
| A-1100 | Salaries and Allowances Officials and Temporary St | 5,987,654 | 0 | 0 | 0 | 0.0% | 10,647 | 0 | 0 | 10,647 | 0.2% |
| A-1111 | Salaries and Allowances Contract Staff | 411,200 | 41,000 | 0 | 41,000 | 10.0% | 65 | 0 | 0 | 65 | 0.0% |
| A-1112 | Interim Staff | 187,800 | 0 | 0 | 0 | 0.0% | 34,948 | 0 | 0 | 34,948 | 18.6% |
| A-1116 | Seconded national experts | 376,000 | 3,868 | 0 | 3,868 | 1.0% | 6,452 | 0 | 0 | 6,452 | 1.7% |
| A-1200 | Candidates recruitment and other related costs | 27,000 | 0 | 0 | 0 | 0.0% | 6,714 | 0 | 0 | 6,714 | 24.9% |
| A-1210 | Installation costs of TA (removal DSA and install) | 252,000 | 0 | 0 | 0 | 0.0% | 13,895 | 0 | 0 | 13,895 | 5.5% |
| A-1300 | Administrative Missions | 90,000 | 0 | 0 | 0 | 0.0% | 28,484 | 0 | 0 | 28,484 | 31.6% |
| A-1410 | Social Welfare of staff and Medical service | 28,170 | 0 | 0 | 0 | 0.0% | 4,882 | 0 | 0 | 4,882 | 17.3% |
| A-1420 | Language courses and other training for staff | 121,500 | 0 | 0 | 0 | 0.0% | 19,437 | 0 | 0 | 19,437 | 16.0% |
| A-1700 | Reception and representation costs | 2,000 | 0 | 0 | 0 | 0.0% | 1,708 | 0 | 0 | 1,708 | 85.4% |
| | TITLE I TOTAL | 7,493,324 | 44,868 | 0 | 44,868 | 0.6% | 127,232 | 0 | 0 | 127,232 | 1.7% |
| A-2000 | Rental costs | 52,680 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| A-2010 | Utilities and Services | 136,512 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| A-2050 | Security and Surveillance | 183,800 | 0 | 0 | 0 | 0.0% | 5,077 | 0 | 0 | 5,077 | 2.8% |
| A-2051 | Other Building Expenditure | 46,030 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| A-2100 | ICT hardware and software | 570,264 | 0 | 0 | 0 | 0.0% | 1 | 0 | 0 | 1 | 0.0% |
| A-2101 | ICT External Services | 688,284 | 0 | 0 | 0 | 0.0% | 659 | 0 | 0 | 659 | 0.1% |
| A-2110 | Telecommunication charges and equipment | 56,050 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| A-2200 | Technical installations and electronic office equi | 30,000 | 0 | 0 | 0 | 0.0% | 1,687 | 0 | 0 | 1,687 | 5.6% |
| A-2210 | Furniture and workplace improvements | 403,280 | 0 | 0 | 0 | 0.0% | 1,501 | 0 | 0 | 1,501 | 0.4% |
| A-2301 | Current Administrative Expenditure (stationary fin | 100,788 | 0 | 0 | 0 | 0.0% | 108 | 0 | 0 | 108 | 0.1% |
| A-2500 | Meetings of Administrative nature (AB Adv.B etc.) | 124,000 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| A-2600 | Translation and interpretation services | 144,258 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| A-2620 | External Services | 229,810 | 0 | 0 | 0 | 0.0% | 1 | 0 | 0 | 1 | 0.0% |
| A-2700 | Communication expenses | 71,118 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0.0% |
| | TITLE II TOTAL | 2,836,876 | 0 | 0 | 0 | 0.0% | 9,035 | 0 | 0 | 9,035 | 0.3% |
| B3-300 | Coordination | 519,300 | 0 | 0 | 0 | 0.0% | 65 | 0 | 0 | 65 | 0.0% |
| B3-400 | Assistance and Expertise | 765,300 | 12,111 | 0 | 12,111 | 1.6% | 33 | 0 | 0 | 33 | 0.0% |
| B3-410 | Operational application maintenance and development | 707,600 | 50,000 | 0 | 50,000 | 7.1% | 5,400 | 0 | 0 | 5,400 | 0.8% |
| B3-500 | Harmonisation and Standardisation | 5,230,403 | 9,751 | 0 | 9,751 | 0.2% | 45,351 | 0 | 0 | 45,351 | 0.9% |
| | TITLE III TOTAL | 7,222,603 | 71,862 | 0 | 71,862 | 1.0% | 50,850 | 0 | 0 | 50,850 | 0.7% |
| | TOTAL BUDGET 2017 | 17,552,803 | 116,730 | 0 | 116,730 | 0.7% | 187,117 | 0 | 0 | 187,117 | 1.1% |

PAYMENTS OF THE YEAR

| Ref. | Budget Line description | Payment appropriations of the year | | | | | | Additional Payment appropriations | | Total Payment appropriations available | | Payments made | | | | | |
|--------|---|------------------------------------|-----------------|-----------------|----------------------|------------------|------------------|-----------------------------------|-------------------|--|----------------|------------------|----------------|------------------|-------------------|--------------|---|
| | | Initial budget adopted | Amending budget | Transfers | Final budget adopted | Carry-overs | Assigned revenue | Carry-overs | Assigned revenue | from final budget adopted | % | from Carry-overs | % | Assigned revenue | % | Total made | % |
| | | | | | | | | | | | | | | | | | |
| A-1100 | Salaries and Allowances Officials and Temporary SI | 6,445,000 | 0 | -447,346 | 5,997,654 | 5,660 | 0 | 6,003,314 | 5,973,547 | 99.6% | 4,520 | 79.9% | 0 | 0.0% | 5,978,067 | 99.6% | |
| A-1111 | Salaries and Allowances Contract Staff | 400,000 | 0 | -29,800 | 370,200 | 0 | 41,000 | 411,200 | 370,135 | 100.0% | 0 | 0.0% | 0 | 0.0% | 370,135 | 90.0% | |
| A-1112 | Infirm Staff | 220,000 | 0 | -32,200 | 187,800 | 24,197 | 0 | 211,997 | 145,010 | 71.2% | 23,185 | 95.8% | 0 | 0.0% | 168,195 | 79.3% | |
| A-1116 | Seconded national experts | 310,000 | 0 | -31,000 | 279,000 | 0 | 98,131 | 378,131 | 272,548 | 97.7% | 0 | 0.0% | 95,263 | 96.1% | 367,811 | 97.3% | |
| A-1200 | Candidates recruitment and other related costs | 27,000 | 0 | 0 | 27,000 | 12,518 | 0 | 39,518 | 18,036 | 66.8% | 10,817 | 86.4% | 0 | 0.0% | 28,853 | 73.0% | |
| A-1210 | Installation costs of TA (removal DSA and installi | 280,000 | 0 | -28,000 | 252,000 | 0 | 0 | 252,000 | 238,105 | 94.5% | 0 | 0.0% | 0 | 0.0% | 238,105 | 94.5% | |
| A-1300 | Administrative Missions | 100,000 | 0 | -10,000 | 90,000 | 6,613 | 0 | 96,613 | 58,850 | 65.4% | 6,125 | 92.6% | 0 | 0.0% | 64,975 | 67.3% | |
| A-1410 | Social Welfare of staff and Medical service | 30,000 | 0 | -1,830 | 28,170 | 4,149 | 0 | 32,319 | 8,666 | 30.8% | 3,730 | 89.9% | 0 | 0.0% | 12,396 | 38.4% | |
| A-1420 | Language courses and other training for staff | 135,000 | 0 | -13,500 | 121,500 | 13,149 | 0 | 134,649 | 85,805 | 70.6% | 10,613 | 80.7% | 0 | 0.0% | 96,417 | 71.6% | |
| A-1700 | Reception and representation costs | 2,000 | 0 | 0 | 2,000 | 0 | 0 | 2,000 | 292 | 14.6% | 0 | 0.0% | 0 | 0.0% | 292 | 14.6% | |
| | TITLE I TOTAL | 7,949,000 | 0 | -593,676 | 7,355,324 | 66,285 | 140,131 | 7,561,740 | 7,170,993 | 97.5% | 58,989 | 89.0% | 95,263 | 68.0% | 7,325,245 | 96.9% | |
| A-2000 | Rental costs | 115,000 | 0 | -62,320 | 52,680 | 0 | 0 | 52,680 | 52,680 | 100.0% | 0 | 0.0% | 0 | 0.0% | 52,680 | 100.0% | |
| A-2010 | Utilities and Services | 155,000 | 0 | -18,488 | 136,512 | 8,415 | 0 | 144,927 | 127,928 | 93.7% | 8,321 | 98.9% | 0 | 0.0% | 136,249 | 94.0% | |
| A-2050 | Security and Surveillance | 165,000 | 0 | 18,800 | 183,800 | 10,767 | 0 | 194,567 | 69,930 | 36.0% | 9,898 | 91.9% | 0 | 0.0% | 79,829 | 41.0% | |
| A-2051 | Other Building Expenditure | 45,000 | 0 | 1,030 | 46,030 | 6,495 | 0 | 52,525 | 39,257 | 85.3% | 6,250 | 96.2% | 0 | 0.0% | 45,507 | 86.6% | |
| A-2100 | ICT hardware and software | 290,000 | 0 | 280,264 | 570,264 | 84,650 | 0 | 654,914 | 506,424 | 86.8% | 84,650 | 100.0% | 0 | 0.0% | 591,074 | 90.3% | |
| A-2101 | ICT External Services | 725,000 | 0 | -36,716 | 688,284 | 143,128 | 0 | 831,412 | 542,267 | 76.8% | 142,303 | 99.4% | 0 | 0.0% | 684,569 | 82.3% | |
| A-2110 | Telecommunication charges and equipment | 60,000 | 0 | -3,950 | 56,050 | 5,835 | 0 | 61,885 | 45,632 | 81.4% | 4,451 | 76.3% | 0 | 0.0% | 50,083 | 80.9% | |
| A-2200 | Technical installations and electronic office equi | 30,000 | 0 | 0 | 30,000 | 5,517 | 0 | 35,517 | 25,448 | 84.8% | 5,517 | 100.0% | 0 | 0.0% | 30,965 | 87.2% | |
| A-2210 | Furniture and workplace improvements | 135,000 | 0 | 268,280 | 403,280 | 10,591 | 0 | 413,871 | 18,200 | 4.5% | 10,591 | 100.0% | 0 | 0.0% | 28,791 | 7.0% | |
| A-2301 | Current Administrative Expenditure (stationary fin | 53,000 | 0 | 47,788 | 100,788 | 9,815 | 0 | 110,603 | 83,447 | 82.8% | 9,433 | 96.1% | 0 | 0.0% | 92,880 | 84.0% | |
| A-2500 | Meetings of Administrative nature (AB Adv.B etc..) | 72,000 | 0 | 52,000 | 124,000 | 0 | 0 | 124,000 | 124,000 | 100.0% | 0 | 0.0% | 0 | 0.0% | 124,000 | 100.0% | |
| A-2600 | Translation and interpretation services | 200,000 | 0 | -55,741 | 144,259 | 108,199 | 0 | 252,458 | 134,829 | 93.5% | 107,830 | 99.7% | 0 | 0.0% | 242,659 | 96.1% | |
| A-2620 | External Services | 200,000 | 0 | 29,810 | 229,810 | 139,066 | 0 | 368,876 | 128,815 | 56.1% | 129,873 | 93.4% | 0 | 0.0% | 258,688 | 70.1% | |
| A-2700 | Communication expenses | 55,000 | 0 | 16,119 | 71,119 | 8,680 | 0 | 79,799 | 54,279 | 76.3% | 7,959 | 91.7% | 0 | 0.0% | 62,239 | 78.0% | |
| | TITLE II TOTAL | 2,300,000 | 0 | 536,876 | 2,836,876 | 541,156 | 0 | 3,378,032 | 1,953,136 | 66.8% | 527,077 | 97.4% | 0 | 0.0% | 2,480,213 | 73.4% | |
| B3-300 | Coordination | 775,000 | 0 | -255,700 | 519,300 | 0 | 0 | 519,300 | 386,409 | 74.4% | 0 | 0.0% | 0 | 0.0% | 386,409 | 74.4% | |
| B3-400 | Assistance and Expertise | 565,000 | 0 | -32,700 | 532,300 | 154,991 | 0 | 687,291 | 473,038 | 88.9% | 139,417 | 90.0% | 225,745 | 93.7% | 838,200 | 90.3% | |
| B3-410 | Operational application maintenance and development | 760,000 | 0 | -102,400 | 657,600 | 209,964 | 0 | 867,564 | 278,596 | 42.4% | 198,624 | 94.6% | 0 | 0.0% | 477,220 | 52.0% | |
| B3-500 | Harmonisation and Standardisation | 4,764,000 | 0 | 447,600 | 5,211,600 | 53,477 | 0 | 5,265,077 | 2,369,288 | 45.5% | 48,171 | 90.1% | 40,630 | 80.6% | 2,458,089 | 46.2% | |
| | TITLE III TOTAL | 6,864,000 | 0 | 56,800 | 6,920,800 | 418,431 | 341,227 | 7,680,459 | 3,507,331 | 50.7% | 386,212 | 92.3% | 266,376 | 78.1% | 4,159,918 | 54.2% | |
| | TOTAL BUDGET 2017 | 17,113,000 | 0 | 0 | 17,113,000 | 1,025,873 | 481,359 | 18,620,231 | 12,631,460 | 73.8% | 972,278 | 94.8% | 361,638 | 75.1% | 13,965,376 | 75.0% | |

PAYMENT APPROPRIATIONS CARRIED OVER AND LAPSING

| Ref. | Budget Line description | Payment appropriations carried over to 2018 | | | | | Payment appropriations lapsing | | | | | |
|--------|--|---|-----------------------|-------------|------------------|--------------------|--------------------------------|---------------------------|-------------------------|------------------|----------------|-------------|
| | | Total Payment appropriations available | Automatic Carry-overs | by decision | Assigned revenue | Total carried over | % | from final budget adopted | from autom. Carry-overs | Assigned revenue | Total lapsing | % |
| | | 1 | 2 | 3 | 4 | 5=2+3+4 | 6=5/1 | 7 | 8 | 9 | 10=7+8+9 | 11=10/1 |
| A-1100 | Salaries and Allowances Officials and Temporary St | 6.003.314 | 13.460 | 0 | 0 | 13.460 | 0,2% | 10.647 | 1.140 | 0 | 11.787 | 0,2% |
| A-1111 | Salaries and Allowances Contract Staff | 411.200 | 0 | 0 | 41.000 | 41.000 | 10,0% | 65 | 0 | 0 | 65 | 0,0% |
| A-1112 | Interim Staff | 211.997 | 7.842 | 0 | 0 | 7.842 | 3,7% | 34.948 | 1.012 | 0 | 35.960 | 17,0% |
| A-1116 | Seconded national experts | 378.131 | 0 | 0 | 3.868 | 3.868 | 1,0% | 6.452 | 0 | 0 | 6.452 | 1,7% |
| A-1200 | Candidates recruitment and other related costs | 39.518 | 2.250 | 0 | 0 | 2.250 | 5,7% | 6.714 | 1.701 | 0 | 8.415 | 21,3% |
| A-1210 | Installation costs of TA (removal DSA and installi | 252.000 | 0 | 0 | 0 | 0 | 0,0% | 13.895 | 0 | 0 | 13.895 | 5,5% |
| A-1300 | Administrative Missions | 96.613 | 2.666 | 0 | 0 | 2.666 | 2,8% | 28.484 | 488 | 0 | 28.972 | 30,0% |
| A-1410 | Social Welfare of staff and Medical service | 32.319 | 14.622 | 0 | 0 | 14.622 | 45,2% | 4.882 | 419 | 0 | 5.301 | 16,4% |
| A-1420 | Language courses and other training for staff | 134.649 | 16.258 | 0 | 0 | 16.258 | 12,1% | 19.437 | 2.536 | 0 | 21.973 | 16,3% |
| A-1700 | Reception and representation costs | 2.000 | 0 | 0 | 0 | 0 | 0,0% | 1.708 | 0 | 0 | 1.708 | 85,4% |
| | TITLE I TOTAL | 7.661.740 | 57.099 | 0 | 44.868 | 101.967 | 1,3% | 127.232 | 7.296 | 0 | 134.528 | 1,8% |
| A-2000 | Rental costs | 52.680 | 0 | 0 | 0 | 0 | 0,0% | 0 | 0 | 0 | 0 | 0,0% |
| A-2010 | Utilities and Services | 144.927 | 8.584 | 0 | 0 | 8.584 | 5,9% | 94 | 0 | 0 | 94 | 0,1% |
| A-2050 | Security and Surveillance | 194.567 | 108.793 | 0 | 0 | 108.793 | 55,9% | 5.077 | 869 | 0 | 5.946 | 3,1% |
| A-2051 | Other Building Expenditure | 52.525 | 6.773 | 0 | 0 | 6.773 | 12,9% | 0 | 244 | 0 | 245 | 0,5% |
| A-2100 | ICT hardware and software | 654.914 | 63.839 | 0 | 0 | 63.839 | 9,7% | 1 | 0 | 0 | 1 | 0,0% |
| A-2101 | ICT External Services | 831.412 | 145.358 | 0 | 0 | 145.358 | 17,5% | 659 | 825 | 0 | 1.484 | 0,2% |
| A-2110 | Telecommunication charges and equipment | 61.885 | 10.418 | 0 | 0 | 10.418 | 16,8% | 0 | 1.384 | 0 | 1.384 | 2,2% |
| A-2200 | Technical installations and electronic office equi | 35.517 | 2.865 | 0 | 0 | 2.865 | 8,1% | 1.687 | 0 | 0 | 1.687 | 4,8% |
| A-2210 | Furniture and workplace improvements | 413.871 | 383.579 | 0 | 0 | 383.579 | 92,7% | 1.501 | 0 | 0 | 1.501 | 0,4% |
| A-2301 | Current Administrative Expenditure (stationary fn | 110.603 | 17.233 | 0 | 0 | 17.233 | 15,6% | 108 | 382 | 0 | 489 | 0,4% |
| A-2500 | Meetings of Administrative nature (AB Adv.B etc..) | 124.000 | 0 | 0 | 0 | 0 | 0,0% | 0 | 0 | 0 | 0 | 0,0% |
| A-2600 | Translation and interpretation services | 252.458 | 9.430 | 0 | 0 | 9.430 | 3,7% | 0 | 369 | 0 | 369 | 0,1% |
| A-2620 | External Services | 368.876 | 100.994 | 0 | 0 | 100.994 | 27,4% | 1 | 9.193 | 0 | 9.194 | 2,5% |
| A-2700 | Communication expenses | 79.799 | 16.840 | 0 | 0 | 16.840 | 21,1% | 0 | 720 | 0 | 720 | 0,9% |
| | TITLE II TOTAL | 3.378.032 | 874.706 | 0 | 0 | 874.706 | 25,9% | 9.035 | 14.079 | 0 | 23.114 | 0,7% |
| B3-300 | Coordination | 519.300 | 132.825 | 0 | 0 | 132.825 | 25,6% | 65 | 0 | 0 | 65 | 0,0% |
| B3-400 | Assistance and Expertise | 928.137 | 59.229 | 0 | 15.101 | 74.331 | 8,0% | 33 | 15.574 | 0 | 15.607 | 1,7% |
| B3-410 | Operational application maintenance and developmen | 917.564 | 373.604 | 0 | 50.000 | 423.604 | 46,2% | 5.400 | 11.340 | 0 | 16.740 | 1,8% |
| B3-500 | Harmonisation and Standardisation | 5.315.457 | 2.796.960 | 0 | 9.751 | 2.806.711 | 52,8% | 45.351 | 5.306 | 0 | 50.657 | 1,0% |
| | TITLE III TOTAL | 7.660.459 | 3.362.619 | 0 | 74.852 | 3.437.471 | 44,8% | 50.850 | 32.219 | 0 | 83.069 | 1,1% |
| | TOTAL BUDGET 2017 | 18.620.231 | 4.284.423 | 0 | 119.721 | 4.414.144 | 23,7% | 187.117 | 53.594 | 0 | 240.711 | 1,3% |

II.5 EVOLUTION OF COMMITMENTS OUTSTANDING (RAL) CARRY-FORWARD / RAL FROM 2016

| Ref. | Budget Line description | Commitments outstanding at the end of 2016 (RAL 2016) | | | | | | | | | | | | | | |
|--------|---|--|---------------------------|------------------|---|-------------------------------------|------------------------------|--|--------------|--------------|--|---------------|-------------------------------------|---------------------------------|----------------------|-----------|
| | | RAL from final budget adopted | RAL from Assigned Revenue | Total RAL 2016 | Payments made from final budget adopted | Payments made from Assigned Revenue | Total Payments made from RAL | Decommit./ Cancellation final budget adopted | 8=7/1 | 9=2,5 | Total Decommit./ Cancellation RAL 2016 | % | Final RAL from final budget adopted | Final RAL from Assigned Revenue | Total Final RAL 2016 | |
| | | 1 | 2 | 3=1+2 | 4 | 5 | 6=4+5 | 7=1-4 | 8=7/1 | 9=2,5 | 10=9/2 | 11=7+9 | 12=11/3 | 13=1-4-7 | 14=2-5-9 | 15=3-6-11 |
| A-1100 | Salaries and Allowances Officials and Temporary St | 5.660 | 0 | 5.660 | 4.520 | 0 | 4.520 | 1.140 | 20,1% | 0 | 0 | 1.140 | 20,1% | 0 | 0 | 0 |
| A-1111 | Salaries and Allowances Contract Staff | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| A-1112 | Intern Staff | 24.197 | 0 | 24.197 | 23.185 | 0 | 23.185 | 1.012 | 4,2% | 0 | 0,0% | 1.012 | 4,2% | 0 | 0 | 0 |
| A-1116 | Seconded national experts | 0 | 2.131 | 2.131 | 0 | 2.131 | 2.131 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| A-1200 | Candidates recruitment and other related costs | 12.518 | 0 | 12.518 | 10.817 | 0 | 10.817 | 1.701 | 13,6% | 0 | 0 | 1.701 | 13,6% | 0 | 0 | 0 |
| A-1210 | Installation costs of TA (removal DSA and installi | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| A-1300 | Administrative Missions | 6.613 | 0 | 6.613 | 6.125 | 0 | 6.125 | 488 | 7,4% | 0 | 0 | 488 | 7,4% | 0 | 0 | 0 |
| A-1410 | Social Welfare of staff and Medical service | 4.149 | 0 | 4.149 | 3.730 | 0 | 3.730 | 419 | 10,1% | 0 | 0 | 419 | 10,1% | 0 | 0 | 0 |
| A-1420 | Language courses and other training for staff | 13.149 | 0 | 13.149 | 10.613 | 0 | 10.613 | 2.536 | 19,3% | 0 | 0 | 2.536 | 19,3% | 0 | 0 | 0 |
| A-1700 | Reception and representation costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | TITLE I TOTAL | 66.285 | 2.131 | 68.416 | 58.989 | 2.131 | 61.120 | 7.296 | 11,0% | 0 | 0,0% | 7.296 | 10,7% | 0 | 0 | 0 |
| A-2000 | Rental costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| A-2010 | Utilities and Services | 8.415 | 0 | 8.415 | 8.321 | 0 | 8.321 | 94 | 1,1% | 0 | 0 | 94 | 1,1% | 0 | 0 | 0 |
| A-2050 | Security and Surveillance | 10.767 | 0 | 10.767 | 9.899 | 0 | 9.899 | 869 | 8,1% | 0 | 0 | 869 | 8,1% | 0 | 0 | 0 |
| A-2051 | Other Building Expenditure | 6.495 | 0 | 6.495 | 6.250 | 0 | 6.250 | 244 | 3,8% | 0 | 0 | 244 | 3,8% | 0 | 0 | 0 |
| A-2100 | ICT hardware and software | 84.650 | 0 | 84.650 | 84.650 | 0 | 84.650 | 0 | 0,0% | 0 | 0 | 0 | 0,0% | 0 | 0 | 0 |
| A-2101 | ICT External Services | 143.128 | 0 | 143.128 | 142.303 | 0 | 142.303 | 825 | 0,6% | 0 | 0 | 825 | 0,6% | 0 | 0 | 0 |
| A-2110 | Telecommunication charges and equipment | 5.835 | 0 | 5.835 | 4.451 | 0 | 4.451 | 1.384 | 23,7% | 0 | 0 | 1.384 | 23,7% | 0 | 0 | 0 |
| A-2200 | Technical installations and electronic office equi | 5.517 | 0 | 5.517 | 5.517 | 0 | 5.517 | 0 | 0,0% | 0 | 0 | 0 | 0,0% | 0 | 0 | 0 |
| A-2210 | Furniture and workplace improvements | 10.591 | 0 | 10.591 | 10.591 | 0 | 10.591 | 0 | 0,0% | 0 | 0 | 0 | 0,0% | 0 | 0 | 0 |
| A-2301 | Current Administrative Expenditure (stationary fin | 9.815 | 0 | 9.815 | 9.433 | 0 | 9.433 | 382 | 3,9% | 0 | 0 | 382 | 3,9% | 0 | 0 | 0 |
| A-2500 | Meetings of Administrative nature (AB Adv.B etc.) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| A-2600 | Translation and interpretation services | 108.199 | 0 | 108.199 | 107.830 | 0 | 107.830 | 369 | 0,3% | 0 | 0 | 369 | 0,3% | 0 | 0 | 0 |
| A-2620 | External Services | 139.066 | 0 | 139.066 | 129.873 | 0 | 129.873 | 9.193 | 6,6% | 0 | 0 | 9.193 | 6,6% | 0 | 0 | 0 |
| A-2700 | Communication expenses | 8.680 | 0 | 8.680 | 7.959 | 0 | 7.959 | 720 | 8,3% | 0 | 0 | 720 | 8,3% | 0 | 0 | 0 |
| | TITLE III TOTAL | 541.156 | 0 | 541.156 | 527.077 | 0 | 527.077 | 14.079 | 2,6% | 0 | 0 | 14.079 | 2,6% | 0 | 0 | 0 |
| B3-300 | Coordination | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| B3-400 | Assistance and Expertise | 154.991 | 7.847 | 162.837 | 139.417 | 7.847 | 147.263 | 15.574 | 10,0% | 0 | 0,0% | 15.574 | 9,6% | 0 | 0 | 0 |
| B3-410 | Operational application maintenance and development | 209.964 | 0 | 209.964 | 198.624 | 0 | 198.624 | 11.340 | 5,4% | 0 | 0 | 11.340 | 5,4% | 0 | 0 | 0 |
| B3-500 | Harmonisation and Standardisation | 53.477 | 41.222 | 94.699 | 48.171 | 31.577 | 79.748 | 5.306 | 9,9% | 9.645 | 23,4% | 14.951 | 15,8% | 0 | 0 | 0 |
| | TITLE III TOTAL | 418.431 | 49.069 | 467.501 | 386.212 | 39.424 | 425.636 | 32.219 | 0 | 9.645 | 19,7% | 41.864 | 9,0% | 0 | 0 | 0 |
| | TOTAL | 1.025.873 | 51.201 | 1.077.073 | 972.278 | 41.555 | 1.013.834 | 53.594 | 5,2% | 9.645 | 18,8% | 63.239 | 5,9% | 0 | 0 | 0 |

CARRY-FORWARD / NEW RAL 2017

| Ref. | Budget Line description | Commitments of the year 2017 (RAL 2017) | | | | | | | | | | | |
|--------|--|--|--|------------------------------|---|---------------------------------------|---------------------------|-------------------------------------|--------------|--------------------------------------|-------------|-----------------------|--------------|
| | | Commitments made from final budget adopted 1 | Commitments made from Assigned Revenue 2 | Total Commitments made 3=1+2 | Payments made from final budget adopted 4 | Payments made from Assigned Revenue 5 | Total Payments made 6=4+5 | RAL from final budget adopted 7=1+4 | % 8=7/1 | RAL made from Assigned Revenue 9=2+5 | % 10=9/2 | Total RAL 2017 11=7+9 | % 12=11/3 |
| A-1100 | Salaries and Allowances Officials and Temporary St | 5,987,007 | 0 | 5,987,007 | 5,973,547 | 0 | 5,973,547 | 13,460 | 0,2% | 0 | 0 | 13,460 | 0,2% |
| A-1111 | Salaries and Allowances Contract Staff | 370,135 | 0 | 370,135 | 370,135 | 0 | 370,135 | 0 | 0,0% | 0 | 0 | 0 | 0,0% |
| A-1112 | Interim Staff | 152,852 | 0 | 152,852 | 145,010 | 0 | 145,010 | 7,842 | 5,1% | 0 | 0 | 7,842 | 5,1% |
| A-1116 | Seconded national experts | 272,548 | 93,132 | 365,680 | 272,548 | 93,132 | 365,680 | 0 | 0,0% | 0 | 0 | 0 | 0,0% |
| A-1200 | Candidates recruitment and other related costs | 20,286 | 0 | 20,286 | 18,036 | 0 | 18,036 | 2,250 | 11,1% | 0 | 0 | 2,250 | 11,1% |
| A-1210 | Installation costs of TA (removal DSA and installi | 238,105 | 0 | 238,105 | 238,105 | 0 | 238,105 | 0 | 0,0% | 0 | 0 | 0 | 0,0% |
| A-1300 | Administrative Missions | 61,516 | 0 | 61,516 | 58,850 | 0 | 58,850 | 2,666 | 4,3% | 0 | 0 | 2,666 | 4,3% |
| A-1410 | Social Welfare of staff and Medical service | 23,288 | 0 | 23,288 | 8,666 | 0 | 8,666 | 14,622 | 62,8% | 0 | 0 | 14,622 | 62,8% |
| A-1420 | Language courses and other training for staff | 102,063 | 0 | 102,063 | 85,805 | 0 | 85,805 | 16,258 | 15,9% | 0 | 0 | 16,258 | 15,9% |
| A-1700 | Reception and representation costs | 292 | 0 | 292 | 292 | 0 | 292 | 0 | 0,0% | 0 | 0 | 0 | 0,0% |
| | TITLE I TOTAL | 7,228,092 | 93,132 | 7,321,224 | 7,170,993 | 93,132 | 7,264,125 | 57,099 | 0,8% | 0 | 0,0% | 57,099 | 0,8% |
| A-2000 | Rental costs | 52,680 | 0 | 52,680 | 52,680 | 0 | 52,680 | 0 | 0,0% | 0 | 0 | 0 | 0,0% |
| A-2010 | Utilities and Services | 136,512 | 0 | 136,512 | 127,928 | 0 | 127,928 | 8,584 | 6,3% | 0 | 0 | 8,584 | 6,3% |
| A-2050 | Security and Surveillance | 178,723 | 0 | 178,723 | 69,930 | 0 | 69,930 | 108,793 | 60,9% | 0 | 0 | 108,793 | 60,9% |
| A-2051 | Other Building Expenditure | 46,030 | 0 | 46,030 | 39,257 | 0 | 39,257 | 6,773 | 14,7% | 0 | 0 | 6,773 | 14,7% |
| A-2100 | ICT hardware and software | 570,263 | 0 | 570,263 | 506,424 | 0 | 506,424 | 63,839 | 11,2% | 0 | 0 | 63,839 | 11,2% |
| A-2101 | ICT External Services | 687,625 | 0 | 687,625 | 542,267 | 0 | 542,267 | 145,358 | 21,1% | 0 | 0 | 145,358 | 21,1% |
| A-2110 | Telecommunication charges and equipment | 56,050 | 0 | 56,050 | 45,632 | 0 | 45,632 | 10,418 | 18,6% | 0 | 0 | 10,418 | 18,6% |
| A-2200 | Technical installations and electronic office equi | 28,313 | 0 | 28,313 | 25,448 | 0 | 25,448 | 2,865 | 10,1% | 0 | 0 | 2,865 | 10,1% |
| A-2210 | Furniture and workplace improvements | 401,779 | 0 | 401,779 | 18,200 | 0 | 18,200 | 383,579 | 95,5% | 0 | 0 | 383,579 | 95,5% |
| A-2301 | Current Administrative Expenditure (stationary fin | 100,680 | 0 | 100,680 | 83,447 | 0 | 83,447 | 17,233 | 17,1% | 0 | 0 | 17,233 | 17,1% |
| A-2500 | Meetings of Administrative nature (AB Adv.B etc..) | 124,000 | 0 | 124,000 | 124,000 | 0 | 124,000 | 0 | 0,0% | 0 | 0 | 0 | 0,0% |
| A-2600 | Translation and interpretation services | 144,259 | 0 | 144,259 | 134,829 | 0 | 134,829 | 9,430 | 6,5% | 0 | 0 | 9,430 | 6,5% |
| A-2620 | External Services | 229,809 | 0 | 229,809 | 128,815 | 0 | 128,815 | 100,994 | 43,9% | 0 | 0 | 100,994 | 43,9% |
| A-2700 | Communication expenses | 71,119 | 0 | 71,119 | 54,279 | 0 | 54,279 | 16,840 | 23,7% | 0 | 0 | 16,840 | 23,7% |
| | TITLE II TOTAL | 2,827,841 | 0 | 2,827,841 | 1,953,136 | 0 | 1,953,136 | 874,706 | 30,9% | 0 | 0 | 874,706 | 30,9% |
| B3-300 | Coordination | 519,235 | 0 | 519,235 | 386,409 | 0 | 386,409 | 132,825 | 25,6% | 0 | 0 | 132,825 | 25,6% |
| B3-400 | Assistance and Expertise | 532,267 | 220,889 | 753,156 | 473,038 | 217,899 | 690,936 | 59,229 | 11,1% | 2,991 | 1,4% | 62,220 | 8,3% |
| B3-410 | Operational application maintenance and developmen | 652,200 | 0 | 652,200 | 278,596 | 0 | 278,596 | 373,604 | 57,3% | 0 | 0 | 373,604 | 57,3% |
| B3-500 | Harmonisation and Standardisation | 5,166,249 | 9,052 | 5,175,301 | 2,369,288 | 9,052 | 2,378,340 | 2,796,960 | 54,1% | 0 | 0,0% | 2,796,960 | 54,0% |
| | TITLE III TOTAL | 6,869,950 | 229,941 | 7,099,891 | 3,507,331 | 226,951 | 3,734,282 | 3,362,619 | 48,9% | 2,991 | 1,3% | 3,365,610 | 47,4% |
| | TOTAL | 16,925,883 | 323,073 | 17,248,956 | 12,631,460 | 320,083 | 12,951,543 | 4,294,423 | 25,4% | 2,991 | 0,9% | 4,297,414 | 24,9% |

II.6 ANNEXES TO THE BUDGETARY ACCOUNTS

ANNEX 1: REPORT ON THE BUDGETARY AND FINANCIAL MANAGEMENT

BACKGROUND AND INTRODUCTION

In accordance to article 93 of the Financial Regulation applicable to EFCA⁷, each agency shall prepare a report on budgetary and financial management for the financial year by 31 March of the following year.

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 EFCA⁸. The information contained in this report derives from the draft EFCA Annual Report for 2016 to be approved by the Administrative Board on April 5th 2017.

I. OVERVIEW OF THE BUDGET

1.1 Initial budget, amending budgets and final budget

The Budgetary exercise 2017 has been an exceptional year for EFCA, marked by a significant increase in activity following the amendment of EFCA's founding regulation by the European Parliament and the Council relating to the European Coast Guard initiative. This increase in activity has been underpinned by an overall increase in the budget resources of 86% for the regular budget (i.e. without assigned revenue from ad-hoc grants), including an increase in operational budget of 295% and a net increase of 10 statutory staff. EFCA received a total budget of €17.1 million as a contribution from the General EU Budget for 2017.

List of amending budgets adopted

There were no amending budgets in 2017.

List of transfers adopted by the Director

| N° | Expenditure Title | Date of approval | Impact on appropriations (non-differentiated) |
|----|---|------------------|---|
| 1 | Title II - Administrative | 15/05/2017 | 43.000 |
| 2 | Titles I & II. Staff & administrative | 08/06/2017 | 496.000 |
| 3 | Title II. Administrative | 06/09/2017 | 3.819 |
| 4 | Title II. Administrative | 21/09/2017 | 9.000 |
| 5 | Title III. Operational | 07/11/2017 | 40.000 |
| 6 | Titles I & II. Staff & administrative | 14/11/2017 | 170.300 |
| 7 | Title I. Staff | 05/12/2017 | 10.200 |
| 8 | Title II. Administrative | 07/12/2017 | 35.330 |
| 9 | Titles I & II. Staff & administrative | 14/12/2017 | 4.300 |
| 10 | Titles I & III. Staff & operational. Mainly within Title III. | 19/12/2017 | 466.400 |

The main transfers in 2017 were aimed at covering the needs in equipment and workplace improvements (additional space provided by the host Member State) due to the increase in staff. There was one significant transfer done within Title III to cover the specific contract for the continuity of chartering a vessel under the framework contract successfully signed in December.

⁷ 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

⁸ 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

1.2 Budget Implementation

Despite the increase in budget and the difficulties encountered with the procurement process for the chartering of an offshore patrol vessel, EFCA managed to sign the related framework contract and achieved a 99% budget implementation in commitments and 74% in payments. EFCA has kept this high level of budget implementation (99%) during the past 3 years.

See below the breakdown of the implementation for each Title in 2017.

| TITLE | VOTED BUDGET | | BUDGET IMPLEMENTATION | | | | | |
|--------------|-------------------|-----------|-----------------------|-------------------|------------|-------------------|-------------------|------------|
| | BUDGET 2017 | Transfers | COMMITMENTS | | | PAYMENTS | | |
| | | | ABAC CA (€) | Committed (€) | % exec | ABAC PA (€) | Paid (€) | % exec |
| TITLE I | 7.949.000 | -593.676 | 7.355.324 | 7.228.092 | 98% | 7.355.324 | 7.170.993 | 97% |
| TITLE II | 2.300.000 | 536.876 | 2.836.876 | 2.827.841 | 100% | 2.836.876 | 1.953.136 | 69% |
| TITLE III | 6.864.000 | 56.800 | 6.920.800 | 6.869.950 | 99% | 6.920.800 | 3.507.331 | 51% |
| TOTAL | 17.113.000 | 0 | 17.113.000 | 16.925.883 | 99% | 17.113.000 | 12.631.460 | 74% |

Of the €0,8 million Assigned Revenue for the two ad-hoc grants originally received in 2016, further €0,4 million were paid during 2017 leading to a cumulative execution of 84% at the end of the year, with one project still continuing until mid-2018.

Regarding payments, the overall implementation (including Assigned Revenue and Carry-overs from 2016) was at 75%, lower than in previous years. This was mainly due to the difficulty in the procurement of the EFCA chartered Vessel (eventually contracted in December 2017) and the postponing of works and refurbishing of the additional first floor of the office building to the beginning of 2018. However, all respective commitments were carried-forward ('planned carry-forwards') and are scheduled to be implemented during 2018.

Further details on the budget implementation are available in the 2017 provisional annual accounts of EFCA.

II. MULTI-ANNUAL OVERVIEW

EFCA's founding regulation was amended⁹ in 2016 by Regulation (EU) 2016/1626 extending the EFCA role to European cooperation on coast guard functions. EFCA will cooperate with Frontex and EMSA to support national authorities carrying out coast guard functions. This amendment to the founding regulation included an 86% increase of EFCA's budget in 2017 and the maintenance of the budget at equivalent level during the period of the current financial perspective 2017-2020.

| EXPENDITURE | 2017 | 2018 | 2019 | 2020 |
|---------------------------|-------------------|-------------------|-------------------|-------------------|
| Title I – Staff | 7,949,000 | 7,891,000 | 7,791,000 | 7,841,000 |
| Title II - Administrative | 2,300,000 | 2,155,000 | 2,155,000 | 2,155,000 |
| Title III – Operational | 6,864,000 | 7,362,849 | 7,301,000 | 7,404,000 |
| Total expenditure | 17,113,000 | 17,408,849 | 17,247,000 | 17,400,000 |

⁹ http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2016.251.01.0080.01.ENG&toc=OJ:L:2016:251:TOC

III. REVENUE

The General Budget will continue to be the main source of revenue for EFCA during 2018-2020. See below the details of 2017-2020.

| REVENUE | 2017 | 2018 | 2019 | 2020 |
|-----------------------|-------------------|--------------------|-------------------|-------------------|
| EU Subsidy | 17,113,000 | 16,813,000 | 16,747,000 | 16,900,000 |
| Other grants | p.m | 595,849 | 500,000 | 500,000 |
| Other revenue | p.m | p.m | p.m | p.m |
| Total revenues | 17,113,000 | 17,408,849, | 17,247,000 | 17,400,000 |

EFCA has signed a grant agreement related to its support to the Project Improved regional fisheries governance in Western Africa (PESCAO) adopted by the Commission by the Decision C (2017) 2951 of 28 April 2017. The estimated amount for this action is €2,585,000 to be implemented from 2018 to 2022.

The implementation of revenue in 2017, as well as the forecast for 2018 is presented in the table below:

| Revenue | 2017 Revenue estimated by the agency | 2018 Revenue estimated |
|--|--------------------------------------|------------------------|
| 1. EU contribution | 17,113,000 | 16,813,000 |
| 2. Other revenue | | |
| Total revenue | 17,113,000 | 16,813,000 |
| Of which Operational (Title 3) | 6,864,000 | 6,959,000 |
| of which assigned revenue deriving from previous years' surpluses | 92,674 | 67,534 |
| 3 THIRD COUNTRIES CONTRIBUTION (Incl. EFTA and candidate countries) | | |
| of which EFTA (Title 1 and Title 2) | | |
| of which Candidate Countries | | |
| 4 OTHER CONTRIBUTIONS | | |
| of which delegation agreement, ad hoc grants | | 595,849 ¹⁰ |
| TOTAL REVENUE | 17,113,000 | 17,408,849 |

¹⁰ Grant agreement related to the action of improved regional fisheries governance in Western Africa (PESCAO).

ANNEX 2: STAFF ESTABLISHMENT PLAN 2017

| Category | 2017 | | | |
|---------------------|--------------------------------|-----------|---------------------------------------|-----------|
| | Authorised under the EU Budget | | Filled as of 31/12/2017 ¹¹ | |
| | Officials | TA | Officials | TA |
| AD 16 | | | | |
| AD 15 | | 1 | | 1 |
| AD 14 | | | | |
| AD 13 | | 2 | | 2 |
| AD 12 | | 3 | | 2 |
| AD 11 | | | | |
| AD 10 | | 3 | | 3 |
| AD 9 | | 6 | | 6 |
| AD 8 | | 14 | | 14 |
| AD 7 | | 2 | | 1 |
| AD 6 | | | | |
| AD 5 | | | | |
| TOTAL AD | 0 | 31 | 0 | 29 |
| 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 | | 1 | | 1 |
| AST 3 | | | | |
| AST 2 | | | | |
| AST 1 | | | | |
| TOTAL AST | 0 | 30 | 0 | 30 |
| TOTAL AST/SC | 0 | 0 | 0 | 0 |
| TOTAL | 61 | | 59 | |

¹¹ Job offer sent before 31 December 2017 concerning 1 post is counted here as post filled.

ANNEX 3: GLOSSARY TERMS AND ABBREVIATIONS¹²

| Term | Definition |
|---------------------------------------|--|
| ABAC | This is the name given to the Commission's accounting system, which since 2005 has been enriched by accrual accounting rules. Apart from the cash-based budget accounts, the Commission produces accrual-based accounts which recognise revenue when earned, rather than when collected. Expenses are recognised when incurred rather than when paid. This contrasts with cash basis budgetary accounting that recognises transactions and other events only when cash is received or paid. |
| Accounting | The act of recording and reporting financial transactions, including the creation of the transaction, its recognition, processing, and summarisation in the financial statements. |
| Administrative appropriations | Administrative appropriations cover the running costs of the Institutions and entities (staff, buildings, office equipment). |
| Adjustment | Amending budget or transfer of funds from one budget item to another |
| Adopted budget | Draft budget becomes the adopted budget as soon as it is approved by the Budgetary Authority. Cf. Budget. |
| Agencies | EU bodies having a distinct legal personality, and to whom budget implementing powers may be delegated under strict conditions. They are subject to a distinct discharge from the discharge authority. |
| Amending budget | Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the adopted budget of that year. |
| Annuality | The budgetary principle according to which expenditure and revenue is programmed and authorised for one year, starting on 1 January and ending on 31 December. |
| Appropriations | Budget funding. The budget forecasts both commitments (legal pledges to provide finance, provided that certain conditions are fulfilled) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ — differentiated appropriations — because multiannual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses. Non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments and commitment appropriations equal payment appropriations. |
| Assigned revenue External/Internal | Dedicated revenue received to finance specific items of expenditure. Main sources of external assigned revenue are <i>financial contributions from third countries to programmes financed by the Union</i> . <i>Main sources of internal assigned revenue is revenue from third parties in respect of goods, services or work supplied at their</i> |

¹² Definitions to large extent provided by DG BUDG services – apply mutis mutandis to decentralised agencies like EFCA

| | |
|---|---|
| | <p>request; (c) revenue arising from the repayment of amounts wrongly paid and revenue from the sale of publications and films, including those on an electronic medium.</p> <p>The complete list of items constituting assigned revenue is given in the Financial Regulation Art.21.2.</p> |
| Authorising Officer (AO) | The AO is responsible in each institution for authorising revenue and expenditure operations in accordance with the principles of sound financial management and for ensuring that the requirements of legality and regularity are complied with. |
| Budget | Annual financial plan, drawn up according to budgetary principles, that provides forecasts and authorises, for each financial year, an estimate of future costs and revenue and expenditures and their detailed description and justification, the latter included in budgetary remarks. |
| Budget result | The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences. The resulting amount will have to be reimbursed to the funding authority as provided in the Financial Regulation for Agencies. |
| Budget implementation | Consumption of the budget through expenditure and revenue operations. |
| Budget item / Budget line / Budget position | As far as the budget structure is concerned, revenue and expenditure are shown in the budget in accordance with a binding nomenclature which reflects the nature and purpose of each item, as imposed by the budgetary authority. The individual headings (title, chapter, article or item) provide a formal description of the nomenclature. |
| Budgetary authority | Institutions with decisional powers on budgetary matters: the European Parliament and the Council of Ministers |
| Budgetary commitment | A budgetary commitment is a reservation of appropriations to cover for subsequent expenses. |
| Cancellation of appropriations | Unused appropriations that may no longer be used. |
| Carryover of appropriations | Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year. |
| Commitment appropriations | Commitment appropriations cover the total cost of legal obligations (contracts, grant agreements/decisions) that could be signed in the current financial year. Art. 7 FR: <i>Commitment appropriations cover the total cost in the current financial year of legal obligations (contracts, grant agreements/decisions) entered into for operations extending over more than one year.</i> |
| De-commitment | Cancellation of a reservation of appropriations |
| Differentiated appropriations | Differentiated appropriations are used to finance multiannual operations; they cover, for the current financial year, the total cost of the legal obligations entered into for operations whose implementation extends over more than one financial year. Art. 7 FR: <i>Differentiated appropriations are entered for multiannual operations. They consist of commitment appropriations and payment appropriations.</i> |

| | |
|-----------------------------------|---|
| Earmarked revenue | Revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, including the earmarked revenue specific to each institution. (Cf. Assigned revenue) |
| ECA | European Court of Auditors |
| Economic result | Impact on the balance sheet of expenditure and revenue based on accrual accounting rules. |
| Entitlements established | Entitlements are recovery orders that the European Union must establish for collecting income. |
| Exchange rate difference | The difference resulting from currency exchange rates applied to the transactions concerning countries outside the euro area, or from the revaluation of assets and liabilities in foreign currency at the closure. |
| Expenditure | Term used to describe spending the budget from all types of funds sources. |
| Financial regulation (FR) | Adopted through the ordinary legislative procedure after consulting the European Court of Auditors, this regulation lays down the rules for the establishment and implementation of the general budget of the European Union. (OJ L 298, 26.10.2012) |
| Funds Source | Type of appropriations (e.g.: C1, C2, etc.) |
| Grants | Direct financial contributions, by way of donation, from the budget in order to finance either an action intended to help achieve an objective part of an EU policy or the functioning of a body which pursues an aim of general European interest or has an objective forming part of an EU policy. |
| Implementation | Cf. Budget implementation |
| Income | Cf. Revenue |
| Joint Undertakings (JUs) | A legal EU-body established under the TFEU. The term can be used to describe any collaborative structure proposed for the " <i>efficient execution of Union research, technological development and demonstration programmes</i> ". |
| Lapsing appropriations | Unused appropriations to be cancelled at the end of the financial year. <i>Lapsing</i> means the cancellation of all or part of the authorisation to make expenditures and/or incur liabilities which is represented by an appropriation. |
| Legal base (basic act) | The legal base or basis is, as a general rule, a law based on an article in the Treaty giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain Treaty articles authorise the Commission to undertake certain actions, which imply spending, without there being a further legal act. |
| Legal commitment | A legal commitment establishes a legal obligation towards third parties. |
| Non-differentiated appropriations | Non-differentiated appropriations are for operations of an annual nature. (Art. 9 FR). In the EU-Budget non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments |
| Operational appropriations | Operational appropriations finance the different policies, mainly in the form of grants or procurement. |
| Outstanding commitment | Legal commitments having not fully given rise to liquidation by payments. Cf. RAL. |
| Outturn | Cf. Budget result |

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| Payment | A payment is a cash disbursement to honour legal obligations. |
| Payment appropriations | Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years (Art. 7 FR). |
| RAL | Sum of outstanding commitments. Outstanding commitments (or RAL, from the French ' <i>reste à liquider</i> ') are defined as the amount of appropriations committed that have not yet been paid. They stem directly from the existence of multiannual programmes and the dissociation between commitment and payment appropriations. (Cf. <i>Outstanding commitments</i>) |
| Recovery | The recovery order is the procedure by which the Authorising officer (AO) registers an entitlement by the Commission in order to retrieve the amount which is due. The entitlement is the right that the Commission has to claim the sum which is due by a debtor, usually a beneficiary. |
| Result | Cf. Outturn |
| Revenue | Term used to describe income from all sources financing the budget. |
| Rules of application | Detailed rules for the implementation of the financial regulation. They are set out in a Commission regulation adopted after consulting all institutions and cannot alter the financial regulation upon which they depend. |
| Surplus | Positive difference between revenue and expenditure (see Budget result) which has to be returned to the funding authority as provided in the Financial Regulation. |
| Transfer | Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification. They are, however, expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation. The FR identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorization. |