

European Monitoring Centre on Racism and Xenophobia
(EUMC)

Financial Statements of the EUMC for the Financial Year ended
31 December 2005

3 May 2006

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1. EUMC – Balance Sheet (Assets)

	Note	31.12.2005	31.12.2004
		€	€
ASSETS			
A. NON CURRENT ASSETS			
Intangible fixed assets	6.IV (c)	24,714	17,687
Tangible fixed assets	6.IV (c)	127,669	105,513
Land and buildings		-	-
Plant and equipment	6.IV (c)	11,960	15,221
Computer hardware	6.IV (c)	60,696	69,469
Furniture and vehicles	6.IV (c)	9,645	20,823
Other fixtures and fittings		-	-
Leasing		-	-
Tangible fixed assets under construction	6.IV (c)	45,368	-
Investments		-	-
Guarantee Fund		-	-
Investments in associates		-	-
Interest in joint ventures		-	-
Other investments		-	-
Loans		-	-
Loans granted from the budget		-	-
Loans granted from borrowed funds		-	-
Long-term pre-financing		-	-
Long-term pre-financing		-	-
Long-term receivables		-	-
Long-term receivables		-	-
TOTAL NON CURRENT ASSETS		152,383	123,200
B. CURRENT ASSETS			
Stock		-	-
Short-term pre-financing	6.IV (e)	-	64,486
Short-term receivables	6.IV (f)	360,336	301,298
Current receivables		360,336	296,728
Long term receivables falling due within a year		-	-
Sundry receivables		-	-
Other		-	4,570
Short-term Investments		-	-
Cash and cash equivalents	6.IV (g)	2,832,281	1,279,429
TOTAL CURRENT ASSETS		3,192,617	1,645,213
TOTAL		3,345,000	1,768,413

Date..... 3/5/2006

Signature.....

S Shukla (FCCA)
Accounting Officer of the EUMC

2. EUMC - Balance Sheet (Liabilities)

		Note	31.12.2005	31.12.2004
			€	€
LIABILITIES				
A. CAPITAL		4	1,143,448	725,475
Reserves			-	-
Accumulated surplus/deficit		4	725,475	725,475
Economic result of the year - profit+/loss-		3	417,973	0
B. Minority interest			-	-
C. NON CURRENT LIABILITIES			-	-
Employee benefits			-	-
Provisions for risks and liabilities			-	-
Financial liabilities			-	-
	Financial guarantees		-	-
	Borrowings		-	-
	Held-for-trading liabilities		-	-
Other long-term liabilities			-	-
TOTAL NON CURRENT LIABILITIES			1,143,448	725,475

D. CURRENT LIABILITIES				
Employee benefits				
Provisions for risks and liabilities		6.IV (h)	55,890	69,727
Financial liabilities			-	-
	Borrowings falling due within the year		-	-
	Held-for-trading liabilities due within the year		-	-
	Other current financial liabilities		-	-
Accounts payable		6.IV (i)	2,145,662	973,211
	Current payables		1,994,886	862,527
	Long-term liabilities falling due within the year		-	-
	Sundry payables		150,776	110,684
	Other		-	-
TOTAL CURRENT LIABILITIES			2,201,552	1,042,938

TOTAL			3,345,000	1,768,413
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Date..... 3/5/2006

Signature.....

S Shukla (FCCA)
Accounting Officer of the EUMC

3. EUMC - Economic Outturn Account

	2005 €
GNI based resources	-
VAT resources	-
Traditional Own Resources	-
Funds transferred from the Commission to other Institutions	-
Contributions of EFTA countries belonging to the EEA	-
Fines	-
Recovery of expenses	-
Revenues from administrative operations	13,836
Other operating revenue 6.IV (k)	7,465,980
TOTAL OPERATING REVENUE	7,479,816
Administrative expenses	-3,757,598
Staff expenses	-2,728,578
Fixed asset related expenses	-51,801
Pensions	-
Other administrative expenses	-977,220
Operational expenses	-3,304,245
Centralized Direct Management	-
Centralized Indirect Management	-
Decentralized Management	-
Shared Management	-
Joint Management	-
Other operational expenses	-3,304,245
TOTAL ADMINISTRATIVE AND OPERATIONAL EXPENSES 6.IV (l)	-7,061,843
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES	417,973
Financial revenues	-
Financial expenses	-
Share of net surpluses or deficits of associates and joint ventures accounted for using the equity method	-
SURPLUS/ (DEFICIT) FROM NON OPERATING ACTIVITIES	-
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES	417,973
Minority interest	-
Extraordinary gains (+)	-
Extraordinary losses (-)	-
SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS	-
ECONOMIC RESULT OF THE YEAR	417,973

Date..... 3/5/2006

Signature.....

S Shukla (FCCA)
Accounting Officer of the EUMC

4. EUMC - Statement of Changes in Capital

Capital	Reserves		Accumulated Surplus / Deficit	Economic result of the year	Capital (total)
	Fair value reserve	Other reserves			
	€	€	€	€	€
Balance as of 31 December 2004	-	-	725,475	-	725,475
Other revaluations	-	-	-	-	-
Reclassifications	-	-	-	-	-
Allocation of the Economic Result of Previous Year	-	-	-	-	-
Amounts credited to Member States	-	-	-	-	-
Economic result of the year	-	-	-	417,973	417,973
Balance as of 31 December 2005	-	-	725,475	417,973	1,143,448

5. EUMC - Cash Flow Table

Cash Flows from operating activities		€
Surplus/(deficit) from operating activities		417,973
<u>Adjustments</u>		
Amortization (intangible fixed assets) +		10,358
Depreciation (tangible fixed assets) +		41,443
Increase/(decrease) in Provisions for risks and liabilities		-13,836
Increase/(decrease) in Employee benefits		-
Increase/(decrease) in Value reduction for doubtful debts		-
(Increase)/decrease in Stock		-
(Increase)/decrease in Long term Pre-financing		-
(Increase)/decrease in Short Term Pre-financing		64,486
(Increase)/decrease in Long term Receivables		-
(Increase)/decrease in Short term Receivables		-59,038
(Increase)/decrease in Receivables related to consolidated EC entities		-
Increase/(decrease) in Other Long term liabilities		-
Increase/(decrease) in Accounts payable		64,470
Increase/(decrease) in Liabilities related to consolidated EC entities		1,107,981
(Gains)/losses on sale of Property, plant and equipment		-
Extraordinary items		-
Net cash Flow from operating activities		1,633,837
Cash Flows from investing activities		
Purchase of tangible and intangible fixed assets (-)		-80,985
Proceeds from tangible and intangible fixed assets (+)		-
Purchase of investments		-
Proceeds of investments		-
Granting of loans		-
Repayments of loans		-
Financial revenues		-
Extraordinary items		-
Net cash flow from investing activities		-80,985
Financing activities		
Repayments of borrowings		-
Proceeds of borrowings		-
Increase/(decrease) other financial liabilities		-
Distributions paid to Member States (-)		-
Financial expenses		-
Extraordinary items		-
Net Cash Flow from financing activities		-
Net increase/(decrease) in cash and cash equivalents		1,552,852
Cash and cash equivalents at the beginning of the period		1,279,429
Cash and cash equivalents at the end of the period		2,832,281

6. Annexes to the Financial Statements

I. General Information

The European Monitoring Centre on Racism and Xenophobia (EUMC) is an independent body of the European Union established by Council Regulation (EC) No 1035/97 of 2 June 1997 (OJ L 151, 10 June 1997), which was amended by Council Regulation (EC) No 1652/2003 of 18 June 2003.

The EUMC is based in Vienna and its primary task is to provide the Community and its Member States with objective, reliable and comparable information and data on racism, xenophobia, Islamophobia and anti-Semitism at the European level in order to help the EU and its Member States to establish measures or formulate courses actions against racism and xenophobia.

On the basis of the data collected, the EUMC studies the extent and development of the phenomena and manifestations of racism and xenophobia, and analyses their causes, consequences and effects. It is also the task of the EUMC to work out strategies to combat racism and xenophobia and to highlight and disseminate examples of good practice regarding the integration of migrants and ethnic and religious minority groups in the EU Member States.

II. Legal Basis

The accounts are kept in accordance with the provisions of Title VII of the Financial Regulation of the EUMC as adopted by its Management Board on 20 November 2002. These accounting provisions are the same as Title VII of the Framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, EURATOM) No. 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.

III. Accounting Rules and Principles

The EUMC's financial statements have been prepared in accordance with the accounting rules adopted by the Commission's Accounting Officer on 28 December 2004, which in turn are based on the International Public Accounting Standards.

The financial statements have been drawn up in accordance with the generally accepted accounting principles specified in Article 78 of the Financial Regulation of the EUMC, namely:

- going concern basis
- prudence
- consistent accounting methods
- comparability of information
- materiality
- no netting
- reality over appearance
- accrual-based accounting

IV. Notes to the Financial Statements

a) Reporting Currency

The reporting currency is Euro (€). Some figures may be subject to rounding differences.

b) Change in Accounting Policies

The EUMC's 2005 financial statements are the first to be prepared under accruals accounting principles, in accordance with the accounting rules adopted by the Commission's Accounting Officer on 28 December 2004. In order to enhance comparability, the EUMC's 2004 financial statements, which were prepared under a modified cash accounting basis, have been restated following these accruals accounting principles.

c) Fixed Assets

In accordance with Accounting Rules 6 and 7 of the Commission, fixed assets are valued at their historic cost and are subject to depreciation on a straight line basis at the following rates:

Software licences	25%
Computer hardware	25%
Furniture and vehicles	25%
Plant and equipment	25% and 12.5% (mail and health & safety related equipment)

None of the fixed assets are subject to finance lease agreements.

Fixed Asset Table – Intangibles

	Computer Software (Intangible)
Gross carrying value at 1.1.2005	82,243
Additions	3,986
Disposals	-
Gross NBV at 31.12.2005	86,229
Accumulated depreciation at 1.1.2005	-64,556
Charge for 2005	-10,358
Accumulated depreciation at 31.12.2005	-74,914
Net carrying value at 1.1.2005	17,687
Net carrying value at 31.12.2005	11,315
Assets Under Construction	13,399
Total net carrying value at 31.12.2005	24,714

Fixed Asset Table – Tangibles

	Computer Hardware (Tangible)	Plant and Equipment (Tangible)	Furniture and Vehicles (Tangible)	Total €
Gross carrying value at 1.1.2005	206,483	80,754	171,068	458,305
Additions	17,375	857	-	18,232
Disposals	-	-	-	-
Gross NBV at 31.12.2005	223,857	81,611	171,068	476,536
Accumulated depreciation at 1.1.2005	-137,014	-65,533	-150,245	-352,792
Charge for 2005	-26,148	-4,118	-11,178	-41,444
Accumulated depreciation at 31.12.2005	-163,162	-69,651	-161,423	-394,236
Net carrying value at 1.1.2005	69,469	15,221	20,823	105,513
Net carrying value at 31.12.2005	60,696	11,960	9,645	82,301
Assets Under Construction	42,418	2,950	-	45,368
Total net carrying value at 31.12.2005	103,114	14,910	9,645	127,669

d) Operating Leases

	2005 €	2004 €
Minimum lease payments charged to the economic outturn account (Photocopiers)	<u>29,637</u>	<u>24,927</u>

e) Short Term Pre-financing

	2005 €	2004 €
Advance payments on special projects	<u>-</u>	<u>64,486</u>

f) Short Term Receivables

	2005 €	2004 €
VAT reimbursement due from Austrian Finance Ministry	294,930	158,801
Rent prepaid	-	4,570
Rent reimbursement due from Austrian authorities	65,406	103,161
Sundry amounts receivable	-	34,766
	<u>360,336</u>	<u>301,298</u>

g) Cash and Cash Equivalents

	2005 €	2004 €
Bank current and deposit accounts	<u>2,832,281</u>	<u>1,279,429</u>

h) Provisions for Risks and Liabilities

	2005 €	2004 €
Provision for cost of staff holidays carried over (This amount represents the estimated cost at the year end of reimbursing outstanding holiday entitlements to all temporary agents should they cease to be employed by the EUMC).	<u>55,890</u>	<u>69,727</u>

(Decrease)/increase in provisions in year	<u>(13,836)</u>	<u>69,726</u>
Amount used in year	10,390	-
Unused amount reversed in year	<u>59,336</u>	<u>-</u>
	<u>69,726</u>	<u>-</u>

i) Accounts Payable

	2005	2004
	€	€
Payables due to consolidated entities – Outturn 2004	231,444	231,444
Payables due to consolidated entities – Outturn 2005	939,541	-
Payables due to consolidated entities – Interest received 2005	17,801	-
Payables due to consolidated entities – PHARE	130,750	40,750
Payables due to consolidated entities – Miscellaneous	213,996	213,996
Payables due to consolidated entities – Translation Centre	142,386	77,303
Payables due to consolidated entities – Taxes and Social Security	124,235	112,688
Payables due to consolidated entities – OPOCE	<u>4,630</u>	<u>20,622</u>
Total payable to Consolidated Entities	1,804,783	696,803
Payables due to non consolidated entities	190,103	165,724
Sundry payables	<u>150,776</u>	<u>110,684</u>
	<u>2,145,662</u>	<u>973,211</u>

j) Contingent Liabilities

	2005	2004
	€	€
Amounts contracted for at the year end for goods and services to be delivered in future	<u>981,549</u>	<u>391,163</u>
Increase in contingent liabilities	<u>590,386</u>	<u>391,163</u>
Future minimum lease payments under non cancellable operating leases:		
	2005	2004
	€	€
Amounts due within 1 year	29,540	29,637
Amounts due in > 1 year and < 5 years	-	29,540
Amounts due in > 5 years	-	-
	<u>29,540</u>	<u>59,177</u>

k) Revenue

Revenue and corresponding receivables are measured at the fair value of the consideration received or receivable and are accounted for in the period to which they relate.

The EUMC's main sources of revenue in 2005 were:

	€
European Community subsidy	7,249,458
Contributions from the Austrian authorities	181,552
Recovery of payments made to suppliers	<u>34,970</u>
	<u>7,465,980</u>

l) Expenditure

Expenditure and corresponding payables are measured at their fair value and accounted for in the period to which they relate.

The EUMC's main expenditure in 2005 was:

	€
Staff related expenditure	2,728,577
Depreciation	51,801
Administrative expenditure	977,220
Operational expenditure	<u>3,304,245</u>
	<u>7,061,843</u>

V. Reconciliation between budgetary outturn and economic outturn

The EUMC's financial statements are prepared on an accruals basis, where transactions are recorded in the period to which they relate. The result for the year using this basis is indicated in the economic outturn account.

However, the EUMC uses a modified cash accounting system for preparing the budget outturn account and its other budgetary reporting. In this system only the payments made and revenues received in the period are recorded, together with payment appropriations that are carried forward.

The difference between the budgetary outturn and the economic outturn for 2005 is made up as follows:

	€
Accumulated Budget Outturn	1,170,985
Amount due to the Commission	(1,170,985)
Impact on Fixed Assets	
Fixed asset purchases	80,985
Depreciation charge	(51,800)
Impact on Accrued Expenses in Year	
Accrued expenses 2005	(337,118)
Adjustment for 2005 carry-overs – neutralisation of C8s	1,318,667
Reversal of Previous Year's Accrued Expenses	
Reversal accrued expenses 2004	263,649
Reversal of 2004 carry-overs – neutralisation of C8s	(866,596)
Neutralisation of Budgetary Loss	-
Impact of Supplier Pre-financing	
Supplier pre-financing 2005	-
Reversal supplier pre-financing 2004	(69,055)
Other Impacts	
Staff holiday carried over – 2005 provision	(55,890)
Reversal staff holiday carried over – 2004 provision	69,726
Accrued income 2005	65,405
Balance per Economic Outturn Account	<u>417,973</u>