

OPINION AB 01/2015
OF THE ADMINISTRATIVE BOARD
OF THE AGENCY FOR THE COOPERATION OF ENERGY REGULATORS
of [DD] [Month] 2015
on the approval of the final accounts for the financial year 2014

THE ADMINISTRATIVE BOARD OF THE AGENCY FOR THE COOPERATION OF ENERGY REGULATORS,

Having regard to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators¹, and, in particular, Article 24(5) thereof,

Having regard to Decision AB No 22/2013 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 12 December 2013 on the adoption of the Financial Regulation of the Agency for the Cooperation of Energy Regulators, and, in particular, Article 99(2) and (3) thereof,

Whereas:

- (1) On 28 April 2015, the European Court of Auditors issued its preliminary observations with a view to report on the annual accounts of the Agency for the Cooperation of Energy Regulators (hereinafter referred to as the “Agency”) for the financial year 2014.
- (2) On 28 May 2015, the Director submitted to the Administrative Board the final accounts of the Agency for the financial year 2014.

HAS ADOPTED THIS OPINION:

Article 1

The Administrative Board takes note of the preliminary observations of the European Court of Auditors on the annual accounts of the Agency for the financial year 2014, attached as Annex I to this Opinion.

Article 2

The Administrative Board hereby endorses the final accounts of the Agency for the financial year 2014, attached as Annex II to this Opinion.

¹ OJ L211, 14.8.2009, p.1.

Article 3

The Administrative Board invites the Director to take immediate actions to address the comments made by the Court of Auditors in its preliminary observations, where relevant, and to report, in due course, on the actions taken.

Article 4

This Opinion shall be communicated, together with the final accounts, to the accounting officer of the Commission, the Court of Auditors, the European Parliament, and the Council by 1 July 2015.

Done at [X], [DD] [Month] 2015.

For the Administrative Board

Razvan Eugen Nicolescu
Chairman of the Administrative Board

ANNEX 1

TO OPINION AB 01/2015

**OF THE ADMINISTRATIVE BOARD OF THE AGENCY FOR THE COOPERATION
OF ENERGY REGULATORS**



EUROPEAN
COURT
OF AUDITORS

Preliminary observations

with a view to a report on the annual accounts
of the Agency for the Cooperation of Energy Regulators
for the financial year 2014

These preliminary observations were adopted by Chamber IV at its meeting of 28 April 2015.

INTRODUCTION

1. The Agency for the Cooperation of Energy Regulators (hereinafter “the Agency”, aka “ACER”), which is located in Ljubljana, was created by Regulation (EC) No 713/2009 of the European Parliament and of the Council². The Agency's main task is to assist National Regulatory Authorities in exercising, at Union level, the regulatory tasks that they perform in the Member States and, where necessary, to coordinate their action. Under the REMIT regulation³, the Agency was given new additional responsibilities, together with national regulatory authorities, regarding the monitoring of the European wholesale energy market⁴.

INFORMATION IN SUPPORT OF THE STATEMENT OF ASSURANCE

2. The audit approach taken by the Court comprises analytical audit procedures, direct testing of transactions and an assessment of key controls of the Agency's supervisory and control systems. This is supplemented by evidence provided by the work of other auditors and an analysis of management representations.

STATEMENT OF ASSURANCE

3. Pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- (a) the annual accounts of the Agency, which comprise the financial statements⁵ and the reports on the implementation of the budget⁶ for the financial year ended 31 December 2014, and
- (b) the legality and regularity of the transactions underlying those accounts.

The management's responsibility

4. The management is responsible for the preparation and fair presentation of the annual accounts of the Agency and the legality and regularity of the underlying transactions⁷:

² OJ L 211, 14.8.2009, p. 1.

³ Regulation No 1227/2011 of the European Parliament and of the Council (OJ L 326, 8.12.2011, p. 1), which assigns an important role to the Agency in supervising trading in wholesale energy markets across Europe.

⁴ ***Annex II*** summarises the Agency's competences and activities. It is presented for information purposes.

- (a) The management's responsibilities in respect of the Agency's annual accounts include designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies on the basis of the accounting rules adopted by the Commission's accounting officer⁸; making accounting estimates that are reasonable in the circumstances. The Director approves the annual accounts of the Agency after its accounting officer has prepared them on the basis of all available information and established a note to accompany the accounts in which he declares, inter alia, that he has reasonable assurance that they present a true and fair view of the financial position of the Agency in all material respects.
- (b) The management's responsibilities in respect of the legality and regularity of the underlying transactions and compliance with the principle of sound financial management consist of designing, implementing and maintaining an effective and efficient internal control system comprising adequate supervision and appropriate measures to prevent irregularities and fraud and, if necessary, legal proceedings to recover funds wrongly paid or used.

The auditor's responsibility

5. The Court's responsibility is, on the basis of its audit, to provide the European Parliament and the Council⁹ with a statement of assurance as to the reliability of the annual accounts and the legality and regularity of the underlying transactions. The Court conducts its audit in accordance with the IFAC International Standards on Auditing and Codes of Ethics and the INTOSAI International Standards of Supreme Audit Institutions. These standards require the Court to plan and perform the audit to obtain reasonable assurance as to whether the annual accounts of the Agency are free from material misstatement and the transactions underlying them are legal and regular.

⁵ These include the balance sheet and the statement of financial performance, the cash flow table, the statement of changes in net assets and a summary of the significant accounting policies and other explanatory notes.

⁶ These comprise the budgetary outturn account and the annex to the budgetary outturn account.

⁷ Articles 39 and 50 of Commission Delegated Regulation (EU) No 1271/2013 (OJ L 328, 7.12.2013, p. 42).

⁸ The accounting rules adopted by the Commission's accounting officer are derived from the International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants or, where relevant, the International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

⁹ Article 107 of Regulation (EU) No 1271/2013.

6. The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the accounts and the legality and regularity of the underlying transactions. The procedures selected depend on the auditor's judgement, which is based on an assessment of the risks of material misstatement of the accounts and material non-compliance by the underlying transactions with the requirements in the legal framework of the European Union, whether due to fraud or error. In assessing these risks, the auditor considers any internal controls relevant to the preparation and fair presentation of the accounts, as well as the supervisory and control systems that are implemented to ensure the legality and regularity of underlying transactions, and designs audit procedures that are appropriate in the circumstances. The audit also entails evaluating the appropriateness of accounting policies, the reasonableness of accounting estimates and the overall presentation of the accounts. In preparing this report and Statement of Assurance, the Court considered the audit work of the independent external auditor performed on the Agency's accounts as stipulated in Article 208(4) of the EU Financial Regulation¹⁰.

7. The Court considers that the audit evidence obtained is sufficient and appropriate to provide a basis for its statement of assurance.

Opinion on the reliability of the accounts

8. In the Court's opinion, the Agency's annual accounts present fairly, in all material respects, its financial position as at 31 December 2014 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts

9. In the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2014 are legal and regular in all material respects.

Other matter

10. Without calling into question the opinion expressed in paragraph 8, the Court draws attention to the fact that the annual accounts of the agency were verified by an independent external auditor and that the Court considered the verification results when preparing its own audit opinion, as it is stipulated in Article 208(4) of the EU Financial Regulation. Under International Standards on Auditing, an auditor making use of another auditor's results is required to review their reliability. This review work is ongoing and the Court's opinion on the

¹⁰ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council (OJ L 298,

reliability of the accounts is subject to confirmation of the reliability of the independent external auditor's results.

11. The comments which follow do not call the Court's opinions into question.

COMMENTS ON BUDGETARY MANAGEMENT

12. The Agency carried over 1,57 million euro, i.e. 62 %, of committed appropriations for title III operational expenditure (2013: 3,1 million euro, i.e. 91 %). These carry-overs were mainly related to the implementation of REMIT, a complex multi-annual operational activity for which the Implementing Regulation was only adopted on 17 December 2014¹¹. The Agency also carried over 0,98 million euro, i.e. 41 % (2013: 1,9 million euro, i.e. 56 %), of committed appropriations for title II administrative expenditure, mainly related to studies for the implementation of REMIT and annual contracts renewed towards the year end.

13. In October 2013, through a budget amendment, the Agency received an additional 3 million euro in appropriations to implement REMIT, which it carried over to 2014. However, according to the Implementing Regulation the REMIT framework will only become operational in October 2015. Part of the funds was spent in 2014 on preparation for the implementation of REMIT. At the end of 2014, the Agency made two pre-financing payments amounting to 1,56 million euro for contracts on REMIT-related services to be provided in the period 2015 to 2017, thereby avoiding an automatic return to the Commission of the unused funds¹². Although this will allow the Agency to finance its future REMIT-related activities, this is in contradiction with the budgetary principle of annuality.

OTHER COMMENTS

14. According to the Seat Agreement between the Agency and the Slovenian government a European School will be established in Slovenia. However, more than four years after the agreement no European School has been set up.

26.10.2012, p. 1).

¹¹ Commission Implementing Regulation (EU) No 1348/2014 (OJ L 363, 18.12.2014, p. 121).

¹² Article 13 of the EU Financial Regulation stipulates that amounts can be carried over for one financial year only.

FOLLOW-UP OF PREVIOUS YEARS' COMMENTS

15. An overview of the corrective actions taken in response to the Court's comments from the previous years is provided in **Annex I**.

Annex I

Follow-up of previous years' comments

Year	Court's comment	Status of corrective action (Completed / Ongoing / Outstanding / N/A)
2012	The Agency held 4,2 million euro in cash at the year end, including the 2011 budget surplus of 1,6 million euro which resulted from an excessive call for funds in 2011 and was recovered by the Commission in January 2013. This is not consistent with a rigorous treasury management.	Completed
2012	The audited recruitment procedures revealed shortcomings affecting transparency and an equal treatment of candidates: questions for interviews and tests were not set before the examination of the applications. The conditions for admission to written tests and interviews and for being included in the list of suitable candidates were not specified in sufficient detail and the measures taken to ensure the anonymity of candidates sitting written tests were inadequate.	Completed
2013	The Agency carried over 1,9 million euro or 56 % of total committed title II appropriations (Agency's building and associated costs), mainly related to the implementation of the REMIT regulation. This is an operational, multiannual activity and should have been budgeted under title III, a shortcoming which was rectified in subsequent commitment appropriations.	Completed
2013	In addition, the Agency carried over 3,1 million euro or 91 % of total committed title III appropriations, also related to the implementation of the REMIT regulation. The exceptionally high rate of carry-over for title III is mainly due to some 3 million euro in additional funding received through an amended budget approved on 31 October 2013.	N/A
2013	The Agency held 5,5 million euro in cash at year-end, which included some 3 million euro relating to the late budget amendment. Nevertheless, average cash balances during the year were significantly higher than justified by operational requirements.	Completed

Agency for the Cooperation of Energy Regulators
(Ljubljana)

Competences and activities

<p>Areas of Union competence deriving from the Treaty <i>(Article 114 (ex Article 95 TEC) and Article 194 of the Treaty on the Functioning of the European Union)</i></p>	<p>The European Parliament and the Council shall, acting in accordance with the ordinary legislative procedure and after consulting the Economic and Social committee, adopt the measures for the approximation of the provisions laid down by law, regulation or administrative action in Member States which have as their object the establishment and functioning of the internal market.</p> <p>In the context of the establishment and functioning of the internal market and with regard for the need to preserve and improve the environment, Union policy on energy shall aim, in a spirit of solidarity between Member States to:</p> <ul style="list-style-type: none">(a) ensure the functioning of the energy market;(b) ensure security of energy supply in the Union;(c) promote energy efficiency and energy saving and the development of new and renewable forms of energy; and(d) promote the interconnection of energy networks. <p>The European Parliament and the Council, acting in accordance with the ordinary legislative procedure, shall establish the measures necessary to achieve these objectives. Such measures shall be adopted after consultation of the Economic and Social Committee and the Committee of the Regions.</p>
<p>Competences of the Agency <i>(As specified in Regulation (EC) No 713/2009 of the European Parliament and of the Council; Commission Regulation (EU) No 838/2010; Regulation (EU) No 1227/2011 of the European Parliament and of the Council)</i></p>	<p>Objectives</p> <p>The purpose of the Agency is to assist National Regulatory Authorities in exercising, at Union level, the regulatory tasks that they perform in the Member States and, where necessary, to coordinate their action.</p> <p>Tasks</p> <ul style="list-style-type: none">– Complement and coordinate the work of National Regulatory Authorities,– participate in the creation of European network rules,– take, under certain conditions, binding individual decisions on terms and conditions for access and operational security for cross border infrastructure,– give advice on various energy-related issues to the European institutions,– monitor and report on developments in the energy markets,– formulate a proposal to the EU Commission on the annual cross-border infrastructure compensation sum for the ITC mechanism,– participate in the process for the selection of Projects of Common Interest (PCIs), including by issuing opinions on the consistent application of the selection criteria and of the cost-benefit analysis

	<p>across regions, and monitor the implementation of PCIs,</p> <ul style="list-style-type: none"> – take decisions on investment requests for PCIs, including on cross-border cost allocation, if the relevant national regulatory authorities for energy fail to reach an agreement, – monitor trading on EU wholesale energy markets to detect and prevent market abuse, in cooperation with national regulatory authorities for energy, ESMA, the competent financial authorities of the Member States and, where appropriate, national competition authorities, – assess the operation and transparency of different categories of market places and ways of trading, – make recommendations to the Commission as regards market rules, records of transactions, orders to trade, standards and procedures which could improve market integrity and the functioning of the internal market.
Governance	<p>Administrative Board</p> <p>Composition:</p> <p>Two members appointed by the European Parliament, two members appointed by the Commission and five members appointed by the Council. Each member has an alternate.</p> <p>Tasks:</p> <p>The Administrative Board adopts the Agency's annual programme and budget and monitors their implementation.</p> <p>Director</p> <p>Appointed by the Administrative Board after a favourable opinion from the Board of Regulators and on the basis of a list of candidates proposed by the Commission.</p> <p>Board of Regulators</p> <p>Composition:</p> <p>A senior representative of the regulatory authorities from each Member State and one non-voting representative of the Commission. Each member has an alternate nominated by the national regulatory authority of each Member State.</p> <p>Tasks:</p> <p>The Board</p> <ul style="list-style-type: none"> – provides opinions to the Director on many of the opinions, recommendations and decisions that are considered for adoption, – provides guidance to the Director in the execution of its tasks, – delivers an opinion to the Administrative Board on the candidate to be appointed as director, – approves the work programme of the Agency.

	<p>External audit</p> <p>Court of Auditors.</p> <p>Discharge Authority</p> <p>European Parliament acting on a recommendation from the Council.</p>
<p>Resources made available to the Agency in 2014 (2013)</p>	<p>Final Budget 2014</p> <p>10,88 (11,9) million euro</p> <p>Staff as at 31 December 2014</p> <p>Posts listed in the establishment plan: 54 (49)</p> <p>Posts occupied on 31 December: 52 (49)</p> <p>Other staff: 18 (20)</p> <p>Total staff: 72 (69), of which assigned to:</p> <ul style="list-style-type: none"> – operational tasks: 48 (41) – administrative tasks: 24 (28)
<p>Products and services 2014</p>	<p>(a) Network codes: Two Opinions on Network Codes (Electricity: Network Code on High Voltage Direct Current Connections and DC-connected power park modules and Network Code on Electricity Balancing). Three Recommendations on Network Codes (Electricity: Network Code on Forward Capacity Allocation and Network Code on HVDC and DC-connected power park modules; and Gas: Network Code on Interoperability and Data Exchange Rules).</p> <p>(b) Nineteen Opinions related to ENTSOs: ENTSO-E Guideline for Cost Benefit Analysis of Grid Development Projects (CBA); Opinion on ENTSG's Winter Supply Outlook 2013/14; Opinion on the Proposal for Operation of the ENTSO-E Central Information Transparency Platform; Opinion on the ENTSG Cost-Benefit Analysis Methodology (CBA); Opinion on the ENTSO-E Winter Outlook Report 2013/14 and Summer Review 2013; Opinion on the Statutes and Rules of Procedure on the basis of the proposed amendments to the Articles of Association of ENTSG; Opinion on the National Ten-Year Electricity Network Development Plans pursuant to Article 8(11) of Regulation (EC) No 714/2009 - (TYNDP); Opinion on the Appropriate Range of Transmission Charges paid by Electricity Producers; Opinion on the Annual Report 2013 of ENTSG; Opinion on the ENTSO-E Implementation Plan 2015-2017 of the R&D Roadmap 2013-2022; Opinion on the ENTSO-E Annual Report 2013; Opinion on ENTSG's Summer Supply Outlook 2014; Opinion on the ENTSO-E Summer Outlook Report 2014 and Winter Review 2013/2014; Opinion on the Implementation of Investments in Electricity Transmission Networks; Opinion on the ENTSO-E Incidents Classification Scale – Methodology 2014; Opinion on the ENTSG's 2015 Annual Work Programme; Opinion on ENTSG's Winter Supply Outlook 2014/15; Opinion on the draft ENTSO-E Work Programme 2014 through December 2015; Opinion on the draft</p>

	<p>ENTSO-E SOAF (Scenario Outlook and Adequacy Forecast) 2014-2030.</p> <p>(c) One decision on the investment request including cross-border cost allocation for the Gas Interconnection Poland-Lithuania Project of Common Interest No 8.5 (GIPL).</p> <p>(d) REMIT-related documents: Mechanisms for sharing information; Market Monitoring Handbook; Requirements for the registration of Registered Reporting Mechanisms (RRMs); Transaction Reporting User Manual; Manual of procedures, standards and electronic formats for the reporting of data; List of Organised Market Places.</p> <p>(e) A Joint ACER-CEER Market Monitoring Report (Article 11 of Regulation (EC) No 713/2009) released on 22 October, public presentation in Brussels.</p> <p>(f) The (Annual) Regional Initiative Status Review for 2013 published in January. Two on-line Gas Regional initiative (GRI) and two on-line Electricity Regional Initiative (ERI) progress reports also published.</p> <p>(g) Agency's 3rd Annual Conference "REMITage: The age of REMIT?" in Ljubljana on 10 June 2014, with around 200 participants, and concurrent publication of the Agency's 2nd annual REMIT Report.</p>
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Source: Annex provided by the Agency.

Final Accounts of the European Agency for the Cooperation of Energy Regulators and Report on Budgetary and Financial Management

1 January – 31 December 2014

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CERTIFICATION OF ANNUAL ACCOUNTS

The annual accounts of the Agency for the Cooperation of Energy Regulators (hereinafter 'the Agency') for the year 2014 have been prepared in accordance with Title IX of the Agency's Financial Regulation as well as the accounting rules adopted by the European Commission's Accounting Officer.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the Agency in accordance with Article 50 of the Agency's Financial Regulation.

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

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

18 May 2015

(signed electronically)
Rodica Mandroc,
Accounting and Budget Officer

INTRODUCTION

LEGAL BASIS

The Agency for the Cooperation of Energy Regulators with seat in Ljubljana (Slovenia) has been established by Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 (the “founding Regulation”).

The overall mission of the Agency, according to its founding Regulation, is to assist national regulatory authorities (NRAs) in exercising, at Union level, the regulatory tasks performed in the Member States and, where necessary, to coordinate their action.

The Agency’s activities are also governed by the following regulations:

- Regulation (EU) No 838/2010 of 23 September 2010 of the European Parliament and of the Council on Inter-TSO Compensation Mechanism;
- Regulation (EU) No 1227/2011 of 25 October 2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency;
- Regulation (EU) No 347/2013 of 17 April 2013 of the European Parliament and of the Council on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulation (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009.

BACKGROUND INFORMATION

According to the founding Regulation, the Agency’s governing bodies on administrative matters are the Administrative Board and the Director.

The Director of the Agency, Mr Alberto Pototschnig, is, according to Article 17 of the founding Regulation, responsible for representing the Agency and in charge of its management.

The Administrative Board, chaired by Mr Razvan Eugen Nicolescu, is composed of nine members with two members appointed by the European Parliament, five members appointed by the Council and two members appointed by the Commission. Each member has an alternate.

The Administrative Board shall give an opinion on the final accounts of the Agency as drawn up by the Director in accordance with Article 24(4) and (5) of the founding Regulation.

The Agency’s expenditures for 2014 were integrally financed through an annual subsidy from the general budget of the European Union.

In accordance with Article 43(1) of the Decision AB No. 22/2011 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 22 September 2011, Ms Rodica Mandroc was appointed on 22 September 2011 as the Accounting and Budget Officer of the Agency¹.

The following accounts together with a report on budgetary and financial management have been drawn up in accordance with Articles 92 – 99 of Decision AB No 22/2013 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 12 December 2013 on the adoption of the Financial Regulation of the Agency for the Cooperation of Energy Regulators (“the Agency’s Financial Regulation”) and Article 24 of the founding Regulation.

PART I – FINANCIAL STATEMENTS

The revenues of the Agency’s mainly comprise an annual subsidy from the general budget of the Union plus minor revenues recorded during the year steaming from disposal of fixed assets, foreign exchange gains and reversal of accrued income.

The subsidy for the financial year 2014 amounted to €10,880,000.

The Statement of Financial Performance for the year ending 31 December 2014 shows a significant lower result €0.5m compared to €4.7m at the end of 2013 when late receipt of the additional funding had to be carried forward in the 2014 financial year.

The impact on the budgetary result is presented and detailed in the second part of this annual accounts report.

The following financial statements and notes have been drawn up for the financial year ending 31 December 2014.

¹ AB Decision No. 23/2011 of the Administrative Board of the Agency for the Cooperation of Energy Regulators of 22 September 2011.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ending 31 December 2014

	Notes	1 January - 31 December 2014 €	1 January - 31 December 2013 €
REVENUE	1		
European Commission subsidy		10,174,912.15	11,514,296.22
Other operating revenue		(219,655.35)	222,373.08
TOTAL OPERATING REVENUE		9,955,256.80	11,736,669.30
ADMINISTRATIVE AND OPERATIONAL EXPENSES	2		
Staff expenses		4,789,856.17	4,474,523.55
Fixed asset related expenses		260,414.54	193,198.48
Other administrative expenses		2,166,182.44	1,524,328.50
Operational expenses		2,158,420.82	574,308.30
TOTAL ADMINISTRATIVE AND OPERATIONAL EXPENSES		9,374,873.97	6,766,358.83
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES		580,382.83	4,970,310.47
FINANCIAL OPERATIONS	3		
Financial operations expenses		111.43	52.29
SURPLUS/ (DEFICIT) FROM FINANCIAL ACTIVITIES		(111.43)	(52.29)
ECONOMIC RESULT OF THE YEAR		580,271.40	4,970,258.18

BALANCE SHEET

ASSETS

<i>as of 31 December 2014</i>	Notes	1 January - 31 December 2014 €	1 January - 31 December 2013 €
NON-CURRENT ASSETS			
Intangible fixed assets	4	2,920,071.47	1,324,759.39
Tangible fixed assets	5	433,807.13	440,087.51
Plant and equipment		726.31	1,218.27
Computer hardware		200,981.87	300,897.86
Furniture and vehicles		64,944.27	56,963.92
Other fixtures and fittings		167,154.68	81,007.46
TOTAL NON-CURRENT ASSETS		3,353,878.60	1,764,846.90
CURRENT ASSETS			
Short-term receivables	6	2,156,703.33	798,136.14
Current receivables		2,042,113.22	475,901.55
Sundry receivables		70,831.99	23,014.50
Prepaid expenses and accrued income		43,758.12	299,220.09
Cash and cash equivalents	7	3,372,278.26	5,468,548.31
TOTAL CURRENT ASSETS		5,528,981.59	6,266,684.45
TOTAL CURRENT AND NON-CURRENT ASSETS		8,882,860.19	8,031,531.35
EQUITY AND LIABILITIES			
		1 January - 31 December 2014 €	1 January - 31 December 2013 €
EQUITY			
Accumulated surplus/(deficit)		7,105,145.03	2,134,886.85
Economic result of the year		580,271.40	4,970,258.18
TOTAL EQUITY		7,685,416.43	7,105,145.03
CURRENT LIABILITIES			
Accounts payable	8	1,197,443.76	926,386.32
Current payables		348.38	0.00
Accrued expenses and deferred income		488,543.36	507,402.51
Accounts payable with consolidated entities		708,552.02	418,983.81
TOTAL CURRENT LIABILITIES		1,197,443.76	926,386.32

TOTAL EQUITY AND LIABILITIES **8,882,860.19** **8,031,531.35**

CASH FLOW STATEMENT

	1 January - 31 December 2014 €	1 January - 31 December 2013 €
Surplus/(deficit) from operating activities	580,382.83	4,970,310.47
Cash Flows from Operating Activities		
<u>Adjustments</u>		
Amortization (intangible fixed assets)	9,311.56	8,932.22
Depreciation (tangible fixed assets)	251,704.81	184,266.26
Depreciation (transferred fixed assets)	0.00	748.96
Amount written off (tangible fixed assets)	0.00	0.00
(Increase)/decrease in Short term Receivables	(1,358,567.19)	(739,949.89)
(Increase)/decrease in Other Liabilities	(18,859.15)	238,152.05
Increase/(decrease) in Current payables	348.38	(8,948.77)
Increase/(decrease) in Liabilities related to consolidated entities	289,568.21	(1,862,588.74)
Net Cash Flow from Operating Activities	246,110.55	2,790,922.56
Cash Flows from Investing Activities		
Purchase of tangible and intangible fixed assets	(1,850,048.07)	(1,537,327.21)
Net Cash Flow from Investing Activities	(1,850,048.07)	(1,537,327.21)
Financing Activities		
Financial operations revenues/expenses	(111.43)	(52.29)
Net Cash Flow from Financing Activities	(111.43)	(52.29)
Net increase/(decrease) in cash and cash equivalents	(2,096,270.05)	1,253,543.06
Cash and cash equivalents at the beginning of the period	5,468,548.31	4,215,005.25
Cash and cash equivalents at the end of the period	3,372,278.26	5,468,548.31

STATEMENT OF CHANGES IN NET ASSETS

as at 31 December 2014

Net Assets	Opening balance	Economic result of the year	Total Net Assets
	€	€	€
Balance as of 1 January 2014	7,105,145.03	0.00	7,105,145.03
Economic result of the year	0.00	580,271.40	580,271.40
Balance as of 31 December 2014	7,105,145.03	580,271.40	7,685,416.43

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES AND PRINCIPLES

The objective of the financial statements in general is to provide users with an overview on the financial performance, position and cash flow of an entity. For a public entity like the Agency this objective is more specific as the information contained is used in the decision making process as well as to demonstrate the accountability of the Agency towards the resources entrusted to it.

The financial statements for the year 2014 were prepared on the basis of the Commission Accounting Rules as laid down by the accounting officer of the Commission, applicable to the specific environment of the European Union and which are based on the International Public Sector Accounting Standards and International Financial Reporting Standards. The financial statements are prepared on an accrual basis whereas the reports on the implementation of the budget are prepared on a cash basis. Reconciliation between the two methods is presented in the second part of this annual accounts report.

The accounting system of the Agency contains general and budget accounts with the functional currency being euro. The budget accounts provide a detailed picture on the implementation of the budget and are based on cash accounting principles. The general accounts prepared on an accrual accounting basis present the financial performance and position of the Agency as at the end of the financial year.

CURRENCY AND BASIS FOR CONVERSION

Functional and reporting currency

The functional and reporting currency used in the preparation of the financial statements for the Agency is euro.

Transactions

Foreign currency transactions were converted into euro in accordance with Article 6 of the Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union² using the official Commission exchange rates of the day on which the payment order was drawn up.

Foreign exchange gains and losses resulting from the settlement of transactions in foreign currency are recognised in the Statement of Financial Performance.

CHART OF ACCOUNTS

² OJ L 362, 31/12/2012, p 1.

The chart of accounts used by the Agency follows the structure of the chart of accounts used by the Commission (PCUE).

STATEMENT OF FINANCIAL PERFORMANCE - NOTES

1. Revenue

The revenues of the Agency for the financial year 2014 consist of:

- the subsidy received from the general budget of the Union,
- income on fixed assets returned by the insurance for lost items,
- reversal of 2013 recognised income as a result of applied salary and country coefficient adjustments, and
- foreign exchange realised gains.

	31 December 2014	31 December 2013
	€	€
European Commission subsidy	10,174,912.15	11,514,296.22
Fixed assets income	411.62	962.99
Exchange rate gains	274.95	125.17
Other operating revenue	(220,341.92)	221,284.92
	9,955,256.80	11,736,669.30

2. Expenses

Staff expenses consist of personnel-related expenses such as salaries, allowances and other welfare benefits.

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 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 the Union's institutions and other agencies of the European Union. The PMO is also responsible for managing the health insurance fund of the Union's 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 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.

Fixed assets-related expenses contain the charge of amortisation of intangible assets and the depreciation of tangible assets for the financial year ending 31 December 2014.

Other administrative expenses consist of costs associated with the building, office running costs, including the cost of physical inventory that does not qualify as financial assets, as well as the cost of interim personnel.

Operational expenses include the cost of operational missions, meetings, workshops, public hearings, REMIT project related costs and other operational expenditure incurred for the functioning of the Agency.

Administrative and operational expenses	31 December 2014 €	31 December 2013 €
Staff expenses	4,789,856.17	4,474,523.55
Fixed asset related expenses	260,414.54	193,198.48
Other administrative expenses	2,166,182.44	1,524,328.50
Operational expenses	2,158,420.82	574,308.30
	9,374,873.97	6,766,358.83

3. Financial expense

Financial expenses relate to bank charges for operating the Agency bank accounts.

Financial expenses	31 December 2014 €	31 December 2013 €
Financial operations expenses	111.43	52.29

BALANCE SHEET - NOTES

NON-CURRENT ASSETS

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

Fixed assets are assets with a useful life of more than one reporting period. The valuation of fixed assets in the financial statements of the Agency is based at their acquisition price. The book value of these assets is equal to their acquisition price increased or decreased by revaluations, decreased by depreciation and amounts written off.

For the record of fixed assets the Agency uses ABAC Assets2 as inventory application, which is an integrated part of the ABAC platform. Two main categories can be distinguished: intangible and tangible assets.

4. Intangible fixed assets

Intangible fixed assets recorded in the inventory of the Agency consist of assets without physical substance and are represented by acquisitioned software and internally generated intangible assets still under construction at year end. As intangible asset under construction the Agency records the relevant costs of the IT platform build to assist the Agency with the monitoring of the wholesale energy markets.

Intangible assets at book value	31 December 2014 €	31 December 2013 €
Intangible assets	5,800.33	15,111.89
Intangible assets under construction	2,914,271.14	1,309,647.50
	2,920,071.47	1,324,759.39

5. Tangible fixed assets

Assets with a physical substance recorded in the inventory of the Agency consist mainly of furniture, computer hardware, telecommunication and audio-visual equipment and other fixtures and fittings.

Tangible fixed assets at book value	31 December 2014 €	31 December 2013 €
Plant and equipment	726.31	1,218.27
Computer hardware	200,981.87	300,897.86
Furniture and vehicles	64,944.27	56,963.92
Other fixtures and fittings	167,154.68	81,007.46
	433,807.13	440,087.51

Amortisation and depreciation

Depreciation and amortisation as a systematic allocation of the loss in value over the useful life of an asset is calculated using the straight-line method with the following rates:

Type of asset	Straight line depreciation and amortisation rate
Computer software	25%
Furniture	10%
Transport and kitchen equipment	12.5%
Computer hardware	25%
Technical equipment	25%

Telecommunication audio-visual equipment	25%
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Details on the classification and depreciation amounts of the fixed assets can be found in the following table:

FIXED ASSETS
01.01.2014-31.12.2014

Account number	Asset category	Opening balance	Additions during the year	Closing balance	Depreciation Rate and Method	Depreciation			Closing book value
						Opening balance	Depreciation charge for the year	Accumulated Depreciation	
21001000	Computer software	40,814.16	0.00	40,814.16	L 25%	25,702.27	9,311.56	35,013.83	5,800.33
21400001	Intangible assets under construction	1,309,647.50	1,604,623.64	2,914,271.14	0.00%	0.00	0.00	0.00	2,914,271.14
23001000	Plant, machinery and equipment	2,225.65	0.00	2,225.65	L 12,5%	1,007.38	491.96	1,499.34	726.31
24001000	Furniture and rolling stock	72,063.38	16,570.14	88,633.52	L 10%; 12,5%, 25%	15,099.46	8,589.79	23,689.25	64,944.27
24101000	Computer hardware	692,558.11	91,104.49	783,662.60	L 25%	391,660.25	191,020.48	582,680.73	200,981.87
24201000	Other fixtures and fittings	119,703.89	137,749.80	257,453.69	L 25%	38,696.43	51,602.58	90,299.01	167,154.68
Totals		2,237,012.69	1,850,048.07	4,087,060.76		472,165.79	261,016.37	733,182.16	3,353,878.60

CURRENT ASSETS

Receivables

Receivables are carried at original invoice amount less any write-down for impairment. A write-down for impairment of receivables is established only where there is objective evidence that the Agency will not be able to collect all amounts due according to the original terms of the receivables, with the impaired amount being recognised in the Statement of Financial Performance.

6. Short-term receivables

The Agency benefits from a direct exemption for VAT from the Republic of Slovenia for purchases above the threshold amount of €60. For purchases where the direct exemption is impracticable to obtain, the VAT is refunded by the Republic of Slovenia on a quarterly basis.

The advance payments made to contractors and recorded as short-term pre-financing relate to services derived from the long term project of REMIT expected to be provided in the course of 2015.

Salary advances paid to staff members are processed and/or recovered by the Pay Master Office (PMO) from the staff member salary in the month following that of the payment.

Deferred charges consist of prepayments made during the year mainly on subscriptions and insurance premiums, recovery of overpaid salaries of staff members, and a deposit made for the rental of furnished offices from *Poslovni Center za Opravljanje Celovitih Pisarniskih Storitve d.o.o.*

	31 December 2014	31 December 2013
	€	€
VAT receivable	2,218.86	901.55
Short term pre-financing	2,039,894.36	475,000.00
Salary advances paid to staff	70,831.99	23,014.50
Deferred charges		
<i>Prepayments</i>	39,875.12	74,985.27
<i>Accrued income</i>	943	221,284.92
<i>Bank charges</i>	-	9.90
<i>Deposits and guarantees</i>	2,940.00	2,940.00
	2,156,703.33	798,136.14

7. Cash and cash equivalents

The main bank account of the Agency and the imprest account are held with UniCredit AG Germany based on a banking services contract signed between the two parties. At 31 December 2014 the balance of the main bank account contained

the related cash needed to honour the Agency's financial obligations carried over into 2015.

	31 December 2014 €	31 December 2013 €
Bank account	3,359,200.55	5,458,261.60
Imprest account	12,427.77	10,006.98
Petty cash	649.94	279.73
	3,372,278.26	5,468,548.31

EQUITY AND LIABILITIES

8. Current liabilities

As of 31 December 2014 the Agency settled most of its current obligations towards its suppliers apart from one minor payment to be executed at the beginning of 2015.

Accrued expenses relate mainly to goods or service delivered at the end of the financial year but for which the invoices have not been received amounting to €389,797.65.

According to Staff Regulation (Annex V – Leave, Article 4) the staff members are entitled to a compensation equal to one thirtieth of his/her monthly remuneration for each leave day due to him/her at the time of leaving the service. A holiday compensation amounting to €98,745.71 has been calculated and recognised as accrued expenses for all untaken annual leave entitlements as at the end of the 2014 financial year.

The budgetary outturn result remains the property of the Commission and the Agency has an obligation to return the unused amount of the pre-financing. The 2014 related budgetary outturn will be returned during 2015 on the request of the Commission.

	31 December 2014 €	31 December 2013 €
Accounts payable	348.38	0.00
Accrued expenses	488,543.36	507,402.51
Repayable positive budgetary outturn	708,552.02	418,983.81
	1,197,443.76	926,386.32

FINANCIAL INSTRUMENTS

Financial instruments held by the Agency are cash and cash equivalents, receivables and payables. The Agency has limited exposure to financial risks and it focuses on managing the risks identified below:

Credit risk

Credit risk arises when there is the possibility of the Agency's receivables defaulting on their contractual obligations resulting in financial loss for the Agency.

The maximum exposure to credit risk at the end of the financial year 2014 is the carrying amount of the assets shown under the notes 6 'Short-term receivable', excluding the amount of short-term pre-financing that is already secured by bank guarantees, and note 7 'Cash and cash equivalents'.

Credit risk associated with the Agency's financial assets is minimal as the majority of them are held with institutions that have an external credit rating within the upper classes of the scale or are with debtors who never defaulted on their debt. The table below presents the credit quality of these assets that are neither impaired nor past due and that were grouped into two categories, with and without external credit rating, for the current and previous financial year.

Category:	Financial Assets	2014
Counterparties with external credit rating		
<i>Prime and high grade</i>		
<i>Upper medium grade</i>	Cash and cash equivalents	3,372,278.26
<i>Lower medium grade</i>	Refund of VAT from Slovenian customs office	2,218.86
Counterparties without external credit rating		
<i>Debtors who never defaulted</i>	Receivables, accruals and deferrals	114,590.11
TOTAL		3,489,087.23

Category:	Financial Assets	2013
Counterparties with external credit rating		
<i>Prime and high grade</i>	Cash and cash equivalents	5,468,548.31
<i>Upper medium grade</i>	Refund of VAT from Slovenian customs office	901.55
<i>Lower medium grade</i>		
Counterparties without external		

credit rating		
<i>Debtors who never defaulted</i>	Receivables, accruals and deferrals	322,234.59
TOTAL		5,791,684.45

Liquidity risk

Liquidity risk arises when the Agency is unable to meet its financial obligations as they fall due.

The Agency is exposed to liquidity risk through its trading in the normal course of business but has appropriate treasury management procedures in place to monitor forecast cash flows and ensure that sufficient funds are available to meet its legal commitments as they fall due.

The Agency's liabilities have remaining contractual maturities as shown in the following table:

At 31 December	2014	2013
Payables with third parties		
<i>Less than one year</i>	348.38	0.00
Payables with consolidated entities		
<i>Less than one year</i>	708,900.40	418,983.81
TOTAL	709,248.78	418,983.81

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Agency's income or the value of its holdings of financial instruments.

The Agency does not have any borrowings and as such no exposure to risks due to interest rate fluctuations nor does it have any exposure to foreign exchange rates as all its holdings of financial instruments are held in euro as functional currency.

The following table shows a summary of all financial assets expressed in euro.

Exposure to euro at 31 December	2014	2013
Monetary assets		
<i>Cash and cash equivalents</i>	3,372,278.26	5,468,548.31
<i>Receivables with member States</i>	2,218.86	901.55
Monetary liabilities		
<i>Payables with third parties</i>	348.38	0.00

<i>Payables with consolidated entities</i>	708,552.02	418,983.81
Net position	2,780,186.83	5,050,466.05

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies for the financial year 2014.

OTHER DISCLOSURE

Contribution in kind

During the financial year 2014 the following contribution in kind has been accepted:

- a) From the Council of European Energy Regulators:
- office space, logistical and secretarial support for the Agency's liaison office in Brussels free of any rent, fees and charges.

Neither the legal title nor the economic ownership has passed to the Agency, therefore the non-exchange component of these transactions is not accounted for in the accounts of the Agency.

EVENTS AFTER BALANCE SHEET DATE

The Agency has not identified any material event after its balance sheet date that would have an impact on its financial performance and position.

PART II – REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT

The approved subsidy from the Union for the Agency for the financial year 2014 amounted to €10,880,000. There was no agreement reached for any contribution towards the Agency from the EFTA states.

The following table presents the implementation of these appropriations for the period between 1 January and 31 December 2014:

Title Chapter	Heading	Appropriation	Committed	% Committed	Paid	% Paid	Balance commitments	Balance payments
		(1)	(2)		(3)		(1-2)	(2-3)
TITLE 1	Expenditure relating to staff and resources							
CHAPTER 11	Staff in active employment	5,615,187.00	5,215,688.44	92.89%	5,073,773.76	90.36%	399,498.56	141,914.68
CHAPTER 12	Missions and duty travel	120,644.00	85,539.32	70.90%	77,601.70	64.32%	35,104.68	7,937.62
CHAPTER 13	Socio-medical infrastructure	41,160.00	38,666.30	93.94%	8,731.10	21.21%	2,493.70	29,935.20
CHAPTER 14	Social services	27,200.00	23,919.38	87.94%	21,350.44	78.49%	3,280.62	2,568.94
	TOTAL TITLE 1	5,804,191.00	5,363,813.44	92.41%	5,181,457.00	89.27%	440,377.56	182,356.44
TITLE 2	Agency's building and associated costs							
CHAPTER 20	Agency's premises costs	972,395.00	948,847.85	97.58%	883,272.99	90.83%	23,547.15	65,574.86
CHAPTER 21	Data processing	332,600.00	331,444.97	99.65%	105,882.04	31.83%	1,155.03	225,562.93
CHAPTER 22	Movable property and associated costs	234,220.00	227,293.73	97.04%	153,487.16	65.53%	6,926.27	73,806.57
CHAPTER 23	Current administrative expenditure	782,940.00	772,748.68	98.70%	238,282.84	30.43%	10,191.32	534,465.84
CHAPTER 24	Computer infrastructure, telecommunication and postage	145,100.00	143,748.32	99.07%	58,820.22	40.54%	1,351.68	84,928.10
	TOTAL TITLE 2	2,467,255.00	2,424,083.55	98.25%	1,439,745.25	58.35%	43,171.45	984,338.30
TITLE 3	Operational expenditure							
CHAPTER 30	Representation expenses	16,591.64	12,175.19	73.38%	12,075.19	72.78%	4,416.45	100.00
CHAPTER 31	Operational missions	231,646.36	216,041.77	93.26%	191,697.09	82.75%	15,604.59	24,344.68
CHAPTER 32	Stakeholder involvement, public relations and website	138,698.00	108,630.20	78.32%	98,283.14	70.86%	30,067.80	10,347.06
CHAPTER 33	Translations	37,700.00	30,920.35	82.02%	26,920.35	71.41%	6,779.65	4,000.00
CHAPTER 34	Professional indemnity	5,000.00	5,000.00	100.00%	5,000.00	100.00%	0.00	0.00
CHAPTER 35	REMIT operations	2,178,918.00	2,174,832.01	99.81%	643,808.64	29.55%	4,085.99	1,531,023.37
	TOTAL TITLE 3	2,608,554.00	2,547,599.52	97.66%	977,784.41	37.48%	60,954.48	1,569,815.11
	GRAND TOTAL BUDGET 2014	10,880,000.00	10,335,496.51	95.00%	7,598,986.66	69.84%	544,503.49	2,736,509.85

A detailed description of the 2014 budget implementation can be found under the 'Revenue' and 'Expenditure' sub-sections of the 'Budgetary Management' section of this report.

Other revenue recorded by the Agency as assigned revenue stemming from the fund source IC4 and amounting to €12,496.29 resulted from recovered overpaid amounts during the financial year 2014 related to:

- adjustment of the salaries correction coefficient applied to allowances paid to seconded national experts;
- recovery of one cancelled mission for reasons other than professional;
- recovery of one overpaid mission for participation to a board meeting, and
- receipt of insurance payment for one lost inventory item.

None of these assigned revenues have been consumed during the financial year 2014 and are therefore to be returned to the general budget.

The following table presents the implementation of these appropriations for the period between 1 January and 31 December 2014:

Title Chapter	Heading	Appropriation	Committed	% Committed	Paid	% Paid	Balance commitments	Balance payments
		(1)	(2)		(3)		(1-2)	(2-3)
CHAPTER 11	Staff in active employment	10,845.06	-	-	-	-	10,845.06	-
CHAPTER 12	Missions and duty travel	500.00	-	-	-	-	500.00	-
CHAPTER 23	Current administrative expenditure	739.61	-	-	-	-	739.61	-
CHAPTER 24	Postal charges, telecommunication and computer infrastr.	411.62	-	-	-	-	411.62	-
TOTAL FUND SOURCE C4		12,496.29	-	-	-	-	12,496.29	-

A detailed description of this budget implementation can be found under the 'Revenue' and 'Expenditure' sub-sections of the 'Budgetary Management' section of this report.

In addition to the current year appropriations an amount of €5,075,002.75 was carried forward from the financial year 2013 to honour the payment appropriations from the commitments estimated by the Agency at that point in time. An amount of €4,926,158.68 was consumed by the end of the financial year 2014 with the minor difference of €148,844.07 to be returned to the Commission during the financial year 2015.

The following table presents the implementation of these appropriations for the period between 1 January and 31 December 2014:

Title Chapter	Heading	Appropriation	Committed	% Committed	Paid	% Paid	Balance commitments	Balance payments
		(1)	(2)		(3)		(1-2)	(2-3)
TITLE 1	Expenditure related to employees of the agency							
CHAPTER 11	Staff in active employment	61,588.45	52,870.26	85.84%	52,870.26	85.84%	8,718.19	0.00
CHAPTER 12	Missions and duty travel	19,840.06	15,815.82	79.72%	15,815.82	79.72%	4,024.24	0.00
CHAPTER 13	Socio-medical infrastructure	16,838.55	9,354.75	55.56%	9,354.75	55.56%	7,483.80	0.00
CHAPTER 14	Social services	3,826.04	3,820.44	99.85%	3,820.44	99.85%	5.60	0.00
TOTAL TITLE 1		102,093.10	81,861.27	80.18%	81,861.27	80.18%	20,231.83	0.00
TITLE 2	Agency's building and associated costs							
CHAPTER 20	Agency premises costs	118,475.06	112,922.69	95.31%	112,922.69	95.31%	5,552.37	0.00
CHAPTER 21	Data processing	32,897.77	32,099.95	97.57%	32,099.95	97.57%	797.82	0.00
CHAPTER 22	Movable property and associated costs	72,600.27	34,991.97	48.20%	34,991.97	48.20%	37,608.30	0.00
CHAPTER 23	Current administrative expenditure	121,344.72	74,420.86	61.33%	74,420.86	61.33%	46,923.86	0.00
CHAPTER 24	Postal charges, telecommunication and computer infrastr.	142,897.84	138,165.42	96.69%	138,165.42	96.69%	4,732.42	0.00
TOTAL TITLE 2		488,215.66	392,600.89	80.42%	392,600.89	80.42%	95,614.77	0.00
TITLE 3	Operational expenditure							
CHAPTER 30	Representation expenses	10,535.57	415.00	3.94%	415.00	3.94%	10,120.57	0.00
CHAPTER 31	Operational missions	35,095.90	18,562.89	52.89%	18,562.89	52.89%	16,533.01	0.00
CHAPTER 32	Stakeholder involvement, public relations and website	60,965.00	60,382.91	99.05%	60,382.91	99.05%	582.09	0.00
CHAPTER 33	Translations	5,761.80	0.00	0.00%	0.00	0.00%	5,761.80	0.00
CHAPTER 35	REMIT operations	4,372,335.72	4,372,335.72	100.00%	4,372,335.72	100.00%	0.00	0.00
TOTAL TITLE 3		4,484,693.99	4,451,696.52	99.26%	4,451,696.52	99.26%	32,997.47	0.00
TOTAL AMOUNT OF CARRIED OVER BUDGET		5,075,002.75	4,926,158.68	97.07%	4,926,158.68	97.07%	148,844.07	0.00

More details on the implementation of these commitments can be found under the 'Revenue' and 'Expenditure' sub-sections of the 'Budgetary Management' section of this report.

BUDGETARY OUTTURN ACCOUNT

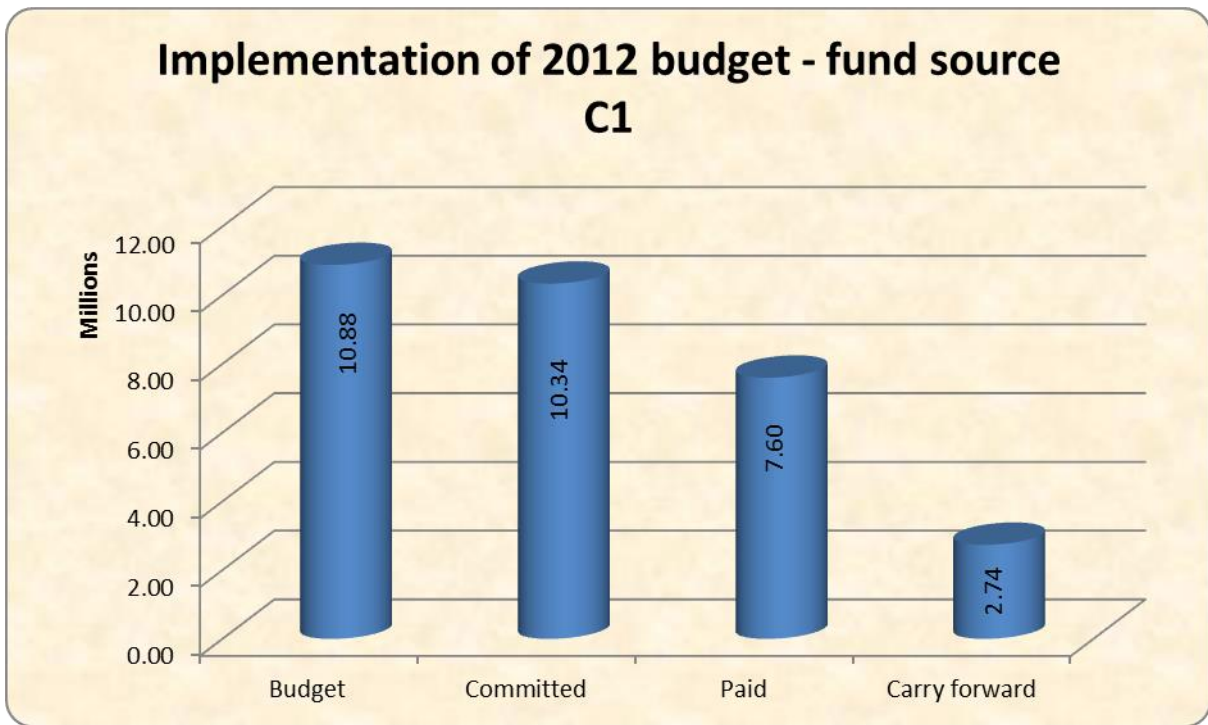
The Budgetary Outturn Account presents on a cash basis the actual amounts cashed as income and the amount of cash consumed to honour the payment of commitments, as well the amounts of unutilised and cancelled appropriations.

	31 December 2014 €	31 December 2013 €
INCOME		
Commission subsidy	10,880,000.00	11,930,220.00
Other income - assigned revenue	15,960.46	4,198.52
TOTAL INCOME	10,895,960.46	11,934,418.52
EXPENSES		
Expenditure related to employees of the agency - Title I		
Payments	5,181,457.00	4,762,240.75
Carry-forwards and carry-overs	182,356.44	102,093.10
Agency's building and associated expenses - Title II		
Payments	1,439,745.25	1,495,346.94
Carry-forwards and carry-overs	984,338.30	1,871,815.48
Operational expenditure - Title III		
Payments	977,784.41	304,246.59
Carry-forwards and carry-overs	1,569,815.11	3,101,094.17
TOTAL EXPENSES	10,335,496.51	11,636,837.03
Total appropriations not utilised	560,463.95	297,581.49
BUDGETARY OUTTURN BEFORE SPECIAL ITEMS	560,463.95	297,581.49
Cancelled carry-overs	148,844.07	118,814.39
Exchange rate differences	(756.01)	(472.10)
BUDGETARY OUTTURN	708,552.01	415,923.78
Interest generated by the end of the financial year to be returned to the Commission	0.00	3,060.03
Total to be returned to the Commission	708,552.01	418,983.81

BUDGET IMPLEMENTATION

The following tables present the detailed budget implementation by budget Titles, as well as individual budget lines – Fund Source C1 (see also headings for C4 and C8).

	31 December 2014 €
TITLE 1	
Budget	5,804,191.00
Committed	5,363,813.44
Paid	5,181,457.00
Carry forward	182,356.44
Carry over	0.00
Total expenditure	5,363,813.44
Appropriations not utilized	440,377.56
Executed	92.41%
TITLE 2	
Budget	2,467,255.00
Committed	2,424,083.55
Paid	1,439,745.25
Carry forward	984,338.30
Carry over	0.00
Total expenditure	2,424,083.55
Appropriations not utilized	43,171.45
Executed	98.25%
TITLE 3	
Budget	2,608,554.00
Committed	2,547,599.52
Paid	977,784.41
Carry forward	1,569,815.11
Carry over	0.00
Total expenditure	2,547,599.52
Appropriations not utilized	60,954.48
Executed	97.66%
TOTAL	
Budget	10,880,000.00
Committed	10,335,496.51
Paid	7,598,986.66
Carry forward	2,736,509.85
Carry over	0.00
Total expenditure	10,335,496.51
Appropriations not utilized	544,503.49
Executed	95.00%



Detailed budget implementation of current year appropriations – fund source C1

Budget Line	Official Budget Item Description	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance commitments (1-2)	Balance payments (2-3)
A-1100	Basic Salaries and correction	2,637,832.00	2,512,230.43	95.24%	2,512,230.43	95.24%	125,601.57	-
A-1101	Family allowances	486,171.00	433,005.57	89.06%	433,005.57	89.06%	53,165.43	-
A-1102	Expatriation and foreign residence allowances	497,208.00	481,983.23	96.94%	481,983.23	96.94%	15,224.77	-
	Sum:	3,621,211.00	3,427,219.23	94.64%	3,427,219.23	94.64%	193,991.77	-
A-1110	Contract agents	442,325.00	345,639.20	78.14%	345,639.20	78.14%	96,685.80	-
A-1111	Seconded National Experts	520,188.00	513,705.47	98.75%	513,705.47	98.75%	6,482.53	-
	Sum:	962,513.00	859,344.67	89.28%	859,344.67	89.28%	103,168.33	-
A-1120	Training and information for staff	171,793.00	166,459.68	96.90%	94,404.24	54.95%	5,333.32	72,055.44
	Sum:	171,793.00	166,459.68	96.90%	94,404.24	54.95%	5,333.32	72,055.44
A-1130	Insurance against sickness	114,323.00	114,322.91	100.00%	114,322.91	100.00%	0.09	-
A-1131	Insurance against accidents and occupational disease	26,235.00	19,199.45	73.18%	19,199.45	73.18%	7,035.55	-
A-1132	Unemployment insurance for temporary staff	41,536.00	41,536.00	100.00%	41,536.00	100.00%	-	-
	Sum:	182,094.00	175,058.36	96.14%	175,058.36	96.14%	7,035.64	-
A-1140	Birth and death grants	1,984.00	396.62	19.99%	396.62	19.99%	1,587.38	-
A-1141	Annual travel expenses from the place of work to origin	71,345.00	63,726.30	89.32%	63,726.30	89.32%	7,618.70	-
A-1142	Schooling fees	156,868.00	156,359.41	99.68%	156,359.41	99.68%	508.59	-
	Sum:	230,197.00	220,482.33	95.78%	220,482.33	95.78%	9,714.67	-
A-1160	Expenditure related to recruitment	122,853.00	85,768.56	69.81%	41,785.68	34.01%	37,084.44	43,982.88
A-1161	Travel expense to take up duty	23,000.00	2,046.13	8.90%	2,046.13	8.90%	20,953.87	-
A-1162	Installation resettlement and transfer allowances	58,020.00	58,019.49	100.00%	58,019.49	100.00%	0.51	-
A-1163	Temporary daily subsistence allowances	55,736.00	50,935.92	91.39%	50,935.92	91.39%	4,800.08	-
	Sum:	259,609.00	196,770.10	75.79%	152,787.22	58.85%	62,838.90	43,982.88
A-1170	Supplementary clerical and interim services	137,000.00	120,859.58	88.22%	100,903.59	73.65%	16,140.42	19,955.99
A-1171	Administrative assistance	50,770.00	49,494.49	97.49%	43,574.12	85.83%	1,275.51	5,920.37
	Sum:	187,770.00	170,354.07	90.72%	144,477.71	76.94%	17,415.93	25,876.36

Budget Line	Official Budget Item Description	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance commitments (1-2)	Balance payments (2-3)
A-1200	Mission expenses Administrative staff	46,364.00	19,527.58	42.12%	18,016.32	38.86%	26,836.42	1,511.26
A-1201	Mission expenses Director	27,000.00	26,731.74	99.01%	23,865.35	88.39%	268.26	2,866.39
A-1202	Mission expenses Director Office staff	47,280.00	39,280.00	83.08%	35,720.03	75.55%	8,000.00	3,559.97
	Sum:	120,644.00	85,539.32	70.90%	77,601.70	64.32%	35,104.68	7,937.62
A-1300	Medical services and equipment	41,160.00	38,666.30	93.94%	8,731.10	21.21%	2,493.70	29,935.20
	Sum:	41,160.00	38,666.30	93.94%	8,731.10	21.21%	2,493.70	29,935.20
A-1401	Social welfare of staff	18,000.00	18,000.00	100.00%	15,431.06	85.73%	-	2,568.94
	Sum:	18,000.00	18,000.00	100.00%	15,431.06	85.73%	-	2,568.94
A-1410	Staff Committee	9,200.00	5,919.38	64.34%	5,919.38	64.34%	3,280.62	-
	Sum:	9,200.00	5,919.38	64.34%	5,919.38	64.34%	3,280.62	-
A-2000	Rent	578,495.00	578,493.36	100.00%	578,493.36	100.00%	1.64	-
A-2001	Removal costs	5,000.00	3,480.00	69.60%	180.00	3.60%	1,520.00	3,300.00
	Sum:	583,495.00	581,973.36	99.74%	578,673.36	99.17%	1,521.64	3,300.00
A-2010	Utilities	105,500.00	105,500.00	100.00%	100,591.32	95.35%	-	4,908.68
A-2011	Cleaning and maintenance	88,000.00	88,000.00	100.00%	81,860.77	93.02%	-	6,139.23
	Sum:	193,500.00	193,500.00	100.00%	182,452.09	94.29%	-	11,047.91
A-2020	Insurance	5,000.00	3,167.89	63.36%	3,167.89	63.36%	1,832.11	-
	Sum:	5,000.00	3,167.89	63.36%	3,167.89	63.36%	1,832.11	-
A-2030	Security and surveillance of buildings	47,000.00	47,000.00	100.00%	27,678.44	58.89%	-	19,321.56
A-2031	Health and safety at work	8,400.00	3,718.39	44.27%	2,620.47	31.20%	4,681.61	1,097.92
	Sum:	55,400.00	50,718.39	91.55%	30,298.91	54.69%	4,681.61	20,419.48
A-2040	Other expenditure on buildings	130,000.00	114,517.20	88.09%	86,559.39	66.58%	15,482.80	27,957.81
A-2041	Audio & Video equipment-maintenance	5,000.00	4,971.01	99.42%	2,121.35	42.43%	28.99	2,849.66
	Sum:	135,000.00	119,488.21	88.51%	88,680.74	65.69%	15,511.79	30,807.47
A-2100	Consumables	11,948.00	11,659.22	97.58%	10,663.97	89.25%	288.78	995.25
A-2101	Software	34,364.00	33,836.81	98.47%	32,765.57	95.35%	527.19	1,071.24
A-2102	Subscriptions IT	200,288.00	199,954.71	99.83%	62,452.50	31.18%	333.29	137,502.21
A-2103	Disaster recovery site	86,000.00	85,994.23	99.99%			5.77	85,994.23
	Sum:	332,600.00	331,444.97	99.65%	105,882.04	31.83%	1,155.03	225,562.93

Budget Line	Official Budget Item Description	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance commitments (1-2)	Balance payments (2-3)
A-2210	Purchase of furniture	33,700.00	26,773.73	79.45%	11,777.48	34.95%	6,926.27	14,996.25
	Sum:	33,700.00	26,773.73	79.45%	11,777.48	34.95%	6,926.27	14,996.25
A-2220	Transportation costs	102,000.00	102,000.00	100.00%	99,487.76	97.54%	-	2,512.24
	Sum:	102,000.00	102,000.00	100.00%	99,487.76	97.54%	-	2,512.24
A-2230	Library acquisitions	98,520.00	98,520.00	100.00%	42,221.92	42.86%	-	56,298.08
	Sum:	98,520.00	98,520.00	100.00%	42,221.92	42.86%	-	56,298.08
A-2300	Stationery and office supplies	31,500.00	31,500.00	100.00%	27,268.79	86.57%	-	4,231.21
	Sum:	31,500.00	31,500.00	100.00%	27,268.79	86.57%	-	4,231.21
A-2310	Bank charges	240.00	121.53	50.64%	121.53	50.64%	118.47	-
	Sum:	240.00	121.53	50.64%	121.53	50.64%	118.47	-
A-2320	Legal expenses	15,000.00	13,500.00	90.00%	3,375.00	22.50%	1,500.00	10,125.00
A-2321	Expert consultation	560,600.00	559,205.29	99.75%	110,408.29	19.69%	1,394.71	448,797.00
	Sum:	575,600.00	572,705.29	99.50%	113,783.29	19.77%	2,894.71	458,922.00
A-2330	Administrative Board meetings	20,000.00	20,000.00	100.00%	16,244.72	81.22%	-	3,755.28
A-2331	Board of Regulators meetings	120,000.00	120,000.00	100.00%	53,442.65	44.54%	-	66,557.35
A-2332	Board of Appeal meetings	20,000.00	15,695.51	78.48%	15,695.51	78.48%	4,304.49	-
A-2333	External participants to meetings	5,500.00	3,546.69	64.49%	3,546.69	64.49%	1,953.31	-
A-2334	EU Agencies Network	10,100.00	9,179.66	90.89%	8,179.66	80.99%	920.34	1,000.00
	Sum:	175,600.00	168,421.86	95.91%	97,109.23	55.30%	7,178.14	71,312.63
A-2400	Postal charges	10,000.00	10,000.00	100.00%	7,783.49	77.83%	-	2,216.51
	Sum:	10,000.00	10,000.00	100.00%	7,783.49	77.83%	-	2,216.51
A-2410	Telecommunications subscriptions and charges	47,300.00	46,550.00	98.41%	40,736.14	86.12%	750.00	5,813.86
	Sum:	47,300.00	46,550.00	98.41%	40,736.14	86.12%	750.00	5,813.86
A-2420	Hardware and other equipment	87,800.00	87,198.32	99.31%	10,300.59	11.73%	601.68	76,897.73
	Sum:	87,800.00	87,198.32	99.31%	10,300.59	11.73%	601.68	76,897.73

Budget Line	Official Budget Item Description	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance commitments (1-2)	Balance payments (2-3)
B3-000	Representation expenses - director	3,000.00	2,267.22	75.57%	2,167.22	72.24%	732.78	100.00
B3-001	Representation expenses - Administration	5,000.00	2,828.41	56.57%	2,828.41	56.57%	2,171.59	-
B3-002	Representation expenses - Electricity	3,000.00	2,742.71	91.42%	2,742.71	91.42%	257.29	-
B3-003	Representation expenses - MMD	2,591.64	2,591.64	100.00%	2,591.64	100.00%	-	-
B3-004	Representation expenses - Gas	3,000.00	1,745.21	58.17%	1,745.21	58.17%	1,254.79	-
	Sum:	16,591.64	12,175.19	73.38%	12,075.19	72.78%	4,416.45	100.00
B3-100	Operational Missions Gas Department	70,000.00	60,734.37	86.76%	58,900.79	84.14%	9,265.63	1,833.58
B3-101	Operational Missions Electricity Department	84,238.00	78,030.75	92.63%	62,969.00	74.75%	6,207.25	15,061.75
B3-102	Operational Missions Market Monitoring Department	77,408.36	77,276.65	99.83%	69,827.30	90.21%	131.71	7,449.35
	Sum:	231,646.36	216,041.77	93.26%	191,697.09	82.75%	15,604.59	24,344.68
B3-200	Public hearings workshops conferences	82,698.00	75,396.00	91.17%	66,128.94	79.96%	7,302.00	9,267.06
B3-201	Website set up and maintenance	-	-	0.00%	-	-	-	-
B3-202	Publications information material	31,000.00	16,786.20	54.15%	16,786.20	54.15%	14,213.80	-
B3-203	Reports production	25,000.00	16,448.00	65.79%	15,368.00	61.47%	8,552.00	1,080.00
	Sum:	138,698.00	108,630.20	78.32%	98,283.14	70.86%	30,067.80	10,347.06
B3-300	Translation at CDT	37,700.00	30,920.35	82.02%	26,920.35	71.41%	6,779.65	4,000.00
	Sum:	37,700.00	30,920.35	82.02%	26,920.35	71.41%	6,779.65	4,000.00
B3-400	Insurance	5,000.00	5,000.00	100.00%	5,000.00	100.00%	-	-
	Sum:	5,000.00	5,000.00	100.00%	5,000.00	100.00%	-	-
B3-500	Hosting deployment and operations	400,000.00	399,937.01	99.98%	149,989.81	37.50%	62.99	249,947.20
B3-501	ARIS development licenses subscriptions and fees	911,700.00	911,700.00	100.00%	348,201.39	38.19%	-	563,498.61
B3-502	SMARTS development licenses and consultancy	-	-	0.00%	-	-	-	-
B3-503	IT and expert consultancy	867,218.00	863,195.00	99.54%	145,617.44	16.79%	4,023.00	717,577.56
	Sum:	2,178,918.00	2,174,832.01	99.81%	643,808.64	29.55%	4,085.99	1,531,023.37
	Sum:	10,880,000.00	10,335,496.51	95.00%	7,598,986.66	69.84%	544,503.49	2,736,509.85

BUDGET IMPLEMENTATION CURRENT YEAR – FUND SOURCE C4

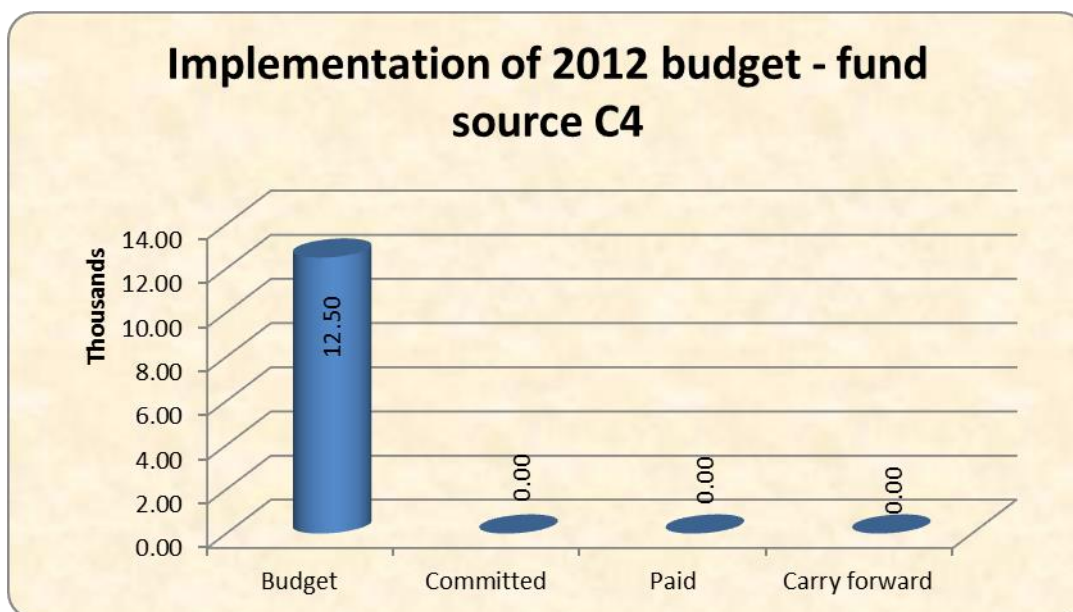
**31
 December
 2014
 €**

TITLE 1

Budget	11,345.06
Appropriations not utilized	11,345.06
Executed	0.00%

TITLE 2

Budget	1,151.23
Appropriations not utilized	1,151.23
Executed	0.00%



Title	Heading	Assigned revenue €	Commitments €	Commitment execution %	Payments €	Payment execution %
TITLE 1	EXPENDITURE RELATING TO EMPLOYEES OF THE AGENCY	11,345.06	-	0.00	-	0.00
TITLE 2	AGENCY'S BUILDING AND ASSOCIATED COSTS	1,151.23	-	0.00	-	0.00
	TOTAL	12,496.29	-	0.00	-	0.00

BUDGET IMPLEMENTATION APPROPRIATION FUND SOURCE – C8

**31 December
2014
€**

TITLE 1

Budget	102,093.10
Committed	81,861.27
Paid	81,861.27
Total expenditure	81,861.27
Cancelled carry-forwards	20,231.83
Executed	80.18%

TITLE 2

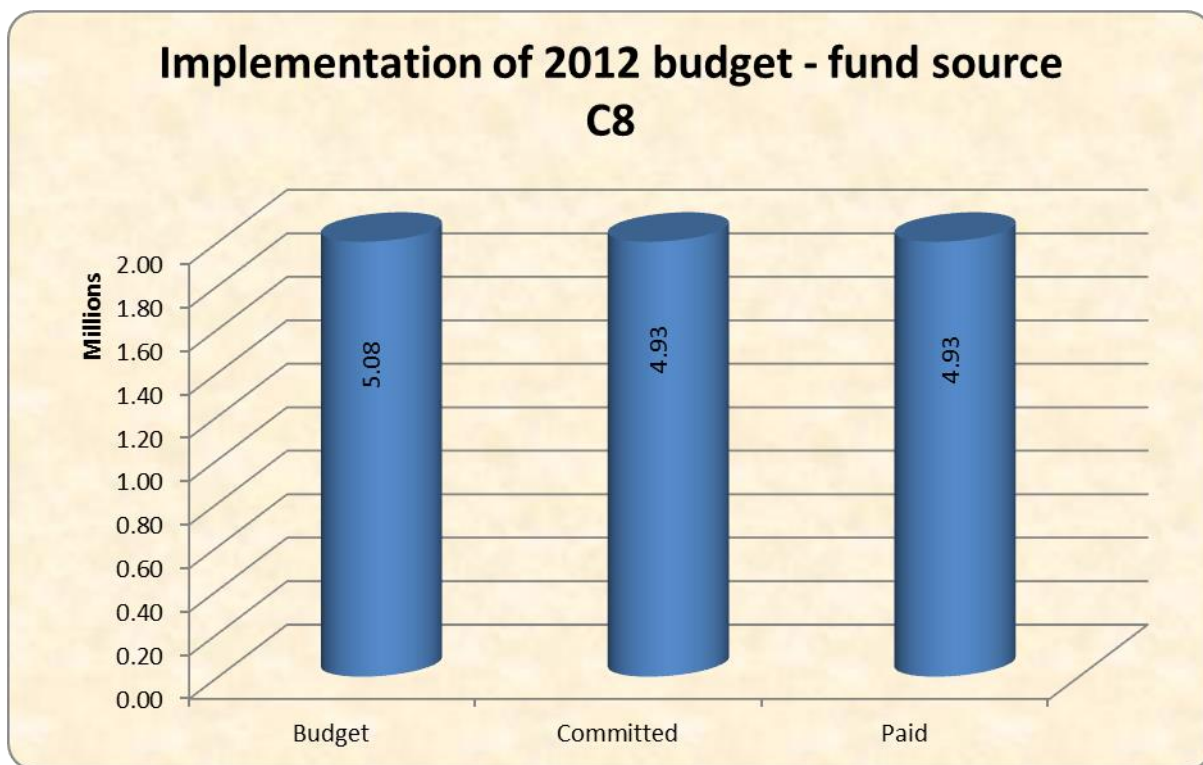
Budget	488,215.66
Committed	392,600.89
Paid	392,600.89
Total expenditure	392,600.89
Cancelled carry-forwards	95,614.77
Executed	80.42%

TITLE 3

Budget	4,484,693.99
Committed	4,451,696.52
Paid	4,451,696.52
Total expenditure	4,451,696.52
Cancelled carry-forwards	32,997.47
Executed	99.26%

TOTAL

Budget	5,075,002.75
Committed	4,926,158.68
Paid	4,926,158.68
Total expenditure	4,926,158.68
Cancelled carry-forwards	148,844.07
Executed	97.07%



Detailed budget implementation of appropriations carried forward – fund source C8

Budget Line	Official Budget Item Description	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance commitments (1-2)	Balance payments (2-3)
A-1120	Training and information for staff	29,753.18	28,693.26	96.44%	28,693.26	96.44%	1,059.92	0
	Sum:	29,753.18	28,693.26	96.44%	28,693.26	96.44%	1,059.92	0
A-1142	Schooling fees	3,400.00	3,400.00	100.00%	3,400.00	100.00%	-	0
	Sum:	3,400.00	3,400.00	100.00%	3,400.00	100.00%	-	0
A-1160	Expenditure related to recruitment	9,329.67	4,414.84	47.32%	4,414.84	47.32%	4,914.83	0
	Sum:	9,329.67	4,414.84	47.32%	4,414.84	47.32%	4,914.83	0
A-1170	Supplementary clerical and interim services	15,964.01	15,318.21	95.95%	15,318.21	95.95%	645.80	0
A-1171	Administrative assistance	3,141.59	1,043.95	33.23%	1,043.95	33.23%	2,097.64	0
	Sum:	19,105.60	16,362.16	85.64%	16,362.16	85.64%	2,743.44	0
A-1200	Mission expenses Administrative staff	6,029.15	4,868.59	80.75%	4,868.59	80.75%	1,160.56	0
A-1201	Mission expenses Director	3,472.59	2,709.73	78.03%	2,709.73	78.03%	762.86	0
A-1202	Mission expenses Director Office staff	10,338.32	8,237.50	79.68%	8,237.50	79.68%	2,100.82	0
	Sum:	19,840.06	15,815.82	79.72%	15,815.82	79.72%	4,024.24	0
A-1300	Medical services and equipment	16,838.55	9,354.75	55.56%	9,354.75	55.56%	7,483.80	0
	Sum:	16,838.55	9,354.75	55.56%	9,354.75	55.56%	7,483.80	0
A-1401	Social welfare of staff	1,649.62	1,644.29	99.68%	1,644.29	99.68%	5.33	0
	Sum:	1,649.62	1,644.29	99.68%	1,644.29	99.68%	5.33	0
A-1410	Staff Committee	2,176.42	2,176.15	99.99%	2,176.15	99.99%	0.27	0
	Sum:	2,176.42	2,176.15	99.99%	2,176.15	99.99%	0.27	0
A-2000	Rent	69,086.14	68,481.58	99.12%	68,481.58	99.12%	604.56	0
A-2001	Removal costs	1,915.00	1,500.00	78.33%	1,500.00	78.33%	415.00	0
	Sum:	71,001.14	69,981.58	98.56%	69,981.58	98.56%	1,019.56	0
A-2010	Utilities	12,095.38	12,095.38	100.00%	12,095.38	100.00%	-	0
A-2011	Cleaning and maintenance	5,491.98	4,150.57	75.58%	4,150.57	75.58%	1,341.41	0
	Sum:	17,587.36	16,245.95	92.37%	16,245.95	92.37%	1,341.41	0

Budget Line	Official Budget Item Description	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance commitments (1-2)	Balance payments (2-3)
A-2030	Security and surveillance of buildings	15,118.94	12,121.59	80.17%	12,121.59	80.17%	2,997.35	0
	Sum:	15,118.94	12,121.59	80.17%	12,121.59	80.17%	2,997.35	0
A-2040	Other expenditure on buildings	14,767.62	14,573.57	98.69%	14,573.57	98.69%	194.05	0
	Sum:	14,767.62	14,573.57	98.69%	14,573.57	98.69%	194.05	0
A-2100	Consumables	2,171.60	1,921.60	88.49%	1,921.60	88.49%	250.00	0
A-2102	Subscriptions IT	30,726.17	30,178.35	98.22%	30,178.35	98.22%	547.82	0
	Sum:	32,897.77	32,099.95	97.57%	32,099.95	97.57%	797.82	0
A-2210	Purchase of furniture	16,137.89	16,105.30	99.80%	16,105.30	99.80%	32.59	0
	Sum:	16,137.89	16,105.30	99.80%	16,105.30	99.80%	32.59	0
A-2220	Transportation costs	1,646.98	460.40	27.95%	460.40	27.95%	1,186.58	0
	Sum:	1,646.98	460.40	27.95%	460.40	27.95%	1,186.58	0
A-2230	Library acquisitions	54,815.40	18,426.27	33.62%	18,426.27	33.62%	36,389.13	0
	Sum:	54,815.40	18,426.27	33.62%	18,426.27	33.62%	36,389.13	0
A-2300	Stationery and office supplies	6,409.72	6,409.72	100.00%	6,409.72	100.00%	-	0
	Sum:	6,409.72	6,409.72	100.00%	6,409.72	100.00%	-	0
A-2310	Bank charges	121.26	9.90	8.16%	9.90	8.16%	111.36	0
	Sum:	121.26	9.90	8.16%	9.90	8.16%	111.36	0
A-2321	Expert consultation	15,927.74	6,400.40	40.18%	6,400.40	40.18%	9,527.34	0
	Sum:	15,927.74	6,400.40	40.18%	6,400.40	40.18%	9,527.34	0
A-2330	Administrative Board meetings	19,611.44	10,403.69	53.05%	10,403.69	53.05%	9,207.75	0
A-2331	Board of Regulators meetings	68,613.64	47,447.97	69.15%	47,447.97	69.15%	21,165.67	0
A-2332	Board of Appeal meetings	10,328.92	3,419.18	33.10%	3,419.18	33.10%	6,909.74	0
A-2334	EU Agencies Network	332.00	330.00	99.40%	330.00	99.40%	2.00	0
	Sum:	98,886.00	61,600.84	62.29%	61,600.84	62.29%	37,285.16	0
A-2400	Postal charges	1,458.33	204.98	14.06%	204.98	14.06%	1,253.35	0
	Sum:	1,458.33	204.98	14.06%	204.98	14.06%	1,253.35	0
A-2410	Telecommunications subscriptions and charges	6,556.21	3,077.14	46.93%	3,077.14	46.93%	3,479.07	0
	Sum:	6,556.21	3,077.14	46.93%	3,077.14	46.93%	3,479.07	0

Budget Line	Official Budget Item Description	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Balance commitments (1-2)	Balance payments (2-3)
A-2420	Hardware and other equipment	134,883.30	134,883.30	100.00%	134,883.30	100.00%	-	0
	Sum:	134,883.30	134,883.30	100.00%	134,883.30	100.00%	-	0
B3-001	Representation expenses - Administration	10,535.57	415.00	3.94%	415.00	3.94%	10,120.57	0
	Sum:	10,535.57	415.00	3.94%	415.00	3.94%	10,120.57	0
B3-100	Operational Missions Gas Department	12,900.47	4,520.02	35.04%	4,520.02	35.04%	8,380.45	0
B3-101	Operational Missions Electricity Department	14,618.90	11,532.00	78.88%	11,532.00	78.88%	3,086.90	0
B3-102	Operational Missions Market Monitoring Department	7,576.53	2,510.87	33.14%	2,510.87	33.14%	5,065.66	0
	Sum:	35,095.90	18,562.89	52.89%	18,562.89	52.89%	16,533.01	0
B3-200	Public hearings workshops conferences	4,536.00	4,536.00	100.00%	4,536.00	100.00%	-	0
B3-201	Website set up and maintenance	44,680.00	44,680.00	100.00%	44,680.00	100.00%	-	0
B3-202	Publications information material	2,677.00	2,677.00	100.00%	2,677.00	100.00%	-	0
B3-203	Reports production	9,072.00	8,489.91	93.58%	8,489.91	93.58%	582.09	0
	Sum:	60,965.00	60,382.91	99.05%	60,382.91	99.05%	582.09	0
B3-300	Translation at CDT	5,761.80	-	0.00%	-	-	5,761.80	0
	Sum:	5,761.80	-	0.00%	-	-	5,761.80	0
B3-500	Hosting deployment and operations	2,188,696.32	2,188,696.32	100.00%	2,188,696.32	100.00%	-	0
B3-501	ARIS development licenses subscriptions and fees	870,002.40	870,002.40	100.00%	870,002.40	100.00%	-	0
B3-502	SMARTS development licenses and consultancy	900,000.00	900,000.00	100.00%	900,000.00	100.00%	-	0
B3-503	IT and expert consultancy	413,637.00	413,637.00	100.00%	413,637.00	100.00%	-	0
	Sum:	4,372,335.72	4,372,335.72	100.00%	4,372,335.72	100.00%	-	0
	Sum:	5,075,002.75	4,926,158.68	97.07%	4,926,158.68	97.07%	148,844.07	0

BUDGETARY OUTTURN RECONCILIATION

Given the different basis of the presentation of the information between the budgetary and financial statements, reconciliation is performed between the two systems, as follows:

RECONCILIATION BETWEEN ACCRUAL BASED ECONOMIC RESULT AND CASH BASED BUDGET RESULT		
	2014	2013
Economic result for the year	580,271.40	4,970,258.18
Adjustment for accrual items (items not in the budgetary result but included in the economic result)		
Adjustments for Accrual Cut-off (reversal 31.12.N-1)	(432,417.24)	(230,468.58)
Adjustments for Accrual Cut-off (cut- off 31.12.N)	453,702.51	432,417.24
Amount from liaison account with Commission booked in the Economic Outturn Account	(7,022.50)	(6,232.24)
Unpaid invoices at year end but booked in charges	0.00	0.00
Depreciation of intangible and tangible assets	261,016.37	193,198.48
Accrued income	220,341.92	(221,284.92)
Payments made from carry over of payment appropriations	4,926,158.68	1,832,595.01
Interest received at year end	0.00	(3,069.93)
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)		
Asset acquisitions	(1,850,048.07)	(1,536,578.25)
New pre-financing paid in the year 2014 and remaining open as at 31.12.2014	(1,564,894.36)	(475,000.00)
New pre-financing received in the year 2014 and remaining open as at 31.12.2014	708,552.01	415,923.78
Payment appropriations carried over to N+1	(2,736,509.85)	(5,075,002.75)
Cancellation of unused carried over payment appropriations from previous year	148,844.07	118,814.39
Other non-reconciled items	(198.94)	(118.73)
total	707,796.00	415,451.68
Budgetary result	708,552.01	415,923.78
Including amount of exchange rate differences	(756.01)	(472.10)
Amount not explained	0.00	0.00

BUDGETARY MANAGEMENT

Budgetary principles

The budget of the Agency has been established in compliance with the principles of unity, budgetary accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency, as set out in the Agency's Financial Regulation.

Subsidy from the general budget of the Union

Commitment and payment appropriations amounting to €10,880,000 were allocated to the Agency in 2014 from the general budget of the Union. These resources were allocated by the Agency among its Titles as follows:

ACER Budget 2014	€
Title I	5,804,191
Title II	2,467,255
Title III	<u>2,608,554</u>
Total	<u>10,880,000</u>

Budget and accounting management systems

In order to record and keep track of the budgetary transactions, the Agency uses ABAC, the same financial system used by the Commission, with the SAP system integrated as back-end for the accounting part.

The Business Objects web platform is used as the reporting tool. The workflow access in ABAC allows for an instant audit trail and provides the authorising officer with an overview on the segregation of duties compliance as required under the 'four-eyes' principle.

The inventories are managed by the Agency in accordance with its Financial Regulation and the system used to record inventory items is ABAC Assets2.

Nomenclature

The nomenclature of appropriations is as follows:

- C1: Appropriations voted in the current budget
- C4: Internal assigned revenue (current year)
- C8: Commitments carried forward corresponding appropriations
- IC1: Universal income voted in the budget
- IC4: Internal assigned revenue

REVENUE

For the financial year ending 31 December 2014 the Agency's revenues comprised a subsidy from the general budget of the Union amounting to €10,880,000.

On top of the annual subsidy an amount of €15,960.46 was recognised under the fund source IC4 as assigned revenue stemming from recovered overpaid amounts.

Appropriations not used at the end of the financial year 2014 amounting to €708,552.01 and made up from:

- unused 2014 appropriations amounting to €560,463.95,
- cancelled appropriations carried over from 2013 amounting to €148,844.07, and
- losses from transactions involving exchange rate operations amounting to €756.01

will be returned to the Commission in the course of 2015.

EXPENDITURE

Current year appropriations – C1

Title	Heading	Original budget €	Commitments €	Commitment execution %	Payments €	Payment execution %
TITLE 1	EXPENDITURE RELATING TO EMPLOYEES OF THE AGENCY	5,804,191.00	5,363,813.44	92.41%	5,181,457.00	89.27%
TITLE 2	AGENCY'S BUILDING AND ASSOCIATED COSTS	2,467,255.00	2,424,083.55	98.25%	1,439,745.25	58.35%
TITLE 3	OPERATIONAL EXPENDITURE	2,608,554.00	2,547,599.52	97.66%	977,784.41	37.48%
	TOTAL BUDGET 2011	10,880,000.00	10,335,496.51	95.00%	7,598,986.66	69.84%

Title 1

The budget allocated under Title 1 was implemented to a level of 92.41% during the financial year 2014. The slightly low implementation of commitment appropriations level is a result of vacancy gaps during the year and the retrospective applications of:

- Regulation (EU) No 422/2014 of the European Parliament and of the Council of 16 April 2014 adjusting, with effect from 1 July 2011, the remuneration and pensions of officials and other servants of the European Union and the correction coefficients, and,
- Regulation (EU) No 423/2014 of the European Parliament and of the Council of 16 April 2014 adjusting, with effect from 1 July 2012, the remuneration and pensions of officials and other servants of the European Union and the correction coefficients.

The correction coefficients applied for the Republic of Slovenia from both these regulations resulted in budgetary savings.

Title 2

The Agency managed to finalise most of the tender procedures launched during the financial year 2014 and this resulted in a high implementation of the allocated budget under Title 2.

The renewal of few large contracts that expired towards the year-end led to a low implementation of the payment appropriations resulting in the need to carry forward these funds into the following financial year.

Title 3

The Agency managed to place all the planned orders before the end of the year, which resulted in a high implementation of the commitment appropriation. However, the low implementation of the payment appropriations was influenced by the nature of the REMIT project that extends over several years whereas the IT infrastructure and afferent user licences need to be contracted in advance to ensure a smooth transition to the go-live stage expected during 2015.

Current year assigned revenue – C4

Title	Heading	Assigned revenue €	Commitments €	Commitment execution %	Payments €	Payment execution %
TITLE 1	EXPENDITURE RELATING TO EMPLOYEES OF THE AGENCY	11,345.06	-	0.00	-	0.00
TITLE 2	AGENCY'S BUILDING AND ASSOCIATED COSTS	1,151.23	-	0.00	-	0.00
	TOTAL	12,496.29	-	0.00	-	0.00

The total amount of €12,496.29 recorded as assigned revenue for the financial year 2014 related to recovered overpaid amounts and insurance refunds has not been used during the year and will be returned to the Commission during 2015 as part of the total unused funds for the year 2014.

Carry forward appropriation – fund source C8

Title	Heading	Budget carried forward from 2012 €	Commitments €	Commitment execution %	Payments €	Payment execution %
TITLE 1	EXPENDITURE RELATING TO EMPLOYEES OF THE AGENCY	102,093.10	81,861.27	80.18	81,861.27	80.18
TITLE 2	AGENCY'S BUILDING AND ASSOCIATED COSTS	488,215.66	392,600.89	80.42	392,600.89	80.42
TITLE 3	OPERATIONAL EXPENDITURE	4,484,693.99	4,451,696.52	99.26	4,451,696.52	99.26
	TOTAL	5,075,002.75	4,926,158.68	97.07	4,926,158.68	97.07

Title 1

Appropriations carried forward under Title 1 related mainly to recruitment costs for the vacant positions published during 2012, staff training costs, schooling fees and missions expenditure. The cancelled amounts will be returned to the Commission during 2014.

Title 2

Most of the appropriations carried forward under this title were consumed in order to honour obligations the Agency had towards its suppliers. The unused portion was cancelled and is to be returned to the Commission.

Title 3

Appropriations carried forward under this Title were to a high extent used to cover the contracted obligations the Agency entered into the year before. The minor savings will be returned to the Commission during 2015.

Budget transfers

During the financial year 2014 a number of budgetary transfers took place in order to reallocate resources from areas where budgetary savings were identified towards areas of scarce resources to ensure the achievement of the year's objectives.

There were three lots of approved budgetary transfers made within and between titles including one budget transfer above the 10% limit as approved by the Administrative Board.

The following table presents the detailed budgetary transfers made during the financial year.

			Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	
	Acceptance Date		12/12/2013	12/12/2013	12/08/2014	10/11/2014	18/11/2014	10/12/2014	
Budget Line	Description	Fund Source	Initial Budget	Initial Budget/ Assigned revenue	Normal Transfer	Normal Transfer	Normal Transfer	Normal Transfer	Credit Available Commitment and Payments Amount
A01100	Basic Salaries and correction	C1	2,760,642.00	230,020.00	-312,830.00		-40,000.00		2,637,832.00
A01101	Family allowances	C1	560,933.00	46,738.00	-56,500.00		-65,000.00		486,171.00
A01102	Expatriation and foreign residence allowances	C1	528,198.00	44,010.00			-75,000.00		497,208.00
A01110	Contract agents	C1	500,613.00	41,712.00			-100,000.00		442,325.00
A01111	Seconded National Experts	C1	480,179.00	40,009.00					520,188.00
A01120	Training and information for staff	C1	195,503.00	16,290.00			-40,000.00		171,793.00
A01130	Insurance against sickness	C1	113,356.00	9,444.00				-8,477.00	114,323.00
A01131	Insurance against accidents and occupational disease	C1	29,756.00	2,479.00			-6,000.00		26,235.00
A01132	Unemployment insurance for temporary staff	C1	38,341.00	3,195.00					41,536.00
A01140	Birth and death grants	C1	1,831.00	153.00					1,984.00
A01141	Annual travel expenses from the place of work to o	C1	73,175.00	6,097.00		-5,000.00		-2,927.00	71,345.00
A01142	Schooling fees	C1	144,803.00	12,065.00					156,868.00
A01160	Expenditure related to recruitment	C1	131,866.00	10,987.00			-20,000.00		122,853.00
A01161	Travel expense to take up duty	C1	25,846.00	2,154.00			-5,000.00		23,000.00
A01162	Installation resettlement and transfer allowances	C1	56,742.00	4,728.00				-3,450.00	58,020.00
A01163	Temporary daily subsistence allowances	C1	60,680.00	5,056.00			-10,000.00		55,736.00
A01170	Supplementary clerical and interim services	C1	118,155.00	9,845.00	9,000.00				137,000.00
A01171	Administrative assistance	C1	46,865.00	3,905.00					50,770.00
A01200	Mission expenses Administrative staff	C1	52,029.00	4,335.00			-10,000.00		46,364.00
A01201	Mission expenses Director	C1	46,154.00	3,846.00			-23,000.00		27,000.00
A01202	Mission expenses Director Office staff	C1	43,644.00	3,636.00					47,280.00

			Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	
	Acceptance Date		12/12/2013	12/12/2013	12/08/2014	10/11/2014	18/11/2014	10/12/2014	
Budget Line	Description	Fund Source	Initial Budget	Initial Budget/ Assigned revenue	Normal Transfer	Normal Transfer	Normal Transfer	Normal Transfer	Credit Available Commitment and Payments Amount
A01300	Medical services and equipment	C1	37,995.00	3,165.00					41,160.00
A01401	Social welfare of staff	C1	11,077.00	923.00	6,000.00				18,000.00
A01410	Staff Committee	C1	8,492.00	708.00					9,200.00
A02000	Rent	C1	516,929.00	43,071.00	18,495.00				578,495.00
A02001	Removal costs	C1	4,615.00	385.00					5,000.00
A02010	Utilities	C1	124,617.00	10,383.00	-20,000.00	-9,500.00			105,500.00
A02011	Cleaning and maintenance	C1	72,001.00	5,999.00	10,000.00				88,000.00
A02020	Insurance	C1	7,385.00	615.00	-3,000.00				5,000.00
A02030	Security and surveillance of buildings	C1	22,154.00	1,846.00	16,000.00	7,000.00			47,000.00
A02031	Health and safety at work	C1	7,754.00	646.00					8,400.00
A02040	Other expenditure on buildings	C1	36,923.00	3,077.00	60,000.00	30,000.00			130,000.00
A02041	Audio & Video equipment-maintenance	C1	4,615.00	385.00					5,000.00
A02100	Consumables	C1	12,462.00	1,038.00			-1,400.00	-152.00	11,948.00
A02101	Software	C1	55,385.00	4,615.00		-21,000.00		-4,636.00	34,364.00
A02102	Subscriptions IT	C1	166,156.00	13,844.00		14,000.00		6,288.00	200,288.00
A02103	Disaster recovery site	C1	84,924.00	7,076.00		-6,000.00			86,000.00
A02210	Purchase of furniture	C1	32,308.00	2,692.00				-1,300.00	33,700.00
A02220	Transportation costs	C1	78,462.00	6,538.00	17,000.00				102,000.00
A02230	Library acquisitions	C1	87,693.00	7,307.00	3,520.00				98,520.00
A02300	Stationery and office supplies	C1	32,308.00	2,692.00				-3,500.00	31,500.00
A02310	Bank charges	C1	222.00	18.00					240.00
A02320	Legal expenses	C1	18,462.00	1,538.00				-5,000.00	15,000.00
A02321	Expert consultation	C1	456,928.00	38,072.00		10,200.00		55,400.00	560,600.00
A02330	Administrative Board meetings	C1	27,693.00	2,307.00				-10,000.00	20,000.00
A02331	Board of Regulators meetings	C1	154,788.00	12,897.00	-47,685.00				120,000.00
A02332	Board of Appeal meetings	C1	40,616.00	3,384.00				-24,000.00	20,000.00
A02333	External participants to meetings	C1	18,462.00	1,538.00				-14,500.00	5,500.00

			Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	
	Acceptance Date		12/12/2013	12/12/2013	12/08/2014	10/11/2014	18/11/2014	10/12/2014	
Budget Line	Description	Fund Source	Initial Budget	Initial Budget/ Assigned revenue	Normal Transfer	Normal Transfer	Normal Transfer	Normal Transfer	Credit Available Commitment and Payments Amount
A02334	EU Agencies Network	C1	11,077.00	923.00				-1,900.00	10,100.00
A02400	Postal charges	C1	9,231.00	769.00					10,000.00
A02410	Telecommunications subscriptions and charges	C1	78,462.00	6,538.00		-37,700.00			47,300.00
A02420	Hardware and other equipment	C1	75,693.00	6,307.00		6,000.00		-200.00	87,800.00
B03000	Representation expenses - director	C1	5,000.00			-2,000.00			3,000.00
B03001	Representation expenses - Administration	C1	5,000.00						5,000.00
B03002	Representation expenses - Electricity	C1	5,000.00					-2,000.00	3,000.00
B03003	Representation expenses - MMD	C1	5,000.00					-2,408.36	2,591.64
B03004	Representation expenses - Gas	C1	5,000.00					-2,000.00	3,000.00
B03100	Operational Missions Gas Department	C1	145,000.00			-30,000.00		-45,000.00	70,000.00
B03101	Operational Missions Electricity Department	C1	111,200.00					-26,962.00	84,238.00
B03102	Operational Missions Market Monitoring Department	C1	100,000.00					-22,591.64	77,408.36
B03200	Public hearings workshops conferences	C1	153,600.00			-50,000.00		-20,902.00	82,698.00
B03201	Website set up and maintenance	C1	50,000.00			-50,000.00			0.00
B03202	Publications information material	C1	71,000.00			-40,000.00			31,000.00
B03203	Reports production	C1	30,000.00			-5,000.00			25,000.00
B03300	Translation at CDT	C1	90,000.00			-52,300.00			37,700.00
B03400	Insurance	C1	7,000.00					-2,000.00	5,000.00
B03500	Hosting deployment and operations	C1	300,000.00		100,000.00				400,000.00

			Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	Commitment and Payment appropriation	
	Acceptance Date		12/12/2013	12/12/2013	12/08/2014	10/11/2014	18/11/2014	10/12/2014	
Budget Line	Description	Fund Source	Initial Budget	Initial Budget/ Assigned revenue	Normal Transfer	Normal Transfer	Normal Transfer	Normal Transfer	Credit Available Commitment and Payments Amount
B03501	ARIS development licenses subscriptions and fees	C1	350,000.00			241,300.00	320,400.00		911,700.00
B03502	SMARTS development licenses and consultancy	C1	75,000.00					-75,000.00	0.00
B03503	IT and expert consultancy	C1	375,000.00		200,000.00		75,000.00	217,218.00	867,218.00
			10,188,000.00	692,000.00	0.00	0.00	0.00	0.00	10,880,000.00

PART III – ESTABLISHMENT PLAN

The number of temporary posts as authorised under the 2014 budget is as follows:

Function group and grade	2014	
	Authorised under EU Budget	
	Permanent Posts	Temporary Posts
AD 16	0	0
AD 15	0	0
AD 14	0	1
AD 13	0	0
AD 12	0	0
AD 11	0	4
AD 10	0	0
AD 9	0	2
AD 8	0	6
AD 7	0	6
AD 6	0	4
AD 5	0	16
AD total	0	39
AST 11	0	0
AST 10	0	0
AST 9	0	0
AST 8	0	0
AST 7	0	0
AST 6	0	0
AST 5	0	1
AST 4	0	0
AST 3	0	14
AST 2	0	0
AST 1	0	0
AST total	0	15
TOTAL	0	54
GRAND TOTAL	54	