

31/05/2016

FY2015 Final ANNUAL ACCOUNTS

FINANCIAL STATEMENTS
&
BUDGET IMPLEMENTATION

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CERTIFICATION OF THE ACCOUNTING OFFICER AND STATEMENT OF THE EXECUTIVE DIRECTOR

CERTIFICATION OF THE ACCOUNTING OFFICER

The annual accounts of eu-LISA for the year 2015 have been prepared in accordance with the Title IX of the Financial Regulation (EU) No 966/2012 applicable to the general budget of the European Union and the accounting rules adopted by the Commission's Accounting Officer and the accounting principles and methods adopted by myself.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of eu-LISA in accordance with article 68 of the Financial Regulation.

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

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

Ms. Adrienn Karkó
Accounting Officer

STATEMENT OF THE EXECUTIVE DIRECTOR

I, the undersigned, Krum Garkov, Executive Director of the eu-LISA, in my capacity as Authorizing Officer

Declare that the information contained in this report gives a true and fair view,

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management,

Confirm that I am not aware of anything not reported here which could harm the interests of eu-LISA and European Institutions in general.

Mr. Krum Garkov
Executive Director

INTRODUCTION

The European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice was established by the Regulation (EU) No 1077/2011 of European Parliament and of the Council of 25 of October 2011. The seat of the Agency is Tallinn, Estonia; tasks relating to development and operational management of the entrusted IT systems are carried out in Strasbourg, France; a backup site is installed in Sankt Johann im Pongau, Austria.

The Agency is responsible for the operational management of the second-generation Schengen Information System (SIS II), the Visa Information System (VIS) and Eurodac.

The Agency may also be made responsible for the preparation, development and operational management of large-scale IT systems in the area of freedom, security and justice other than those referred above, subject to legislative provisions and taking into consideration developments in research and the results of pilot schemes.

Operational management consists of all the tasks necessary to keep the large-scale IT systems functioning in accordance with the specific provisions applicable to each of them, including responsibility for the communication infrastructure used by them. Those large-scale IT systems shall not exchange data or enable sharing of information or knowledge, unless so provided in a specific legal basis. The 2015 financial statements of eu-LISA and its reports on budget implementation for 2015 were prepared in conformity with the provisions of Title IX "Presentation of the accounts and accounting" of the Financial Regulation of eu-LISA, adopted by its Management Board with decision no 2014-005 of 07/02/2014.

The accounts have also been drawn up in accordance with the accounting rules adopted by the Accounting Officer of the Commission. The accounting system of eu-LISA – being an institution according to article 151 of the Financial Regulation ("FR"- Reg.966/2012) – serves to organise the budgetary and financial information in such a way that figures can be entered, filed and registered. The accounting system consists of general accounts and budgetary accounts. The accounts are kept in euro and on the basis of the calendar year.

The accounting officer of the Commission shall, in accordance with Article 143 of the FR, after consulting the accounting officers of the other institutions and of the bodies referred to in Article 141 of the FR, adopt the accounting rules and the harmonised chart of accounts to be applied by all the institutions, the offices referred to in Title V of part two and all the bodies referred to in Article 141 of the FR.

Eu-LISA comprehensively applies the Commission's accounting rules, comprising of 18 rules. A subsequent adaption may be foreseen according to arising specific requirements due to the nature of the Agency's business transactions. In order to provide guidance on the application of the accounting rules, an accounting manual has been drawn up by unit BUDG C.2. of Commission that is applied respectively by the Agency.

2015 FINANCIAL STATEMENTS

1. Balance Sheet - Assets

	31/12/2015	31/12/2014	Variation
A.I. NON CURRENT ASSETS			
Computer software	22.384.246,14	4.906.645,10	17.477.601,04
A.I.1. Intangible assets	22.384.246,14	4.906.645,10	17.477.601,04
Land and buildings	2.382.646,10	2.221.850,00	160.796,10
Plant and equipment	8.558,00	808,00	7.750,00
Furniture and vehicles	96.714,00	44.491,00	52.223,00
Computer hardware	2.425.983,00	2.152.480,00	273.503,00
Other fixtures and fittings	607.007,00	118.695,00	488.312,00
Buildings under construction	31.960,22	11.890,00	20.070,22
A.I.2. Property, plant and equipment	5.552.868,32	4.550.214,00	1.002.654,32
A.I. TOTAL NON CURRENT ASSETS	27.937.114,46	9.456.859,10	18.480.255,36
A.II. CURRENT ASSETS			
Current pre-financing	6.666.586,08	0,00	6.666.586,08
A.II.2. Current pre-financing	6.666.586,08	0,00	6.666.586,08
Customer gross amount	0,00	891,38	-891,38
Deferred charges	437.260,97	70.235,31	367.025,66
Sundry receivables	12.488.366,46	6.593.298,89	5.895.067,57
Other current receivables	402.783,81	6.129.058,39	-5.726.274,58
A.II.4. Exchange receivables	13.328.411,24	12.793.483,97	534.927,27
Receivables from member states (VAT)	1.862.725,61	653.010,99	1.209.714,62
Accrued income	0,00	650.633,94	-650.633,94
Contribution from associated countries	2.245.949,00	0,00	2.245.949,00
A.II.5. Non-exchange receivables	4.108.674,61	1.303.644,93	2.805.029,68
Cash and cash equivalents	0,00	0,00	0,00
A.II. TOTAL CURRENT ASSETS	24.103.671,93	14.097.128,90	10.006.543,03
TOTAL ASSETS	52.040.786,39	23.553.988,00	28.486.798,39

2. Balance Sheet – Liabilities

	31/12/2015	31/12/2014	Variation
P.I. NET ASSETS			
P.I.2 Accumulated surplus	17.778.898,41	7.504.966,00	10.273.932,41
P.I.3. Economic result of the year	24.434.490,76	10.273.932,41	14.160.558,35
P.I. NET ASSETS	42.213.389,17	17.778.898,41	24.434.490,76
P.III. CURRENT LIABILITIES			
Current payables	1.119.763,77	986.470,67	133.293,10
Accounts payables with consolidated entities	505.611,82	0,00	505.611,82
P.III.4. Accounts payable	1.625.375,59	986.470,67	638.904,92
Accrued charges	8.202.021,63	4.788.618,92	3.413.402,71
P.III.5. Accrued charges	8.202.021,63	4.788.618,92	3.413.402,71
P.III. TOTAL CURRENT LIABILITIES	9.827.397,22	5.775.089,59	4.052.307,63
TOTAL LIABILITIES	52.040.786,39	23.553.988,00	28.486.798,39

3. Statement of financial performance

	31/12/2015	31/12/2014	Variation
Adjustments/Provisions	0,00	12.470,75	-12.470,75
Subsidy of the Commission	70.082.131,38	57.179.892,95	12.902.238,43
Contribution of EFTA countries	2.245.949,03	643.800,24	1.602.148,79
II.1.1. Non-exchange revenues	72.328.080,41	57.836.163,94	14.491.916,47
Financial income	0,00	11.843,34	-11.843,34
Other rev with cons entities	18.621,70	6.206,00	12.415,70
Other exchange revenues	-419,29	1.163,15	-1.582,44
II.1.2. Exchange revenues	18.202,41	19.212,49	-1.010,08
II.1. Total revenue	72.346.282,82	57.855.376,43	14.490.906,39
Operational expenses	-19.060.198,20	-25.880.454,13	6.820.255,93
Operational expenses - Delegation agreement	-2.810.421,38	0,00	-2.810.421,38
Operational expenses	-21.870.619,58	-25.880.454,13	4.009.834,55
Staff expenses	-11.852.614,40	-11.651.288,94	-201.325,46
Finance costs	-1.807,94	-4.430,13	2.622,19
Other administrative expenses	-3.790.508,35	-2.888.726,31	-901.782,04
Expenses with consolidated entities	-958.768,58	-833.521,88	-125.246,70
Fixed asset related expenses	-9.436.444,88	-6.320.926,03	-3.115.518,85
Exchange losses	-1.028,33	-2.096,60	1.068,27
Administrative expenses	-26.041.172,48	-21.700.989,89	-4.340.182,59
II.2. Total expenses	-47.911.792,06	-47.581.444,02	-330.348,04
ECONOMIC RESULT FOR THE YEAR	24.434.490,76	10.273.932,41	14.160.558,35

4. Cash-flow Table (Indirect Method)

Cash Flows from ordinary activities	31/12/2015	31/12/2014
Surplus from ordinary activities	24.434.490,76	10.273.932,41
Operating activities		
Amortization (intangible fixed assets)	5.303.958,01	1.755.273,19
Depreciation (tangible fixed assets)	1.608.365,90	1.324.153,28
Decrease in Provisions for risks and liabilities	0,00	-112.236,79
Increase in Short term Receivables	-10.006.543,03	-13.386.873,16
Decrease in Receivables related to consolidated EU entities	0,00	2.225,05
Increase in Accounts payable	3.546.695,81	1.083.814,57
Increase in Liabilities related to consolidated EU entities	505.611,82	-24.014,19
Net cash Flow from operating activities	25.392.579,27	916.274,36
Cash Flows from investing activities		
Increase of tangible and intangible fixed assets	-25.392.579,27	-4.103.941,29
Net cash flow from investing activities	-25.392.579,27	-4.103.941,29
Net increase/(decrease) in cash and cash equivalents	0,00	-3.187.666,93
Cash and cash equivalents at the beginning of the period	0,00	3.187.666,93
Cash and cash equivalents at the end of the period	0,00	0,00

5. Statement of changes in net assets

Net assets	Reserves		Accumulated Surplus / Deficit	Economic result of the year	Net assets (total)
	Fair value reserve	Other reserves			
Balance as of 31 December 2014	0,00	0,00	17.778.898,41	0,00	17.778.898,41
Changes in accounting policies	0,00	0,00	0,00	0,00	0,00
Balance as of 1 January 2015	0,00	0,00	17.778.898,41	0,00	17.778.898,41
Economic result of the year	0,00	0,00	0,00	24.434.490,76	24.434.490,76
Balance as of 31 December 2015	0,00	0,00	17.778.898,41	24.434.490,76	42.213.389,17

6. Notes to the Financial Statements

6.1 Accounting Policies

According to article 94 of the Financial Regulation of the European Agency for the Operational Management of Large-Scale It Systems in the area of Freedom, Security and Justice, approved by Management Board Decision No 2014-005 07/02/2014 (hereinafter "eu-LISA FR"), the accounting officer of the Agency shall apply the rules and the harmonised chart of accounts adopted by the accounting officer of the Commission based on internationally accepted accounting standards for the public sector in accordance with article 143 of the general Financial Regulation (EU, Euratom) No 966/2012 (hereinafter "FR").

According to articles 95 - 96 of the eu-LISA FR, the financial statements present information, including information on accounting policies, in a manner that ensures it is relevant, reliable, comparable and understandable. The financial statements are drawn up in accordance with generally accepted accounting principles as outlined in the accounting rules referred to in article 143 of FR. In accordance with article 143 of FR, the accounting officer of the Commission has adopted the accounting rules and the harmonised chart of accounts to be applied by all the institutions and all the bodies referred to in article 141 of the FR.

Eu-LISA comprehensively applies the Commission's accounting rules without diverging from those standards.

Annual accounts of the eu-LISA have been prepared according to the generally accepted accounting principles outlined in the accounting rules referred to in article 143 of FR as mentioned in article 95 of eu-LISA FR. Those are:

- Going concern basis
- Prudence
- Consistent accounting methods
- Comparability of information
- Materiality
- No netting
- Reality over appearance
- Accrual-based accounting

Use of estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts presented and disclosed in the financial statements. The significant estimates and assumptions require judgement and are used for, but not limited to, accrued income and charges, provisions, contingent assets and liabilities. Actual results reported in future periods may be different from these estimates. Changes in estimates are reflected in the period in which they become known.

6.2 Legal Framework - Accrual accounting standards at Eu-LISA

The accounting system of eu-LISA comprises of general accounts and budget accounts. These are kept in Euro, based on calendar year, in accordance with the provisions of article 100 of the eu-LISA FR.

- The general accounts allow for the preparation of the Financial Statements as they show all revenues and expenses for the financial year irrespective of the time they are cashed. They are designed to establish the financial position of eu-LISA in the form of a Balance sheet and Statement of financial performance at 31 December each year.
- The budget accounts give detailed picture of the implementation of the budget.

The agency applies the accrual-based accounting; therefore, the Financial Statements show all the charges and income for the financial year, regardless of the date of payment or collection.

For financial management purposes, eu-LISA has implemented the following administrative/accounting systems:

- ABAC Workflow for budgetary accounting accompanied by ABAC ASSETS to facilitate registering/tracking tangible and intangible asset items
- SAP FI for General Ledger accounting.

Both systems are managed and maintained by the European Commission, in accordance with a service level agreement with eu-LISA. Both systems had previously been validated by the Accounting Officer of the Commission and the validation was reinforced by eu-LISA's accounting officer at 7th of August 2013 after extensive testing from April 2013 on, in relation with the procedures set up by the services of the Commission relating to the transfer of responsibilities for financial management.

6.3 Notes to the Balance Sheet

6.3.1 Non-current assets

"Non-current" or "fixed" assets are stated at historical cost, less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to eu-LISA and the cost of the item can be measured reliably. Such subsequent expenditures are depreciated according to the remaining useful life of the original asset. All other repair and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred. Items recognized in the accounts with a value lower than 420 € are considered as expenses and they are included directly in the Statement of financial performance. Items over 100 €, - are part of management inventory, items over 420 € are also part of the financial inventory. Depreciation charge is calculated monthly using the straight-line method in order to allocate assets'

acquisition value over their estimated useful lives, as follows:

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

Eu-LISA has adopted the same depreciation percentages as the ones implemented by the European Commission. As a result, eu-LISA's individual accounts for fixed assets and associated expenses (depreciation/amortization) need no adjustments for consolidation purposes as assets are valued based on the same underlying assumptions.

Intangible fixed assets

An intangible asset is an identifiable non-monetary asset without physical substance.

		Computer Software	Other Intangible assets	Intangible assets under construction	Total
Gross carrying amounts 01.01.2015	+	11.535.697,20	0,00	0,00	11.535.697,20
Additions	+	22.370.703,05	0,00	0,00	22.370.703,05
Disposals	-	0,00	0,00	0,00	0,00
Transfer between headings	+/-	0,00	0,00	0,00	0,00
Other changes	+/-	493.692,19	0,00	0,00	493.692,19
Gross carrying amounts 31.12.2015		34.400.092,44	0,00	0,00	34.400.092,44
Accumulated amortization and impairment 01.01.2015	-	-6.629.052,10	0,00	0,00	-6.629.052,10
Amortization	-	-5.303.958,01	0,00	0,00	-5.303.958,01
Write-back of amortization	+	0,00	0,00	0,00	0,00
Disposals	+	0,00	0,00	0,00	0,00
Impairment	-	0,00	0,00	0,00	0,00
Write-back of impairment	+	0,00	0,00	0,00	0,00
Transfer between headings	+/-	0,00	0,00	0,00	0,00
Other changes	+/-	-82.836,19	0,00	0,00	-82.836,19
Accumulated amortization and impairment 31.12.2015		-12.015.846,30	0,00	0,00	-12.015.846,30
Net carrying amounts 31.12.2015		22.384.246,14	0,00	0,00	22.384.246,14

At general ledger level there is no distinction between computer software bought off-the-shelf and the internally generated intangible assets. The sub-ledgers are linked to the same general ledger account. Nevertheless we can state that the majority of the additions appearing for 2015 falls under internally generated intangible asset. The agency's threshold for recognizing development expenses as fixed asset additions is 500.000 €. For expenses on IT research please see section 6.4.3. Under "other changes" the Agency reports the gross and the accumulated amortization amounts related to the reclassification of its Allegro and SharePoint software that were initially recorded as being tangible asset related.

Opening balance 2013: transfer of assets

A migration of assets to EU-LISA from the Commission (DG Home) in 2013 was effected through a non-exchange transaction and mainly consisted of the second generation Schengen Information System (SIS II), the Visa Information System (VIS) and EURODAC (systems). The operational management of these systems is

the Agency's core task. In the absence of reliable and complete information in respect to their total development costs, they were recorded in the Agency's accounts at their net book values as per the Commission's books and updated at year end (approximately €6.56 million at time of transfer (November 2013) € 2.06 million at 31 December 2014 and € 0.19 million at 31 December 2015). These values relate mainly to hardware and off-the-shelf software components and did not include software development costs.

Tangible fixed assets

A tangible asset is an identifiable non-monetary asset with physical substance.

Items acquired whose purchase price is 420 € or above, with a period of use longer than one year, are recorded in the fixed assets sub-ledgers. Items with an acquisition price value below 420 € have been reflected in the accounts as running expenses.

The assets are valued at their acquisition price, less depreciation and impairment. The depreciation method chosen is the monthly straight-line method. EU Accounting rule 7 "Property, Plant & Equipment" adopted by eu-LISA applies accordingly. Under "other changes" the Agency reports the gross and the accumulated amortization amounts related to the reclassification of its Allegro and SharePoint software that were initially recorded as being tangible asset related.

	Land	Buildings	Plant and Equipment	Computer hardware	Furniture and vehicles	Other Fixtures and Fittings	Tangible assets under construction	Total
Gross carrying amounts 01.01.2015	1.490.000,00	783.610,00	1.290,94	22.351.990,44	48.498,50	202.403,58	11.890,00	24.889.683,46
Additions	175.315,10	17.198,27	9.710,00	2.079.551,39	64.434,16	655.597,08	20.070,22	3.021.876,22
Disposals	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Transfer between headings	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other changes	0,00	0,00	0,00	-493.692,19	0,00	-37.568,89	0,00	-531.261,08
Gross carrying amounts 31.12.2015	1.665.315,10	800.808,27	11.000,94	23.937.849,64	112.932,66	820.431,77	31.960,22	27.380.298,60
Accumulated amortization and impairment 01.01.2015	0,00	-51.760,00	-482,94	-20.199.510,44	-4.007,50	-83.708,58	0,00	-20.339.469,46
Depreciation	0,00	-31.717,27	-1.960,00	-1.395.192,39	-12.211,16	-167.285,08	0,00	-1.608.365,90
Write-back of depreciation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Disposals	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Impairment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Write-back of impairment	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Transfer between headings	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other changes	0,00	0,00	0,00	82.836,19	0,00	37.568,89	0,00	120.405,08
Accumulated amortization and impairment 31.12.2015	0,00	-83.477,27	-2.442,94	-21.511.866,64	-16.218,66	-213.424,77	0,00	-21.827.430,28
Net carrying amounts 31.12.2015	1.665.315,10	717.331,00	8.558,00	2.425.983,00	96.714,00	607.007,00	31.960,22	5.552.868,32

6.3.2 Current Assets

Pre-financing given

EU Accounting Rule No. 5 defines the accounting treatment of pre-financing transactions of EU bodies. It applies to the classification, presentation, recognition and measurement of pre-financing. Pre-financing is a cash advance, i.e. the payments are made before the expenditure is declared eligible or before the delivery of goods or services. If the recipient does not incur eligible expenditures, he has the obligation to return the pre-financing advance to the agency. This right or claim of the agency towards the beneficiary is shown as an asset. The counterpart of the recognition of the asset is the cash transaction only and thus has no impact on the statement of financial performance. Pre-financing is initially measured for the amount of the consideration given; on subsequent balance sheet dates, measured at the amount initially recognized on the balance sheet less eligible expenses. According to article 8(4) FR, as a general rule, interest on pre-financing is not due to the agency. At year-end, in respect of the pre-financing given, the Agency accrued expenses in the full amount of the operational pre-financing (Smart Borders Delegation agreement) and nil for the administrative pre-financing given for the construction project in Strasbourg.

Pre-financing		31/12/2015	31/12/2014	Variation
	Given pre-financing Operational	485.984,51	0,00	485.984,51
	Given pre-financing Administrative	6.666.586,08	0,00	6.666.586,08
	Accrued charges on pre-financing given	-485.984,51	0,00	-485.984,51
A.II.2. Current pre-financing		6.666.586,08	0,00	6.666.586,08

Eu-LISA paid operational pre-financing in respect of the Delegation agreement entrusted by the Commission for the Smart Borders pilot project as below:

Smart Borders proof of concept testing - grants given	
France	342.615,71
Greece	57.764,80
Hungary	14.054,00
Portugal	38.398,00
Romania	33.152,00
Total	485.984,51

Eu-LISA paid administrative pre-financing in respect of its office building project in Strasbourg, France as it was foreseen in the contract signed with the vendor. The vendor was obliged to provide guarantee in respect of the pre-financing received and also as performance guarantee. Guarantees are off balance sheet items.

Guarantees for pre-financing	7.246.715,96
Guarantees for performance	1.291.815,15

Exchange receivables – Sundry receivables

According to EU Accounting Rule No. 4 and No. 17 all revenue needs to be split into revenue from exchange transactions and revenue from non-exchange transactions. The same split is required for the receivables. In a non-exchange transaction an entity receives (gives) value from (to) another entity without directly giving (receiving) approximately equal value in exchange. The following tables highlight the material items shown on the face of the Balance sheet.

Sundry receivables		31/12/2015	31/12/2014	Variation
	Personnel	5.762,40	601,39	5.161,01
	Automatic liaison account central treasury	-96.220.903,55	-31.519.986,29	-64.700.917,26
	Manual liaison account central treasury	108.703.507,61	38.112.683,79	70.590.823,82
Total		12.488.366,46	6.593.298,89	5.895.067,57

Centralized treasury

With effective date of 16 June 2014, eu-LISA has implemented Centralised Treasury Management with the European Commission, DG Budget.

The Centralised Treasury Management with DG BUDG includes the following services:

- Bank execution of all payments;
- Cash management;
- Reconciliation of payments;
- Follow-up of exceptions related to payments executed;
- Reception of payments;
- Control of cost and revenue related to banking services;
- Management of relationship with banks (including contracts management and tender procedures);
- Treasury related risk management.

As a consequence of the implementation of Centralised Treasury Management, eu-LISA has no longer its own bank account but all transactions are executed via the Commission payment architecture and paid via DG BUDG's banks in the Company Code of the Commission (BG32). Exchange rate differences incurred on the execution of payments are also accounted for by DG BUDG. Payments are processed when they are finally validated by an Authorising Officer. At accounting level, any such payment, executed by DG BUDG on behalf of eu-LISA, credits the intercompany automatic liaison account, whereas the manual liaison account is debited with the subsidy instalments. The balance of the automatic and manual liaison account replaces the bank account and represents the net "virtual" treasury position of the agency in accounting terms. As DG BUDG is not a financial institution the virtual cash balance cannot appear among "Cash and cash equivalents" on the face of the Balance Sheet but is it reported under sundry receivables.

Exchange receivables – Other current receivables

Other current receivables		31/12/2015	31/12/2014	Variation
	Depenses diverses a imputer	1.169,88	9.222,89	-8.053,01
	Goods received not invoiced	0,00	6.074.488,23	-6.074.488,23
	Vendors step 1 (eligibility to be confirmed)	401.613,93	45.347,27	356.266,66
Total		402.783,81	6.129.058,39	-5.726.274,58

The “Goods received not invoiced-44450000” general ledger had significant debit balance in 2014 made up of payments of intangible assets invoices where the corresponding assets were registered with the capitalization date 01/01/2015. At the end of 2015 there was no backlog of asset registration; consequently the account had no balance at 31/12/2015. The vendors step 1 account contains those invoices that are registered by the Agency but have not yet been verified by 31/12/2015.

Non-exchange receivables

Non-exchange receivables	31/12/2015	31/12/2014	Variation
Receivables from member states (VAT)	1.862.725,61	653.010,99	1.209.714,62
Accrued income	0,00	650.633,94	-650.633,94
Contribution from associated countries	2.245.949,00	0,00	2.245.949,00
Total	4.108.674,61	1.303.644,93	2.805.029,68

Receivables from member states covers outstanding VAT receivables as detailed below. The Agency can claim back VAT paid under the terms of the Protocol on the privileges and immunities (PPI) and Art. 151(1)(aa) of the VAT Directive which states that the EU is exempted from VAT. As for credit risk exposure these Member States belong to prime/high grade debtors by external rating companies so, the credit risk is considered to be insignificant.

VAT country	31/12/2015	31/12/2014
France	1.666.403,19	326.162,26
Austria	0,00	246.575,49
Estonia	196.322,42	79.503,69
Other	0,00	769,55
Total	1.862.725,61	653.010,99

Contribution from associated countries outstanding balance at 31/12/2015 is the contribution of Norway, Switzerland, Iceland and Liechtenstein to the IT systems expenditures incurred by the Agency during 2014 and invoiced in 2015.

6.3.3 Current liabilities

Accounts payable

Accounts payable	31/12/2015	31/12/2014	Variation
Current payables - Vendors	1.119.763,77	986.470,67	133.293,10
Current payables - Consolidated entities	743,20	0,00	743,20
PF Operational subsidy from Commission	504.868,62	0,00	504.868,62
PF Balancing subsidy from Commission	0,00	0,00	0,00
Total	1.625.375,59	986.470,67	638.904,92

Besides several vendor open items of minor amounts, the relatively high balance of current payables - Vendors was mainly due to 2 invoices from Accenture SA on BMS evolution. Liquidity risk is considered to be insignificant as current payables are fully covered by the balance of automatic and manual liaison account among sundry receivables representing virtual cash balance in the framework of centralized treasury management. Operational subsidy pre-financing open amount is the remaining amount of the received pre-financing in respect of the delegation agreement for Smart Borders after considering the actual expenditures and cut off expense forecast received from responsible project manager.

Pre-financing received for Delegation agreement	3.325.000,00
Actual expenditure incurred by 31/12/2015	-1.032.195,07
Accrued expenses for Delegation agreement	-1.787.936,31
Pre-financing remaining open for Delegation agreement	504.868,62

Accrued charges

The accrued charges of 8.202.021,63 € are split per GL account as follows:

Gl account	Description	31/12/2015	31/12/2014
60010000	Operational activities	5.309.478,94	3.371.339,87
60010010	Operational activities - Delegation agr. Grant	1.175.906,40	0,00
60010020	Operational activities - Delegation agr. Procurement	606.850,69	0,00
60010030	Operational activities - Delegation agr. Remuneration	5.179,22	0,00
61001000	Rental expenses land and building	3.560,60	0,00
61001500	Rental Expenses other	8.948,61	60,00
61002000	Maintenance & Security - Buildings	440.783,41	508.365,72
61010000	Office Supplies & maintenance	14.183,69	378.690,64
61020000	Communications & publications	100.634,85	151.132,61

61040000	Insurance - others	0,00	1.247,60
61060000	Recruitment costs	0,00	4.861,52
61070000	Training Costs	37.246,31	43.756,66
61080000	Missions	0,00	52.586,32
61085000	Experts and related expenditure	0,00	81.684,71
61094010	IT cost research	153.803,00	0,00
61094030	IT cost maintenance	131.001,60	0,00
61095000	External service provider exp	529.107,88	0,00
62000000	Staff Costs (excluding SNEs and others experts)	227.664,40	96.617,14
62040000	Staff perquisites and social activities	21.070,03	84.346,71
62050000	Allowances (excluding SNEs and other Experts)	28.687,58	121.833,98
62051000	Allowances for SNEs and other Experts	0,00	4.575,94
Total accrued charges in P&L		8.794.107,21	4.901.099,42
4904/4903	of which booked against step 1 verification	-106.101,07	-112.480,50
49055600	of which SB PF Grant related	-485.984,51	0,00
49055000	Total accrued charges in Balance sheet	8.202.021,63	4.788.618,92

Accrued charges are recorded in order to respect the notion of accrual-based accounting; therefore, the Financial Statements show all the charges and revenues for the financial year, regardless of the date of payment or collection. Amounts are based on best possible estimates taking into account the value of goods and services received in 2015 by the Agency to which no corresponding invoices were registered by the balance sheet date. Accrual expense in relation to the Delegation agreement appears as a decrease of assets following the classification applicable to the presentation of the 2015 consolidated EU accounts. See also point 6.3.2 Pre-financing given.

At year end 2015 the agency has no foreign exchange risk exposure as all receivables and payables are EUR denominated.

6.3.4 Net Assets – changes in net assets

The statement of net assets contains the economic result of the year and the year before, as in 2015 there were neither changes in accounting policies nor any other events justifying such changes. Eu-LISA's accounts are prepared based on accrual accounting.

6.3.5 Post balance sheet events

The general contractor for the office building project in Strasbourg claimed damages (11 January 2016) arising from an alleged delay in the start of a contractual phase, consisting of mobilisation costs, starting on 26 October 2015. The claimed amount is EUR 17.641,16 per week, resulting in a total for the period 26 October – 31 December 2015 of EUR 158.770,44. Eu-LISA disputes the claim and considers it unlikely that an outflow of economic resources would be needed to settle the claim hence the amount is not provided for, however the matter is not formally concluded and it is on-going at the time of the production of the accounts.

Apart from the above no other significant post balance sheet events occurred between 31 December 2015 (balance sheet date) and the date of submission of the final accounts.

6.3.6 Details on Contingencies and Other Significant Disclosures

Services in kind	Estimated amount for 2015	End date
Free use of office building in Tallinn offered by the host State	455.626,08	31/08/2017

Estimation is based on monthly rental fee of 37.968,84 € net of VAT. Estonia as host state offered rent-free use of the headquarters offices until 31/08/2017 with possible extension in case the final premises are not yet made available to the Agency.

Description	31/12/2015
Operational agreement for back up site	886.992,00
Maintenance contract	311.000,00
Rental of liaison office BXL	20.040,00
Courier and communication services	64.960,00
Total	1.282.992,00

Eu-Lisa has long term/multi-annual contractual commitments outstanding without corresponding budgetary commitments at year end 2015 in the amount of 1.282.992 €, as shown in the above table. The agency will need to tie financial resources to those contractual obligations in the coming budgetary period.

Contribution from associated countries

The contribution from the countries associated with the implementation, application and development of the Schengen acquis and EURODAC-related measures is calculated based on their relative share of GDP data of all the participating countries and the agency's expenditure for the respective systems, with the exception of the EURODAC contribution that is based on fixed percentages, for a given year. The Commission is the negotiator representing the EU with the associated countries on the terms of the agreements. At time of preparation of the 2015 accounts these negotiations are in final phase but are not yet initialled as Switzerland and Norway still need to formally accept the eu-LISA Establishing Regulation within the meaning of the relevant provisions of the agreements. Given the high uncertainty, there is no accounting entry made for the 2015 related revenue, though an indicative best estimate based on 2015 actual operational expenditures under Title 3 and 2014 Eurostat GDP data amounts to 2.1 mil Eur.

6.3.7 Related party disclosures

The highest staff grade at present at the Agency is of the Executive Director, temporary agent in grade AD14. His employment contract is governed by the Staff Regulations of Officials and the Conditions of Employment of Other Servants, which regulate his remuneration too. Apart from employment relationship, there are no other type of transactions between the agency and him, as key management personnel, and neither any loans are provided to him on standard or preferential rate.

6.4 Notes to the Statement of financial performance

6.4.1 Revenues – Non exchange revenues

	31/12/2015	31/12/2014	Variation
Adjustments/Provisions	0,00	12.470,75	-12.470,75
Balancing subsidy of the Commission	67.262.000,00	57.179.892,95	10.082.107,05
Operational subsidy of the Commission	2.820.131,38	0,00	2.820.131,38
Contribution of EFTA countries	2.245.949,03	643.800,24	1.602.148,79
II.1.1. Non-exchange revenues	72.328.080,41	57.836.163,94	14.491.916,47

Subsidy of the Commission on the face of the Statement of financial performance is made up on one hand of the so called Balancing subsidy, that is the main revenue of the agency from the general budget of the European Union (for this revenue amount calculation see 2015 Budget result table under heading 7.3); on the other hand in 2015 the agency incurred revenues related to the execution of the Delegation agreement with DG HOME on Smart Borders pilot project. The amount indicated as revenue includes actual expenditure plus expense accruals for 2015.

The contribution from the countries associated with the implementation, application and development of the Schengen acquis and EURODAC-related measures for 2015 amounts to 2.2 mil € and is calculated based on their relative share of GDP of all the participating countries and the agency's operational expenditure for the respective systems in 2014. In respect of information for the 2015 data based contribution please see point 6.3.6 disclosure.

6.4.2 Operational Expenses

	31/12/2015	31/12/2014	Variation
Operational expenses	19.060.198,20	25.880.454,13	-6.820.255,93
Operational expenses - Delegation agreement	2.810.421,38	0,00	2.810.421,38
Operational expenses	21.870.619,58	25.880.454,13	-4.009.834,55

Operational expenses are split between expenses related to the core systems and expenses incurred due to the execution of the Delegation agreement signed with DG HOME on Smart Borders pilot project.

The important decrease of the expenses related to the systems has to be seen together with the significant increase of intangible asset additions in the Balance sheet. These counter-term movements are the results of a more consistent and comprehensive application of asset recognition principles at the agency.

As a result significantly more expenditure is recognized as fixed asset investment that is going to be depreciated over several years thus charging the Statement of financial performance on a more equalized way, rather than being shown immediately as expenses as they occur.

6.4.3 Administrative Expenses

Staff expenses

The amount of 11.852.614,4 € is split per nature as follows:

Description	31/12/2015	31/12/2014
Staff basic expenses	8.516.469,85	8.018.720,47
Social security contribution	398.605,24	407.116,93
Staff perq. and social activities	-74.336,33	70.371,41
Salary allowances	2.771.901,95	2.969.793,71
Allowances for SNEs	239.973,69	185.286,42
Total staff expenses	11.852.614,40	11.651.288,94

At 31/12/2015 the agency employed 118 temporary agents, 12 contract agents, 5 seconded national experts and 5 interns.

Staff basic expenses include temporary agents' basic salaries and contract agents' full salaries including all the allowances. Staff perquisites and social activities amount is negative due to the fact that it includes the accounting credit entry in the amount of 140.910,8 € for the deferred expense related to the contribution the agency is paying to the European Schools in Strasbourg and in Tallinn in respect of 2016. Without this entry the yearly expense would show 66.574,47 €.

The salaries of eu-LISA's staff are calculated by the Office for the Administration and Payment of Individual Entitlements of the Commission (PMO) according to Service Level Agreement between the two institutions. The Agency provides PMO with all the data necessary for the calculation of the staff's salaries on the basis of which PMO establishes individual entitlements. The Agency is responsible for checking and processing the payments to the individuals. PMO is audited by the Court of Auditors.

Other administrative expenses

Description	31/12/2015	31/12/2014
Office supply & maint.	361.807,93	1.252.689,37
Communication & publication	441.369,05	399.747,84
Insurance/Legal - others	58.784,58	2.840,62
Recruitment costs	20.534,43	26.911,24
Training Costs	156.276,55	286.882,20
Missions	376.216,68	666.121,32
Experts & Related Exp.	221.791,69	254.074,48

IT COSTS Research	1.111.838,46	0,00
IT COSTS OPERATIONAL	383.475,00	0,00
OTH.EXT.SERV PROV	658.413,98	-540,76
Total other administrative expenses	3.790.508,35	2.888.726,31

Amounts appearing for 2015 as IT costs research/operational are the result of applying EU Accounting Rule No. 6 on Intangible assets incorporated into the Guidelines for asset recognition in IT projects of the agency. Research costs relate to preliminary and feasibility studies impact assessments related to the core systems/corporate IT infrastructure, whereas operational expenses are incurred when the nature of the expenditure does not fulfil all the requirements for registering those as fixed asset additions (software maintenance of corporate IT systems and external support services). Maintenance expenses related to core systems appear under Operational expenses (see 6.4.2).

Fixed assets related expenses

Description	31/12/2015	31/12/2014
Amortization of intangible fixed assets	5.383.027,20	1.755.273,19
Depreciation of tangible fixed assets	1.529.296,71	1.324.025,28
Amounts written off	0,00	128,00
License fee	12.385,14	41.771,81
Rental expenses	146.938,54	55.026,93
Maintenance and security- building	2.364.797,29	3.144.700,82
Total fixed asset related expenses	9.436.444,88	6.320.926,03

Most important fixed assets related expenses are the amortization and depreciation which are expected to increase over the years as a direct consequence of the agency's operations and increasing fixed asset recognition. Please also refer to detailed fixed assets movement tables explained at 6.3.1. Maintenance and security of buildings expenses show a significant decrease that is due to the fact that the prior construction technical advice services linked to the building project in Strasbourg were charged to the 2014 financial year.

Expenses with consolidated entities

Institution	31/12/2015	31/12/2014
European Aviation Safety Agency	2.239,00	808,00
DG BUDG	61.000,00	53.063,00
DG DIGIT	25.000,00	42.055,68
DG EPSO	1.700,00	0,00
DG HR	404.537,30	182.181,45
DG OP	13.597,83	2.321,38
DG PMO	106.966,45	110.313,64
DG OIL	0,00	144.260,00

DG SCIC	0,00	440,00
DG OIB	0,00	989,13
Translations Centre for the bodies of the EU	343.728,00	297.089,60
Total	958.768,58	833.521,88

Expenses with consolidated entities relate mostly to execution of service level agreements between the agency and the respective directorate generals/other bodies of the European Union.

Financial Expenses

1.807.94 € were paid as expense on late payment of invoices by eu-LISA in 2015 relating to 5 invoices.

2015 BUDGET IMPLEMENTATION

7. Budgetary Implementation

The budget of eu-LISA is financed through different fund sources¹. The main revenue comes from EU subsidy, received on an annual basis by the European Union budget –Commission section, Chapter 18 02 'Internal Security'- as adopted by the budgetary authority, i.e. the European Parliament and the Council of the European Union.² Further contributions were received from associated countries³, and from a delegation agreement with the Commission for the testing phase of the Smart Borders Proof of Concept.⁴

In 2015 the Agency managed a budget of EUR 67,6 Mio received from the EU subsidy. The initial budget of EUR 72,8 Mio was reduced by EUR 5,2 Mio⁵ in commitment and payment appropriations following a request from DG HOME to support Union actions and emergency assistance in the framework of the Internal Security Fund. The reduction was based on a thorough analysis ensuring that no legal obligations and planned tasks of the AWP 2015 were negatively impacted.

Summary of budget implementation – budget of the year

As regards the implementation of the budget of the year (fund source C1), eu-LISA reached a high budget implementation rate by the end of the year:

- 99,7% for commitment appropriations;
- 99,4% for payment appropriations, including the carry-forward of administrative expenditure to 2016.

Commitment appropriations: Title 1 reached an implementation rate of 98,3% by the end of the financial year. 100% of 2015 appropriations available in Title 2 and Title 3 were consumed.

Payment appropriations: 97,9% of appropriations in Title 1 were executed and 2,1% automatically carried forward. In Title 2, the execution rate reached 50,5% and the remaining 49,5% has been automatically carried forward to 2016. In Title 3, 99,5% of appropriations were executed.

Budgetary transfers

In accordance with the provisions of article 27 of the Agency's Financial Regulation, the transfer of appropriations is allowed under a number of formal criteria.

The Agency performed 21 budgetary transfers in 2015.

Cancellation of appropriations – budget of the year

Commitment appropriations unused at the end of the year, and therefore cancelled, amounted to 0.32% of the overall budget of the year.

¹ Article 32 of the Establishing Regulation.

² This subsidy refers to C1 commitment and payment appropriations (voted credits of the current budgetary year).

³ Contributions received as external assigned revenue and refer to Ro commitment and payment appropriations.

⁴ Delegation Agreement HOME/2014/ISFB/IM/LISA0001 of 14 January 2015.

⁵ The Amending budget n. 1 was adopted by the Management Board on 13 August 2015.

Payment appropriations unused at the end of the year, and therefore cancelled, amounted to 0.60% of the overall budget: 0.32% in Title 1, and 0.28% in Title 3.

Cancellation of appropriations carried over from 2014

The carry forward from 2014 to 2015 of a number of commitment appropriations was justified by:

- the multi-annual nature of operations, procurement procedures, or projects;
- events beyond the Agency's control (e.g. invoices not received at year end, or delays in the acceptance process).

In the case of non-differentiated appropriations (staff and running costs), such carry forward was accompanied by a corresponding carry-over of payment appropriations.

These operations were performed in compliance with the formal requirements set by the Agency's Financial Regulation. The execution of the carry-forwards and carry overs was constantly monitored throughout the year, resulting in cancellations whenever the justification of expenditure was no longer valid.

In total for non-differentiated appropriations, EUR 457,590.48 out of EUR 5,230,361.10 were cancelled (8.75%).

As regards differentiated committed appropriations (Title 3) carried forward from previous years, EUR 231,644.53 were cancelled out of 70,195,112.97 (0.33 %).

Carry forward of appropriations to 2016

The contractual and financial architecture of the Strasbourg reconstruction project, as approved by the Budgetary authority, resulted in a high volume of planned carry forward of open commitments and associated payment appropriations, for a total of 14.8 Mio (10.2 Mio of C2 appropriations, plus 4.6 of C1 appropriations). This was necessary due to the non-differentiated nature of the appropriations.

7.1 Summary of budget execution – expenditure in all fund sources

BUDGETARY TITLE		FINAL BUDGET FOR THE FINANCIAL YEAR					BUDGET FROM THE PREVIOUS FINANCIAL YEAR(S)					
Type		budget	committed	paid	open global commitments	carried forward/over	cancelled	budget	committed	paid	carried forward	cancelled
TITLE 1 - Staff expenditure	NDA	13,192,972.50	12,974,376.17	12,702,845.23	0.00	272,158.64	217,968.63	314,632.88	255,456.42	255,456.42		59,176.46
TITLE 2 - Infrastructure and Operating Expenditure	NDA	28,495,086.65	28,486,630.98	9,215,650.98	0.00	19,279,435.67	0.00	4,915,728.22	4,517,314.20	4,517,314.20		398,414.02
TITLE 3 - Operational expenditure:	DA											
	Commitment appropriations	40,097,707.28	39,095,805.45		4,617,415.83	36,593,098.59	0.00	70,195,112.97	69,963,468.44		36,011,625.58	231,644.53
	Payment appropriations	40,097,707.28		37,456,451.55		2,451,215.69	190,040.04	0.00		0.00	0.00	0.00
TOTAL - Commitment appropriations		81,785,766.43	80,556,812.60	21,918,496.21	4,617,415.83	56,144,692.90	217,968.63	75,425,474.07	74,736,239.06	4,772,770.62	36,011,625.58	689,235.01
TOTAL - Payment appropriations		81,785,766.43	41,461,007.15	59,374,947.76		22,002,810.00	408,008.67	5,230,361.10	4,772,770.62	4,772,770.62	0.00	457,590.48

7.1.1 Budget execution by fund source

BUDGET OF THE YEAR (EU SUBSIDY)		2015 BUDGET (C1)					BUDGET FROM PREVIOUS YEAR(S) (C8)					
Type		budget	committed	paid*	open global commitments	carried forward/over	cancelled	budget	committed	paid*	carried forward	cancelled
TITLE 1 - Staff expenditure	NDA	13,192,344.80	12,974,376.17	12,702,845.23	0.00	271,530.94	217,968.63	314,632.88	255,456.42	255,456.42		59,176.46
TITLE 2 - Infrastructure and Operating Expenditure	NDA	18,238,443.19	18,238,443.19	9,206,045.26	0.00	9,032,397.93	0.00	4,915,728.22	4,517,314.20	4,517,314.20		398,414.02
TITLE 3 - Operational expenditure:	DA											
	Commitment appropriations	36,128,312.01	36,128,312.01		4,617,415.83	34,141,882.90	0.00	70,195,112.97	69,963,468.44		36,011,625.58	231,644.53
	Payment appropriations	36,128,312.01		35,938,271.97			190,040.04					
TOTAL - Commitment appropriations		67,559,100.00	67,341,131.37		4,617,415.83	43,445,811.77	217,968.63	75,425,474.07	74,736,239.06		36,011,625.58	689,235.01
TOTAL - Payment appropriations		67,559,100.00		57,847,162.46		9,303,928.87	408,008.67	5,230,361.10		4,772,770.62	0.00	457,590.48

* for Title 3, out of a total of 35,938,271.97, EUR 1,986,429.11 refer to payments of C1 commitments made in 2015. The remainder, amounting to EUR 33,951,842.86 was used to cover commitments from previous years.

INTERNAL ASSIGNED REVENUE		2015 BUDGET (C4)					BUDGET FROM PREVIOUS YEAR(S) (C5)					
Type		budget	committed	paid	open global commitments	carried forward/over	cancelled	budget	committed	paid	carried forward	cancelled
TITLE 1 - Staff expenditure	NDA	627.70	0.00	0.00	0.00	627.70	0.00	0.00	0.00	0.00		0.00
TITLE 2 - Infrastructure and Operating Expenditure	NDA	24,200.00	15,744.33	9,605.72	0.00	14,594.28	0.00	0.00	0.00	0.00		0.00
TITLE 3 - Operational expenditure:	DA											
Commitment appropriations		595.00	0.00		0.00	595.00	0.00	0.00	0.00		0.00	0.00
Payment appropriations		595.00		0.00		595.00	0.00	0.00		0.00	0.00	0.00
TOTAL - Commitment appropriations		25,422.70	15,744.33		0.00	15,816.98	0.00	0.00	0.00		0.00	0.00
TOTAL - Payment appropriations		25,422.70		9,605.72		15,221.98	0.00	0.00		0.00	0.00	0.00

APPROPRIATIONS CARRIED FORWARD/OVER BY DECISION		2015 BUDGET (C2)					BUDGET FROM PREVIOUS YEAR(S) (C8 FROM C2 IN YEAR N-1)					
Type		budget	committed	paid	open global commitments	carried forward/over	cancelled	budget	committed	paid	carried forward	cancelled
TITLE 1 - Staff expenditure	NDA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
TITLE 2 - Infrastructure and Operating Expenditure	NDA	10,232,443.46	10,232,443.46	0.00	0.00	10,232,443.46	0.00	0.00	0.00	0.00		0.00
TITLE 3 - Operational expenditure:	DA											
Commitment appropriations		0.00	0.00		0.00	0.00	0.00	0.00	0.00		0.00	0.00
Payment appropriations		0.00		0.00		0.00	0.00					
TOTAL - Commitment appropriations		10,232,443.46	10,232,443.46		0.00	10,232,443.46	0.00	0.00	0.00		0.00	0.00
TOTAL - Payment appropriations		10,232,443.46		0.00		10,232,443.46	0.00	0.00		0.00	0.00	0.00

EXTERNAL ASSIGNED REVENUE		2015 BUDGET (Ro)					BUDGET FROM PREVIOUS YEAR(S) (Ro)					
Type		budget	committed	paid	open global commitments	carried forward/over	cancelled	budget	committed	paid	carried forward	cancelled
TITLE 1 - Staff expenditure	NDA	0.00	0.00	0.00	0.00	0.00	-	0.00	0.00	0.00		-
TITLE 2 - Infrastructure and Operating Expenditure	NDA	0.00	0.00	0.00	0.00	0.00	-	0.00	0.00	0.00		-
TITLE 3 - Operational expenditure:	DA											
Commitment appropriations		3,968,800.27	2,967,493.44		0.00	2,450,620.69	-	0.00	0.00		0.00	-
Payment appropriations		3,968,800.27		1,518,179.58		2,450,620.69	-	0.00		0.00	0.00	-
TOTAL - Commitment appropriations		3,968,800.27	2,967,493.44		0.00	2,450,620.69	-	0.00	0.00		0.00	-
TOTAL - Payment appropriations		3,968,800.27		1,518,179.58		2,450,620.69	-	0.00		0.00	0.00	-

7.2 Detailed budget implementation

7.2.1 Current year appropriations (2015 – C1 credits)

Budget Chapter	Commitment Appropriations							Payment Appropriations								
	Initial budget	Transfers	Amending budget	Final budget	Executed Commitments	Cancelled	Carried-forward	Initial budget	Transfers	Amending budget	Final budget	Executed Payments			Cancelled	Carried-over
												from current year commitment	from last year commitment	Total		
TITLE 1 - STAFF EXPENDITURE	15,605,354.00	- 1,463,009.20	- 950,000.00	13,192,344.80	12,974,376.17	217,968.63	271,530.94	15,605,354.00	- 1,463,009.20	- 950,000.00	13,192,344.80	12,702,845.23	0.00	12,702,845.23	217,968.63	271,530.94
A-11 Salaries & allowances	13,803,754.00	-1,042,675.45	-850,000.00	11,911,078.55	11,799,586.46	111,492.09	0.00	13,803,754.00	-1,042,675.45	-850,000.00	11,911,078.55	11,799,586.46	0.00	11,799,586.46	111,492.09	0.00
A-12 Expenditure related to recruitment	88,000.00	-57,801.00	0.00	30,199.00	25,249.00	4,950.00	3,382.19	88,000.00	-57,801.00	0.00	30,199.00	21,866.81	0.00	21,866.81	4,950.00	3,382.19
A-13 Mission Expenses	300,000.00		0.00	300,000.00	300,000.00	0.00	5,223.32	300,000.00		0.00	300,000.00	294,776.68	0.00	294,776.68	0.00	5,223.32
A-14 Socio-Medical Infrastructure	1,013,600.00	-387,532.75	-100,000.00	526,067.25	427,264.34	98,802.91	59,614.93	1,013,600.00	-387,532.75	-100,000.00	526,067.25	367,649.41	0.00	367,649.41	98,802.91	59,614.93
A-15 Training for Staff	400,000.00	25,000.00		425,000.00	422,276.37	2,723.63	203,310.50	400,000.00	25,000.00		425,000.00	218,965.87	0.00	218,965.87	2,723.63	203,310.50
TITLE 2 - INFRASTRUCTURE AND OPERATING EXPENDITURE	17,932,000.00	356,443.19	- 50,000.00	18,238,443.19	18,238,443.19	0.00	9,032,397.93	17,932,000.00	356,443.19	- 50,000.00	18,238,443.19	9,206,045.26	0.00	9,206,045.26	0.00	9,032,397.93
A-20 Expenditure for premises	13,040,000.00	705,625.08	0.00	13,745,625.08	13,745,625.08	0.00	6,298,175.40	13,040,000.00	705,625.08	0.00	13,745,625.08	7,447,449.68	0.00	7,447,449.68	0.00	6,298,175.40
A-21 Corporate IT & Telecom	1,450,000.00	275,200.87	0.00	1,725,200.87	1,725,200.87	0.00	810,692.07	1,450,000.00	275,200.87	0.00	1,725,200.87	914,508.80	0.00	914,508.80	0.00	810,692.07
A-22 Movable Property and Associated Costs	115,000.00	-68,439.08	0.00	46,560.92	46,560.92	0.00	23,266.81	115,000.00	-68,439.08	0.00	46,560.92	23,294.11	0.00	23,294.11	0.00	23,266.81
A-23 Current Administrative Expenditure	280,000.00	2,761.61	-50,000.00	232,761.61	232,761.61	0.00	61,380.72	280,000.00	2,761.61	-50,000.00	232,761.61	171,380.89	0.00	171,380.89	0.00	61,380.72
A-24 Postage	10,000.00	18,500.00	0.00	28,500.00	28,500.00	0.00	2,184.04	10,000.00	18,500.00	0.00	28,500.00	26,315.96	0.00	26,315.96	0.00	2,184.04
A-25 Management Board	240,000.00	-13,780.80	0.00	226,219.20	226,219.20	0.00	98,862.15	240,000.00	-13,780.80	0.00	226,219.20	127,357.05	0.00	127,357.05	0.00	98,862.15
A-26 Information and Publications	400,000.00	60,120.50	0.00	460,120.50	460,120.50	0.00	318,363.41	400,000.00	60,120.50	0.00	460,120.50	141,757.09	0.00	141,757.09	0.00	318,363.41
A-27 External Support Services	1,577,000.00	-560,765.14	0.00	1,016,234.86	1,016,234.86	0.00	886,182.73	1,577,000.00	-560,765.14	0.00	1,016,234.86	130,052.13	0.00	130,052.13	0.00	886,182.73
A-28 Security	820,000.00	-62,779.85	0.00	757,220.15	757,220.15	0.00	533,290.60	820,000.00	-62,779.85	0.00	757,220.15	223,929.55	0.00	223,929.55	0.00	533,290.60
TITLE 3 - OPERATIONAL EXPENDITURE	39,271,746.00	1,106,566.01	- 4,250,000.00	36,128,312.01	36,128,312.01	0.00	34,141,882.90	39,271,746.00	1,106,566.01	- 4,250,000.00	36,128,312.01	1,986,429.11	33,951,842.86	35,938,271.97	190,040.04	
B3-0 Shared System Infrastructure (CORE Systems)	4,510,000.00	-2,747,086.63	-800,000.00	962,913.37	962,913.37	0.00	802,475.54	2,510,000.00	-133,709.25	-1,300,000.00	1,076,290.75	160,437.83	801,955.92	962,393.75	113,897.00	
B3-1 SIS II	2,100,000.00	864,747.20	-800,000.00	2,164,747.20	2,164,747.20	0.00	2,164,747.20	8,100,000.00	-1,668,173.42	-800,000.00	5,631,826.58	0.00	5,631,826.58	5,631,826.58	0.00	
B3-2 VIS-BMS	26,450,000.00	-393,841.31	-1,900,000.00	24,156,158.69	24,156,158.69	0.00	24,139,619.94	19,450,000.00	3,705,477.88	0.00	23,155,477.88	16,538.75	23,138,939.13	23,155,477.88	0.00	
B3-3 EURODAC	1,000,000.00	4,630,822.44		5,630,822.44	5,630,822.44	0.00	4,957,154.41	4,000,000.00	-1,072,736.83	0.00	2,927,263.17	673,668.03	2,253,243.67	2,926,911.70	351.47	
B3-6 Ext Supp Services directly related to CORE Systems	3,806,500.00	-1,134,545.57	-750,000.00	1,921,954.43	1,921,954.43	0.00	1,708,103.43	3,806,500.00	416,849.08	-2,025,000.00	2,198,349.08	213,851.00	1,984,498.08	2,198,349.08	0.00	
B3-7 Meetings missions dir related to the CORE systems	715,246.00	-205,136.00	0.00	510,110.00	510,110.00	0.00	116,566.29	715,246.00	-130,280.42	-75,000.00	509,965.58	393,543.71	40,630.30	434,174.01	75,791.57	
B3-8 Training directly related to operations	690,000.00	91,605.88	0.00	781,605.88	781,605.88	0.00	253,216.09	690,000.00	-10,861.03	-50,000.00	629,138.97	528,389.79	100,749.18	629,138.97	0.00	
TOTAL	72,809,100.00	0.00	- 5,250,000.00	67,559,100.00	67,341,131.37	217,968.63	43,445,811.77	72,809,100.00	0.00	- 5,250,000.00	67,559,100.00	23,895,319.60	33,951,842.86	57,847,162.46	408,008.67	9,303,928.87

7.2.2 Budget implementation of non-automatic carry forwards (2015 – C2 credits)

Budget Chapter		Commitment Appropriations (1)	Executed Commitment (2)	Payment Appropriations (3)	Executed Payment (4)	Carry-forward (5)=(2-4)
A-20	Expenditure for premises	10,232,443.46	10,232,443.46	10,232,443.46		10,232,443.46
TOTAL		10,232,443.46	10,232,443.46	10,232,443.46		10,232,443.46

7.2.3 Budget implementation of appropriations on internal assigned revenue (2015 – C4 credits)

Budget Chapter		Commitment Appropriations (1)	Executed Commitment (2)	Payment Appropriations (3)	Executed Payment (4)	Carry-forward (5)=(1-4)
A-13	Mission Expenses	627.70		627.70		627.70
A-20	Expenditure for premises	20,000.00	15,744.33	20,000.00	9,605.72	10,394.28
A-26	Information and Publications	4,200.00		4,200.00		4,200.00
B3-7	Meetings missions directly related to the CORE systems	595.00		595.00		595.00
TOTAL		25,422.70	15,744.33	25,422.70	9,605.72	15,816.98

7.2.4 Budget implementation of appropriations on internal assigned revenue – (2015 – C5 credits)

None.

7.2.5 Budget implementation of automatic carry forwards (2015 – C8 credits) – non-differentiated appropriations

Budget Chapter		Carried forward/over appropriations (1)	Executed Payment (2)	Cancelled (3)=(1-2)
A-12	Expenditure related to recruitment	4,861.52	4,861.52	0.00
A-13	Mission Expenses	26,510.07	26,510.07	0.00
A-14	Socio-Medical Infrastructure	211,187.17	172,029.06	39,158.11
A-15	Training for Staff	72,074.12	52,055.77	20,018.35
TOTAL TITLE 1		314,632.88	255,456.42	59,176.46

Budget Chapter		Carried forward/over appropriations (1)	Executed Payment (2)	Cancelled (3)=(1-2)
A-20	Expenditure for premises	1,304,226.09	1,276,269.05	27,957.04
A-21	Corporate IT & Telecom	2,039,516.40	1,783,290.37	256,226.03
A-22	Movable Property and Associated Costs	18,605.62	16,486.15	2,119.47
A-23	Current Administrative Expenditure	19,070.94	12,522.33	6,548.61
A-24	Postage	233.27	148.09	85.18
A-25	Management Board	127,910.37	89,876.28	38,034.09
A-26	Information and Publications	295,710.79	252,634.83	43,075.96
A-27	External Support Services	325,741.00	315,403.40	10,337.60
A-28	Security	784,713.74	770,683.70	14,030.04
TOTAL TITLE 2		4,915,728.22	4,517,314.20	398,414.02

7.2.6 Budget implementation of automatic carry forward (2015 – C8 credits) – differentiated appropriations

BUDGET CHAPTER		Appropriations carried-forward from previous financial years (a)	out of which 2014 - L1 commitments	Consumption of L1 commitments by 31/12/2015	Cancelled (b)	Commitment execution - C1 payment appropriations (c)	Carry-forward to 2016 (d)=(a-b-c)
B3-0	Shared System Infrastructure (CORE Systems)	1,186,647.64				801,955.92	384,691.72
B3-1	SIS II	21,268,862.68				5,631,826.58	15,637,036.10
B3-2	VIS-BMS	34,605,041.48	8,834,705.89	8,834,705.89		23,138,939.13	11,466,102.35
B3-3	EURODAC	7,432,745.59				2,253,243.67	5,179,501.92
B3-6	Ext Supp Services directly related to CORE Systems	5,344,531.57	3,645,321.57	3,645,321.57	15,740.00	1,984,498.08	3,344,293.49
B3-7	Meetings missions directly related to the CORE systems	66,576.88			25,946.58	40,630.30	0.00
B3-8	Training directly related to operations	290,707.13			189,957.95	100,749.18	0.00
TITLE 3 - OPERATIONAL EXPENDITURE		70,195,112.97	12,480,027.46	12,480,027.46	231,644.53	33,951,842.86	36,011,625.58

7.2.7 Budget implementation of appropriations from external assigned revenue (2015 – Ro credits)

Budget Chapter		Commitment Appropriations (1)	Executed Commitment (2)	Payment Appropriations (3)	Executed Payment (4)	Carry-forward (5)=(1-4)
B3-1	SIS II MWO	53,371.40		53,371.40		53,371.40
B3-2	VIS-BMS MWO	579,450.53		579,450.53		579,450.53
B3-3	EURODAC MWO	10,978.34		10,978.34		10,978.34
B3-9	New systems PREP	3,325,000.00	2,967,493.44	3,325,000.00	1,518,179.58	1,806,820.42
Total		3,968,800.27	2,967,493.44	3,968,800.27	1,518,179.58	2,450,620.69

7.3 Budget Result Account 2015

The budget result for the financial year corresponds to the total pre-financing revenues actually cashed minus the total eligible expenditure incurred during the year 2015 (actual payments and appropriations carried over) minus previous year's unused payment appropriations.

		2015	2014
REVENUE			
Balancing Commission subsidy	+	67.262.000,00	57.179.892,95
Contribution from associated countries	+	643.800,27	0,00
Smart borders	+	3.325.000,00	0,00
Other income	+	25.422,70	12.312,99
Total revenue (a)		71.256.222,97	57.192.205,94
EXPENDITURE			
<i>Title I: Staff</i>			
Payments	-	12.702.845,23	12.445.181,27
Appropriations carried over	-	272.158,64	314.632,88
<i>Title II: Administrative Expenses</i>			
Payments	-	9.215.650,98	2.320.156,31
Appropriations carried over	-	19.279.435,67	15.148.171,68
<i>Title III: Operating Expenditure</i>			
Payments	-	37.456.451,55	34.124.676,86
Appropriations carried over	-	2.451.215,69	0,00
Total expenditure (b)		81.377.757,76	64.352.819,00
Result for the financial year (a-b)		10.121.534,79	-7.160.613,06
Cancellation of unused payment appropriations carried over from previous year	+	10.690.033,94	1.690.194,29
Adjustment for carry-over from the prev. year of appropriations av. at 31.12 from ass. Rev.	+		874,84
Exchange differences for the year (gain +/-)	+/-	-819,92	-1.561,15
Balance of the result account for the financial year		567.679,23	-5.471.105,08
Balance year N-1	+/-	-8.219.860,16	-2.748.755,08
Positive balance from year N-1 reimbursed in year N to the Commission	-	0,00	0,00
Result used for determining amounts in general accounting		-7.652.180,93	-8.219.860,16
Commission subsidy - agency registers accrued revenue and Commission accrued expense		67.262.000,00	57.179.892,95
Pre-financing remaining open to be reimbursed by agency to Commission in year N+1		0,00	0,00

For the 2015 financial year, the balance of the budget outturn amounts to 567.679,23 €. After adjusting this balance with the accumulated balance of previous years the result used for determining the 2015 PF cut off is highly negative and as a consequence the total amount of cashed balancing subsidy is considered as revenue in the statement of financial performance. There is no balancing subsidy pre-financing remaining open in the Balance Sheet, please see 6.3.3. Current liabilities - Accounts payable section.

C2 funds related to the building project have no real budgetary effect on the 2015 Budget Result Account as 10.232.443,46 € appears as 'Appropriations carried over' under Expenditure Title II as well as under 'Cancellation of unused payment appropriation carried over from previous year' for technical reasons only. Real cancellation equals 457.590,48 €.

7.4 Reconciliation between budgetary and accrual based accounts (EUR)

	sign +/-	amount
Economic result (+ for surplus and - for deficit) of the consolidation reporting package including table M2	+/-	24.434.490,76
Adjustment for accrual items (items not in the budgetary result but included in the economic result)		
A Adjustments for Accrual Cut-off (reversal 31.12.2014)	-	-4.180.230,17
B Adjustments for Accrual Cut-off (cut- off 31.12.2015)	+	8.356.846,24
C Amount from liaison account with Commission booked in the Economic Outturn Account	-	
D Unpaid invoices at year end but booked in charges (class 6)	+	-69.344,99
E Depreciation of intangible and tangible assets	+	6.912.323,91
F Provisions	+	
G Value reductions	+	
H Recovery Orders issued in 2015 in class 7 and not yet cashed	-	-2.245.949,00
Ia Prefinancing given in previous year and cleared in 2015	+	
Ib Prefinancing received in previous year and cleared in 2015	-	
J Payments made from carry over of payment appropriations	+	4.772.770,62
K Other *)	+/-	
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)		
M Asset acquisitions (less unpaid amounts)	-	19.464.477,47
N New pre-financing paid in the year 2015 and remaining open as at 31.12.2015	-	-7.152.570,59
O New pre-financing received in the year 2015 and remaining open as at. 31.12.2015	+	504.868,62
P Budgetary recovery orders issued before 2015 and cashed in the year	+	
Q Budgetary recovery orders issued in 2015 on balance sheet accounts (not 7 or 6 accounts) and cashed	+	
R Capital payments on financial leasing (they are budgetary payments but not in the economic result)	-	
S Payment appropriations carried over to 2016	-	22.002.810,00
T Cancellation of unused carried over payment appropriations from previous year	+	10.690.033,94
U Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+	
V Payments for pensions (they are budgetary payments but booked against provisions)	-	
W Payments for stocks of leave and supplementary hours (they are budgetary payments but booked against provisions)	-	
X Other **)	+/-	-8.219.860,16
total		-7.663.908,29
Budgetary result (+ for surplus) (2)		-7.652.180,93
Including amount of exchange rate differences (3)		-819,92
Delta not explained		-11.727,36

8. Establishment plan 2015

Function group and grade	PERMANENT POSTS		TEMPORARY POSTS	
	2015	2014	2015	2014
AD 16	—	—	—	—
AD 15	—	—	—	—
AD 14	—	—	1	1
AD 13	—	—	2	2
AD 12	—	—	3	3
AD 11	—	—	1	1
AD 10	—	—	5	4
AD 9	—	—	6	7
AD 8	—	—	10	1
AD 7	—	—	16	24
AD 6	—	—	11	2
AD 5	—	—	20	30
Total AD	—	—	75	75
AST 11	—	—	—	—
AST 10	—	—	—	—
AST 9	—	—	—	—
AST 8	—	—	1	—
AST 7	—	—	1	2
AST 6	—	—	4	—
AST 5	—	—	12	15
AST 4	—	—	11	4
AST 3	—	—	15	23
AST 2	—	—	1	1
AST 1	—	—	—	—
Total AST	—	—	45	45
AST/SC 6	—	—	—	—
AST/SC 5	—	—	—	—
AST/SC 4	—	—	—	—
AST/SC 3	—	—	—	—
AST/SC 2	—	—	—	—
AST/SC 1	—	—	—	—
Total AST/SC	—	—	—	—
Grand Total	—	—	120	120

Contract Agents	Authorised 2015	Recruited as of 31.12.2015
Function Group IV	6 (+2) ⁱ	8 ⁱⁱ (+3) ⁱⁱⁱ
Function Group III	2	1 ^{iv}
Function Group II	—	—
Function Group I	—	—
Total	8 (+2)	9 (+3)
Seconded National Experts	Authorised 2015	Recruited as of 31.12.2015
Total	6	6

ⁱ This figure includes in bracket 2 short-term posts (duration 2 years + 2 years) for Procurement Officers as per ED Decision No 32-2014 of 17.06.2014.

ⁱⁱ This figure includes 1 post for Liaison Officer which was upgraded from FG III to FG IV by ED Decision 03-2014 of 17.01.2014 and 1 post for HR Assistant/Recruitment Assistant for Smart Borders preparation (approved by the decision of the MB of eu-LISA of 11.04.2015).

ⁱⁱⁱ This figure includes in brackets 2 short-term posts for Procurement Officers and 1 short-term post for the Administrative Officer (duration 2 years + 2 years)

^{iv} Please see footnote above on the upgraded post.