



European Maritime Safety Agency

EMSA

FINANCIAL STATEMENT

2014

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FINANCIAL STATEMENT 2014

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REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT 2014

Art 96 of the EMSA Financial Regulation

INTRODUCTION:

CERTIFICATION LETTER FROM THE EMSA ACCOUNTING OFFICER.

The annual accounts of the European Maritime Safety Agency for the year 2014 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 European Maritime Safety Agency in accordance with Article 68 of the Financial Regulation.

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

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the European Maritime Safety Agency.

Done in Lisbon on June 17, 2015.

A handwritten signature in black ink, consisting of a stylized, cursive 'M' followed by a horizontal line extending to the right.

Michel Metzger
Accounting Officer

1. **EMSA – STATEMENT OF FINANCIAL POSITION 2014 – ASSETS**

Consolidation account		31.12.2014	31.12.2013
	ASSETS		
	A. NON CURRENT ASSETS		
210000	Intangible assets	7,965,813.14	6,613,694.72
200000	Property, plant and equipment	23,213,277.84	27,186,827.59
221000	Land and buildings	42,142.00	47,363.27
230000	Plant and equipment	16,224,057.00	19,231,634.00
241000	Computer hardware	1,408,149.00	1,722,324.00
240000	Furniture and vehicles	410,865.84	418,270.92
242000	Other fixtures and fittings	5,128,064.00	5,767,235.40
299000	Long-term pre-financing	290,136.00	290,136.00
range	Long-term pre-financing	290,136.00	290,136.00
292000	Long-term receivables	0.00	59,820.67
range	Long-term receivables	0.00	59,820.67
	TOTAL NON CURRENT ASSETS	31,469,226.98	34,150,478.98
	B. CURRENT ASSETS		
310000	Inventories	265,500.00	0.00
405000	Short-term pre-financing	5,450,331.27	3,211,856.76
range	Short-term pre-financing	5,450,331.27	3,211,856.76
400000	Short-term receivables	3,964,113.86	2,269,688.39
401000	Current receivables	557,276.73	530,656.26
410900	Sundry receivables	50,438.33	265,938.33
490000	Other	3,356,398.80	1,473,093.80
490010	Accrued income	182,214.06	257,311.62
490011	Deferred charges	711,095.46	677,871.41
490090	Accrued income with consolidated EU entities	2,463,089.28	537,910.77
500000	Cash and cash equivalents	8,568,435.90	6,044,449.98
	TOTAL CURRENT ASSETS	18,248,381.03	11,525,995.13
	TOTAL	49,717,608.01	45,676,474.11

EMSA – STATEMENT OF FINANCIAL POSITION 2014 – LIABILITIES

Consolidation account			31.12.2014	31.12.2013
	LIABILITIES			
	A. Net Assets		38,440,196.18	39,106,160.62
140000	Accumulated surplus/deficit		39,106,160.62	36,950,410.82
141000	Economic outturn for the year - profit+/loss-		-665,964.44	2,155,749.80
	B. NON CURRENT LIABILITIES		110,798.68	95,331.17
172000	Other long-term liabilities		110,798.68	95,331.17
172100		Other long-term liabilities	110,798.68	95,331.17
	TOTAL A+B		38,550,994.86	39,201,491.79
	C. CURRENT LIABILITIES		11,166,613.15	6,474,982.32
481000	Employee benefits			
483000	Provisions for risks and charges		0.00	79,000.00
440000	Accounts payable		11,166,613.15	6,395,982.32
441000		Current payables	395,014.31	25,620.93
441109		<i>Consolidated - Current payables</i>		
442000		Long-term liabilities falling due within the year	0.00	0.00
443000		Sundry payables	175,869.74	214,138.92
491000		Other	2,758,198.53	1,819,214.98
491010		Accrued charges	2,756,886.15	1,814,410.60
491011		Deferred income	1,312.38	1,312.38
491012		Other		
491090		<i>Accrued charges with consolidated EU entities</i>	0.00	3,492.00
491091		<i>Deferred income with consolidated EU entities</i>	0.00	0.00
440009		<i>Accounts payable with consolidated EU entities</i>	7,837,530.57	4,337,007.49
440019		<i>Pre-financing received from consolidated EU entities</i>	7,837,530.57	4,295,750.54
440029		<i>Other accounts payable against consolidated EU entities</i>	0.00	41,256.95
	TOTAL C. CURRENT LIABILITIES		11,166,613.15	6,474,982.32
	TOTAL		49,717,608.01	45,676,474.11

2. **EMSA – STATEMENT OF FINANCIAL PERFORMANCE 2014**

Consolidation account		2014	2013
706199	Funds transferred from the Commission to other Institutions	0.00	0.00
740100	Contributions of EFTA countries belonging to the EEA	0.00	0.00
743000	Recovery of expenses	0.00	0.00
744000	Revenues from administrative operations	2,711,406.44	674,302.24
745000	Other operating revenue	51,432,798.92	52,134,066.66
777777	TOTAL OPERATING REVENUE	54,144,205.36	52,808,368.90
610000	Administrative expenses	-32,297,930.50	-32,380,142.53
620100	All Staff expenses	-17,502,135.25	-17,021,465.85
630100	Fixed asset related expenses	-8,036,797.10	-8,013,648.36
611000	Other administrative expenses	-6,758,998.15	-7,345,028.32
600000	Operational expenses	-22,555,774.23	-18,271,255.66
606000	Other operational expenses	-22,555,774.23	-18,271,255.66
666666	TOTAL OPERATING EXPENSES	-54,853,704.73	-50,651,398.19
	SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES	-709,499.37	2,156,970.71
750000	Financial revenues	43,854.87	0.00
650000	Financial expenses	-319.94	-1,220.91
	SURPLUS/ (DEFICIT) FROM NON OPERATING ACTIVITIES	43,534.93	-1,220.91
	SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES	-665,964.44	2,155,749.80
	ECONOMIC OUTTURN FOR THE YEAR	-665,964.44	2,155,749.80

3. EMSA – CASH FLOW 2014 TABLE (INDIRECT METHOD)

	2014	2013
Cash Flows from ordinary activities		
Surplus/(deficit) from ordinary activities	-665,964.44	2,155,749.80
Operating activities		
Adjustments		
Amortization (intangible fixed assets) +	1,298,111.03	1,351,636.90
Depreciation (tangible fixed assets) +	6,272,897.33	4,659,194.13
Increase/(decrease) in Provisions for risks and liabilities	-79,000.00	277,265.81
Increase/(decrease) in Value reduction for doubtful debts	4,044.83	1,869.68
(Increase)/decrease in Stock	-265,500.00	0.00
(Increase)/decrease in Long term Pre-financing	0.00	0.00
(Increase)/decrease in Short term Pre-financing	-2,238,474.51	-783,947.16
(Increase)/decrease in Long term Receivables	59,820.67	0.00
(Increase)/decrease in Short term Receivables	-1,698,470.30	-436,285.12
(Increase)/decrease in Receivables related to consolidated EU entities	0.00	58,198.13
Increase/(decrease) in Other Long term liabilities	15,467.51	2,124.69
Increase/(decrease) in Accounts payable	1,270,107.75	-363,944.58
Increase/(decrease) in Liabilities related to consolidated EU entities	3,500,523.08	-1,340,717.52
Net cash Flow from operating activities	7,473,562.95	5,581,144.76
Cash Flows from investing activities		
Increase of tangible and intangible fixed assets (-)	-4,949,577.03	-8,188,304.29
Proceeds from tangible and intangible fixed assets (+)	0.00	1,495,956.63
Net cash flow from investing activities	-4,949,577.03	-6,692,347.66
Net increase/(decrease) in cash and cash equivalents	2,523,985.92	-1,111,202.90
Cash and cash equivalents at the beginning of the period	6,044,449.98	5,993,813.94
Cash and cash equivalents at the end of the period	8,568,435.90	6,044,449.98

4. **STATEMENT OF CHANGES IN NET ASSETS – 2014**

Net assets	Accumulated Surplus / Deficit	Economic result of the year	Net assets (total)
Balance as of 31 December 2013	36,950,410.82	2,155,749.80	39,106,160.62
Changes in accounting policies 1)			0.00
Balance as of 1 January 2014	36,950,410.82	2,155,749.80	39,106,160.62
Other 2)			0.00
Fair value movements			0.00
Movement in Guarantee Fund reserve			0.00
Allocation of the Economic Result of Previous Year	2,155,749.80	-2,155,749.80	0.00
Amounts credited to Member States			0.00
Economic result of the year		-665,964.44	-665,964.44
Balance as of 31 December 2014	39,106,160.62	-665,964.44	38,440,196.18
Account	140000	141000	

5. SIGNIFICANT ACCOUNTING POLICIES

A) LEGAL BASIS AND ACCOUNTING RULES

The EMSA Financial Statement 2014 has been drafted based on:

- EMSA Founding Regulation (Regulation 1406/2002/EC as amended)
- EMSA Financial Regulation (December 18 - 2013)
- EMSA Implementing Rules of the Financial Regulation as last amended by the Administrative Board (November 18 – 2014)
- EMSA Decision No 2009/30 on inventory rules (based on relevant Commission Regulations and guidelines)
- “Accounting Guidelines” as provided by the Commission Accountant and closing instructions for 2014

In accordance with articles 94- 95-96 of the EMSA Financial Regulation, EMSA prepares its financial statements on the basis of accrual-based accounting rules that are derived from International Public Sector Accounting Standards (IPSAS) or by default, International Financial Reporting Standards (IFRS).

These accounting rules, adopted by the Accounting Officer of the Commission, have to be applied by all the institutions and EU bodies falling within the scope of consolidation in order to establish a uniform set of rules for accounting, valuation and presentation of the accounts with a view to harmonising the process for drawing up the financial statements and consolidation. The accounts are kept in Euro on the basis of the calendar year.

B) ACCOUNTING PRINCIPLES

The objective of the financial statements is to provide information about the financial position, performance and cash flows of an entity that is useful to a wide range of users.

The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in EU accounting rule 2 and are the same as those described in IPSAS 1, that is: fair presentation, accrual basis, going concern, consistency of presentation, aggregation, offsetting and comparative information.

Preparation of the financial statements in accordance with the above mentioned rules and principles requires management to make estimates that affect the reported amounts of certain items in the statement of financial position and statement of financial performance, as well as the disclosures of contingent assets and liabilities.

C) **BASIS OF PREPARATION**

a) *Currency and basis for conversion*

The financial statements are presented in euros, the euro being the European Union's functional and reporting currency.

b) *Transactions and balances*

Foreign currency transactions are translated into euros 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 at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance.

c) *Use of estimates*

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to: provisions, financial risk accounts receivables, accrued income and charges, contingent assets and liabilities, and degree of impairment of intangible assets and property, plant and equipment. Actual results could differ from those estimates. Changes in estimates are reflected in the period in which they become known.

D) STATEMENT OF FINANCIAL POSITION

a) Intangible assets

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. Internally developed intangible assets are capitalised when the relevant criteria of the EU accounting rules 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 as incurred.

b) Property, Plant and equipment

All property, plant and equipment are stated 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 EMSA 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. As EMSA does not borrow money to fund the acquisition of property, plant and equipment, there are no borrowing costs related to such purchases.

Land and works of art are not depreciated as they are deemed to have an indefinite useful life. Assets under construction are not depreciated as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

DEPRECIATION RATES	
Type of asset	Straight line depreciation rate
Buildings	4%
Plant, machinery and equipment	10% to 25%
Furniture	10% to 25%
Fixtures and fittings	10% to 25%
Vehicles	25%
Computer hardware	25%
Other tangible assets	10% to 25%

c) Pre-financing amounts

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

d) Receivables

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 EMSA 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. A general write-down, based on past experience, is also made for outstanding recovery orders not already subject to a specific write-down.

e) Cash and cash equivalent

Cash and cash equivalents are financial instruments and defined as current assets. They include cash at hand, deposits held at call with banks.

f) Provision

Provisions are recognised when EMSA has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The amount of the provision is the best estimate of the expenditures expected to be required to settle the present obligation at the reporting date. Where the provision involves a large number of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities (“expected value” method).

g) Payables

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

h) Accrued and deferred incomes and charges

According to the European Union 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 detailed operational and practical guidelines issued by the Accounting Officer which aim at ensuring that the financial statements reflect a true and fair view.

Revenue is also accounted for in the period to which it relates. At year-end, if an invoice is not yet issued but the service has been rendered, the supplies have been delivered by EMSA or a contractual agreement exists, an accrued income will be recognised in the financial statements.

In addition, at year-end, if an invoice is issued but the services have not yet been rendered or the goods supplied have not yet been delivered, the revenue will be deferred and recognised in the subsequent accounting period.

E) **STATEMENT OF FINANCIAL PERFORMANCE**

a) Revenues

- Non exchange revenues.

This makes up the vast majority of the EMSA revenue and includes mainly the subvention paid by DG MOVE and the grants paid by DG ELARG, DG DEVCO, DG ENV.

- Exchange revenues

Revenue from the sale of goods and services is recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser. Revenue associated with a transaction involving the provision of services is recognised by reference to the stage of completion of the transaction at the reporting date.

EMSA main exchange revenues include LRIT fees and charges, Equasis and diverse services delivered to other Agencies.

b) Expenditures

Exchange expenses arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by the EMSA. They are valued at original invoice cost.

When a request for payment or cost claim is received and meets the recognition criteria, it is recognised as an expense for the eligible amount. At year-end, incurred eligible expenses due to the beneficiaries but not yet reported are estimated and recorded as accrued expenses.

F) **CONTINGENT ASSETS AND LIABILITIES**

a) *Contingent assets*

A contingent asset is a possible asset that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the European Union. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

b) *Contingent liabilities*

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of EMSA; or a present obligation that arises from past events but is not recognised because: it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or, in the rare circumstances where the amount of the obligation cannot be measured with sufficient reliability.

6. NOTES TO THE STATEMENT OF FINANCIAL POSITION

A) Fixed assets

The variation of the intangible fixed assets in 2014 is composed of:

2014	Internally generated Computer Software	Other Computer Software	Total Computer Software	Intangible assets under construction	Total
Gross carrying amounts 01.01.2014	2,196,530.79	4,242,457.59	6,438,988.38	4,459,662.10	10,898,650.48
Additions	694,826.78	270,692.53	965,519.31	1,684,710.14	2,650,229.45
Disposals			0.00		0.00
Transfer between headings	4,459,662.10	0.00	4,459,662.10	-4,459,662.10	0.00
Other changes (2)			0.00		0.00
Gross carrying amounts 31.12.2014	7,351,019.67	4,513,150.12	11,864,169.79	1,684,710.14	13,548,879.93
Accumulated amortization and impairment 01.01.2014	-931,432.34	-3,353,523.42	-4,284,955.76	0.00	-4,284,955.76
Amortization	-408,433.02	-887,127.84	-1,295,560.86		-1,295,560.86
Write-back of amortization			0.00		0.00
Disposals			0.00		0.00
Impairment (2)		-2,550.17	-2,550.17		-2,550.17
Write-back of impairment			0.00		0.00
Transfer between headings			0.00		0.00
Other changes (2)		0.00	0.00		0.00
Accumulated amortization and impairment 31.12.2014	-1,339,865.36	-4,243,201.43	-5,583,066.79	0.00	-5,583,066.79
Net carrying amounts 31.12.2014	6,011,154.31	269,948.69	6,281,103.00	1,684,710.14	7,965,813.14
Accounts			211000	214000	210000

In conformity with the EC Accounting Rule 7, amortisations have been recorded on a monthly basis in SAP.

As requested by the European Commission Rule 6, intangible assets under construction have been recorded from January 1st 2010. All projects starting after 1/1/2010 and having an estimated value exceeding 250.000 EUR (full costs) have been included in the account 214000.

The variation of the tangible fixed assets in 2014 is composed of:

2014		Buildings	Plant and Equipment	Computer hardware	Furniture and vehicles	Other Fixtures and Fittings	Total
Gross carrying amounts 01.01.2014	+	51,037.72	38,103,203.06	5,760,854.14	650,652.53	10,642,221.99	55,207,969.44
Additions	+	0.00	1,169,288.86	390,008.47	52,542.72	687,507.53	2,299,347.58
Disposals	-						0.00
Transfer between headings	+/-						0.00
Other changes (1)	+/-						0.00
Gross carrying amounts 31.12.2014		51,037.72	39,272,491.92	6,150,862.61	703,195.25	11,329,729.52	57,507,317.02
							0.00
Accumulated amortization and impairment 01.01.2014	-	-3,674.45	-18,871,569.06	-4,038,530.14	-232,381.61	-4,874,986.59	-28,021,141.85
Depreciation	-	-5,221.27	-4,586,807.86	-713,512.57	-61,807.80	-1,386,123.23	-6,753,472.73
Write-back of depreciation	+		48,000.01				48,000.01
Disposals	+						0.00
Impairment (1)	-		-17,708.00	-11,349.00	-792.00		-29,849.00
Write-back of impairment	+		379,649.99	20,678.10	2,652.00	59,444.30	462,424.39
Transfer between headings	+/-						0.00
Other changes (1)	+/-						0.00
Accumulated amortization and impairment 31.12.2014		-8,895.72	-23,048,434.92	-4,742,713.61	-292,329.41	-6,201,665.52	-34,294,039.18
Net carrying amounts 31.12.2014		42,142.00	16,224,057.00	1,408,149.00	410,865.84	5,128,064.00	23,213,277.84
Account		230000	241000	240000	242000	250000	

In conformity with the EC Accounting Rule 7, amortisations have been recorded on a monthly basis in SAP. At the end of 2014, EMSA had the control and economic benefit of 40.6 million EUR of APM equipment's and pre-fitting investments (gross amount) via a call option system.

B) Long-term pre-financing

		31.12.2014	31.12.2013
299290	PF implemented by other EU entities than the Commission (pre-financing given to third parties)	290,136.00	290,136.00
299000	TOTAL	290,136.00	290,136.00

The amount of € 290,136.00 is related to the pre-financing given by EMSA to the Equasis project (currently hosted by EMSA). This amount was originally booked as contingent asset at the end of 2009 and has been reclassified as long term pre-financing following the formal recognition of this debt by the Equasis Management Board.

C) Inventories

		31.12.2014		
Account	Receivables from	Gross Total	Value Reduction (-)	Net Value
310500	Anti-pollution measures - dispersant/chemical products	265,500.00		265,500.00
292000	Total	265,500.00	0.00	265,500.00

D) Short-term pre-financing

	Pre-financing without interest for the EU entity <1 yr	31.12.2014	31.12.2013
405290	PF Implemented by other EU entities than the Commission (pre-financing given to third parties)	5,450,331.27	3,211,856.76
405297	Accrued charges on PF TP - Implemented by other EU entities than the Commission		
405000	Total	5,450,331.27	3,211,856.76

These pre-financings are mainly related to the anti-pollution call for tenders and other operational activities.

Short-term receivables

			Current receivables	31.12.2014		
Account			Receivables from	Gross Total	Amounts written down (-)	Net Value
401100	401101	401102	Customers	55,301.46	-5,914.51	49,386.95
401200	401201	401202	Member States	459,703.43		459,703.43
401300	401301	401302	EFTA	0.00		0.00
401600	401601	401602	Third States	47,488.99		47,488.99
401700	401701	401702	Other current receivables	697.36		697.36
401000			Total	563,191.24	-5,914.51	557,276.73

All receivables are carried out at the original amount less write-down for impairment when there is objective evidence that the Agency will not be able to collect all amounts due according to the original terms of receivables. This analysis is carried out on the situation of year end balances as they exist when preparing the financial statements.

The amount of write-down is charged to the statement of financial performance.

Current receivables from Member States are composed of VAT to be recovered (Portugal) while current receivables with Third States are mainly linked to LRIT fees and charges to be collected.

Sundry receivables (account: 410900) totalling **€50,438.33** are composed of:

Sundry receivables	31.12.2014		
	Gross Total	Amounts written down (-)	Net Value
Staff	50,438.33		50,438.33
Other (2)			0.00
Total	50,438.33	0.00	50,438.33

Other – deferrals and accruals totalling **€3,356,398.80** are mainly composed of:

- € 74,594.46 (EGeos discounts to be received)
- € 322,682.84 (prepaid software maintenance 2015)
- € 376.703,86 (paid invoice related to the Q1/2015 rent & miscellaneous expenses)
- € 2,463,089.28 (accrued income with consolidated entities)
- € 93,993.17 (accrued income linked to LRIT)

E) Cash and cash equivalents

Account	Description	31.12.2014	31.12.2013
505000	<i>Unrestricted cash:</i>	8,658,435.90	6,044,449.98
505200	Treasury and Central Bank accounts		
505300	Current accounts (bank accounts)	8,552,693.54	6,032,548.71
505400	Imprest accounts	15,742.36	11,901.27
505500	Cash in hand ("Caisses")		
500000	Total	8,568,435.90	6,044,449.98

Cash include only cash in hands as there are no other cash equivalents or liquid investments to be reported. Currently, the Agency uses one core bank (ING Belgium) where the main account is used for all payments and all incomes linked to the EC subsidy. Other accounts have been opened with ING for earmarked revenues management while three imprest accounts are also organised via a bank accounts opened with BES Portugal.

F) Capital

The EMSA capital is decreased by the negative economic outturn of the year 2014 (€ 665,964.44) to reach **€38,440,196.18**

G) Provisions for risks and charges (long-term)

No long term provision was necessary in 2014.

H) Other long term liabilities

Totalling **€110,798.68** this account is composed of:

€ 82,446,72.63 - LRIT long term deposits and interests collected from the different customers

€ 28,351.96 – Financial interests linked to diverse earmarked revenues projects (Equasis, Frontex, etc.)

I) Short-term liabilities

Current payables are reaching **€395,014.31** and are constituted of:

Account	Current payables	31.12.2014	31.12.2013
441100	Vendors	33,496.63	5,040.00
441200	Member States	322,477.23	
441600	Third States		20,580.93
441700	Other (1)	39,040.45	
441000	Total	395,014.31	25,620.93

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

Other (1) is composed of:

(2) Please specify "Other Current payables":	31.12.2014	31.12.2013
Payable from public bodies	1,537.48	0.00
Other items (debtors creditors)	37,502.97	0.00
Total	39,040.45	0.00

Sundry payables

Account	Sundry payables	31.12.2014	31.12.2013
443000	Staff	79,735.15	75,554.16
	Other (2)	96,134.59	138,584.76
	Total	175,869.74	214,138.92

Staff payables include mainly debt towards EMSA staff (composed mainly of GALP individual down payments) while Other (2) is composed of:

(2) Please specify "Other Sundry payables":	31.12.2014	31.12.2013
ABAC Assets goods received	89,075.99	121,101.66
Payments to be resent	5,188.76	12,921.58
Liabilities towards third parties	1,869.84	4,561.52
Total	96,134.59	138,584.76

Deferrals and accruals are totalling **€2,758,198.53** and represent mainly invoices to be received in 2015 for services rendered or goods delivered in 2014 (accrued charges: €2,518,383.12) and staff untaken holidays at 31/12/2014 (€238,503.03) and deferred income €1,312.38).

Account	Description	31.12.2014	31.12.2013
491010	Accrued charges		1,814,410.60
	Untaken annual leave *	238,503.03	261,476.45
	other accrued charges	2,518,383.12	1,552,934.15
491011	Deferred income	1,312.38	1,312.38
491000	Total	2,758,198.53	1,815,722.98

In accordance with EC Accounting Rules no. 10 complemented by chapter 19 under IPSAS 19 (Provisions, contingent liabilities and contingent assets) accruals are made to recognize the amounts to be paid for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees (for example, amounts relating to accrued vacation pay). The accruals are determined based on estimates received from the authorizing officers (assessed based on the part of the carry-overs to be applied to 2014-2015).

In accordance with EC Accounting Rule no. 12 a liability for untaken holidays (accumulating compensated absences) at year-end has been included on the statement of financial position under the current liabilities heading (current payables).

Pre-financing received from consolidated EC entities reached **€7,837,530.57** and is composed of:

- € 2,930,339.98 (DG MOVE & IMPP – outturn 2014)
- € 1,329,781.00 (pre-financing received from DG DEVCO)
- € 6,332.40 (pre-financing received from DG ELARG)
- € 3,571,077.19 (pre-financing received from FRONTEX)

J) Contingent assets

Account	Description	31.12.2014	31.12.2013
901100	Guarantees received	5,065,544.39	2,593,648.26
901120	Guarantees for pre-financing *	4,665,544.39	2,593,648.26
901130	Guarantees for fines pending		
901180	Performance guarantees	400,000.00	
901190	Other Guarantees a)		
901900	Other contingent assets b)		
901000	TOTAL	5,065,544.39	2,593,648.26

K) Other significant disclosures

Account	Other Significant Disclosures	31.12.2014	31.12.2013
904200	RAL - Commitments against appropriations not yet consumed	35,987,100.69	37,376,292.00
904370	Contractuel commitment (for which budget commitments have not yet been made) *)		
904400	Contributions to related organisations		
904100	Undrawn commitments		
904000	TOTAL	35,987,100.69	37,376,292.00

L) Note to Annual Accounts related to payroll charges calculated by PMO

Note related to Payroll charges:

All salary calculations giving the total staff expenses included in the Statement of financial performance of the Agency are externalized to the Office for administration and payment of individual entitlements (also known as the Paymaster's Office-PMO) which is a central office of the European Commission.

The PMO's mission is to manage the financial rights of permanent, temporary and contractual staff working at the Commission, to calculate and to pay their salaries and other financial entitlements. The PMO provides these services to other EU institutions and agencies as well. The PMO is also responsible for managing the health insurance fund of the Institutions, together with processing and paying the claims of reimbursement from staff members. The PMO also manages the pension fund and pays the pensions of retired staff members. PMO is being audited by the European Court of Auditors.

The Agency is only responsible for the communication to the PMO of reliable information allowing the calculation of the staff costs. It is also responsible to check that this information has been correctly handled in the monthly payroll report used for accounting payroll costs. It is not responsible for the calculation of the payroll costs performed by PMO.

7. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

A) Revenues

Account	Operating Revenues	2014	2013
744000	Revenue from administrative operations	2,711,406.44	674,302.24
760000	Staff		
744100	Fixed assets related revenue	133,371.92	45,253.00
744900	Other administrative revenue	2,578,034.52	629,049.24
744910	Other	2,446,628.54	485,275.16
744919	<i>Adm revenue with consolidated EU entities</i>	131,405.98	143,774.08
745000	Other operating revenues	51,432,798.92	52,134,066.66
745200	Exchange rate gains	2,855.79	7,662.86
745900	Other	51,429,943.13	52,126,403.80
745910	Other	1,414,170.37	865,468.46
745909	<i>Operating revenue with consolidated EU entities (2)</i>	50,015,772.76	51,260,935.34
745919	<i>EU Subsidy</i>	49,797,473.69	51,081,200.11
745929	<i>Other operating revenue with consolidated EU entities</i>	218,299.07	179,735.23
777777	Total	54,144,205.36	52,808,368.90

The account 744910 is related to administrative revenues linked to projects in progress financed by either the EC or FRONTEX and booked in the enter entity regularisation accounts.

Operational incomes decreased slightly in 2014 due to a reduction of the EU subsidy (-2.5%) thanks to a good budget planning within the Agency.

B) Expenditures

Account		2014	2013
610000	Administrative Expenses	32,297,930.50	32,380,142.53
620100	All Staff expenses	17,502,135.25	17,021,465.85
620100	Staff expenses	17,502,135.25	17,021,465.85
620109	Staff expenses with consolidated entities	0.00	0.00
630100	Fixed Assets Expenses	8,036,797.10	8,013,648.36
611000	Other Administrative Expenses	6,758,998.15	7,345,028.32
611100	Land and Buildings	2,797,462.67	3,080,430.70
611109	Land and Buildings with consolidated entities	159,142.19	83,025.08
611900	All Other	3,802,393.29	4,181,572.54
611910	Other	3,142,324.80	3,491,004.50
611919	<i>Administrative expenses with consolidated entities</i>	660,068.49	690,568.04
600000	Operational Expenses	22,555,774.23	18,271,255.66
606000	Other operational expenses	22,555,774.23	18,271,255.66
630000	Provisions for risks and liabilities	0.00	0.00
640000	Exchange rate losses	34,714.18	13,777.66
606900	Other operational expenses	22,521,060.05	18,257,478.00
606910	Other	22,468,145.05	18,180,579.00
606919	<i>Other - Consolidated entities</i>	52,915.00	76,899.00
666666	Total	54,853,704.73	50,651,398.19

Globally, expenditures increased by 8.29% between 2013 and 2014 due mainly to:

Staff expenses (+2.8%) partly due to the “activation” of staff costs within the intangible assets developed in house projects.

Operational costs have increased by 23.5% due to some additional activities during 2014.

