

**European Union Agency for Fundamental Rights**  
**(FRA)**

Annual Accounts of the FRA for the Financial Year ended  
31 December 2007

## **Contents**

### **1. Certification of the 2007 Annual Accounts**

#### **Section A: Financial Statements**

2. Balance Sheet
3. Economic Outturn Account
4. Statement of Changes in Net Assets / Liabilities
5. Cash Flow Table
6. Annexes

#### **Section B: Reports on the Implementation of the Budget**

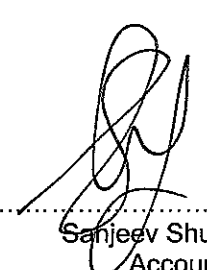
7. Budget Outturn
8. Summary Budget Execution Table (CoA format)
9. Budget Execution – Title 1, 2 and 3 – C1 Appropriations
10. Budget Execution – Title 1, 2 and 3 – C8 Appropriations

1. Certification of the 2007 Annual Accounts

The annual accounts of the European Union Agency for Fundamental Rights (FRA) have been prepared in accordance with Title VII of the Financial Regulation of the FRA as well as the accounting rules and methods adopted by the Commission's accounting officer.

I hereby certify that, based on the information provided by the authorising officer, I have reasonable assurance that the annual accounts present a true and fair view of the financial position of the FRA in all material aspects.

Date..... 4/4/2008


Signature.....   
Sanjeev Shukla (FCCA)  
Accounting Officer

**Section A:**

**Financial Statements of the FRA for the Financial Year ended  
31 December 2007**

## 2. FRA – Balance Sheet

|                                       | Note     | 31.12.2007       | 31.12.2006       |
|---------------------------------------|----------|------------------|------------------|
|                                       |          | €                | €                |
| <b>A. NON CURRENT ASSETS</b>          |          | <b>442,432</b>   | <b>471,423</b>   |
| Intangible fixed assets               | 6.IV (b) | 109,324          | 83,678           |
| Tangible fixed assets                 | 6.IV (b) | 333,108          | 387,745          |
| Investments                           |          | -                | -                |
| Loans                                 |          | -                | -                |
| Long-term pre-financing               |          | -                | -                |
| Long-term receivables                 |          | -                | -                |
| <b>B. CURRENT ASSETS</b>              |          | <b>8,486,872</b> | <b>2,810,836</b> |
| Stock                                 |          | -                | -                |
| Short-term pre-financing              | 6.IV (d) | -                | 70,000           |
| Short-term receivables                | 6.IV (e) | 291,067          | 452,883          |
| Short-term investments                |          | -                | -                |
| Cash and cash equivalents             | 6.IV (f) | 8,195,805        | 2,287,953        |
| <b>TOTAL ASSETS</b>                   |          | <b>8,929,304</b> | <b>3,282,260</b> |
| <b>C. NON CURRENT LIABILITIES</b>     |          | <b>-</b>         | <b>-</b>         |
| Employee benefits                     |          | -                | -                |
| Provisions for risks and liabilities  |          | -                | -                |
| Financial liabilities                 |          | -                | -                |
| Other long-term liabilities           |          | -                | -                |
| <b>TOTAL NON CURRENT LIABILITIES</b>  |          | <b>-</b>         | <b>-</b>         |
| <b>D. CURRENT LIABILITIES</b>         |          | <b>1,636,425</b> | <b>1,582,389</b> |
| Employee benefits                     |          | -                | -                |
| Provisions for risks and liabilities  | 6.IV (g) | 48,373           | 47,552           |
| Financial liabilities                 |          | -                | -                |
| Accounts payable                      | 6.IV (h) | 1,588,052        | 1,534,837        |
| <b>TOTAL LIABILITIES</b>              |          | <b>1,636,425</b> | <b>1,582,389</b> |
| <b>E. NET ASSETS / LIABILITIES</b>    |          | <b>7,292,879</b> | <b>1,699,871</b> |
| <b>Reserves</b>                       |          | <b>-</b>         | <b>-</b>         |
| Accumulated result                    | 3        | 7,292,879        | 1,699,871        |
| <b>B. Minority interest</b>           |          | <b>-</b>         | <b>-</b>         |
| <b>TOTAL NET ASSETS / LIABILITIES</b> |          | <b>7,292,879</b> | <b>1,699,871</b> |

Signature  .....  
Acting Director

Date 4/4/08 .....

### 3. FRA - Economic Outturn Account

|   | 2007<br>€         | 2006<br>€         |
|---|-------------------|-------------------|
| 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   |                   | 8,338             |
| Other operating revenue <b>6.IV (j)</b>   | 14,281,336        | 8,609,278         |
| <b>TOTAL OPERATING REVENUE</b>  | <b>14,281,336</b> | <b>8,617,616</b>  |
| Administrative expenses   | -5,238,187        | -4,505,374        |
| Staff expenses  | -3,532,169        | -3,050,988        |
| Fixed asset related expenses  | -167,949          | -51,723           |
| Pensions  | -                 | -                 |
| Other administrative expenses   | -1,538,069        | -1,402,663        |
| Operational expenses  | -3,450,141        | -3,555,818        |
| Centralized Direct Management   | -                 | -                 |
| Centralized Indirect Management   | -                 | -                 |
| Decentralized Management  | -                 | -                 |
| Shared Management   | -                 | -                 |
| Joint Management  | -                 | -                 |
| Other operational expenses  | -3,450,141        | -3,555,818        |
| <b>TOTAL ADMINISTRATIVE AND OPERATIONAL EXPENSES 6.IV (k)</b>   | <b>-8,688,328</b> | <b>-8,061,192</b> |
| <b>SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES</b>  | <b>5,593,008</b>  | <b>556,423</b>    |
| Financial revenues  | -                 | -                 |
| Financial expenses  | -                 | -                 |
| Share of net surpluses or deficits of associates and joint ventures accounted for using the equity method | -                 | -                 |
| <b>SURPLUS/ (DEFICIT) FROM NON OPERATING ACTIVITIES</b>   | <b>-</b>          | <b>-</b>          |
|   | <b>5,593,008</b>  | <b>556,423</b>    |
| <b>SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES</b>   |                   |                   |
| Minority interest   | -                 | -                 |
| Extraordinary gains (+)   | -                 | -                 |
| Extraordinary losses (-)  | -                 | -                 |
| <b>SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS</b>   | <b>-</b>          | <b>-</b>          |
| <b>ECONOMIC RESULT OF THE YEAR</b>  | <b>5,593,008</b>  | <b>556,423</b>    |

#### 4. FRA - Statement of Changes in Net Assets/Liabilities

|   | Reserves              |                   | Accumulated<br>Surplus / Deficit | Economic<br>result of the<br>year | Total Net<br>Assets/Liabilities |
|---|-----------------------|-------------------|----------------------------------|-----------------------------------|---------------------------------|
|   | Fair value<br>reserve | Other<br>reserves |                                  |                                   |                                 |
|   | €                     | €                 | €                                | €                                 | €                               |
| <b>Balance as of 31 December 2005</b>                     | -                     | -                 | <b>1,143,448</b>                 | -                                 | <b>1,143,448</b>                |
| Other revaluations  | -                     | -                 | -                                | -                                 | -                               |
| Fair Value Movements                                      | -                     | -                 | -                                | -                                 | -                               |
| Allocation of the Economic Result of<br>Previous Year     | -                     | -                 | -                                | -                                 | -                               |
| Amounts Credited to Member<br>States                      | -                     | -                 | -                                | -                                 | -                               |
| Economic Result of the Year                               | -                     | -                 | -                                | 566,423                           | 566,423                         |
| <b>Balance as of 31 December 2006</b>                     | -                     | -                 | <b>1,143,448</b>                 | <b>566,423</b>                    | <b>1,699,871</b>                |
| Other revaluations  | -                     | -                 | -                                | -                                 | -                               |
| Fair Value Movements                                      | -                     | -                 | -                                | -                                 | -                               |
| Allocation of the economic Result of<br>the Previous Year | -                     | -                 | 556,423                          | (556,423)                         | -                               |
| Amounts Credited to Member<br>States                      | -                     | -                 | -                                | -                                 | -                               |
| Economic Result for the Year                              | -                     | -                 | -                                | 5,593,008                         | <b>5,593,008</b>                |
| <b>Balance as of 31 December 2007</b>                     | -                     | -                 | <b>1,699,871</b>                 | <b>5,593,008</b>                  | <b>7,292,879</b>                |

## 5. FRA - Cash Flow Table

| Cash Flows from operating activities                                   | 2007<br>€        | 2006<br>€       |
|--|------------------|-----------------|
| <b>Surplus/(deficit) from operating activities</b>                     | <b>5,593,008</b> | <b>556,423</b>  |
| <u>Adjustments</u>   |                  |                 |
| Amortization (intangible fixed assets) +                               | 27,915           | 11,967          |
| Depreciation (tangible fixed assets) +                                 | 137,253          | 39,756          |
| Increase/(decrease) in Provisions for risks and liabilities            | 821              | -8,338          |
| 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                        | 70,000           | -70,000         |
| (Increase)/decrease in Long term Receivables                           | -                | -               |
| (Increase)/decrease in Short term Receivables                          | 35,478           | -92,548         |
| (Increase)/decrease in Receivables related to consolidated EC entities | -128,855         | -               |
| Increase/(decrease) in Other Long term liabilities                     | -                | -               |
| Increase/(decrease) in Accounts payable                                | 491,326          | -115,027        |
| Increase/(decrease) in Liabilities related to consolidated EC entities | -182,916         | -495,798        |
| (Gains)/losses on sale of Property, plant and equipment                | 2,781            | -               |
| Extraordinary items  | -                | -               |
| <b>Net cash Flow from operating activities</b>                         | <b>6,046,811</b> | <b>-173,565</b> |

| Cash Flows from investing activities                   |                 |                 |
|--|-----------------|-----------------|
| Purchase of tangible and intangible fixed assets (-)   | -138,959        | -370,763        |
| Proceeds from tangible and intangible fixed assets (+) | -               | -               |
| Purchase of investments                                | -               | -               |
| Proceeds of investments                                | -               | -               |
| Granting of loans                                      | -               | -               |
| Repayments of loans                                    | -               | -               |
| Financial revenues                                     | -               | -               |
| Extraordinary items                                    | -               | -               |
| <b>Net cash flow from investing activities</b>         | <b>-138,959</b> | <b>-370,763</b> |

| Financing activities                            |          |          |
|---|----------|----------|
| Repayments of borrowings                        | -        | -        |
| Proceeds of borrowings                          | -        | -        |
| Increase/(decrease) other financial liabilities | -        | -        |
| Distributions paid to Member States (-)         | -        | -        |
| Financial expenses                              | -        | -        |
| Extraordinary items                             | -        | -        |
| <b>Net Cash Flow from financing activities</b>  | <b>-</b> | <b>-</b> |

|   |                  |                  |
|---|------------------|------------------|
| Net increase/(decrease) in cash and cash equivalents            | 5,907,852        | -544,328         |
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>2,287,953</b> | <b>2,832,281</b> |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>8,195,805</b> | <b>2,287,953</b> |



## **6. Annexes to the Financial Statements**

### **I. General Information**

The European Monitoring Centre on Racism and Xenophobia (EUMC) was 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.

On 15 February 2007 the Council adopted Regulation 168/2007 which extended the EUMC's mandate and transformed it into the European Union Agency for Fundamental Rights (FRA) which became operational on 1 March 2007. The comparative amounts shown relate to the final accounts of the EUMC for 2006.

The FRA is based in Vienna and its primary objective is to provide the relevant institutions, bodies, offices and agencies of the Community and its Member States when implementing Community law with assistance and expertise relating to fundamental rights in order to support them when they take measures or formulate courses of action within their respective spheres of competence to fully respect fundamental rights.

### **II. Legal Basis**

The accounts are kept in accordance with the provisions of Title VII of the Financial Regulation of the FRA as adopted by its Management Board on 23 October 2007. 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, as amended by Council Regulation (EC, Euratom) N° 1995/2006 of 13 December 2006.

### **III. Accounting Rules and Principles**

The FRA's financial statements have been prepared in accordance with the accounting rules adopted by the Commission's Accounting Officer on 28 December 2004, together with all subsequent amendments, 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 FRA, 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.

Assets and liabilities that exist in currencies other than the Euro at 31 December 2007 are converted into Euro on the basis of the exchange rate ruling at that date, except for tangible and intangible assets, which retain their value in Euro at the rate applied when they were purchased.

During the year revenue and expenditure incurred in currencies other than the Euro are converted into Euro on the monthly exchange rates published by the European Commission. Realised gains and losses are taken into account in the economic outturn account of the corresponding year.

**b) Fixed Assets**

Tangible or intangible items acquired whose purchase price or production cost is € 420 or more, with a period of use greater than one year and which are not consumables, are recorded as fixed assets.

In accordance with Accounting Rules 6 and 7 of the Commission, fixed assets are valued at their purchase price or production cost and are subject to depreciation on a straight line basis over their useful economic lives. The annual depreciation rates applied are as follows:

|                        |  |
|------------------------|--|
| Software licences      | 25%  |
| Computer hardware      | 25%  |
| Furniture and vehicles | 10% and 25% (vehicles)                                     |
| Plant and equipment    | 25% and 12.5% (mail and health & safety related equipment) |

During 2006 the useful life of furniture was increased from four years to ten years in order to bring it into line with the Commission's policy. The 2006 depreciation charge for Furniture and Vehicles reflects the net impact of this change in accounting estimate for all years up to and including 2006. Details of the depreciation charge for furniture for 2006 are as follows:

|   |                 |
|---|-----------------|
|   | 2006            |
|   | €               |
| Depreciation charge for the year at the new depreciation rate | 17,363          |
| Adjustment in respect of prior years                          | (74,510)        |
| Actual depreciation charged in 2006                           | <u>(57,147)</u> |

The €57,147 will be charged to the income and expenditure in future years.

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

**Fixed Asset Table – Intangibles**

|   | <b>Computer Software (Intangible)</b> |
|---|---------------------------------------|
| Gross carrying value at 1.1.2007  | 145,558                               |
| Transfer of assets under construction brought forward from 2006 and installed in 2007 | 25,000                                |
| Additions in year   | 53,561                                |
| Disposals   | -1,386                                |
| Gross NBV at 31.12.2007   | 222,733                               |
| Accumulated depreciation at 1.1.2007  | (86,880)                              |
| Charge for 2007   | (27,915)                              |
| Disposals   | 1,386                                 |
| Accumulated depreciation at 31.12.2007  | (113,409)                             |
| Net carrying value at 1.1.2007  | 83,678                                |
| Net carrying value at 31.12.2007  | 83,677                                |
| Assets Under Construction   | -                                     |
| <b>Total net carrying value at 31.12.2007</b>   | <b>109,324</b>                        |

## Fixed Asset Table – Tangibles

|   | Computer<br>Hardware<br>(Tangible) | Plant and<br>Equipment<br>(Tangible) | Furniture<br>and<br>Vehicles<br>(Tangible) | Total<br>€     |
|---|------------------------------------|--------------------------------------|--|----------------|
| Gross carrying value at 1.1.2007                      | 465,814                            | 181,435                              | 174,488                                    | 821,737        |
| Transfer of assets under construction brought forward | -                                  | -                                    | -  | -              |
| Additions   | 51,976                             | 14,066                               | 15,470                                     | 81,512         |
| Disposals   | (71,274)                           | (6,494)                              | (3,286)                                    | (81,054)       |
| Gross NBV at 31.12.2007                               | 446,516                            | 189,007                              | 186,672                                    | 822,195        |
| Accumulated depreciation at 1.1.2007                  | (238,558)                          | (91,159)                             | (104,275)                                  | (433,992)      |
| Charge for 2007                                       | (90,602)                           | (28,783)                             | (17,867)                                   | (137,252)      |
| Disposals   | 70,401                             | 5,660                                | 2,212                                      | 78,273         |
| Accumulated depreciation at 31.12.2007                | (258,759)                          | (114,282)                            | (119,930)                                  | (492,971)      |
| Net carrying value at 1.1.2007                        | 227,256                            | 90,276                               | 70,213                                     | 387,745        |
| Net carrying value at 31.12.2007                      | 188,757                            | 74,725                               | 66,742                                     | 330,224        |
| Assets Under Construction                             | 3,884                              | -                                    | -  | 3,884          |
| <b>Total net carrying value at 31.12.2007</b>         | <b>191,641</b>                     | <b>74,725</b>                        | <b>66,742</b>                              | <b>333,108</b> |

### c) Leases

Leases where the lessor retains a significant proportion of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are charged to the economic outturn account on a straight line basis over the period of the lease.

|  | 2007<br>€      | 2006<br>€     |
|--|----------------|---------------|
| Minimum lease payments charged to the economic outturn account (operating leases – rental of office premises and photocopiers) | <u>173,791</u> | <u>26,177</u> |

Future minimum operating lease payments:

|                                       | 2007<br>€     | 2006<br>€ |
|---------------------------------------|---------------|-----------|
| Amounts due within 1 year             | 90,000        | -         |
| Amounts due in > 1 year and < 5 years | -             | -         |
| Amounts due in > 5 years              | -             | -         |
|                                       | <u>90,000</u> | <u>-</u>  |

The FRA has not entered into any financing leases.

### d) Short Term Pre-financing

|                                      | 2007<br>€ | 2006<br>€     |
|--------------------------------------|-----------|---------------|
| Advance payment on research projects | <u>-</u>  | <u>70,000</u> |

### e) Short Term Receivables

|  | 2007<br>€ | 2006<br>€    |
|--|-----------|--------------|
| Amounts due from consolidated entities - PHARE               | 202,581   | 328,921      |
| Amounts due from consolidated entities – European Commission | <u>-</u>  | <u>7,508</u> |
|  | 202,581   | 336,429      |
| VAT reimbursement due from Austrian Finance Ministry         | 74,824    | 82,082       |

|  |                |                |
|--|----------------|----------------|
| Rent prepaid                                     | -              | -              |
| Rent reimbursement due from Austrian authorities | -              | 32,863         |
| Sundry amounts receivable                        | <u>13,662</u>  | <u>1,509</u>   |
|  | <u>291,067</u> | <u>452,883</u> |

#### f) Cash and Cash Equivalents

|                                   | 2007             | 2006             |
|-----------------------------------|------------------|------------------|
|                                   | €                | €                |
| Bank current and deposit accounts | <u>8,195,805</u> | <u>2,287,953</u> |

#### g) Provisions for Risks and Liabilities

|  | 2007          | 2006           |
|--|---------------|----------------|
|  | €             | €              |
| Provision for cost of staff holidays carried over  | <u>48,373</u> | <u>47,552</u>  |
| (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 FRA). |               |                |
| (Decrease)/increase in provisions in year  | <u>821</u>    | <u>(8,338)</u> |
| Amount used in year  | -             | -              |
| Unused amount reversed in year   | <u>47,552</u> | <u>55,890</u>  |
|  | <u>47,552</u> | <u>55,890</u>  |

#### h) Accounts Payable

|   | 2007             | 2006             |
|---|------------------|------------------|
|   | €                | €                |
| Pre-financing from consolidated entities – Outturn 2006     | 328,909          | 621,928          |
| Pre-financing from consolidated entities – PHARE            | 325,588          | 573,908          |
| Payables due to consolidated entities – Interest received   | 106,073          | 44,778           |
| Payables due to consolidated entities – European Commission | 16,748           | 443              |
| Payables due to consolidated entities – ENISA               | -                | 148              |
| Payables due to consolidated entities – Translation Centre  | 30,718           | 62,689           |
| Payables due to consolidated entities – OPOCE               | -                | 5,533            |
| Total payable to Consolidated Entities                      | <u>808,036</u>   | <u>1,309,427</u> |
| Payables due to non consolidated entities                   | 752,062          | 225,410          |
| Sundry payables   | <u>27,953</u>    | -                |
|   | <u>1,588,052</u> | <u>1,534,837</u> |

#### i) Contingent Liabilities and Assets

|  | 2007             | 2006             |
|--|------------------|------------------|
|  | €                | €                |
| <b>Contingent Liabilities</b>  |                  |                  |
| 1. Amounts contracted for at the year end for goods and services to be delivered in future | <u>6,636,340</u> | <u>1,093,750</u> |
| Increase in contingent liabilities   | <u>5,542,590</u> | <u>112,201</u>   |

#### 3. Bank guarantees provided to suppliers

As part of the rental agreement relating to the new premises mentioned above, on 21<sup>st</sup> December 2007 Raiffeisen Zentralbank Oesterreich AG provided a bank guarantee to the landlord for an amount of €1,000,000. The guarantee is valid for one year but may be automatically extended by the bank each year.

There were no guarantees provided to suppliers at the end of 2006.

#### 2. Rental contract for new premises

On 21<sup>st</sup> December 2007 the FRA signed a rental contract for new office premises and the handover of the premises to the FRA is scheduled for 30 June 2008. The handover is subject to the Austrian authorities agreeing to contribute to the rental costs of the new premises and the satisfactory completion of the necessary building work that is required to be undertaken.

Should the handover be completed successfully on 30 June 2008 as foreseen, the minimum lease period would be ten years. The future minimum lease payments under this non cancellable operating lease would be:

|   | 2007             | 2006 |
|---|------------------|------|
|   | €                | €    |
| Amounts due within 1 year (rental of office premises) | 366,000          | -    |
| Amounts due in > 1 year and < 5 years                 | 2,928,000        | -    |
| Amounts due in > 5 years                              | <u>4,026,000</u> | -    |
|   | <u>7,320,000</u> | -    |

|   | 2007          | 2006          |
|---|---------------|---------------|
|   | €             | €             |
| <b>Contingent Assets</b>                |               |               |
| Guarantees received on supply contracts | <u>28,800</u> | <u>28,800</u> |

#### j) 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 FRA's main sources of revenue were:

|   | 2007              | 2006             |
|---|-------------------|------------------|
|   | €                 | €                |
| European Community subsidy                  | 14,074,163        | 8,506,992        |
| Contributions from the Austrian authorities | -                 | 88,448           |
| Recovery of payments made to suppliers      | <u>207,174</u>    | <u>13,838</u>    |
|   | <u>14,281,337</u> | <u>8,609,278</u> |

#### k) Expenditure

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

The FRA's main expenditure was:

|                            | 2007             | 2006             |
|----------------------------|------------------|------------------|
|                            | €                | €                |
| Staff related expenditure  | 3,532,169        | 3,050,988        |
| Depreciation               | 167,949          | 51,723           |
| Administrative expenditure | 1,538,069        | 1,402,663        |
| Operational expenditure    | <u>3,450,141</u> | <u>3,555,818</u> |
|                            | <u>8,688,328</u> | <u>8,061,192</u> |

At 31 December 2005 the FRA's balance sheet included liabilities totalling €191,526 which, during the course of 2006, were confirmed as not being due. These amounts were written back to the income and expenditure account in 2006 as follows:

|                           | 2006           |
|---------------------------|----------------|
|                           | €              |
| Staff related expenditure | 150,776        |
| Operational expenditure   | <u>40,750</u>  |
|                           | <u>191,526</u> |

There is no impact from this transaction on future years.

#### l) Pension Obligations

The FRA's staff are members of the European Communities Pension Scheme which is a defined benefit pension plan.

A defined benefit plan is a pension plan that generally defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age and years of service. FRA staff contribute 10.25% of their basic salaries to the pension scheme and an additional 20.5% contribution is made by the European Commission. The cost to the European Commission is not reflected in the FRA's accounts.

Future benefits payable to FRA staff under the European Communities Pension Scheme are accounted for in the accounts of the European Commission. No provisions for such pensions are made in these accounts.

## V. Reconciliation between budgetary outturn and economic outturn

The FRA'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 FRA 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 is made up as follows:

|   | 2007             | 2006           |
|---|------------------|----------------|
|   | €                | €              |
| <b>Accumulated Budget Outturn</b>                               | 328,908          | 621,928        |
| Amount due to the Commission                                    | (328,908)        | (621,928)      |
| <b>Impact on Fixed Assets</b>                                   |                  |                |
| Fixed asset purchases   | 138,957          | 370,763        |
| Depreciation charge / losses on disposal                        | (167,949)        | (51,723)       |
| <b>Impact on Accrued Expenses in Year</b>                       |                  |                |
| Accrued expenses in the year                                    | (827,481)        | (293,631)      |
| Adjustment for prior year's carry-overs – neutralisation of C8s | 7,523,998        | 1,275,241      |
| <b>Reversal of Previous Year's Accrued Expenses</b>             |                  |                |
| Reversal of accrued expenses in prior year                      | 293,631          | 337,118        |
| Reversal of prior year's carry-overs – neutralisation of C8s    | (1,275,241)      | (1,318,667)    |
| <b>Neutralisation of Budgetary Loss</b>                         | -                | -              |
| <b>Impact of Supplier Pre-financing</b>                         |                  |                |
| Supplier pre-financing in year                                  | -                | 70,000         |
| Reversal supplier pre-financing in prior year                   | (70,000)         | -              |
| <b>Other Impacts</b>  |                  |                |
| Staff holiday carried over – current year's provision           | (48,373)         | (47,552)       |
| Reversal staff holiday carried over – prior year's provision    | 47,552           | 55,890         |
| Reversal accrued income in prior year                           | (32,863)         | (65,405)       |
| Accrued income in year  | 10,777           | 32,863         |
| <b>Balance per Economic Outturn Account</b>                     | <u>5,593,008</u> | <u>556,423</u> |

**Section B:**

**Reports on the Implementation of the Budget of the FRA for the Financial Year ended  
31 December 2007**

## 7. Budget Outturn

|   |     | 2007                  | 2006                 |
|---|-----|-----------------------|----------------------|
| <b>REVENUE</b>  |     |                       |                      |
| Commission subsidy (for the operating budget Titles 1,2 and 3 PHARE RAXEN_CT funds from Commission                  | +   | 14,000,000.00         | 8,800,000.00         |
| Other contributions and funding received via the Commission   | +   | 281,092.50            | 483,907.50           |
| Other donors  |     |                       |                      |
| Fee income  |     |                       |                      |
| Other revenue   | +   | 240,036.40            | 132,219.47           |
| <b>TOTAL REVENUE (a)</b>  |     | <b>14,521,128.90</b>  | <b>9,416,126.97</b>  |
| <b>EXPENDITURE</b>  |     |                       |                      |
| <i>Title I: Staff (including PHARE)</i>   |     |                       |                      |
| Payments  | -   | -4,043,289.75         | -3,748,954.15        |
| Appropriations carried over   | -   | -127,454.59           | -170,489.39          |
| <i>Title II: Administrative Expenses (including PHARE)</i>  |     |                       |                      |
| Payments  | -   | -752,476.72           | -641,073.53          |
| Appropriations carried over   | -   | -1,594,812.99         | -288,500.02          |
| <i>Title III: Operating Expenditure (including PHARE)</i>   |     |                       |                      |
| Payments  | -   | -2,059,113.15         | -3,024,512.41        |
| Appropriations carried over   | -   | -5,935,514.56         | -1,061,238.55        |
| <b>TOTAL EXPENDITURE (b)</b>  |     | <b>-14,512,661.76</b> | <b>-8,934,768.05</b> |
| <b>OUTTURN FOR THE FINANCIAL YEAR (a-b)</b>   |     | <b>8,467.14</b>       | <b>481,358.92</b>    |
| Cancellation of unused payment appropriations carried over from previous year                                       | +   | 83,508.03             | 47,961.34            |
| Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue | +   | 244,986.50            | 90,000.00            |
| Exchange differences for the year (gain +/-loss -) *  |     | -8,052.89             | 2,608.29             |
| <b>BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR</b>  |     | <b>328,908.78</b>     | <b>621,928.55</b>    |
| Balance year N-1  | +/- | +621,928.55           | +1,170,985.56        |
| Positive balance from year N-1 reimbursed in year N to the Commission   | -   | -621,928.55           | -1,170,985.56        |
| <b>Result used for determining amounts in general accounting</b>  |     | <b>328,908.78</b>     | <b>621,928.55</b>    |
| <b>Commission subsidy - agency registers accrued revenue and Commission accrued expense</b>                         |     | <b>13,703,979.56</b>  |                      |
| <b>Pre-financing remaining open to be reimbursed by agency to Commission in year N+1</b>                            |     | <b>328,908.78</b>     |                      |

Not included in the budget outturn:

|  |   |            |           |
|--|---|------------|-----------|
| Interest received by 31/12/N on the Commission subsidy funds and to be reimbursed to the Commission ** | + | 106,073.67 | 44,778.13 |
|--|---|------------|-----------|



# 8. Summary Budget Execution Table (CoA Format)

| REVENUE   |  |                  | EXPENDITURE                       |                             |           |       |              |   |         |           |       |                    |           |
|---|--|------------------|-----------------------------------|-----------------------------|-----------|-------|--------------|---|---------|-----------|-------|--------------------|-----------|
| Source of revenue   | Revenue entered in the final budget for the financial year | Revenue received | Allocation of expenditure         | Final budget appropriations |           |       |              | Appropriations carried over from previous financial year(s) |         |           |       |                    |           |
|   |  |                  |                                   | entered                     | committed | paid  | carried over | cancelled   | entered | committed | paid  | to be carried over | cancelled |
| Own revenue   | 0  | 0                | Title I<br>Staff                  | 4,085                       | 4,012     | 3,903 | 109          | 73  | 50      | 50        | 37    | 0                  | 13        |
| Community subsidies   | 14,000   | 14,000           | Title II<br>Administration        | 2,375                       | 2,337     | 750   | 1,587        | 38  | 283     | 283       | 273   | 0                  | 10        |
| Other assigned revenue  | 0  | 240              | Title III<br>Operating activities | 7,540                       | 7,430     | 1,810 | 5,620        | 110   | 942     | 942       | 881   | 0                  | 61        |
| Assigned revenue Phare 2005 (1)   | 0  | 90               | Assigned revenue Phare 2005 (1)   | 0                           | 0         | 0     | 0            | 0   | 90      | 90        | 90    | 0                  | 0         |
| Assigned revenue Phare 2006   | 191  | 191              | Assigned revenue Phare 2006       | 191                         | 168       | 53    | 138          | 0   | 245     | 245       | 245   | 0                  | 0         |
| TOTAL   | 14,191   | 14,521           | TOTAL                             | 14,191                      | 13,947    | 6,516 | 7,454        | 221   | 1,610   | 1,610     | 1,526 | 0                  | 84        |
| (1) The second instalment for pre-financing PHARE B (re Bulgaria and Romania) of 90 000 Euro received in 2007 was already considered in the budget 2006.                        |  |                  |                                   |                             |           |       |              |   |         |           |       |                    |           |
| Source: Data supplied by the Agency. This table summarise the data provided by the Agency in its annual accounts. Revenue collected and payments are estimated on a cash basis. |  |                  |                                   |                             |           |       |              |   |         |           |       |                    |           |

## 9. Budget Execution - Title1, 2 and 3 – C1 Appropriations

| Budget Item          | Budget Item Description  | Appropriations 2007 € | Commitments 2007 €  | %             | Payments 2007 €     | %             |
|----------------------|--|-----------------------|---------------------|---------------|---------------------|---------------|
| A-1100               | Basic salaries   | 2,178,600.00          | 2,139,558.10        | 98.21%        | 2,139,558.10        | 98.21%        |
| A-1101               | Family allowances  | 207,000.00            | 202,144.93          | 97.65%        | 202,144.93          | 97.65%        |
| A-1102               | Expatriation and foreign-residence allowances                          | 276,600.00            | 272,963.49          | 98.69%        | 272,963.49          | 98.69%        |
| A-1103               | Secretarial allowances   | 11,000.00             | 9,976.75            | 90.70%        | 9,976.75            | 90.70%        |
| A-1113               | Trainees   | 81,400.00             | 81,307.73           | 99.89%        | 81,307.73           | 99.89%        |
| A-1115               | Contract Agents  | 96,000.00             | 94,399.72           | 98.33%        | 94,399.72           | 98.33%        |
| A-1120               | Professional training of staff   | 47,603.00             | 46,400.84           | 97.47%        | 25,164.81           | 52.86%        |
| A-1130               | Insurance against sickness   | 74,700.00             | 73,632.06           | 98.57%        | 73,632.06           | 98.57%        |
| A-1131               | Insurance against accidents and occupational disease                   | 15,600.00             | 15,326.62           | 98.25%        | 15,326.62           | 98.25%        |
| A-1132               | Insurance against unemployment   | 28,000.00             | 27,589.02           | 98.53%        | 27,589.02           | 98.53%        |
| A-1140               | Childbirth and death grants  | 597.00                | 594.93              | 99.65%        | 594.93              | 99.65%        |
| A-1141               | Travel expenses for annual leave                                       | 44,700.00             | 44,655.99           | 99.90%        | 44,655.99           | 99.90%        |
| A-1175               | Interim services   | 189,200.00            | 189,111.34          | 99.95%        | 181,315.09          | 95.83%        |
| A-1178               | External services  | 24,600.00             | 24,523.04           | 99.69%        | 24,523.04           | 99.69%        |
| A-1180               | Miscellaneous expenditure on staff recruitment                         | 147,500.00            | 147,499.99          | 100.00%       | 140,313.56          | 95.13%        |
| A-1181               | Travel expenses  | 2,600.00              | 2,600.00            | 100.00%       | 1,582.71            | 60.87%        |
| A-1182               | Installation, resettlement and transfer allowances                     | 8,200.00              | 8,182.79            | 99.79%        | 8,182.79            | 99.79%        |
| A-1183               | Removal expenses   | 43,100.00             | 43,072.66           | 99.94%        | 40,192.66           | 93.25%        |
| A-1184               | Temporary daily subsistence allowances                                 | 7,900.00              | 7,729.68            | 97.84%        | 7,729.68            | 97.84%        |
| A-1190               | Salary weightings  | 155,100.00            | 153,301.49          | 98.84%        | 153,301.49          | 98.84%        |
| A-1300               | Mission expenses, duty travel expenses and other ancillary expenditure | 200,000.00            | 200,000.00          | 100.00%       | 151,790.51          | 75.90%        |
| A-1400               | Restaurants and canteens   | 10,300.00             | 9,938.34            | 96.49%        | 9,938.34            | 96.49%        |
| A-1520               | Staff exchanges  | 157,300.00            | 156,669.37          | 99.60%        | 156,669.37          | 99.60%        |
| A-1610               | Social contacts between staff  | 8,000.00              | 7,800.00            | 97.50%        | 7,800.00            | 97.50%        |
| A-1620               | Other welfare expenditure  | 35,900.00             | 28,591.00           | 79.64%        | 7,256.60            | 20.21%        |
| A-1630               | Early childhood centres and crèches                                    | 29,700.00             | 20,753.66           | 69.88%        | 20,753.66           | 69.88%        |
| A-1700               | Entertainment and representation expenses                              | 4,000.00              | 3,983.27            | 99.58%        | 3,983.27            | 99.58%        |
| <b>Total Title I</b> |  | <b>4,085,200.00</b>   | <b>4,012,306.81</b> | <b>98.22%</b> | <b>3,902,646.92</b> | <b>95.53%</b> |
| A-2000               | Rent   | 173,800.00            | 173,791.06          | 99.99%        | 173,791.06          | 99.99%        |
| A-2010               | Insurance  | 3,300.00              | 3,208.77            | 97.24%        | 3,208.77            | 97.24%        |
| A-2020               | Water, gas, electricity and heating                                    | 47,800.00             | 47,759.82           | 99.92%        | 47,759.82           | 99.92%        |
| A-2030               | Cleaning and maintenance   | 29,200.00             | 29,119.50           | 99.72%        | 29,119.50           | 99.72%        |
| A-2040               | Fitting-out of premises  | 433,300.00            | 433,246.00          | 99.99%        | 6,770.00            | 1.56%         |
| A-2050               | Security and surveillance of buildings                                 | 170,800.00            | 170,748.35          | 99.97%        | 97,598.35           | 57.14%        |
| A-2090               | Other expenditure on buildings   | 142,000.00            | 142,000.00          | 100.00%       | 0.00                | 0.00%         |
| A-2100               | Hardware/Software  | 409,500.00            | 374,042.59          | 91.34%        | 65,279.82           | 15.94%        |

|                        |  |                      |                      |               |                     |               |
|------------------------|--|----------------------|----------------------|---------------|---------------------|---------------|
| A-2101                 | Software Development   | 381,000.00           | 380,581.11           | 99.89%        | 119,104.66          | 31.26%        |
| A-2102                 | IT services  | 201,700.00           | 201,387.00           | 99.84%        | 0.00                | 0.00%         |
| A-2203                 | Maintenance, use and repair of technical equipment and installations | 400.00               | 389.58               | 97.40%        | 389.58              | 97.40%        |
| A-2230                 | Hire of vehicles   | 2,000.00             | 1,731.50             | 86.58%        | 1,731.50            | 86.58%        |
| A-2300                 | Stationery and office supplies                                       | 26,000.00            | 25,979.44            | 99.92%        | 25,979.44           | 99.92%        |
| A-2320                 | Bank charges   | 26,500.00            | 26,222.20            | 98.95%        | 24,222.20           | 91.40%        |
| A-2330                 | Legal expenses   | 19,000.00            | 18,500.00            | 97.37%        | 5,000.00            | 26.32%        |
| A-2355                 | Publications and reproduction of documents                           | 3,000.00             | 2,922.64             | 97.42%        | 2,922.64            | 97.42%        |
| A-2400                 | Postage and delivery charges   | 37,000.00            | 36,996.00            | 99.99%        | 36,101.09           | 97.57%        |
| A-2410                 | Telecommunications charges   | 34,200.00            | 34,130.00            | 99.80%        | 32,624.69           | 95.39%        |
| A-2601                 | Studies, surveys, consultations                                      | 234,100.00           | 234,087.48           | 99.99%        | 78,630.00           | 33.59%        |
|                        |  | <b>2,374,600.00</b>  | <b>2,336,843.04</b>  | <b>98.41%</b> | <b>750,233.12</b>   | <b>31.59%</b> |
| B0-3100                | Data Collection and networks   | 2,623,500.00         | 2,600,547.25         | 99.13%        | 1,134,297.05        | 43.24%        |
| B0-3105                | Meetings and conferences   | 69,300.00            | 69,272.04            | 99.96%        | 57,722.04           | 83.29%        |
| B0-3200                | Research studies and surveys   | 3,047,000.00         | 3,046,297.00         | 99.98%        | 0.00                | 0.00%         |
| B0-3310                | Documentation  | 17,000.00            | 16,999.49            | 100.00%       | 1,318.14            | 7.75%         |
| B0-3340                | Cooperation Activities   | 449,200.00           | 437,423.17           | 97.38%        | 138,756.65          | 30.89%        |
| B0-3344                | Policy Development   | 105,800.00           | 61,848.59            | 58.46%        | 6,044.59            | 5.71%         |
| B0-3350                | Publications   | 324,400.00           | 320,567.40           | 98.82%        | 120,076.89          | 37.02%        |
| B0-3354                | Public Information, media and Communication                          | 88,300.00            | 65,941.04            | 74.68%        | 41,384.61           | 46.87%        |
| B0-3400                | Management Board and Administrative Structures                       | 191,400.00           | 187,876.62           | 98.16%        | 81,097.37           | 42.37%        |
| B0-3410                | Translation and interpretation                                       | 624,300.00           | 623,486.94           | 99.87%        | 229,006.89          | 36.68%        |
| <b>Total Title III</b> |  | <b>7,540,200.00</b>  | <b>7,430,259.54</b>  | <b>98.54%</b> | <b>1,809,704.23</b> | <b>24.00%</b> |
| <b>Total C1</b>        |  | <b>14,000,000.00</b> | <b>13,779,409.39</b> | <b>98.42%</b> | <b>6,462,584.27</b> | <b>46.16%</b> |

# 10. Budget Execution – Title 1, 2 and 3 - C8 Appropriations

| Budget Item            | Budget Item Description  | Appropriations 2007 € | Payments 2007 €     | %             |
|------------------------|--|-----------------------|---------------------|---------------|
| A-1120                 | Professional training of staff   | 8,217.46              | 5,282.02            | 64.28%        |
| A-1175                 | Interim services   | 23,101.64             | 21,621.40           | 93.59%        |
| A-1178                 | External services  | 2,416.67              | 0.00                | 0.00%         |
| A-1180                 | Miscellaneous expenditure on staff recruitment                         | 2,856.79              | 2,856.79            | 100.00%       |
| A-1300                 | Mission expenses, duty travel expenses and other ancillary expenditure | 6,938.35              | 6,938.35            | 100.00%       |
| A-1400                 | Restaurants and canteens   | 386.50                | 386.50              | 100.00%       |
| A-1620                 | Other welfare expenditure  | 5,888.96              | 0.00                | 0.00%         |
| A-1700                 | Entertainment and representation expenses                              | 45.49                 | 0.00                | 0.00%         |
| <b>Total Title I</b>   |  | <b>49,851.86</b>      | <b>37,085.06</b>    | <b>74.39%</b> |
| A-2030                 | Cleaning and maintenance   | 3,901.50              | 3,901.50            | 100.00%       |
| A-2040                 | Fitting-out of premises  | 83,760.00             | 77,260.00           | 92.24%        |
| A-2050                 | Security and surveillance of buildings                                 | 2,973.43              | 2,476.14            | 83.28%        |
| A-2100                 | Hardware/Software  | 91,000.27             | 91,000.27           | 100.00%       |
| A-2101                 | Software Development   | 23,645.72             | 22,588.56           | 95.53%        |
| A-2200                 | Technical equipment and installations                                  | 16,953.66             | 16,953.66           | 100.00%       |
| A-2210                 | Furniture  | 39,184.31             | 38,969.59           | 99.45%        |
| A-2230                 | Hire of vehicles   | 480.00                | 410.41              | 85.50%        |
| A-2300                 | Stationery and office supplies   | 5,731.83              | 5,731.83            | 100.00%       |
| A-2400                 | Postal and delivery charges  | 2,500.00              | 2,500.00            | 100.00%       |
| A-2410                 | Other financial charges  | 4,487.00              | 4,487.00            | 100.00%       |
| A-2601                 | Studies, surveys, consultations  | 8,280.00              | 7,200.00            | 86.96%        |
| <b>Total Title II</b>  |  | <b>282,897.72</b>     | <b>273,478.96</b>   | <b>96.67%</b> |
| B0-3101                | Collection and comparability of data                                   | 715.65                | 0.00                | 0.00%         |
| B0-3102                | RAXEN national focal points  | 167,000.00            | 167,000.00          | 100.00%       |
| B0-3104                | Studies  | 211,200.00            | 211,200.00          | 100.00%       |
| B0-3110                | Technicalities of RAXEN  | 38,126.58             | 38,126.58           | 100.00%       |
| B0-3313                | Books and subscriptions  | 1,981.79              | 1,759.12            | 88.76%        |
| B0-3330                | Annual report  | 3,822.00              | 0.00                | 0.00%         |
| B0-3341                | European round tables  | 2,000.00              | 1,265.30            | 63.27%        |
| B0-3351                | Publications   | 227,168.33            | 171,357.51          | 75.43%        |
| B0-3352                | Equal Voices : material for the media                                  | 24,310.00             | 24,310.00           | 100.00%       |
| B0-3360                | Technicalities for communication                                       | 2,794.23              | 2,777.60            | 99.40%        |
| B0-3401                | Management Board meetings  | 8,600.77              | 8,600.77            | 100.00%       |
| B0-3402                | Executive Board meetings   | 3,500.00              | 3,500.00            | 100.00%       |
| B0-3411                | Translations   | 250,272.53            | 250,272.53          | 100.00%       |
| B0-3412                | Interpretations  | 1,000.00              | 1,000.00            | 100.00%       |
| <b>Total Title III</b> |  | <b>942,491.88</b>     | <b>881,169.41</b>   | <b>93.49%</b> |
| <b>Total C8</b>        |  | <b>1,275,241.46</b>   | <b>1,191,733.43</b> | <b>93.45%</b> |